

# Feather River West Levee Financing Authority

Board of Directors Regular Meeting Agenda – May 10, 2023 2:00 p.m.  
City of Yuba City Council Chambers – 1201 Civic Center Blvd., Yuba City  
(or upon conclusion of the Sutter Butte Flood Control Board Meeting)

The agenda is posted in the building of the Sutter Butte Flood Control Agency at 1445 Butte House Road. Suite B, Yuba City. The agenda summary, backup materials, and approved minutes are also posted on the Feather River West Levee Financing Authority website at [FRWLFA.org](http://FRWLFA.org). Materials related to an item on this agenda and submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the office of the Board Clerk at 1445 Butte House Road, Suite B, Yuba City, during normal business hours. In compliance with the American with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need, disability related modifications or accommodations to participate in this meeting, please contact the SBFCA office at 530-755-9859 or [admin@sutterbutteflood.org](mailto:admin@sutterbutteflood.org). Requests must be made one full business day before the start of the meeting.

## Levee District 1

Charlie Hoppin  
Alt: Al Montna

## Levee District 9

Mike Morris  
Alt: Chris Schmidl

## Sutter County

Mike Ziegenmeyer  
Alt: Mat Conant

Persons wishing to address the Board during consideration of matters listed on the agenda will be allowed to do so. Testimony should always begin with the speaker giving his or her name and place of residence. Requests for assistive listening devices or other accommodations, such as interpretive services, should be made through the Sutter Butte Flood Control Agency office at 530-755-9859. Requests should be made at least 72 hours prior to the meeting. Later requests will be accommodated to the extent feasible.

## AGENDA SUMMARY

### **SPECIAL MEETING/CALL TO ORDER**

- Roll Call
- Pledge of Allegiance

### **PUBLIC COMMENT**

Members of the public will be allowed to address the Feather River West Levee Financing Authority Board of Directors on items of interest to the public that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring a matter before the Board that has not been placed on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda.

### **CONSENT CALENDAR**

The Consent Calendar groups together those items which are considered noncontroversial or for which prior policy direction has been given to staff and that require only routine action by the Board. The Chair will advise the audience that the matters may be adopted in total by one motion; however, the Board may, at its option or upon request of a member of the public, consider any matter separately.

1. Approval of the minutes for the December 14, 2022 Board Meeting

## **PRESENTATION, DISCUSSION & ACTION ITEMS**

2. FRWLFA – LD 1 – LD 9 Agreement for Assessment Apportionment
3. LD1 – MA3 Annexation Status Update
4. SBFCA Services Update

## **ADJOURNMENT**

The next regularly scheduled Board of Directors meeting is scheduled for June 14, 2023 at 2 p.m.

# Feather River West Levee Financing Authority

Board of Directors Special Meeting Minutes, December 14, 2022, 2:00 p.m.

## MODIFIED BROWN ACT REQUIREMENTS IN LIGHT OF COVID-19

The Feather River West Levee Financing Authority (Authority) Board of Directors (Board), State of California, met on the above date at 2:00 p.m. in Compliance with CA Executive Orders AB361. Members of the Board of Directors and members of the public participated in this meeting in person and by teleconference.

These minutes do not represent a transcript of the meeting and are intended to be a summary of the most important points. For a complete record, please refer to the video recording of the meeting, which is posted on FRWLFA's website: <http://frwlfa.org/governance/meetings>

### MEMBERS PRESENT

Levee District 1:	Charlie Hoppin
Levee District 9:	Mike Morris
County of Sutter:	Mike Ziegenmeyer

**STAFF PRESENT:** Michael Bessette, SBFCA Executive Director; Chris Fritz, SBFCA Director of Engineering; Andrea Clark, SBFCA Counsel; Seth Wurzel, SBFCA Budget Manager, Drew Stresser, Levee Districts 1 & 9 General Manager; and Terra Yaney, Board Clerk

### MEETING/CALL TO ORDER

At 2:00 p.m., Director Charlie Hoppin opened the meeting and led the group in the pledge of allegiance.

### PUBLIC COMMENT

**No Public Comment**

### CONSENT CALENDAR

1. Approval of the minutes for the September 14, 2022 Board Meeting
2. Approval of the 2023 schedule for regular FRWLFA Board meetings

A motion to approve the Consent Calendar was made by Director Mike Ziegenmeyer and seconded by Director Mike Morris. The motion passed with no objection. The motion was approved as follows:

- Charlie Hoppin - yes
- Mike Morris - yes
- Mike Ziegenmeyer - yes

### PRESENTATION, DISCUSSION & ACTION ITEMS

3. Approval of Proposal from Willdan Financial Services for Assessment District Administration Services

It was recommended that the Board of Directors approve the proposal from Willdan Financial Services (Willdan) to provide annual assessment district administration for the Feather River West Levee Financing Authority Operations and Maintenance Assessment District (FRWLFA O&M AD) and direct the Executive Director to

coordinate with SBFCA for the execution of an agreement with Willdan pursuant to the services agreement with SBFCA.

**A motion to approve the Proposal from Willdan Financial Services for Assessment District Administration Services was made by Director Mike Morris and seconded by Director Mike Ziegenmeyer. The motion passed with no objection. The motion was approved as follows:**

- **Charlie Hoppin - yes**
- **Mike Morris - yes**
- **Mike Ziegenmeyer - yes**

**4. Status update on LD1 – MA3 Annexation**

Budget Manager Seth Wurzel provided an information status briefing regarding LD1’s efforts to advance the following two processes; 1) Assumption of O&M responsibility for the State Maintained MA 3 levee, and 2) the annexation of the MA3 service into LD1’s service area through a Local Agency Formation Commission annexation proceeding.

**5. SBFCA Services Update**

Budget Manager Seth Wurzel presented Items for consideration at future FRWLFA Board Meetings. The items discussed included: process for transferring FRWLFA Assessment to LD1 & LD9 and to discuss the process for establishing a FRWLFA fund/ Treasury.

**PUBLIC COMMENT**

**No public comment**

The entire recording, along with a PowerPoint presentation is available on the FRWLFA website at: <http://frwlfa.org/governance/meetings>

**ADJOURNMENT**

With no further business coming before the Board, the meeting was adjourned at 2:15 p.m.

**ATTEST BY:** \_\_\_\_\_

**Terra Yaney, Board Clerk**

\_\_\_\_\_

**Charlie Hoppin, Board Chair**

# Feather River West Levee Financing Authority

May 10, 2023

**TO:** Board of Directors

**FROM:** Andrew Stresser – FRWLFA Executive Director  
Seth Wurzel – SBFCA Budget Manager

**SUBJECT:** FRWLFA – LD 1 – LD 9 Agreement for Assessment Apportionment

---

## **Summary Recommendation**

Discuss and approve a final form of agreement and/or provide direction on next steps for finalizing an arrangement to apportion revenues from the FRWLFA Assessment to LD 1 and LD 9.

## **Discussion**

With formation of the FRWLFA Assessment District, a process is needed to apportion the revenues collected by FRWLFA from the Assessment District to the Levee District's - to perform maintenance, and to FRWLFA - to fund administration of the assessment district and the agency. The attached materials include the following:

- A technical memorandum prepared by Larsen Wurzel & Associates that;
  - 1) Analyzes the budget included within the Final Engineer's Report for the Assessment District;
  - 2) Determines, based on that information, the percentage of revenues collected that should be allocated to FRWLFA for administration of Agency (including repayment to SBFCA for formation services), LD 1 for levee O&M of LD 1 and MA 3 levees, and, LD 9 for O&M of LD 9 levees; and,
  - 3) Layouts a process and schedule for distributing the funding throughout the year.
- An form of agreement for execution between FRWLFA, LD 1 and LD 9 to formalize the arrangement for apportioning revenues based on the technical memorandum.

The approach outlined in LWA's Technical Memorandum is to first apportion revenues three times per year based on the following approach; FRWLFA administration costs would be paid first from the first apportion of property tax revenues from the County in January (from the December Tax Installment) and the rest of the funding would be apportioned between LD 1 and LD 9 in proportion to the percentages identified in the memorandum over the three apportionments of secured property taxes by Sutter County throughout the year.

## **Conclusion**

Staff recommends that the Board approve the form of agreement subject to any minor modifications needed after review of the agreement by the Levee Districts subject to review and approval of the changes by Agency Counsel. However, if the Board desires any modification, provide direction to staff on how to modify the approach or advance the agreement with Levee Districts.

**AGREEMENT BETWEEN FEATHER RIVER WEST LEVEE FINANCING  
AUTHORITY, LEVEE DISTRICT 1 AND LEVEE DISTRICT 9 REGARDING  
DISTRIBUTION OF ASSESSMENT REVENUES**

This Agreement is entered into effective as of May 10, 2023 (the “Effective Date”), by and between the Feather River West Levee Financing Authority (FRWLFA), Levee District 1 (LD 1) and Levee District 9 (LD 9), each a “Party” and together the “Parties.”

**RECITALS**

- A. FRWLFA is a joint powers agency formed in 2020 to provide funding for levee operations and maintenance of the locally maintained portions of Feather River West Levee in in Sutter Yuba County.
- B. LD 1 is a local maintaining agency responsible for operation and maintenance of certain levees within Sutter County and is also a member agency of FRWLFA.
- C. LD 9 is a local maintaining agency responsible for operation and maintenance of certain levees within Sutter County and is also a member agency of FRWLFA.
- D. As a result of property owner approval in June of 2022, FRWLFA formed the FRWLFA Operations and Maintenance Assessment District to generate funds to pay for operation and maintenance of LD 1 and LD 9 maintained levees; the levees of Maintenance Area 3 (MA 3), once that maintenance area is annexed into LD1; and repayment to the Sutter Butte Flood Control Agency for services provided to form FRWLFA and implement the assessment district as well as administration of FRWLFA and the O&M Assessment.
- F. The Parties enter into this Agreement in order to memorialize their agreement for the transfer of assessment funds from FRWLFA to LD 1 and LD 9.

**AGREEMENT**

In consideration of the mutual promises, covenants, and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1. Term. This Agreement shall commence on the Effective Date and continue so long as FRWLFA is collecting the assessment approved in 2022.
- 2. FRWLFA Obligations
  - a. FRWLFA shall transfer to LD 1 and LD 9, on an annual basis, the percentages of the FRWLFA Assessment as set forth in the May 10, 2023 memorandum prepared by Larsen Wurzel & Associates, Inc. (attached hereto as Exhibit 1).

b. FRWLFA shall direct Sutter County to distribute such percentages to LD 1 and LD 9, via check or journal entry into the appropriate fund, in accordance with the transfer of funds schedule set forth in Exhibit 1.

c. Exhibit 1 may be modified from time to time as agreed upon in writing by the Parties.

3. LD 1 Obligations. LD 1 shall utilize the assessment amounts transferred from FRWLFA solely for the LD 1 operations and services described in the FRWLFA Operations and Maintenance Assessment District Final Engineer's Report dated April 20, 2022 prepared by Willdan Financial Services.

4. LD 9 Obligations. LD 9 shall utilize the assessment amounts transferred from FRWLFA solely for the LD 9 operations and services described in the FRWLFA Operations and Maintenance Assessment District Final Engineer's Report dated April 20, 2022 prepared by Willdan Financial Services.

5. Entire Agreement. This Agreement supersedes any and all agreements, either oral or written, between the Parties with respect to the grant funds. No other agreement, statement, or promise not contained in this Agreement shall be valid and binding. Any modification of this Agreement will be effective only if in writing and signed by the Party to be bound.

6. Severability. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force without being impaired or invalidated in any way, and the Parties hereby agree that the portion so held invalid, unenforceable, or void shall, if possible, be deemed amended or reduced in scope, or otherwise be stricken from this Agreement to the extent required for the purposes of validity and enforcement thereof.

7. Section Headings for Convenience Only. The section headings herein are for the purpose of convenience only and are not intended to define or limit the contents of any section.

8. Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other Party shall not be deemed a waiver of that term, covenant, or condition nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

9. Assignment. This Agreement cannot be assigned by either Party without the prior written consent of the other Party.

10. Governing Law. This Agreement shall be governed by the laws of the State of California.

11. Counterpart Originals. This Agreement may be signed in counterpart originals.

**FEATHER RIVER WEST LEVEE FINANCING AUTHORITY**

By: \_\_\_\_\_  
Charlie Hoppin, Board Chair

Date: \_\_\_\_\_

**LEVEE DISTRICT 1**

By: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_

**LEVEE DISTRICT 9**

By: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_



## Memorandum

**To:** Andrew Stresser, Executive Director, Feather River West Levee Financing Authority

**From:** Seth Wurzel, Principal, LWA

**Cc:** Michael Bessette, Executive Director, SBFCA

**Date:** May 10, 2023

**Re:** Feather River West Levee Financing Authority Operations & Maintenance Assessment District Apportionment and Schedule for Transfer of Funds to Levee Districts 1 and 9

---

### Background

Subsequent to property owner approval, in June 2022, the Feather River West Levee Financing Authority (FRWLFA) Board of Directors adopted the FRWLFA Operations and Maintenance Assessment District (FRWLFA Assessment). The purpose of the FRWLFA Assessment is to provide adequate funding to Levee Districts 1 and 9 (LD1 and LD9) to operate and maintain (O&M) the portions of the Feather River West Levee for which the two local maintaining agencies have O&M responsibilities. The FRWLFA Assessment takes into consideration the ongoing annexation and assumption of levee maintenance responsibility of State's Maintenance Area No. 3 portion of the Feather River West Levee by LD1. The budget developed for the FRWLFA Assessment included funding for LD1 (including both LD1's levee as well as the annexed MA3 levee), administration of FRWLFA as well as repayment of funds advanced by SBFCA to support the formation of FRWLFA, its administration of the several year formation process and the associated assessment district.

### Purpose

This memorandum has been prepared by Larsen Wurzel & Associates, Inc. (LWA) to layout and document the approach for apportioning the revenues from the assessment to LD1 and LD9. It defines the percentage of the annual FRWLFA revenues collected by FRWLFA to be transferred to LD 1, LD 9 and SBFCA as well as the portion of the revenues that should remain with FRWLFA to administer the agency.

### Relevant Context

As part of the FRWLFA Assessment District formation process, FRWLFA adopted several resolutions including Resolution 2022-04 on April 12, 2022. FRWLFA Resolution 2022-04 was adopted at the same time as the Resolution of Intention was adopted starting the assessment district formation process. Resolution 2022-04 was a resolution adopting Proposition 218 Procedures that reflected certain assumptions and policies regarding the assessment that were relevant at the outset of the formation process. Several sections of this resolution are specifically relevant to the approach associated with apportioning revenues from the assessment to the LD's. Those sections are restated here with additional context:

#### *SECTION 4. Funding of District Operations and Maintenance*

*FRWLFA assessments shall be apportioned to fund operations and maintenance in accord with approved budgets as documented in the Engineer's Report or as approved by FRWLFA and the boards of LD1 and LD9.*

The intent of this section was to ensure that the apportionment of the revenues from the AD would be consistent with the authorized assessment budget reflected in the Engineer's Report which reflected budgets approved by the LD's.

#### *SECTION 3. Existing Operations and Maintenance Assessments and Property Related Fees.*

- A. LD1 currently imposes two assessments and MA3 currently imposes one assessment for levee operations and maintenance in those respective service areas. Collection of these assessment shall cease upon the levy of the proposed FRWLFA assessment.*
- B. Levee District 9 (LD9) is currently funded by an annual ad valorem tax imposed by Sutter County. This funding shall remain in place to pay for the general benefits of FRWLFA levee operations and maintenance conferred on real property located in the District or to the public at large.*

The important part of this section recognized that LD9's ad valorem taxes would remain with LD9 but be used to fund the shortfall of revenues as a result of the general benefit reduction inherent with an assessment funding mechanism. This needs to be accounted for within the apportionment of revenues.

#### **FRWLFA Budget**

The FRWLFA Assessment is based on the budget and methodology presented in the *FRWLFA Operations and Maintenance Assessment District Final Engineer's Report* dated April 20, 2022 prepared by Willdan Financial Services (Engineer's Report). The total budget presented in the Engineer's Report was \$2,031,294. The supporting budget detail for this amount of budget breaks down among four entities that should be allocated funding; FRWLFA - to support administration and repayment to SBFCA for the 1<sup>st</sup> 15 Years, LD 1 – to support maintenance of LD 1 levees, MA 3 – to support maintenance of the annexed levee into LD 1, and LD 9 – to support maintenance of LD 9 levees. The table below shows the breakdown on the \$2,031,294.

Because of the allocation of cost to general benefits, a portion of the assessment will not be able to be collected. The allocation of costs to general benefits was budgeted at \$99,980. LD 9 has an additional funding source, an allocation of general fund property taxes. Because of this, the reduction is allocated to LD 9. The net budget to be assessed, and share of assessment budget to be levied by entity to be apportioned as further discussed in the memorandum is shown below.

<u>Entity</u>	<u>Total Budget</u>	<u>Estimated Agency Funded</u>	<u>Net Levy</u>	<u>Allocation % (% of LD Work)</u>
FRWLFA	\$85,238		\$85,238	<i>Paid First</i>
LD 1	\$1,226,524	\$0	\$1,226,524	66.5%
MA 3	\$288,433	\$0	\$288,433	15.6%
<i>LD 1 including MA3</i>	<i>\$1,514,957</i>	<i>\$0</i>	<i>\$1,514,957</i>	<i>82.1%</i>
LD 9	\$431,099	(\$99,980)	\$331,119	17.9%
<i>Subtotal LD Work</i>	<i>\$1,946,056</i>	<i>(\$99,980)</i>	<i>\$1,846,076</i>	<i>100.0%</i>
<b>Total</b>	<b>\$3,546,252</b>	<b>(\$99,980)</b>	<b>\$3,446,272</b>	

### Transfer of Funds

The majority of FRWLFA assessments are to be collected through the Sutter County secured property tax roll. A smaller portion is to be collected through direct billing of properties that do not receive a property tax bill. It is recommended that following approach be implemented for the distribution of assessments to FRWLFA, for administrative costs and repayment to SBFCA and the LD's . FRWLFA will direct the County to as follows with respect to the use of the assessment funds:

- Upfront Payment of FRWLFA Administrative Costs:
  - During the first fiscal year of the assessment (FY 2023/24), while SBFCA is providing services, the Total Budget for FRWLFA (\$85,238), indicated in the Table above, will be reserved for FRWLFA from the first apportionment of property taxes by Sutter County in January 2024.
  - After the first fiscal year of the assessment, and each year thereafter, starting in July 2024, FRWLFA will pay all administrative costs, including the repayment to SBFCA from collected funds during the prior fiscal year. The amount of costs incurred by FRWLFA prior to the next January by FRWLFA that have been paid from prior year carryover fund balances, plus the amounts expected to be paid for the remainder of the fiscal year, will become the basis for the amount to be reserved for FRWLFA from the first apportionment of assessments to FRWLFA expected in January each year.
- Distribution of remaining funds to the LD's.
  - All remaining funds after the payment of FRWLFA Administrative Costs will be split between LD 1 and LD 9 according to the 82.1% / 17.9% split indicated in the Table above. Three apportionments of funds will take place three times each year as described further below:

- All remaining funds apportioned to FRWLFA from the County, plus any directly billed assessments, collected through the December installment will be paid within 14 days of receiving 1<sup>st</sup> Secured Tax Roll apportionment from Sutter County (expected in January).
- All remaining funds apportioned to FRWLFA from the County, plus any directly billed assessments, collected through the April installment will be paid within 14 days of receiving 1<sup>st</sup> Secured Tax Roll apportionment from Sutter County (expected in January).
- All remaining funds apportioned to FRWLFA from the County, plus any directly billed assessments, collected through the June final clean up installment will be paid within 14 days of receiving 1<sup>st</sup> Secured Tax Roll apportionment from Sutter County (expected in January).

Notwithstanding, the above instructions, if it determined that there are any FRWLFA administration costs incurred that are in excess of the amount of funds reserved for FRWLFA from the January apportionment, the short fall amount should be deducted from either the April or June apportionments accordingly.

# Feather River West Levee Financing Authority

May 10, 2023

**TO:** Board of Directors

**FROM:** Andrew Stresser – FRWLFA Executive Director

**SUBJECT:** LD1 – MA 3 Annexation Status Update

---

Time has been set aside on the Agenda for Staff to provide an informational status briefing to the FRWLFA Board regarding LD1's efforts to advance the following two processes; 1) Assumption of O&M responsibility for the State Maintained MA 3 levee, and 2) the annexation of the MA3 service into LD1's service area through a Local Agency Formation Commission annexation proceeding.