MARCH 27, 2006 (MONDAY) SPECIAL MEETING
Yuba County Government Center
Board of Supervisors’ Chambers
915 Eighth Street, Suite 109A
Marysville, California
Unless otherwise indicated

2:00 P.M. I  CALL TO ORDER

II  ROLL CALL – Directors Rick Brown, Mary Jane Griego, Dan Logue, Richard Webb

Attend State Reclamation Board Three Rivers Levee Improvement Authority Subcommittee Meeting in order to provide comment and insight.

III  RECESS TO TUESDAY, MARCH 28, 2006

2:00 P.M. IV  ACTION ITEMS

A.  Receive report regarding financial presentation to the State Reclamation Advisory Committee on March 27, 2006 and take action as appropriate.

B.  Approve amendment to contract with EIP Associates for environmental project management services and authorize the Chairman to execute same.

C.  Approved contract amendment with EPS in the amount of $40,000 for financing Phase IV Levee Improvement and authorize Executive Director to execute same.

D.  Approve standard agreement with Colleen Tiner for the purchase and relocation of a mobile home and authorize Executive Director to execute agreement and bill of sale.

E.  Approve minutes of the meetings held March 7, 11, and 15, 2006.

V  BOARD AND STAFF MEMBERS’ REPORTS

VI  PUBLIC COMMUNICATIONS: Any person may speak about any subject of concern provided it is within the jurisdiction of the Levee Improvement Authority and is not already on today’s agenda. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes.

VII  ADJOURN
March 28, 2006

TO: Three Rivers Levee Improvement Authority Board Members
FROM: Randy Margo, Deputy Executive Director
SUBJECT: Financial Presentation to State Reclamation Ad Hoc Board on March 27, 2006

Recommended Action

Receive and file report.

Purpose of Recommended Action

This report is intended to inform TRLIA Board of the presentation provided on March 27, 2006 to the State Reclamation Board’s Ad Hoc Finance Committee, as this presentation was not finalized until March 24, 2006.

Discussion

The attached report provides an overview of the financing program for the completion of Phases 2-4 work submitted to the State Reclamation Board’s Ad Hoc Committee for the purpose of lifting of the building limitation requirement reflected in special condition 15 on Permit No. 17787 between TRLIA and the State Reclamation Board. This condition was imposed back in February 2005 in order to secure State Reclamation Board approval for levee improvement work.

Financial Impact

Funding for the balance of levee improvements currently contemplated for the South Yuba Basin Area requires the lifting of the building limitation requirement.
Overview of Presentation

- Background of Project, Financing Goals & Team
- Project Status
- Overview of Construction Costs and Schedule
- Review of Phases 1 – 3 Financing
- Presentation of Phase 4 Financing Plan
- Phase 4 Implementation
Goals of Financing Plan

- Secure financing needed to complete construction;
- Obligate landowners to provide all necessary financing;
- Secure TRLIA commitment to find 3rd party investment to supplement landowner obligation; and
- Identify remedies available to Reclamation Board if financing is not provided to complete construction.
Financing Team

• TRLIA Representation
  – Treasurer Tax-Collector
  – Assistant County Administrator
  – Financial Advisor, Fieldman, Rolapp & Associates
  – Special Tax Consultant, Economic & Planning Systems
  – Bond Counsel, Quint & Thimmig, LLP
  – Bond Underwriters, Stone & Youngberg and
    Banc of America Securities, LLC

• Landowner Representation
  – David Taussig & Associates
  – McDonough, Holland & Allen, PC
  – North Plumas Owners Group
Phases 1 – 3 Financing Status

• Satisfaction of Special Condition 13
  – Implementation Agreement
  – Advanced Funding Agreement

• EPS Presented a Financing Overview December 19, 2005
Issue before the Board

• Wait until Nov. 2006 (completion of Phases 2 and 3) to find satisfaction with final condition of Agreement, resulting in:
  – Inability to implement finance plan until 2007 because of limitation on building permits
  – Delay of Yuba River work that will protect Linda and Olivehurst from deep flooding
  – Completion of Phase 4 Feather Work in 2009, instead of 2008

• Alternatively, make finding in April that condition 13 has been met because known flood risk has been substantially reduced, thus allowing:
  – Immediate implementation of finance plan
  – Acceleration of Phase 4 Yuba Work in 2006
  – Assure completion of Project (including Phase 4 Feather) in 2008
Phase 4

- Completed Problem Identification Study for Feather River and Yuba River Levee upstream of UPRR (September 2005)

- TRLIA Phase 4 Costs (Est. Feb. 2006)
  - $90 M – Construction Costs
  - $45 M – Phases 1 – 4 Contingency (Construction & Condemnation)
  - $135 M – (Assumes Feather River Strengthen in Place)
Schedule
Phase 4/Yuba – ‘06 or ‘07

Phase IV Levee Repairs
(2006/2007)
- Upper Yuba Levee: Cutoff wall between the UPRR and Simpson Lane to protect against seepage (under design)
Schedule
Phase 4/Feather – ‘07/08 or ‘08/09

Phase IV Levee Repairs
- Feather River Levee: Strengthen in place and/or setback levee
Phase 4 Timing of Costs & Construction

Phase 4 (Yuba River)
- Design, Plans, Specs, Permitting Yuba (SPRRR to Simpson Lane)
- Construct Phase 4 Yuba (SPRRR to Simpson Lane)
- Design Plans, Specs and Permitting Yuba (Johnson Lane to Cold Field)
- Construct Phase 4 Yuba (Johnson Lane to Cold Fields)

Phase 4 (Feather River)
- Design, Plans, Specs, Permitting Feather (Stage 1)
- Construct Phase 4 Feather (Stage 1)
- Design, Plans, Specs, Permitting Feather (Stage 2)
- Construct Phase 4 Feather (Stage 2)
Phase 4 Costs

- Review of Cash Flow Needs
  - July 2006       $ 20 M
  - October 2006   $ 10 M
  - March 2007     $ 30 M
  - October 2007   $ 20 M
  - March 2008     $ 55 M
  - Total          $135 M
Levee Financing Overview

- Phases 1 – 3
  - Programmed to Raise $96.1 M
  - Actually will Raise $111.5 M
    - Combination of Public Funds and Local Funding
- Phase 4
  - Programmed to Raise an additional $135 M
    - 100% Locally Funded
    - Seeking State and Federal reimbursement
Phase 4 Financing Schedule

- Major Milestones
  - 3/17/06 Received 18 Petitions & Waivers from Landowners for forming CFD
  - 4/21/06 State Rec. Board Meeting - Requested Action Finding Satisfaction with Special Condition 13
  - 5/06 - 6/06 Formation of CFD, Adoption of Impact Fee, Execution of Implementation Agreements, County Adoption of Implementing Ordinances
  - 7/3/06 Secure Financing (Phase 4 Yuba)
  - 7/5/06 TRLIA Notice to Proceed (Phase 4 Yuba)
  - 10/08 Project Construction Completion
Phases 1 - 3 Background

• Initial Phase 1 funding prior to Feb. 18, 2005
  – CFD funding $25 Million of improvements
  – Payment of $14,000 / Acre due at Final Map

• Special Condition 13 on Permit No. 17782 (after Feb 18, 2005)
  – Compliance with Condition 13
    • Building permit limitation over 2005 and 2006
    • Builders with allocated permits provide Advanced Funding
Phases 1 - 3 Background

- Phase 1 – 3 and Phase 4 Preliminary Costs
  - Phase 1 – 3: $76.1 M
  - Phase 4: $20.0 M
  - TRLIA General Expenses $ 0.0 M
  - Total Costs: $96.1 M

  * (Includes Phase 4 design and Yuba Advance Only)

- Source of Funds
  - Local Sources
    - Existing Mello-Roos CFD $11.1 M
    - Advance Funding $36.9 M
  - Total Local Sources: $48.0 M
  - Public Sources**: $48.1 M
  - Total Sources: $96.1 M

  * (Includes Earned Interest)
  ** (Includes Prop 13 DWR Funds, Fish & Game Grant and FEMA Grant)
Phase 1 – 3: Levee Improvement Funding

Original CFD Proceeds
$15.1 Million

Advanced Funding Participants
$29,345 Per Unit
$38.9 Million

Public Sources
$59.5 Million

Levee Improvements
Phase 1-3
& Portion of Phase 4
$111.5 Million
Phase 1 – 3: Advanced Funding and Reimbursement

- Advanced Funding
  - $29,345 Per Unit
  - 1,229 Units
  - $36.9 M

- Repayment

- Credit for Future Units Held by Developer

- Payments collected from other Developers
Phase 4 Financing Plan Overview

- Capital Program
  - Consists of 2 Major Components
    - Formation of a CFD and issuance of bonds
      - Various types of bonds and
      - Various targeted purchasers of bonds
    - Development Impact Fee
      - Paid by non-participants to reimburse developers who advance funds

- Maintenance Program
  - Annual Assessment
Phase 4 Financing Assumptions

- Creation of Master CFD and Smaller CFD’s
  - Allows for customized special taxes based on specific projects economics.

- Meets contract cash flow needs of project
  - TRLIA must have cash or cash guarantees in hand prior to awarding design, construction or other contracts for levee improvements

- County will impose a development impact fee on all benefiting properties to capture those not participating in program
  - Impact fee revenue will used to reimburse amounts contributed by participating projects above their fair share of levee costs.
Phase 4 Other Financing Assumptions

- TRLIA and County will consider and pursue additional sources of funding
- Financing Plan is based upon removal of all building permit limitations
  - Provides assurance that builders can complete the units paid for (builders are still subject to external forces, FEMA etc...)
  - Maximizes landowner participation in financing plan
Plan Accounts for Risk Factors

- Targeted sales of various types of bonds addresses the following risk factors:
  - Levee Design Risk
  - Levee Construction & Completion Risk
  - Levee Certification Risk
  - FEMA Re-mapping Risk
- It is understood that these risks will not be 100% mitigated prior to the issuance of bonds
- Therefore, the level of risk mitigation will determine the type of bond sold and the type of purchaser of that bond
Types of TRLIA Bonds

• TRLIA will issue varying types of bonds and sell those bonds to varying types of investors.
  – “Builder Bonds” purchased by Landowners
    • Secured Builder Bonds (bonds secured by owner’s property)
    • Unsecured Builder Bond (bonds secured only by a pledge of Levee Impact Fee Revenue)
  – Private Bonds
    • Purchased by Sophisticated, Qualified Investors
  – Conventional CFD Bonds
    • Sold when risks have been reduced to conventional levels (e.g. building permits issued)
Phase 4 Financing Overview

- Phase 4 Financing Program: $135 Million
  - Secured by All Participants
  - Master CFD
    - Satisfaction of Obligation by Owner
      1) Fair Share
      2) Non-Participant Prorata Share
    - Participants satisfy new CFD requirements
      - Smaller CFD's
        - Conventional CFD Bonds
        - Private Bonds - Sophisticated Investors
  - Cash Payment by Builder/Land Owner
  - Builder Bonds
  - Reimbursements: From future development of non-participants.
    1) Development Impact Fees
    2) Annexation into CFD
    3) Other Funding Sources
Implementation Strategy

• Phase 1 – 3 Implementation
  – Implementation Agreement
    • Required payment of fees to fund project
    • Precluded home building without payment of fees
    • Enforceable by Reclamation Board
  – Advance Funding Agreement
    • Specified detail for payment of fees
  – Regular reporting to Reclamation Board

• Phase 4 Implementation
  – Propose similar structure
Phase 4 Implementation Goals

- Secure financing needed to complete construction;
- Obligate landowners to provide all necessary financing;
- Secure TRLIA commitment to find 3rd party investment to supplement landowner obligation; and
- Identify remedies available to Reclamation Board if financing falls short to complete construction.
March 24, 2006

The Honorable R. David Paulison
Acting Director
Federal Emergency Management Agency
500 C Street, SW
Washington, DC 20572

Dear Director Paulison:

We are writing at the request of the Yuba County Board of Supervisors and the Three Rivers Levee Improvement Authority (TRLIA) who are asking for clarification on Zone A99 flood hazard designations. We ask that you look into the matter and provide a timely response.

Our staff received briefings from TRLIA on its efforts to implement a flood protection program for the southern portion of Yuba County, California. Under existing federal law, FEMA is authorized to provide a flood designation known as A99 to projects that meet stringent criteria, including the ability of a project sponsor to demonstrate substantial completion and a secured source of funding to complete outstanding projects.

The particular point Yuba County and TRLIA would like clarification on is whether FEMA may grant A99 designation to a locally planned and funded project such as TRLIA’s. We ask for your view on whether FEMA has discretion to designate an A99 zone where the project does not have federal funding for construction.

Thank you for your consideration in this matter and we look forward to your response. If you need additional information, please do not hesitate to contact us.

Sincerely,

Dianne Feinstein
United States Senator

Barbara Boxer
United States Senator

Wally Herger
U.S. Representative
March 7, 2006

TO: Three Rivers Levee Improvement Authority Board
FROM: Ric Reinhardt, Program Manager
SUBJECT: Consider Amendment to Contractual Agreement with EIP Associates for Environmental Project Management Services

Recommended Action

Approve a contract amendment to the contract with EIP Associates for Environmental Project Management Services. This amendment to EIP’s contract is to extend the termination date from March 31, 2006 to June 30, 2006. There is no change in the contract fee.

Discussion

TRLIA’s Agreement with EIP Associates’ was anticipated to run through March 31, 2006, based on an expected level of effort for Environmental Project Management Services. To date, the level of effort has been less than originally anticipated with the result that the original $40,000 contract fee now appears to be adequate to cover services into the month of June 2006.

Fiscal Impact

The contract amendment would not change the existing contract fee.
FIRST AMENDMENT
TO
AGREEMENT BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
AND
EIP ASSOCIATES

THIS FIRST AMENDATORY AGREEMENT is made and entered into this ___ day of ___, 2006, by and between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, a Joint Powers Authority, ("AUTHORITY") and EIP ASSOCIATES ("CONTRACTOR").

RECITALS:

WHEREAS, the AUTHORITY and CONTRACTOR entered into an agreement to provide Environmental Project Management Services dated February 7, 2006 ("AGREEMENT");

WHEREAS, Article 16 of the AGREEMENT, states that modifications or amendments to the terms of the AGREEMENT shall be in writing and executed by both parties;

WHEREAS, the AUTHORITY and CONTRACTOR desire to amend the AGREEMENT;

NOW, THEREFORE, the AUTHORITY and CONTRACTOR agree as follows:

1. Article 2 of the AGREEMENT shall be revised to extend the termination date from March 31, 2006 to June 30, 2006.

All other terms and conditions contained in the Agreement shall remain in full force and effect.

This AMENDED AGREEMENT is hereby executed on this ___ day of ___, 2006.

AUTHORITY

BY:
"THREE RIVERS LEVEE IMPROVEMENT AUTHORITY"

CONTRACTOR

BY:
"EIP ASSOCIATES"

APPROVED AS TO FORM:

Daniel G. Montgomery

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COUNSEL
March 28, 2006

TO: Three Rivers Levee Improvement Authority Board (TRLIA)
FROM: Randy Margo, Deputy Executive Director
SUBJECT: Consider Amendment to Phase IV Funding Analysis Contract with EPS

Recommended Action

Approve contract amendment with EPS to consider providing funding options for financing Phase IV levee improvements and authorize Executive Director to sign.

Reason for Recommendation

EPS has been under contract to assist TRLIA in providing technical support for additional flood control funding options. Amending this contract will continue these efforts until the job is completed.

Background

EPS has been assisting TRLIA in developing a tax formula strategy, a Rate and Method of Apportionment, establishment of levee improvement fees and technical support pertaining to the TRRLA Community Facilities District funding options. The purpose of this contract amendment is to continue those efforts, specifically assisting with the preparation of a new or restructured Community Facilities District, and preparing a new or revised Advanced Funding Agreement, along with representing TRLIA’s funding options in front of the State Board of Reclamation.

Fiscal Impact

Amending the contract will increase the authorized amount from $70,000 to $110,000.
March 1, 2006

Randy Margo
Yuba County Office of Public Administration
915 8th Street
Marysville, CA 95901

Subject: Three Rivers Phase IV Funding Option Technical Support Task 10 Budget Extension Request 12; EPS #13579

Dear Mr. Margo,

Economic & Planning Systems, Inc. (EPS) appreciates having worked with the Three Rivers Levee Improvement Authority (TRLIA) providing a Tax Formulas Strategy, a Rate and Method of Appportionment, Levee Improvement Fees, technical support for the Three Rivers Community Facilities District (CFD), technical support for Flood Control Funding Options, and an Advance Funding Agreement. The purpose of this letter is to request a second authorization for additional budget for the current task, Task 10, to continue providing technical support to TRLIA for additional flood control funding options.

The current scope of Task 10, as outlined in the proposal dated September 16, 2005, is to provide the following services:

- Provide additional flood control funding analyses;
- Attend meetings;
- Participate in conference calls;
- Prepare materials for presentation to the State Reclamation Board and other stakeholders;
- Assist with preparing a new or revised Advanced Funding Agreement; and
- Assist with restructuring the existing CFD and forming a new CFD.

S A C R A M E N T O
2150 Four Plaza Drive, Suite 400
Sacramento, CA 95833
phone: 916-440-8301
fax: 916-440-2074
www.epss.com

B E R K E L E Y
505 19th Street
Berkeley, CA 94710
phone: 510-444-9390
fax: 510-444-9398
www.epss.com

D E M E N T E
305 5th Street
Denver, CO 80206
phone: 720-823-3577
fax: 720-823-9845
www.epss.com
Over the past several months, EYS has continued to work with the TRLIA and the development community to provide these services in a rapidly changing environment. Since the approval of the initial budget for Task 10, the scope of the levee improvement work has expanded, additional participants have been requested to help fund the local share of improvements, and the available public funding sources have changed.

As a result of this rapidly developing environment, EPS has been requested to attend weekly meetings and to provide additional interim analyses and continue to update them. The development community also has contracted with consultants that have requested that additional financing alternatives to be explored. This has further required EPS to attend additional meetings and participate in additional conference calls and has caused the incurrence of unforeseen expenses.

The development community has expressed the desire to explore multiple financing alternatives and options concurrently, which ultimately has delayed the progress of the original scope of this task. In addition, because of the inclusion of levee beneficiaries outside of the Plumas Lakes Specific Plan area into the financing plan, additional time has been spent assembling the data needed to determine their share of the local contribution.

In December 2005, EPS made a first request to extend the original budget of $45,000 to $70,000. To date, EPS has accrued approximately $68,000 of the extended $70,000 budget. EPS requests authorization for an additional $40,000 to complete the task, for a total Task 10 budget of $110,000 if authorized. EPS expects that this revised budget will allow consulting work to continue through April 2006, at which time it is expected that the State Reclamation Board will act and the uncertainty regarding the financing of Phase IV levee improvements will be significantly mitigated.

EPS charges for its services on a direct cost (hourly billing rates and direct expenses) not-to-exceed basis; therefore, you will be billed only for the work completed up to the authorized budget amount. It should be noted that the progress of this project is difficult to estimate because of the involvement of so many interests. This uncertainty suggests that the progress of the project may continue to be protracted. If additional work or attendance at more meetings are required, EPS will request authorization for additional budget with the understanding that terms would be negotiated in good faith. EPS’s Hourly Billing Rates are attached as part of this letter agreement.
Again, EPS appreciates the opportunity to continue working on this project. To approve this request, please sign below and return one original letter agreement to EPS and keep the other one for your records. Please call Seh Wurzel, the project manager, at (916) 649-8070 if you have questions or if you require changes to this request.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.

Tim R. Youngman  
Managing Principal

attachment

David Zehnder  
Principal

Approved:

TRLIA Executive Director

Date

APPROVED AS TO FORM: County Counsel

By:
<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Principal</td>
<td>$250</td>
</tr>
<tr>
<td>Principal</td>
<td>$225</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>$200</td>
</tr>
<tr>
<td>Vice President</td>
<td>$175</td>
</tr>
<tr>
<td>Senior Technical Associate</td>
<td>$160</td>
</tr>
<tr>
<td>Senior Associate</td>
<td>$150</td>
</tr>
<tr>
<td>Associate</td>
<td>$115</td>
</tr>
<tr>
<td>Research Analyst II</td>
<td>$95</td>
</tr>
<tr>
<td>Research Analyst I</td>
<td>$75</td>
</tr>
<tr>
<td>Production and Administrative Staff</td>
<td>$60</td>
</tr>
</tbody>
</table>
DATE: March 24, 2006

TO: Board of Directors
   Three Rivers Levee Improvement Authority

FROM: Daniel M. Wolk

RE: Staff Report for Mobile Home Sale Authorization

SUBJECT:

Authorizing the Executive Director to execute an Agreement for Purchase and Relocation of Mobile Home and a Bill of Sale.

STAFF REPORT

Recommended Action

Approve the execution of a standard agreement for the purchase and relocation of a mobile home and the execution of a bill of sale for the mobile home. Both would be in substantially the same form as they are detailed in the attached documents.

Discussion

At its previous meeting, TRLIA approved a procedure for the sale of surplus property acquired by TRLIA. It did so primarily to dispose of assets acquired during right of way acquisitions as part of its levee remediation work. Adhering to the procedure, the appointed disposal agent, Bender Rosenthal, Inc., put a mobile home out to bid. An individual, Colleen Tiner, was the successful bidder. The agreement and bill of sale will grant title to Colleen Tiner and require her to relocate the mobile home (at her expense) in exchange for $1,000.

Fiscal Impact

TRLIA would receive $1,000 as part of the agreement, less administrative costs associated with its execution.

91092/2 35652/0001
AGREEMENT FOR PURCHASE AND RELOCATION OF MOBILE HOME

This Agreement for Purchase and Relocation of Mobile Home ("AGREEMENT") is made and entered into by and between the Three Rivers Levee Improvement Authority, a joint powers authority composed of Yuba County and Rocklination District 784, (hereinafter referred to as "AUTHORITY"), and Colleen Tiner, an individual (hereinafter referred to as "BUYER").

RECITALS

A. AUTHORITY owns the property identified as a 1996 Karsten Mobile Home, Serial Number K60032A/B, measuring 27 feet wide and 48 feet long, currently located at 409 Road 512, Yuba County, CA ("PROPERTY").

B. The PROPERTY is located on land which is necessary for the construction of levee improvements by AUTHORITY.

C. AUTHORITY and BUYER wish to provide terms and conditions for purchase for relocation of PROPERTY from the AUTHORITY.

AGREEMENT

The AUTHORITY and BUYER enter into this agreement on the following covenants, terms and conditions:

1. PURCHASE AND SALE OF PROPERTY

AUTHORITY agrees to sell to BUYER and BUYER agrees to purchase from AUTHORITY the PROPERTY on the terms and conditions stated in this agreement.

2. PURCHASE PRICE

BUYER shall pay AUTHORITY the sum of ONE THOUSAND DOLLARS ($1,000.00) ("PURCHASE PRICE") for the Property, which the parties agree is the full PURCHASE PRICE.

The entire deposit made as part of the BUYER'S Bid ("DEPOSIT") shall apply to the PURCHASE PRICE of PROPERTY.
3. DUE DILIGENCE

Property often contains defects and conditions which are not readily apparent and which may affect the value or desirability of the property. Therefore, it is the affirmative duty of the BUYER to exercise reasonable care to discover those facts which are unknown to the BUYER or within the diligent attention and observations of the BUYER. BUYER'S acceptance of the condition of the PROPERTY is a contingency of this AGREEMENT.

The Due Diligence inspection period ("DUE DILIGENCE PERIOD") shall begin on the day BUYER executes this AGREEMENT. The period shall continue for a period of no more than ten (10) calendar days. BUYER may waive all or a portion of the DUE DILIGENCE PERIOD by informing AUTHORITY of such waiver by payment in full of the PURCHASE PRICE BALANCE, as defined below.

BUYER shall have the right to conduct inspections, investigations, tests, surveys, and other studies at BUYER'S expense. BUYER is strongly advised to exercise these rights and select professionals with appropriate qualifications to conduct inspections of the entire PROPERTY. BUYER agrees and warrants, or by the failure to do so shall have waived any rights to do so hereunder, that at close of this DUE DILIGENCE PERIOD BUYER shall have investigated the condition and suitability of all aspects of the PROPERTY and all matters affecting the value or desirability of the PROPERTY.

Prior to entry on the PROPERTY, BUYER must obtain a Right of Entry from AUTHORITY.

If BUYER wishes to withdraw the offer, BUYER shall deliver to AUTHORITY a written withdrawal notice no later than the last day of BUYER'S DUE DILIGENCE PERIOD stating that BUYER'S inspections of the PROPERTY have disclosed a defect or defects in the PROPERTY and describing such defects or defects with reasonable particularity. If AUTHORITY cannot or will not remedy said defect or defects, BUYER shall be released from any obligation to proceed with the purchase, and AUTHORITY shall release BUYER'S DEPOSIT.

BUYER agrees to provide to AUTHORITY, at no cost, upon request of AUTHORITY, complete copies of all inspection reports obtained by BUYER concerning the PROPERTY.

4. TRANSFER OF TITLE

Upon the close of the DUE DILIGENCE PERIOD, BUYER shall pay the "PURCHASE PRICE BALANCE" (the PURCHASE PRICE less the DEPOSIT) within fifteen days (15).

Upon receipt of PURCHASE PRICE BALANCE, AUTHORITY will transfer title to the PROPERTY to BUYER via a duly executed bill of sale, with a list of attachments and accessories appended ("BILL OF SALE"). BUYER is not deemed to have accepted delivery of the PROPERTY until such time as the title to the PROPERTY is transferred to the BUYER.
5. POSSESSION AND REMOVAL OF PROPERTY

BUYER shall not remove the PROPERTY until full payment is made and the necessary BILL OF SALE is issued. Upon receipt of the BILL OF SALE, BUYER agrees to remove the PROPERTY, at BUYER's sole expense, with all deliberate speed, but no later than APRIL 7, 2006 ("REMOVAL DATE"). Failure to remove the PROPERTY by or on the REMOVAL DATE will be a material breach of this AGREEMENT by the BUYER and BUYER will be subject to forfeiture of the PROPERTY and damages as set forth below, and the PURCHASE PRICE BALANCE will be refunded to BUYER.

Upon removal, BUYER is responsible, at BUYER'S sole expense, for warning off, or for making reasonably safe from, all non-obvious dangerous improvements left exposed due to the PROPERTY'S removal. Such improvements may include, but are not limited to, mudfill, belts and reinforcing steel, concrete foundations and concrete flatwork, and utility lines.

6. DAMAGES

THE PARTIES AGREE THAT THE DEPOSIT AMOUNT IS A REASONABLE SUM FOR DAMAGES SHOULD THE BUYER BE IN MATERIAL BREACH OF THIS AGREEMENT BY FAILING TO REMOVE THE PROPERTY BY THE REMOVAL DATE. IN THAT, WHEN CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, IT WOULD BE IMPrACTICABLE OR EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES. THESE DAMAGES ARE CUMULATIVE WITH OTHER REMEDIES INCLUDING, BUT NOT LIMITED TO, FORFEITURE OF TITLE TO THE PROPERTY. BY PLACING THEIR INITIALS AT THE PLACES PROVIDED, EACH PARTY AGREES THAT THE FOREGONE CONSTITUTES LIQUIDATED DAMAGES AND NOT AN IMPROPER FORFEITURE OR A PENALTY.

In/s. BUYER:
In/s. AUTHORITY: ____________________

7. DISCLAIMERS

BUYER acknowledges that BUYER is purchasing the PROPERTY solely in reliance on BUYER'S own investigations, as listed in the Due Diligence section of this AGREEMENT or otherwise herein or at any other time or in any other manner. No representations or warranties of any kind whatsoever, express or implied, have been made by AUTHORITY, AUTHORITY'S agents, or brokers, including in any investigations, studies or documents identified performed by the AUTHORITY or under the AUTHORITY'S direction. BUYER further acknowledges and warrants that as of the close of the DUE DILIGENCE PERIOD BUYER will be aware of all zoning regulations, other governmental requirements, site and physical conditions (including the presence of hazardous materials or other adverse environmental conditions), and other matters affecting the use and condition of the PROPERTY including any investigations, studies or documents identified performed by the AUTHORITY or under the AUTHORITY'S direction.
8. **AS-IS PURCHASE**

BUYER specifically acknowledges and agrees that AUTHORITY will sell and BUYER will purchase PROPERTY on an "as-is with all faults" basis, and that having been given the opportunity to inspect the PROPERTY and review information and documentation affecting the PROPERTY, BUYER is not relying on any representations or warranties of any kind whatsoever, express or implied, from AUTHORITY or its agents as to any matters concerning the PROPERTY.

9. **INDEMNIFICATION**

BUYER covenants and agrees to indemnify and hold AUTHORITY harmless from any and all claims, including those asserted by third parties, with respect to (a) the title to the PROPERTY, (b) any injury to person or property caused by or occurring on the PROPERTY once title has passed to BUYER, and (c) any injury to person or property which occurs during, or results from, the removal process.

10. **TIME IS OF THE ESSENCE**

Time is of the essence and performance of this AGREEMENT in respect to all provisions of this AGREEMENT that specify a time for performance, including the removal of the PROPERTY by or on or before the REMOVAL DATE. Failure to comply with this provision shall be a material breach of this AGREEMENT.

11. **BUYER'S REPRESENTATIONS AND WARRANTIES**

BUYER has the legal power, right and authority to enter into this AGREEMENT and the instruments referenced herein, and to consummate the transactions contemplated hereby.

12. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force without being impaired.

13. **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

14. **PUBLIC PURPOSE**

AUTHORITY requires the Property for the Project, and AUTHORITY can seek to acquire the Property through the exercise of its power of eminent domain.
15. AUTHORITY AND EXECUTION

This AGREEMENT, which shall be valid only when executed by AUTHORITY, constitutes the complete understanding and agreement of the parties hereto and no oral representation shall in any manner vary the terms hereof or be binding.

16. ENTIRE AGREEMENT

The performance of this Agreement constitutes the entire consideration for the conveyances from BUYER and shall relieve AUTHORITY of all further obligation or claim on this account, nor on account of the location, grade or construction of the proposed public improvement and related facilities and/or structures.

17. BINDING ON SUCCESSORS AND ASSIGNS

This Agreement shall bind the respective heirs, personal representatives, successors, and assigns of the parties hereto.

18. NOTICES

Any notice or communication required hereunder must be in writing, and except as otherwise specifically provided, may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addresses designated below as the party to whom notices are to be sent, or (ii) five days after a registered or certified letter containing the notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. The notices or communications shall be given to the parties at their addresses set forth below:

To AUTHORITY at: Government Center
915 Eighth Street, Suite 115
Marysville, CA 95901-5277

To BUYER at: [Redacted]
Fair Oaks, CA 95628

Any party hereto may at any time, by giving ten (10) days' written notice to the other party hereto, designate any other address in substitution of the address to which the notice or communications shall be given.
IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

**AUTHORITY**

Date: ____________________________

By: ____________________________

Kent McClain
Executive Director

as directed by Resolution No. ______

Dated: __________________________

Recommended By: __________________________

Bill Silver
Bender Rosenthal, Inc.
Contract Right of Way Agent
(916) 378-4500

**BUYER**

Date: ____________________________

Colleen Tier

Address: Fair Oaks, CA 95628
Three Rivers Levee Improvement Authority

BUYER: Colleen Tiner
APN: 10 154207
Project: Three Rivers Levee Improvement Project

BILL OF SALE

THIS BILL OF SALE (this "Bill of Sale") is made as of March __, 2006, by the undersigned ("Seller"), in favor of Colleen Tiner ("Buyer").

Seller owns a 1990 Karsten Mobile Home, Serial Number K609312A/B, measuring 27 feet wide and 48 feet long, currently located at 409 Road 512, Yuba County, California ("Property").

Now, therefore, as of the date referred to above, for valuable consideration, receipt of which is hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, assign, sell, transfer, convey, vest, confer and deliver to Buyer all of Seller's right, title and interest in, and to the Property.

Seller represents that it is the owner of the Property and that the person signing below has the power and authority to convey the Property to Buyer. Buyer acknowledges that Seller makes no representation or warranty, either express or implied, with respect to the present condition or fitness of suitability of the Property for any particular purpose; and, accordingly, Seller's interest in the Property is being transferred to Buyer in its "as-is, where-is" condition, with all faults associated therewith.

Seller executes this Bill of Sale in consideration for Buyer's removal of the Property, at Buyer's sole expense, with all deliberate speed, but no later than April 7, 2006 ("Removal Date").

This Bill of Sale shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of Buyer and Seller. The Bill of Sale shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first above written.

SELLER:

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, a joint powers authority

By: KENT MCCLARD
Executive Director

BUYER:

COLLEEN TINER

9081rev: 35412/009
March 23, 2006

Mr. Kent McClain
Three Rivers Levee Improvement Authority
915 8th Street, Suite 115
Marysville, CA 95901-5273821

RE: Bear River Orchard Cleanup

Dear Mr. McClain:

As you know, it appears that we will obtain the contract to remove the orchard on the Bear River property that TRLIA has purchased from us. The proceeds of that sale (approximately $4,075,000) remain in escrow pending the cleanup of the brush created from removal of burl stumps from the orchard in November and December. We are requesting release of $2,000,000 of that money based upon the following:

1. The debris has been piled in areas of the orchard that will not impede water flow in the channel.
2. Since January 1st, it has been too wet to burn any of the brush, and due to almost constant water in the river channels, we have been unable to bring a chipper onto the property.
3. The end of the flood season is approaching and the risk of impedance of water flow is minimal. In fact, even at the high water points during this winter, there was little or no movement of the piled brush or interference with water flow.
4. TRLIA has had full possession of the property since 12/27/05 and we have received no compensation.
5. We will remove all of the remaining brush that resulted from the burl removal at no additional cost to TRLIA and there will be no additional cost to removal of the orchard for clearing the burl removal brush

We greatly appreciate your consideration of this request.

Sincerely,

Robert DeValentine  Steven DeValentine
DeValentine Family Partnership  DeValentine Family Partnership
A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 2:30 p.m., within the Government Center, Marysville, California, with a quorum being present as follows. Directors Rick Brown, Mary Jane Critt, Dan Logue, and Richard Webb. Also present were Executive Director Kent McClain, Chief Deputy Counsel Angiil Morris-Jones, and Clerk of the Board of Supervisors Secretary Donna Stottlemeyer. Chairman Webb presided.

Yuba County Board of Supervisors John Nicoletti, Donald Schrader, and Hal Stocker were present. Reclamation Board Directors Donald Graham and Platter were present. Director Ludwig was absent.

Financial Status of Three Rivers Levee Improvement Authority (TRILIA): TRILIA Executive Director Kent McClain recapped the following and responded to Board inquiries:

- History of Phase 1, 2, and 3 levee improvement projects to date
- Advanced funding agreement implementation
- Funding requirements for Phase 4 levee improvements
- Current budget costs estimates and actual expenditures
- Unfunded Phase 4 activities potential to obligate entities to pay costs which exceed revenue
- Three alternatives for proceeding forward with Phases 2, 3, and 4 activities which included scenarios for the current pace on Phase 2 and 3 and a slowing or stopping of Phase 4

TRILIA Program Managers Ric Reinhardt recapped grant revenue, costs associated with present and projected future costs for Phase 4 activities, and FEMA remapping scenarios, and responded to Board inquiries.
Treasurer-Tax Collector James Kennedy and Auditor Controller Dean Sellers recapped the intent of the Financial Review Committee and responded to Board inquiries.

Mr. Seth Merwitz, Counsel for Plumas Lake Landowners' Group, recapped a recommendation from the landowners' group to preserve the momentum with completion of program improvements by the end of 2008 and respond to Board inquiries.

Following Board discussion, the following individuals spoke in support of an accelerated pace to move forward and complete all levee improvements:

- Ms. Melissa Greenwich, Plumas Lake
- Ms. Libby Furtain, Plumas Lake
- Ms. Carla Wilcoxen, Plumas Lake
- Ms. Priscilla Rae, Orvichurst
- Dr. Michael Stacey, Plumas Lake

**ADJOURNMENT**

Following further Board and staff discussion, with Board members concerning to move forward with levee improvements, the workshop was adjourned at 3:30 p.m. by Chairman Webb.

______________________________
Chairman

**ATTEST: DONNA STOTTMEMYER**
CLERK OF THE BOARD OF SUPERVISORS
AND SECRETARY OF THE PUBLIC AUTHORITY

______________________________
Approved: ____________________

03/07/06 – Joint Meeting
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

MARCH 7, 2006

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 4:06 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Mary Jane Griego, Dan Logue, and Richard Webb. Also present were Executive Director Kent McClain, Chief Deputy Counsel Angil Morris-Jones, and Clerk of the Board of Supervisors Secretary Donna Stottlemeyer. Chairman Webb presided.

ACTION ITEMS

A. Financial Report Fiscal Year 2005/2006: Following Board discussion, Director Logue moved to approve the following identified as Option 2:
   - Continue with the current pace of completing construction on Phases 2 and 3
   - Continue with the current pace of Phase 4 Yuba design (UPRR to Simpson Lane)
   - Minimize expenses on Phase 4 Feather contracts and continue until June 1st or the Phase 4 finance plan is complete
   - Establish a Financial Review Committee composed of the Auditor-Controller, Treasurer-Tax Collector, Assistant County Administrator, Public Works Director, TRLA Executive Director, and TRLA Program Manager to review all financial matters, and if there is disagreement within the FRC all three Boards would need to concur with the recommended action.

Director Webb seconded the motion.

following further Board discussion, upon motion of Director Logue, seconded by Director Griego, and unanimously carried, the motion was tabled, staff was directed to bring forward detailed information on the finance plan on policy issues, and the matter was continued to Wednesday, March 15, 2006.

Upon motion of Director Logue, seconded by Director Brown, and unanimously carried, the regular meeting scheduled Tuesday, March 14, 2006 was cancelled.

B. Pump Station 6 Funding Agreement/Levair Renaissance Inc.: Special Counsel Scott Shapiro recapped the proposed agreement and responded to Board inquiries.
Upon motion of Director Logue, seconded by Director Brown, and unanimously carried, the Board approved the Pump Station 6 Funding Agreement with Lennar Renaissance, Inc. and authorized the Executive Director to execute same.

C. HDR Inc./Phase Four Design and Construction: Following a brief recap from Program Manager Ric Reinhardt and Board inquiries upon motion of Director Logue, seconded by Director Brown, and unanimously carried, the Board approved Amendment Four with HDR Inc. in the amount of $177,649 for Yuba River Phase Four Design and Construction and authorized the Chairman to execute same.

D. Reclamation Board Permitting Process: Special Counsel Scott Shapiro recapped the proposed issue paper regarding overall strategy for Phase 4, the financing plan, and status of conditions imposed by the Reclamation Board for Permit No. 17782. Mr. Shapiro responded to Board inquiries and requested direction regarding proceeding forward with the issue paper.

Following Board discussion and Board consensus to proceed with the issue paper as presented, Chairman Webb formed a Reclamation Board Phase 4 Advisory Committee appointing Director Griego and himself as representatives.

E. Minutes: Upon motion of Director Griego, seconded by Director Logue, and unanimously carried, the Board approved the minutes of the regular meeting of February 7, 2006 as written.

RECESS

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was recessed at 5:35 p.m. to Friday, March 10, 2006 by Chairman Webb.

______________________________

Chairman

ATTEST: DONNA STOTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS
AND SECRETARY OF THE PUBLIC AUTHORITY

Approved: ________________________

03/07/06 PAGE 18
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

MARCH 10, 2006 – MEETING WITH RECLAMATION BOARD TRLIA SUBM-COMMITTEE

The Board of Directors of the Three Rivers Levee Improvement Authority reconvened its meeting of March 7, 2006 on the above date, commencing at 8:40 a.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Mary Jane Griego, Dan Logue, and Richard Webb. Director Rick Brown was absent. Also present were Executive Director Kent McClain, Chief Deputy Counsel Angii Morris-Jones, and Clerk of the Board of Supervisors/Secretary Donna Stonlemyer. Chairman Webb presided.

State Reclamation Board Three Rivers Levee Improvement Authority (TRLIA) Subcommittee Meeting: Following introductions of Reclamation Board subcommittee and staff members, Executive Director Kent McClain, Special Counsel Scott Shapiro, and Program Manager Ric Reinhard recapped the following and responded to Board inquiries:

- Project introduction including flooding history, creation of TRLIA, and project approach
- Phases 2, 3, and 4 progress and level of protection achieved before flood season
- Status of condition of Permit 17782
- Coordination of funding and Phase 4 construction

Director Logue left the meeting at 8:56 a.m. and returned at 9:25 a.m.

Following Board discussion and responses to specific inquiries regarding public safety issues, disclosure notices, information to be provided to the Reclamation Board, the public comment period was opened.

Mr. Frances Hoffman, Hoffman Road, recapped previous Yuba County flooding and the need for flood protection.

ADJOURNMENT

There being no further comments to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 10:38 a.m. by Chairman Webb.
ATTEST: DONNA STOTTERMeyer
CLERK OF THE BOARD OF SUPERVISORS
AND SECRETARY OF THE PUBLIC AUTHORITY

_________ ___________ __________ Approval: ___________
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES - BOARD OF DIRECTORS

MARCH 15, 2006 – SPECIAL MEETING

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 3:00 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Mary Jane Griego, Dan Logue, and Richard Webb. Also present were Executive Director Kent McClain, Chief Deputy Counsel Antigul Morris-Jones, and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

ACTION ITEMS

A. Financial Report Fiscal Year 2005/2006 (Continued from March 7, 2006): Following a brief report from Executive Director Kent McClain regarding a revised recommended action and updated costs and revenue for Phase 4, Director Logue withdrew the motion on the table and Director Webb concurred as the second.

Upon motion of Director Logue, seconded by Director Griego, and unanimously carried, the Board took the following actions:

- Directed staff to continue current pace on all levee project work including Feather River design and evaluate appropriate pace for further work in light of available revenues when the design contract for Feather River Phase 4 is presented to the Board;

- Directed staff to prepare regular biweekly updates regarding the status of the overall financing plan for all Phase 4 work and directed staff to target the completion of a financing plan acceptable to TRILIA and County of Yuba by June 1, 2006; and

- Established a Finance Review Committee (FRC) composed of the Auditor-Controller, Treasurer-Tax Collector, County Administrator or designate, Public Works Director, TRILIA Executive Director and TRILIA Program Manager to review all financial matters. Should there be any unresolved issues over a proposed course of action, the respective Chairman of the Board of Supervisors and Reclamation District 784 will meet with the FRC and either resolve those issues or refer the unresolved issues to their respective Boards for policy direction.

03/15/06
B. Construction Project Manager: The Handen Company: Program Manager Ric
Reinhardt recapped the selection process, contract terms, and introduced Douglass
Handen.

Upon motion of Director Griego, seconded by Director Logue, and unanimously carried,
the Board approved an agreement with The Handen Company in the amount of $167,500
for a construction project manager and authorized the Chairman to execute same.

C. Advance Funding/Credit Agreement: Reymen and Bardis: Following a brief recap
regarding the proposed agreement and Board inquiries, upon motion of Director Logue,
seconded by Director Griego, and unanimously carried, the Board approved the Advance
Funding and Credit Agreement with Reymen and Bardis regarding Woodbury Specific
Plan and authorized the Chairman to execute same.

D. Bear River Seebak Levee Embankment/Nordic Industries, Inc.: Following a
brief recap from Program Manager Ric Reinhardt regarding project and solicitation for
bids, upon motion of Director Logue, seconded by Director Brown, and unanimously
carried, the Board approved contract award to Nordic Industries, Inc. for construction of
the embankment of the Phase 3 Bear River Seebak Levee and authorized the Executive
Director to execute same following submittal of bonding documents and approval of
Counsel.

E. Minutes: Upon motion of Director Logue, seconded by Director Griego, and
unanimously carried, the Board approved the minutes of the meetings of February 14, 21,

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Executive Director Kent McClain:
- Report to Recreation Board on Friday, March 17, 2006
- Completed negotiations with Envirospec; with contract to be brought forward

Director Griego:
- Commended residents for efforts with levee bond measure

PUBLIC COMMUNICATIONS

Ms. Carla Wilcoxen, Plumas Lake Homeowners Committee, commended Board
members for moving forward with levee projects.
CLOSED SESSION

Chief Deputy Counsel Angil Morris-Jones advised closed session discussion regarding one case of potential litigation was not needed.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:30 p.m. by Chairman Webb.

______________________________
Chairman

ATTEST: DONNA STOTTLMEYER
CLERK OF THE BOARD OF SUPERVISORS
AND SECRETARY OF THE PUBLIC AUTHORITY

______________________________ Approved: ____________________

03/18/06 PAGE 23