THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
Yuba County Government Center, Board Chambers
915 Eighth Street, Suite 109A
Marysville, California

AUGUST 4, 2009 – 3:30 P.M.

I CALL TO ORDER: Welcome to the Three Rivers Levee Improvement Authority (TRLIA) meeting. As a courtesy to others, please turn off cell phones, pagers, or other electronic devices which might disrupt the meeting. Thank you.

II ROLL CALL – Directors Rick Brown, Jerry Crippen, Don Graham, Mary Jane Griego, John Nicoletti

III CLOSED SESSION

1. Pending litigation pursuant to Government Code §54956.9(b) regarding:
   a) TRLIA vs. Angelo K. Tsakopoulos, et al./Yuba County Superior Court Case No. 09-0000636
   b) TRLIA vs. Sohal Walbinder S/B A W Corporation, et al./Yuba County Superior Court Case No. 09-0000635
   c) TRLIA vs. Sohal Walbinder S/B A W Corporation, et al./Yuba County Superior Court Case No. 09-0000634
   d) TRLIA vs. Angelo K. Tsakopoulos, et al./Yuba County Superior Court Case No. 09-0000633
   e) TRLIA vs. Angelo K. Tsakopoulos, et al./Yuba County Superior Court Case No. 09-0000632
   f) TRLIA vs. Daniel J. Luis, et al./Yuba County Superior Court Case No. 09-0000631
   g) TRLIA vs. Daniel J. Luis, et al./Yuba County Superior Court Case No. 09-0000630
   h) TRLIA vs. Anthony J. Luis, Zelma B. Luis, et al./Yuba County Superior Court Case No. 09-0000637
   i) TRLIA vs. Ajit S. Bains, Maria D. Bains, et al./Yuba County Superior Court Case No. 09-0000629
   j) TRLIA vs. Ajit S. Bains, Maria D. Bains, et al./Yuba County Superior Court Case No. 09-0000624
   k) TRLIA vs. Anthony J. Luis, Zelma B. Luis, et al./Yuba County Superior Court Case No. 09-0000625
   l) TRLIA vs. COF Quail Hollow Land 35F, LLC, COF Quail Hollow Land, 148T LLC, et al./Yuba County Superior Court Case No. 09-0000628
   m) TRLIA vs. COF Quail Hollow Land 35F, LLC, COF Quail Hollow Land 148T, LLC, et al./Yuba County Superior Court Case No. 09-0000626
   n) TRLIA vs. Richard G. Wilbur, et al./Yuba County Superior Court Case No. 09-0000639
   o) TRLIA vs. Danna Investment Company, et al./Yuba County Superior Court, Case No. YCSCCVED 08-0000240

2. Personnel pursuant to Government Code §54957 – Executive Director Evaluation
IV **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. Prior to this time, speakers are requested to fill out a “Request to Speak” card and submit it to the Clerk of the Board of Supervisors.

V **CONSENT AGENDA:** All matters listed under the consent agenda are considered to be routine and can be enacted by one motion.

A. Approve minutes of the special meeting of July 14, 2009.

B. Approve agreement with Yuba County Auditor-Controller for the collection of direct special assessments and authorize the Chair to execute same.

VI **ACTION ITEMS**

A. Approve Memorandum of Agreement with Reclamation District 784 for operation and maintenance of levee improvements and authorize Chair to execute same upon review and approval of Counsel.

B. Approve Addendum No. 4 to the agreement with Teichert Construction in the amount of $13,961,375 for the Feather River Setback Levee project; authorize the Chair to execute same; and direct Executive Director to take necessary actions to implement contract and issue notice to proceed as needed.

C. Approve Addendum No. 1 to the agreement with Nordic Industries in the amount of $443,995 for Yuba River Site 2 erosion repairs; authorize the Chair to execute same upon review and approval of Counsel; and direct Executive Director to take necessary actions to implement contract.

D. Authorize issuance of bids for the Upper Yuba Levee Improvement Project and Executive Director to execute bidding processing with a tentative bid opening date of September 10, 2009.

E. Approve Amendment No. 2 to the agreement with River Partners in the amount of $160,000 for elderberry relocation; authorize the Chair to execute same; and direct Executive Director to take necessary actions to implement contract.

VII **BOARD AND STAFF MEMBERS’ REPORTS**

A. Assessment District Boundaries

B. Other Board/Staff Reports

VIII **ADJOURN**

The complete agenda, including backup material, is available at the Yuba County Government Center, 915 8th Street, Suite 109, the County Library at 303 Second Street, Marysville, and www.trlia.org. Any disclosable public record related to an open session item on the agenda and distributed to all or a majority of the Board of Directors less than 72 hours prior to the meeting are available for public inspection at Suite 109 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 Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made one full business day before the start of the meeting.
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
MINUTES – BOARD OF DIRECTORS
JULY 14, 2009 – SPECIAL MEETING

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 2:04 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Jerry Crippen, Don L. Graham, and John Nicoletti. Director Mary Jane Griego was absent. Also present were Executive Director Paul Brunner, Assistant Counsel Andrea Clark, and Clerk of the Board of Supervisors/Secretary Donna Stottlemyer. Vice Chair Brown presided.

PUBLIC COMMUNICATIONS

Executive Director Paul Brunner responded to concerns expressed from Ms. Frances Hofman, Olivehurst, regarding the location of test drillings currently performed on her property by the Department of Water Resources.

CONSENT AGENDA

Mr. Tom Eres, on behalf of Hofman Ranch, urged the Board to request review of internal controls as part of the audit process.

Upon motion of Director Nicoletti, seconded by Director Crippen, and carried with Director Griego being absent, the Board took the following actions:

A. Approved minutes of the regular meeting of June 16, 2009 as written.

B. Received Financial Statements of TRLIA dated June 30, 2008.

ACTION ITEMS

1) Feather River Levee Repair Project, Segment 1 Crack Repair/Change Order/Nordic Industries, Inc.: Executive Director Paul Brunner recapped monitoring and repair of the crack and responded to Board inquiries.

The following individuals spoke:
- Mr. Don Rae, Plumas Lake
- Ms. France Hofman, Olivehurst
- Mr. Tom Eres, Hofman Ranch
Following Board discussion, upon motion of Director Nicoletti, seconded by Director Crippen, and carried with Director Griego being absent, the Board authorized the Executive Director to finalize negotiations and execute a change order with Nordic Industries, Inc. for the Feather River Levee Repair Project, Segment 1 Crack Repair in an amount not to exceed $500,000 upon review and approval of Counsel.

2) Enhanced Levee Maintenance/Proposed Fiscal Year 2009/2010 Budget: Executive Director Paul Brunner, Assistant Counsel Andrea Clark, and Reclamation District Manager Steve Fordece recap the proposed budget for maintenance, proposed agreement regarding assessment revenues, and responded to Board inquiries.

The following individuals spoke:
- Mr. Don Rae, Plumas Lake
- Ms. Frances Hofman, Olivehurst
- Mr. Tom Eres, Hofman Ranch

Following Board discussion, upon motion of Director Grahan, seconded by Director Crippen, and carried with Director Griego being absent, the Board accepted the Reclamation District 784/TRLIA Proposed Fiscal Year 2009/2010 Budget for enhanced levee maintenance.

3) GEI Consultants/Amendment No. 11/$829,986: Executive Director Paul Brunner recapped proposed services and associated costs and responded to Board inquiries.

The following individuals spoke:
- Ms. Cindy Smith, Enterprise Rancheria
- Mr. Don Rae, Plumas Lake
- Mr. Tom Eres, Hofman Ranch
- Ms. Frances Hofman, Olivehurst
- Mr. Ren Reynolds, Enterprise Rancheria

Following Board discussion, upon motion of Director Nicoletti, seconded by Director Graham, and carried with Director Griego being absent, the Board approved Amendment No. 11 to the agreement with GEI Consultants for professional services for Phase 4 Feather River Levee Repairs in the amount of $82,986 and authorized the Executive Director to execute upon review and approval of Counsel.

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

07/14/09 - Special TRLIA
Financial Consultant Seth Wurzel: Annual Tax reports for Community Facilities District 2006-1 and 2006-2

Executive Director Paul Brunner:
- State Mining and Geology Board regarding reclamation on two borrow sites
- State decision memo on the Yuba River Project

Secretary Donna Stottlemeyer:
- Cancellation of regular Board meeting scheduled July 21, 2009
- Special Meeting and Budget Hearings scheduled July 28, 2009 at 2:00 p.m. and 3:00 p.m. respectively

Director Nicoletti: Memorial adjournment – Former Counsel Daniel Montgomery

CLOSED SESSION

The Board retired into closed session at 4:01 p.m. to discuss the following:

A. Pending litigation pursuant to Government Code §54956.9(a) – TRLIA vs. Naumes, Inc. YCSCCVED 08-0000361

B. Pending litigation pursuant to Government Code 54956.9(a) – TRLIA vs. Herold YVSCCVED 08-0000241

C. Pending litigation pursuant to Government Code §54956.9(a) – TRLIA vs. Davit et al

D. Personnel pursuant to Government Code §54957 – Executive Director Evaluation

The Board returned from closed session at 4:55 p.m. with all Board and staff members present as indicated above.

There was no announcement from closed session.
ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority, Vice Chair Brown adjourned the meeting at 4:55 p.m.

__________________________
Chair

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

__________________________
Approved:
August 4, 2009

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
        Seth Wurzel, Financial Consultant
SUBJECT: Agreement for the Collection of Special Taxes and Assessments with County Auditor-Controller

**Recommended Action:**
Approve the attached Agreement with the County (Auditor-Controller’s Office) and authorize
the Chair to execute the Agreement on the Board’s behalf.

**Discussion:**
By way of the Auditor-Controller’s office, the County is requesting that TRLIA execute the
Agreement for the collection of all direct special assessments and taxes to be collected on
secured property tax bills. TRLIA currently has two Mello-Roos CFD’s and the new benefit
assessment district that will collect charges on secured property tax bills. This Agreement spells
out the costs the Auditor-Controller’s office will charge for the placement of charges on secured
property tax bills, what those charges cover, and the data and schedule requirements that TRLIA
must abide by in order to submit the information to the Auditor-Controllers Office for placement
of charges on secured property tax bills. This Agreement will apply to all of TRLIA districts
mentioned and any future districts TRLIA might form. The Agreement also has an indefinite
duration and will continue from year to year and can be terminated by either party upon written
notice.

**Fiscal Impact:**
The Agreement specifies that Auditor-Controller will collect a fee of 20 cents per assessment per
parcel. In addition, to the extent needed, for any additional services requested by TRLIA, the
County may charge a fee sufficient to recover actual costs incurred for providing the service.

The County will collect the 20 cent charge per assessment per parcel in two equal installments
from the assessment receipts collected when property tax payers pay their respective property tax
bill installments. This charge will be deducted from the assessments receipts before they
apportioned to the appropriate TRLIA account.

For the TRLIA CFD’s, the Auditor-Controller charge per parcel is included within the
administrative costs of the districts all of which are paid from the special tax revenues that are
collected. The developers that receive the benefit of the taxes collected either through the
payment of bonds secured by the property or credit toward levee fees will receive benefit net of
this and other administrative costs.
For the new TRLIA Assessment District, within the total costs to be funded by the assessments from the district, TRLIA has made provisions for a portion of those revenues to cover administrative costs. There are approximately 13,000 parcels in the assessment district which result in Auditor-Controller charges of approximately $2,600 per year. TRLIA has approved an MOA with RD784 regarding the use of Assessment District funds. The MOA specifies the portion of Assessment District revenue to be used by TRLIA for administrative costs will be 3% of the projected assessment revenue or actual costs, whichever is less. The Auditor-Controller charges will be covered within this portion of Assessment District revenues.

Attachment:

- Agreement with County
AGREEMENT

This AGREEMENT is entered into by and between the County of Yuba, hereinafter referred to as COUNTY and a CITY or District of Yuba County, hereinafter referred to as AGENCY.

WITNESSETH:

WHEREAS, AGENCY is a city or district located in the County and as such desires to be the recipient of certain services from COUNTY; and

WHEREAS, AGENCY and COUNTY wish to enter into an agreement whereby the services to be provided, the conditions under which the services are to be provided and the compensation, if any, to COUNTY for services provided shall be stipulated and binding upon the parties who do so agree; and

WHEREAS, services to AGENCY include the collection and distribution of special assessments.

WHEREAS, Section 29304 of the Government code, provides that COUNTY can collect and cost of collecting assessments for public agencies;

NOW, THEREFORE, the parties hereto agree as follows:

I. PROPERTY TAX RELATED SERVICES

A. Collections

COUNTY will collect for AGENCY all fixed charge benefit assessments based on benefit conferred to each parcel without regard to assessed valuation.

Said assessments shall be collected at the same time and in the same manner as COUNTY taxes are collected and all laws applicable to the levy and collection of COUNTY taxes shall be and are hereby made applicable to such assessments.

B. Fee for Collection Services

Except when compensation is otherwise provided by law such as for 1915 Act assessments and bonds (Streets & Highways Code Section 8682), COUNTY will collect fees as follows:

Attachment A
1. For collection for all fixed charge benefit assessments for AGENCY, COUNTY shall collect 20 cents per assessment per parcel.

2. In addition, for any extended services requested by AGENCY, COUNTY may charge a fee sufficient to recover actual costs.

COUNTY hereby certifies that the fees charged are for the purpose of recovering costs attributable to the service provided and that said fees do not exceed costs of providing said service.

C. Method of Collection

1. Fixed Charge Benefit Assessments

At the time fixed charge benefit assessments are entered on the tax roll, the County Auditor will calculate the amount due COUNTY from AGENCY as follows:

Twenty (20) cents per parcel.

The total amount due to the COUNTY will be deducted in two equal installments from the December and April secured property tax collections.

2. Extended Services

COUNTY charges for extended services not included in the regular rates may be directly billed to AGENCY.

D. Transmission of Information

1. On or before August 10, AGENCY shall certify and deliver to the County Auditor a listing showing, as a minimum, the amount of the assessment against each parcel which shall be designated by assessment number, (i.e. parcel number appearing collected by COUNTY for AGENCY.
2. It shall be the obligation of AGENCY, prior to the time of delivery to COUNTY of the fixed charge benefit assessments roll, to verify that the parcel numbers on the assessment roll for fixed charge benefit assessments certified by AGENCY correspond benefit assessments (i.e., parcel) numbers shown on the County Secured Assessment Roll. AGENCY shall, as between itself and COUNTY, be responsible for the indemnify and hold COUNTY harmless against and from any and all claims by third parties which are related in any way to the services provided by the COUNTY for the AGENCY'S benefit pursuant to this Agreement. Any changes in special assessment data previously certified to the County Auditor by AGENCY shall be certified by AGENCY to the County Auditor no later than September 5th.

3. Requests for the levy of fixed charge special assessment shall be accompanied by a resolution of AGENCY stating the following:

(1) That AGENCY has complied with all laws pertaining to the levy of the particular assessment;

(2) That the charge being levied is in accordance with benefit conferred to each parcel without regard to assessed valuation; and

(3) The purpose of the fixed charge benefit assessment.

4. Requests for the levy of fixed charge special assessments shall be accompanied by a summary statement of the total number of assessments and the total charges.

II. MODIFICATION OF COLLECTION FEES AND CHARGES

COUNTY reserves the right to increase or decrease any charges herein provided in proportion to any changes in costs incurred by COUNTY in providing the services described herein, provided that written notice of any increase or decrease in charges shall be given by COUNTY to AGENCY on or before June 1, of any year the term of Agreement.
III. **NO CHANGE IN LIABILITY**

It is the purpose and intent of the parties not to change their existing legal responsibilities and relationships by virtue of this agreement. The purpose of this agreement is to establish the fees herein set forth together with description and scheduling of the tasks to be accomplished by each party which are in accordance with existing provisions of law.

IV. **TERM OF AGREEMENT**

All existing agreements between COUNTY and AGENCY pertaining to collection of special assessments by COUNTY for AGENCY shall be terminated upon the execution of this Agreement. This Agreement shall continue from year to year and shall be subject to cancellation by either party by giving written notice to the other party of cancellation on or before July 1 of any year during the term of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the first day above written.

COUNTY OF YUBA

By: __________________________
    Auditor-Controller

AGENCY ____________________________

By: ____________________________

DES: FBH/kmd

APPROVED AS TO FORM:

ATTEST:
DONNA STOTTEMEYER
CLERK OF THE BOARD

ANDREA CLARK
TRLIA, GENERAL COUNSEL
August 4, 2009

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director Andrea Clark, General Counsel
SUBJECT: Memorandum of Agreement between TRLIA and RD 784 With Regard to Assessment Revenues for Operation and Maintenance of Levee Improvements

**Recommendation:** Approve attached Memorandum of Agreement with RD 784 subject to review and approval by counsel.

**Background:** On June 2, 2009 the TRLIA Board approved the formation of the TRLIA Levee and Flood Control Facilities Assessment District (“Assessment District”). The purpose of the Assessment District is to fund the ongoing maintenance, operation, installation, improvement and repayment of the capital cost of improved flood control facilities. RD 784 will maintain its role as the sole provider of levee maintenance. TRLIA will collect assessment revenues and pass those through to RD 784 for that specific purpose. At TRLIA’s last meeting on July 14, TRLIA staff presented Principles of Agreement which formed the basis of the Memorandum of Agreement (MOA). The MOA is now before TRLIA for review and approval.

**Discussion:** The MOA describes the purpose and scope of the MOA, i.e., RD 784’s obligations to operate and maintain improved levees and TRLIA’s formation of the Assessment District to fund that operation and maintenance. In addition, the MOA sets forth the budget process that will take place annually. TRLIA and RD 784 will work cooperatively to prepare a budget that clarifies how the assessment district funds will be used. The TRLIA Board will then review and accept that budget. As TRLIA has informed the public throughout the assessment district process, the TRLIA Board will participate in the RD 784 levee maintenance budgeting process to ensure that assessment revenues are being used to achieve the operations and maintenance requirements of the many federal, State, and local agreements signed by TRLIA. In addition, TRLIA must review the budget in order to ensure that the assessment funds will be used for the purposes approved by the benefitted property owners. The MOA also provides for the transfer of revenues from TRLIA to RD 784. Finally, the MOA provides for an administrative fee for TRLIA’s management of the assessment in the amount of TRLIA’s actual costs or 3% of the project assessment revenues, whichever is less.
**Fiscal Impact:** TRLIA will have administrative expenses associated with its obligations under this MOA. However, those expenses will be provided for in the form of an administrative fee pursuant to the terms of the MOA.
Memorandum of Agreement Between

Three Rivers Levee Improvement Authority and Reclamation District 784

This memorandum of agreement ("Agreement") is entered into this ____ day of ______, 2009, by and between the Three Rivers Levee Improvement Authority ("TRLIA") and Reclamation District 784 ("RD 784") (collectively, the "Parties").

RECITALS

A. TRLIA was formed by RD 784 and Yuba County and authorized to accomplish a wide variety of tasks, including the ability to facilitate RD 784's operation and maintenance of levee improvements within RD 784 and outside of RD 784 on the former State Maintenance Area #8 levees, by creating community facility districts, assessment districts, other financing districts, or other means of financing, by acquiring property, and by otherwise assisting RD 784 in the operation and maintenance of levee improvements constructed by TRLIA.

B. TRLIA has formed the TRLIA Flood Control Facilities Assessment District ("Assessment District") that would provide funding to RD 784 to maintain some 29.3 miles of levees that are now urban levees ("the Levees") at the increased levels of maintenance required by the State of California, the U.S. Army Corps of Engineers, and the Federal Emergency Management Agency. The Levees have been significantly improved by TRLIA to meet the standards required for urban levees.

C. Under encroachment permits from the Central Valley Flood Protection Board and funding agreements with the California Department of Water Resources, both TRLIA and RD 784 have made commitments that the Levees will be operated and maintained in accordance with federal and State requirements.

D. Pursuant to federal and State law, RD 784 is obligated to operate and maintain the Levees which are part of the Sacramento River Flood Control Project. Under both federal and State law, RD 784 is the entity responsible for the maintenance and operation of the Levees, subject to State supervision.

E. TRLIA and RD 784 wish to work cooperatively to budget for and fund operation and maintenance of the Levees through this Agreement.

AGREEMENT

The Parties hereby agree as follows:

1. Budget Process:

A. RD 784, in conjunction with TRLIA, will prepare a levee operation and maintenance budget, on an annual basis, to ensure (a) that TRLIA assessment revenues are properly
earmarked for operation and maintenance of the Levees; (b) that the budget accounts for the timing of providing the assessment role to the Yuba County Controller and the timing of the assessment collection; and (c) that the budget for levee operation and maintenance is available for review and acceptance by the TRLIA Board of Directors.

B. TRLIA will, on an annual basis, (a) work with RD 784 to prepare the RD 784 levee operation and maintenance budget; (b) present the RD 784 levee operation and maintenance budget to the TRLIA Board of Directors for review and acceptance; (c) collect assessment revenues and transfer them to RD 784 pursuant to this Agreement; and (d) in conjunction with RD 784, make any adjustments to the Engineer’s Report for the Assessment District that may be necessary.

2. Transfer of Assessment Revenues: TRLIA will transfer assessment revenues to RD 784 based on the levee operation and maintenance budget as they become available to fund levee operation and maintenance of the Levees.

3. Accounting Reports: Within 30 days of the end of RD 784’s fiscal year, RD 784 will submit to TRLIA a report of the actual levee operation and maintenance expenses for the Levees. TRLIA may agree to fund additional levee operation and maintenance expenses that were not included in the previous budget and may make adjustments to the current budget to adjust for these previously unbudgeted expenses.

4. Regulatory Interface:

A. RD 784 will perform all required regulatory reporting and levee operation and maintenance activities on the Levees in compliance with federal and State Law. RD 784 will provide to TRLIA copies of all required reports.

B. TRLIA will provide all operation and maintenance regulatory reports as required by Central Valley Flood Protection Board encroachment permits and Department of Water Resources funding agreements. TRLIA will provide to RD 784 copies of all required reports.

5. Administrative Fee: RD 784 will include in the annual levee operation and maintenance budget an annual administrative fee for TRLIA’s management of the assessment, including, but not limited to, determination of the assessment roll and updates to the Engineer’s Report. This annual administrative fee shall be equal to TRLIA’s actual administrative costs or 3% of the projected assessment revenues, whichever is less.

6. Audit Requirements: Both Parties will conduct annual audits as required by State law.

7. Indemnity: Each party hereby agrees to defend and indemnify the other party, its officers, directors, and employees from and against claims, loss, liability, or expense (including reasonable attorneys’ fees), arising from or in connection with any breach or default in performance of any of such party’s obligations under this Agreement.
8. **Amendments:** Any amendment to this Agreement must be in writing and signed by both Parties.

9. **Execution:** This Agreement may be executed in counterparts, which collectively shall constitute the full agreement of the Parties.

In witness whereof, the Parties hereto have executed this Agreement as of the date and year written above.

**THREE RIVERS LEVEE IMPROVEMENT AUTHORITY**

By: ____________________________

Date: ____________________________

Name: ____________________________

Title: ____________________________

**RECLAMATION DISTRICT 784**

By: ____________________________

Date: ____________________________

Name: ____________________________

Title: ____________________________

**ATTEST:**

DONNA STOTTERMeyer
CLERK OF THE BOARD

**APPROVED AS TO FORM:**

CARL LINDMARK
GENERAL COUNSEL, RD 784

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**APPROVED AS TO FORM:**

ANDREA P. CLARK
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
GENERAL COUNSEL

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THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY
1114 Yuba Street, Suite 218
Marysville, CA 95901
Office (530) 749-7841 Fax (530) 749-6990

August 4, 2009

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
        Doug Handen, Construction Manager

SUBJECT: Contract No. PH4-2007-08-02
        Phase 4 Feather River Setback Levee Project Contract Addendum No. 4 for
        Award of Degradation of Existing Levee and Cultural Site requirements

**Recommended Action:**
Award to **Teichert Construction** a contract addendum (Attachment 1) for additional work to the
current contract for the Feather River Levee Setback Project. The additional work consists of
work originally bid as Bid Schedule D of the bid proposal and work required due to design
modifications related to the cultural site discovered during construction. The recommended
action shall authorize the TRLIA Chair to sign and the TRLIA Executive Director to take the
necessary actions to implement the contract addendum and issue Notice to Proceeds (NTPs) as
needed once General Counsel has reviewed and approved the addendum as a modification to the
existing contract for this project. The value of this contract addendum shall be $13,961,375.

**Background**
TRLIA accepted bids for the Feather River Segment 2 (Levee Setback Project) on October 12,
2007 in order to be prepared to immediately start work in anticipation of the State EIP funding
agreement being executed. The bid documents for this project included bid schedules A through
E as approved by the TRLIA Board on August 14, 2007. The bid schedules for this project are as
follows:

- Bid Schedule A- Contractor Compensation for Pre-Construction Activities
- Bid Schedule B- Levee Foundation
- Bid Schedule C- Levee and Pump Station Construction
- Bid Schedule D- Degradation of Existing Levee
- Bid Schedule E- Misc. Indefinite Quantity/Indefinite Delivery Pricing

Teichert Construction was the successful “low bidder” for these bid schedules. The bid
documents allowed TRLIA to “award” separate bid schedules and portions of bid schedules as
mutually agreeable between TRLIA and the Contractor. TRLIA has incrementally awarded
portions of the bid schedules and provided subsequent NTPs based on available funding, land
acquisition, and permits.
The bid package and bid schedules for the project were created prior to final design and approval of the Feather River Setback Levee. Additionally, bid pricing was based on awarding the entire bid schedule “B” on March 3, 2008 and the entire bid schedule “C” on April 4, 2008.

TRLIA has incrementally awarded portions of these schedules due to limitations on funding, real estate, and permitting. The costs for the Bid Schedules B and C have increased due to:

- Phasing
- Schedule Delays/Award
- Fuel and Material cost increases
- Design Changes due to regulatory comments received subsequent to the bid documents
- Real Estate acquisition impacts on construction
- Changes in anticipated field conditions

These cost increases would have occurred at equal or greater costs for all the contractors that bid on the project; thus Teichert is still the low bid. To date, Teichert has been issued the following awards and change orders:

<table>
<thead>
<tr>
<th>Prior Construction Awards:</th>
<th>Value</th>
<th>Award Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule “B” Modified (Awarded to Teichert)</td>
<td>$24,964,729</td>
<td>5/20/08</td>
</tr>
<tr>
<td>Additional Schedule “B” And Schedule “C” (Awarded to Teichert)</td>
<td>$19,748,876</td>
<td>8/19/08- Addendum 1</td>
</tr>
<tr>
<td>Ella Basin Import (Awarded to Teichert)</td>
<td>$3,058,000</td>
<td>9/9/08- Addendum 2</td>
</tr>
<tr>
<td>Schedule “B” and “C” Tie-in Construction</td>
<td>$8,919,059</td>
<td>4/29/09- Addendum 3</td>
</tr>
</tbody>
</table>

**Summary of Change Orders:**

- Fuel and Bentonite Increase | $1,300,000 |
- Stripping and Embankment volume changes | $850,000 |
- SB cutoff wall volume changes | $320,000 |
- Real Estate related costs  
  - Naumes additional clearing | $450,000 |
  - Walnut burl salvage | $100,000 |
  - Irrigation removal and re-location | $350,000 |
- Misc. Change Orders | $100,000 |
**Construction total:** $60,160,664

The above awards include the construction of Pump Station #3 and Setback Levee Construction from Station 0+00 to Station 303+00. The prior awards do not include the degradation of the
existing levee with the exception of the earthwork on the existing levee required for purposes of performing tie-in construction.

Discussion:

Work completed to date:

To date, approximately $45,000,000 of this work has been completed. The following is a summary of the major components of the work that have been completed:

- The entire levee foundation has been cleared, grubbed and stripped from Station 0+00 to 303+00.
- A soil-bentonite cutoff wall has been constructed through all of the portions of the levee foundation where a cutoff wall was required from Station 21+00 to 303+00 per the design. 1,520,000 SF of soil-bentonite cutoff has been completed.
- A volume of levee embankment of approximately 2,720,363 CY has been permanently placed in the setback levee.
- Pump Station #3 is approximately 80% complete

Degradation approval and requirements:

TRLIA has prepared a request to the Central Valley Flood Protection Board (CVFPB) and the State Department of Water Resources requesting permission to degrade the existing levee prior to the completion of the setback levee. TRLIA has requested that the levee degrade commence on August 15th, 2009, subject to meeting certain construction milestones prior to that date. These milestones include:

- Placement of a total of 2.6 million (of the total 3.6 million) cubic yards of embankment
- Completion of entire levee foundation including Soil Bentonite Cutoff Wall backfill
- Regulatory approval of the cultural site re-design
- Establishment of an embankment production rate of 21,000 cubic yards per day
- Verification of work performed to date meeting project specifications

TRLIA has met or is on schedule to meet all of the above referenced milestones prior to the August 15th date except the third bullet. Completion of the third bullet is dependent upon Regulatory approval of the South Tie-in Cultural Site re-design, which is anticipated by mid August. The Corps, State, and Enterprise Rancheria (Most Likely Descendant (MLD) – per the Native American Heritage Commission) have agreed with the approach that is being incorporated into the re-design. The Corps of Engineers is in agreement with the re-design, and the State is currently reviewing. A key concern for the State and Corps has been the differential settlement that will occur due to the new cultural site being left intact under the new levee embankment.

TRLIA anticipates that it will obtain approval from the CVFPB to degrade the existing levee during the July 30, 2009 Board meeting. TRLIA shall not issue a Notice to Proceed prior to approval by the CVFPB and also achieving all the milestones listed above. The NTP shall limit the degrade to 50% of the existing levee height until such time as the entire new setback levee
has been constructed to a height of 50% or greater. This requirement is consistent with the condition approved by DWR.

Degrade priorities and schedule:

The proposed award is based on completing the degrade work in 2009. There is a possibility that this effort will be cut short due to adverse site conditions based on weather. Price considerations in the event a portion of degradation is performed in 2010 could include adjustments based on fuel, labor and mobilization costs. Pursuant to discussions and agreement with DWR and the Corps, TRLIA has developed a priority for the degradation effort. The priority shall focus on the placement of degraded material to the Uppal and Platter sites. The Uppal site must be filled early due to its proximity to the new levee. The Platter site is to receive material from the southern portion of the existing levee. Placement of this material in the Platter site provides an important improvement to the hydraulics of the setback area and is required to fulfill a requirement of TRLIA’s agreement with Platter.

Modifications to bid plans and costs:

The proposed Degrade award is based on the original bid schedule “D”. The original bid for Bid Schedule “D” was for the total amount of $13,215,000. The proposed award is based on unit prices from the original bid.

Several modifications to “bid” drawings have been included in the revised proposal (Attachment 2). These changes include modifications to the drawings related to the discovery of the CA-Yuba 1677 Cultural Site, costs associated with delays in the ability to fill the Plumas Canal, and the transfer of a portion of the slurry wall work from the Segment 1 contract to the Segment 2 contract.

The plan modifications related to CA-Yuba 1677 include significant changes required to avoid cultural artifacts, including substantial widening of the levee in the vicinity of the cultural site are included in the current proposal.

The proposal also includes costs associated with the continuation of work while waiting for the California Department of Fish and Game 2081 Permit. The absence of the permit originally delayed the drainage and filling of the Plumas Canal. The delays required the contractor to phase the work and utilize highway legal trucks in lieu of the off road equipment that could have been utilized had the fill of the canal been allowed per the desired schedule.

The attached proposal includes 45,000 square feet of soil-bentonite slurry wall that was previously included in the Feather River Levee Repair-Segment 1 contract. The work was deleted from the Segment 1 to avoid duplication of the levee degradation, of the existing levee, required to construct the slurry wall connecting the two segments.
The attached price/quantity schedule includes a summary of the complete bid proposal and the current proposal including the new items of work. The proposal includes the following subtotals:

- **Levee Degrade (Bid Schedule D –modified)** $12,928,175

  **Additional Items of work:**

- **2081 Permit Delay- Plumas Canal work** $149,200
- **Changes due to CA-Yuba 1677** $524,000
- **Slurry Cutoff Wall originally included in Segment 1** $360,000

  **Total** $13,961,375

The combined total of costs to date and proposed award are as follows:

- Prior Awards and Change Orders $60,160,664
- Proposed Award $13,961,375
- **Total** $74,122,039

A schedule for the completion of the Feather River Setback Levee is attached to this report (Attachment 3). The schedule reflects that the embankment for the entire levee be completed in October of this year.

**Fiscal Impact:**
This project is fully funded as described in the State/TRLIA funding agreement. The current cash flow projection for the Teichert portion of the Feather River Setback Levee (including the levee degrade and additional work) is $73,784,140. The increased funding ($74,122,039 - $73,784,140 = $337,899) for the additional work will come from the Feather River Project contingencies, which is currently at $7.05 million.

**Attachments:**
1. Contract Addendum
2. Cost Proposal dated July 29, 2009
3. Feather River Setback Completion Schedule
Phase 4 Feather River Setback Levee Project
Contract PH4-2007-08-02

Contract Addendum #4

The agreement for this project is hereby modified to include the work per the construction documents for this project known as the TRLIA Feather River Setback Levee project. The work shall be performed as per the attached proposal from Teichert Construction, dated July 29, 2009, and as modified by executed change order to this agreement.

Contract Addendum Amount = $13,961,375

All other terms and conditions of the existing agreement shall remain.

By ____________________________________________
Chair of the TRLIA Board of Directors

Date ____________________________________________

Attest:

___________________________________________
Clerk of the TRLIA Board of Directors

I hereby certify that I have examined the within contract and find the same to be in Conformance with the provisions of the State Contract Act.

Andrea P. Clark, General Counsel

Date  29 July 2009

Attachment 1
### REVISED BID
**BID SCHEDULE D**
**PHASE 4 FEATHER RIVER SETBACK LEVEE – LEVEE DEGRADATION**

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<th>Item No.</th>
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<th>Unit Price</th>
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<td>Mobilization**(1)**</td>
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<td>2-D</td>
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<td>Stripping, Existing Levee and Floodplain Swale</td>
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<td>4a-D</td>
<td>Respread Stripping at JTS/Platter Borrow Site</td>
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<td>8-D</td>
<td>Foundation Excavation</td>
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<td>Bank Cubic Yard</td>
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<td>9-D</td>
<td>Geogrind Stabilization of Soft, Wet Subgrades</td>
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<td>Square Yard</td>
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<td>13a-D</td>
<td>Backfill (Material Types 1 and 2, 1, 2, and 3), from Owner-furnished Primary Borrow Area (with limited blending), required excavations, and Contractor-supplied borrow area</td>
<td>13,000</td>
<td>Fill Cubic Yard</td>
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<td>Removal of Type 4 Patrol Road Surfacing Prior to Levee Degradation</td>
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<td>24a-D</td>
<td>Salvage Value of Pump</td>
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<td>30-D</td>
<td>Pipe Gate Removal</td>
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<td>Each</td>
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<td>32-D</td>
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<td>34a-D</td>
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<td>59b-D</td>
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<td>61-D</td>
<td>Environmental protection final grading, erosion protection and restoration</td>
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<td>$131,000.00</td>
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<td>Demobilization</td>
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<td>$50,000.00</td>
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<tr>
<td>82-D</td>
<td>Monitoring and maintenance of vegetation, drainage and erosion control measures</td>
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<td>82-D</td>
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<td>99-D</td>
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**TOTAL SCHEDULE D – LEVEE DEGRADATION BID:** $12,928,175.00

Notes: (1) Price bid for Mobilization and Demobilization shall not exceed five (5) percent of the total bid schedule price.

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State of California Contractor's License No. 8
## CA-YUBA 1677 PROPOSAL
### PHASE 4 FEATHER RIVER SETBACK LEVEE

**July 29, 2009**

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<th>Item No.</th>
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<th>Unit Price</th>
<th>TOTAL</th>
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<td>1</td>
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<td>3</td>
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<td>6</td>
<td>Add. Cutoffwall Cost 2+00 - 7+00 (Acceleration &amp; Modified Backfill Spec)</td>
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<td><strong>CULTURAL SITE PLAN MODIFICATION PROPOSAL SUBTOTAL:</strong></td>
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<td>$524,000.00</td>
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| **SOUTHERN TIE-IN PLAN MODIFICATION** | | | | | |
| 11       | Additional Cutoffwall (Former Segment 1 Cutoffwall) | 45,000 | SF | $8.00 | $360,000.00 |
| **SOUTHERN TIE-IN PLAN MODIFICATION PROPOSAL SUBTOTAL:** | | | | | $360,000.00 |

| **PLUMAS CANAL REQUIREMENTS** | | | | | |
| 21       | Temp Access To Star Bend Boat Ramp              | 1        | LS   | $8,000.00  | $8,000.00  |
| 22       | Hand Clearing Plumas Canal                     | 1        | LS   | $18,500.00 | $18,500.00 |
| 23       | Inefficiency/Partial Access @ Southern Tie-In   | 72,400   | CY   | $1.75      | $126,700.00 |
| **PLUMAS CANAL REQUIREMENTS PROPOSAL TOTAL:** | | | | | $149,200.00 |

| **PLUMAS CANAL REQUIREMENTS PROPOSAL TOTAL:** | | | | | $1,033,200.00 |
DATE: August 4, 2009

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director
       Andrea Clark, General Counsel
       Doug Handen, Construction Manager
SUBJECT: Contract No. PH4-2007-08-01
         Phase 4 Feather River Levee Repair Project
         Yuba River Site 2 Erosion Repairs: Contract Addendum

Recommendation
Award to Nordic Industries, Inc. (Nordic) a contract addendum (Attachment 1) to their current contract for the Feather River Levee Repair Project, Segments 1 and 3 and the Site 7 Extension and authorize Chair to sign and execute the addendum and the Executive Director to take the necessary actions to implement the contract addendum. The value of this contract addendum shall not exceed $443,995.00.

Background
TRLIA accepted bids for the Feather River Levee Repair Project, Segments 1 and 3, on 6/21/07. Two complete bids were received and Nordic Industries provided the lowest bid. Nordic was awarded the Segment 1, Segment 3, and Site 7 Extension work at the TRLIA Board Meetings held on August 7th and 14th of 2007. The total of these awards was in the amount of $14,284,326.

The State Cut (see map Attachment 3) was constructed in the 1930’s to improve hydraulic efficiency during high water events at the confluence of the Feather and Yuba Rivers. Reportedly Site 2 had erosion problems prior to 1997; however, bank protection was placed in this area, and no problems were reported as a result of the extreme high water conditions experienced during the January 1997 flood. Nonetheless, the Corps has expressed concern about the potential for future erosion and scour at Erosion Site 2. The Corps also cited that the levee slope lacks vegetation, and that the fine sandy soil in the levee foundation has the potential to erode during a 100-year or greater flood event. Furthermore, the Corps is concerned that the bed of the State Cut has the potential to scour and move laterally, compromising the foundation of the levee. The Corps expressed these erosion concerns in a letter dated May 8, 2007 to TRLIA, and indicated that it would not certify this reach of levee until this erosion problem had been addressed. A hydrologic analysis, conducted in April of 2007 by MBK Engineers, determined that additional scour protection would be required at the proposed project site to reduce the potential for future scour under the 100-year flood event. However, the scope and nature of the work required to protect the site was unknown at that time.
Discussion
TRLIA legal counsel has advised that pursuant to the Public Contract Code, the work included in the proposed award is appropriately added to Nordic’s existing contract and need not be let for public bid. This is because the cost of the additional work is less than ten percent of original contract cost. The proposed addendum is approximately 3.5% of the original contract award. In addition, the work is in the vicinity or boundary of the original work limits. Nordic’s current contract includes work on the Feather and Yuba River Levees to the west and east of the location of the erosion control work on the Yuba River Levee. Finally, the work is similar in scope and nature to the original contract work. The erosion site repairs include earthwork, grading, and erosion control tasks that are substantially similar to work in the original contract award. In addition, there is time and cost savings associated with amending Nordic’s current contract rather than bidding the work publicly.

- **Permits:** All permits (environmental and construction) for this work effort have been obtained except for the CVFPB encroachment permit. TRLIA anticipates that encroachment permit will be issued at the end of August 2009.
- **Schedule:** The duration for the work included in the proposed award is estimated to be between 3 and 4 weeks. The contractor, Nordic Industries, has indicated that they can mobilize to commence work shortly after the Notice to Proceed (NTP). The NTP shall be issued subject to this proposed contract addendum and issuance of the CVFPB encroachment permit. If the permit is issued as anticipated the work can be completed in September of this year.
- **Certification:** This work needs to be completed so that Segment 3 can be certified for FEMA accreditation. Based on the schedule above TRLIA staff anticipates Segment 3 levee certification in November 2009.
- **Addendum Pricing:** Nordic has provided the attached proposal (Attachment 1) in the amount of $443,995. The estimate utilizes unit pricing from the original contract where applicable and interpolation of unit pricing for items of work not directly included in the original bid. TRLIA staff has reviewed the proposal and believes that the pricing is fair and reasonable. The Engineer’s original estimate of cost for the Yuba River Site 2 Erosion Repairs is in substantial agreement with the proposal. The final contract addendum pricing shall be subject to any adjustments to the construction documents as required by CVFPB. TRLIA does not anticipate substantial changes to the documents.

Fiscal Impact:
The Feather River Segment 3 has been approved for Feather River EIP Funding and the State has provided funds for the levee repairs. Based on the additional analysis of the erosion problem at Site 2, TRLIA has requested that this work effort be added to the Feather River EIP agreement and the State has agreed. The cost sharing will be Local 30% and State 70%, the same as other Segment 3 work. Initially funding for this work will come from Feather EIP project contingencies. The State is in the process of increasing the State funding in the EIP agreement to reflect these additional funds.

Attachments:
1. Cost Proposal dated April 14, 2009
2. Proposed Addendum
3. Location Map
April 14, 2009

Mr. Don Kurosaka, P.M.
GEI Consultants Inc.
10860 Gold Center Drive, Suite 350
Rancho Cordova, CA 95670

Regarding: Phase IV Feather River Levee Project
Contract P4 2007/08-01

Subject: Cost Proposal
Site 2 Erosion Repairs

Dear Don,

Detailed herein is the cost proposal of Nordic Industries, Inc. (Nordic) to construct the Site 2 Erosion Repairs as shown on the preliminary Design Figures 13,14, and 15.

Nordic’s attached unit cost proposal includes costs to furnish all labor, equipment and materials required to complete the work. The following conditions shall also apply as Nordic’s scope of work:

- Excess materials from stripping and excavation operations shall be hauled and stockpiled at the Segment I disposal area.
- Excess concrete from clearing and excavation operations shall be hauled to the local recycler
- Random Fill shall be compacted to achieve a maximum dry density of 85% per ASTM D698
- The Type 2 Fill shall be tracked walk by a D6 Dozer and no compaction shall be required.
- Nordic assumes TRLIA will provide the Platter Borrow site material at no charge which will be suitable for type 2 fill.
- Nordic shall be provided a suitable water source at the borrow site.
- Any Class II Aggregate Base needed to repair damaged maintenance roads from hauling operations shall be paid at our proposed unit price per ton for Class II Aggregate Base.
- Any hydroteching needed at either the Platter Borrow area and/or the Segment 1 Disposal area shall be paid at our proposed unit price per acre for hydroteching.

Nordic appreciates the opportunity and can begin construction immediately after acceptance of our proposal.

Sincerely,
Nordic Industries, Inc.

[Signature]

Todd Lemmons
Project Manager
Proposal for:
Yuba River Site 2 Erosion Repairs
From
NORDIC INDUSTRIES, INC
1437 Fumeaux Road Marysville, CA 95901

(530) 742-7124 Fax:

TRLIA

<table>
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<tr>
<th>Bid-Item</th>
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Total: 443,995.00

✓ = Locked Bid-Item
? = Zero Total Price

Estimator: Todd Lemmons
For Job: Yuba River Site 2 Erosion Repairs
THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY
1114 Yuba Street, Suite 218
Marysville, CA 95901
(530) 749-7841 Fax (530) 749-6990

Phase 4 Feather River Levee Repair Project
Contract PH4-2007-08-01

Contract Addendum #1

The agreement for this project is hereby modified to include the work per the construction documents for this project known as the TRLIA Feather River Levee Repair Project. The work shall be performed as per the attached proposal from Nordic Industries, Inc., dated April 14, 2009, and as modified by executed change order to this agreement.

Contract Addendum Amount = $443,995.00

All other terms and conditions of the existing agreement shall remain.

Contractor:

By ____________________________
Chair of the TRLIA Board of Directors

Date ____________________________

Ray Bertelsen, Nordic Industries, Inc.

Date ____________________________

Attest:

______________________________
Clerk of the TRLIA Board of Directors

I hereby certify that I have examined the within contract and find the same to be in Conformance with the provisions of the State Contract Act.

______________________________
Andrea Clark, General Counsel

Date ____________________________

Attachment 2
DATE: August 4, 2009

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director
       Doug Handen, Construction Manager
       Larry Dacus, Design Manager
SUBJECT: Contract No. PH4-2009-??-??
         Upper Yuba Levee Improvement Project
         Waterside Slope Flattening – Approval for Issuance of Bid Documents

**Recommended Action**
Provide approval to issue for bid the construction documents for the Waterside Slope Flattening of the Yuba Levee from Highway 70 to the UPRR and authorize the Executive Director to execute the bidding process.

**Background**
TRLIA proposed to do this work in 2006. Funding and time constraints did not allow this to occur. This work needs to be accomplished to obtain the TRLIA goal of 200-year protection in this reach of levee. 200-year protection is also a requirement of the EIP Program. Another condition of the EIP Program is that a portion of the project must be construction ready by November 2009. This year TRLIA made application to the State EIP Program for this work as well as for work on the Yuba Levee from Simpson Lane to the Goldfields. The State has approved these projects for EIP funding and the funding agreement is being negotiated. The Waterside slope flattening work satisfies the EIP requirement to have a portion of the work ready for construction by November 2009.

In order to secure the State EIP funding agreement TRLIA has proceeded with completing the design, plans, and specifications, which are now ready to be issued for bid.

**Discussion**
The Engineer’s Estimate for the cost of this project is $670,000.

**Permits and Environmental Documentation:**
All permits (environmental and construction) for this work effort have been obtained except for the CVFPB encroachment permit. A CVFPB encroachment permit was issued for this work in 2006. TRLIA has requested that the slope flattening work be accomplished under a revision to the permit issued in 2006. The CVFPB is considering this request and appears to be willing to revise the existing permit. *Initiation of this work (Notice to Proceed) will be subject to getting the revised encroachment permit and being able to complete the project this construction season.*
If the work cannot be completed this construction season, then TRLIA will delay issuance of the Notice to Proceed until April/May of next year.

**Borrow Material Sources:**
The bid documents for this project shall include two options for import material sources. The first option will include the use of the Platter/JTS borrow site located at Country Club Road and Feather River Blvd. This site has now been approved as a borrow site by the State Mining and Geology Board (SMGB) under the State Mining and Reclamation Act (SMARA). The Platter site is currently being utilized by Teichert Construction as a borrow source for the Feather River Setback Levee project. The positive and negative attributes of this site are summarized below:

1. **First Option: Use of Platter JTS Borrow Site**

   **Pros**
   - Known source of material meeting specifications
   - Close proximity to project
   - Material source approved by SMGB

   **Cons**
   - Potential scheduling conflict with Feather Setback project
   - Will require Setback project to utilize more expensive blended material from setback area
   - Potential conflicts with Feather River Levee degradation work (fill of Platter)

2. Second Option: The bid proposal shall direct the contractor to furnish the required material from a source to be determined by the contractor.

**Schedule:**
The following are projected milestone dates and schedule for the construction of the Yuba Slope Flattening Project:

- Advertise for Bid
- Open Bids
- Award of Bid*
- Notice to Proceed (NTP)**
- Construction Period***

August 7\textsuperscript{th} 2009  
September 10\textsuperscript{th}  
September 22\textsuperscript{nd}  
September 23\textsuperscript{rd}  
Sept. 28th to October 30\textsuperscript{th} 2009

* Award of contract is dependent upon the State Upper Yuba River Levee Improvements funding agreement being executed and funding is available.

** NTP will be subject to getting the revised encroachment permit and being able to complete the project this construction season.

*** Could be delayed until the 2010 construction season depending on when the NTP can be issued.
**Fiscal Impact:**
The State funding for the construction project will come from the Upper Yuba River Levee Improvements EIP Agreement with DWR that is currently being negotiated – anticipated to be signed in August 2009. The cost sharing will be Local 30% and State 70%. The Local share funding for this project will come from three sources once the Upper Yuba EIP agreement is executed: 1) existing funding currently in cash flow, 2) State reimbursement of local funding that was used to pay for the State share of the Feather River Segment 1 levee work, and 3) State credit to TRLIA for prior levee work. The “Instructions to Bidders” included in the bid documents will describe that an Award of the project will be subject to the confirmation that the EIP agreement has been executed and State funding is available.

The cost incurred to date for the design, and preparation of the plans and specification have been paid for by existing TRLIA local funding. These expenses will be reimbursed at 70% by the State once the EIP funding agreement has been executed.
DATE: August 4, 2009

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director Anja Raudabaugh, Environmental Manager
SUBJECT: Amendment to the Agreement between River Partners and TRLIA for Feather River Setback Elderberry Relocations, Floodplain Drainage Swale

**Recommended Action:** Approve the amendment to the contract with River Partners for Feather River, Floodplain Drainage Swale elderberry relocations, in the amount of $160,000, and authorize the Chair to sign and execute and the Executive Director to take the necessary actions to implement the amendment.

**Background:** In August 2008 the TRLIA Board approved a contract with River Partners for the Feather River Setback project elderberry relocations. This contract included the relocation, monitoring and compliance with U.S. Fish and Wildlife Service (Service) protocols contained in the Biological Opinion (BO) for the Feather River Setback USACE 404 permit. In addition, the original contract included the planting of all estimated elderberry transplant associates in the Feather River Elderberry Transplant (FRET) site that were required in the BO.

Due to limitations in site access at the time, accompanying thick vegetation and a lack of permit authority to clear the area, the elderberry transplants within the floodplain drainage swale were omitted from the original contract. There are approximately 50 Feather elderberry shrubs located in the southern drainage swale area. The drainage swale area will be impacted during the planned Feather River Segment 2 existing levee degrade that is anticipated to begin later in August once the Central Valley Flood Protection Board (CVFPB) levee degrade encroachment permit is issued. The CVFPB will consider the levee degrade permit during their July 30th meeting. A condition of the proposed CVFPB levee degrade permit is that no additional elderberry shrubs be planted into FRET until this site has been permitted by the CVFPB, which is anticipated to occur in the next six months. The current plan is to transplant these 50 elderberry shrubs to an existing Service approved elderberry site managed by the Corps and RD784 along the Feather River by Anderson Ave. RD784 is in agreement with this plan. The associate planting will occur later at the FRET site.

**Discussion:** This contract amendment includes costs associated only with the direct transplant actions including a biological monitor onsite, building basins; putting up fences; tank irrigating and reporting of the transplanting activities; and all equipment and materials. The elderberry associate plantings, which TRLIA is required to do as a result of conditions contained in the BO, are already accounted for in the original River Partners contract. The original contract also provided for the Board to amend it based on the need to relocate additional shrubs. The first amendment to the contract added work and costs related to the transplanting by River Partners of unanticipated elderberry shrubs. To date that work has added $26,600 to the total contract amount.
**Fiscal Impact:** The total cost of this amendment is estimated to be $160,000, bringing the total contract amount for these actions to $574,100 over four years. The original expense was accounted for in funds contained within the Prop 1E account. The additional funding will be drawn from Feather River EIP agreement contingency funds.
SECOND AMENDMENT
TO
AGREEMENT BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
AND RIVER PARTNERS

THIS SECOND AMENDATORY AGREEMENT is made and entered into this ____ day of _____ 2009, by and between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, a Joint Powers Authority, ("TRLIA") and River Partners ("CONTRACTOR").

RECITALS:

WHEREAS, TRLIA and CONTRACTOR entered into an agreement to provide Professional Services dated August 25, 2008 ("AGREEMENT");

WHEREAS, effective March 10, 2009, the parties entered into Amendment No. 1 to the Agreement for Professional Services;

WHEREAS, Article C.24 of the AGREEMENT, states that modifications or amendments to the terms of the AGREEMENT shall be in writing and executed by both parties;

WHEREAS, TRLIA and CONTRACTOR desire to amend the AGREEMENT.

NOW, THEREFORE, TRLIA and CONTRACTOR agree as follows:

1. Second Amendment to Agreement. The Professional Services Agreement is hereby amended as follows:

   1.1 The scope of services (Attachment A to the Agreement for Professional Services between TRLIA and River Partners, dated August 25, 2008) is amended to expand the scope of work as described in a new scope of work dated July 28, 2009, to address site preparation and elderberry transplant of the floodplain drainage swale.

   1.2 The payment, budget, and not-to-exceed amounts (Professional Services Agreement Attachment B) are amended by the attached Exhibit A to include the additional amount of $160,000 for a total contract amount of $574,100.

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 _____ 2009.

THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY

BY: ______________________
    CHAIR

CONTRACTOR

BY: ______________________
    John Carlon, President, River Partners
ATTEST:  
DONNA STOTTLEMEYER  
CLERK OF THE BOARD  

APPROVED AS TO FORM:  
ANDREA P. CLARK  
THREE RIVERS LEVEE IMPROVEMENT  
AUTHORITY COUNSEL  

Andrea P. Clark
Exhibit A
Scope of Additional Services
July 28, 2009

The purpose of this document is to describe scope of work and cost estimates for addressing out-of-scope items for the TRLIA/River Partners agreement dated August 25, 2008.

River Partners shall furnish all labor, materials, equipment and services to transplant identified elderberry shrubs located within the floodplain drainage swale. Individual tasks are listed below in summary fashion.

Task 1: Site Preparation
River Partners will prepare the transplant location by diskng and creating basins for elderberry shrubs. TRLIA will provide River Partners with details regarding the approved transplant location and assist as necessary in access by River Partners to transplant location sites.

Task 2: Elderberry Transplant
River Partners will remove and transplant identified elderberry shrubs, estimated at 38 to 50 shrubs, as per US Fish and Wildlife Service VELB guidelines. In the event additional shrubs are found during the excavation process, a TRLIA representative will be informed and, upon approval, the additional plant will be relocated to the transplant area. River Partners shall have a qualified biologist (monitor) on site for the duration of the transplanting of elderberry shrubs to insure that no unauthorized take of valley elderberry longhorn beetle occurs as per the guidelines. A transplant report shall be prepared and submitted to TRLIA.

Transplanting elderberry shrubs from the floodplain drainage swale excludes planting of associate seedlings, maintenance and monitoring during the establishment period.

Costs: The cost will be $3,200 per actual shrub transplant, for a total of up to $160,000 for up to 50 shrubs.
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
1114 Yuba Street, Suite 218
Marysville, CA 95901
Office (530) 749-7841 Fax (530) 749-6990

August 4, 2009

MEMO TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
SUBJECT: Benefit Assessment District – Adjustments to Boundaries/Assessments

TRLIA Resolution 2009-8 allows the TRLIA’s Executive Director to make adjustments to the TRLIA’s Benefit Assessment District that was formed on June 2, 2009. Since the District was formed the Executive Director has approved two adjustments. These changes – one which revised a zone boundary, and another which removed the assessments from 12 parcels – were made following direct inquiries from property owners and after additional analysis of topographic and hydrologic information.

Griffith Avenue Parcels – Assessments Set at “Zero”: During the TRLIA Board Public Meeting on May 12, 2009, Mr. Steve Spencer requested a reevaluation of the benefit his parcel receives from improved levees. Mr. Spencer owns property located along Griffith Avenue between North Beale Road and Linda Avenue (see Exhibits 1 & 2). Upon review of the topographic data, it appears that Mr. Spencer’s property is above the water surface elevations used for purposes of determining benefit from levee protection. The parcel was not receiving significant direct flood protection benefits from the levees due to its elevation, so the assessment was reduced to zero. An analysis of neighboring parcels resulted in the same outcome for 11 other properties. Notices were sent to these property owners on July 21.

Review and Revision of Southwest Boundary, Central Zone B: The Executive Director authorized a change in Zone boundaries for 17 parcels following an inquiry from a property owner on 11th Street in Olivehurst, who inquired about the differences in zone designations for her property and those across the street. The property owner’s parcel was originally included in the South Zone, while those across the street were included in the Central B Zone. Upon closer inspection of the hydraulics and local topography, it would appear that the benefits that these properties receive are much more similar to properties in the Central B Zone and that the boundary between the Central B and South Zones should be adjusted to turn west from Western Pacific Railroad tracks to the intersection of Skyway Drive and Arboga Road, then following Arboga Road north. For this reason, the Executive Director authorized a realignment of the zone boundary (see attached map). Notices were sent to these property owners on July 16.

Attachment: Maps