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.

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

II  CLOSED SESSION

A. Pending litigation pursuant to Government Code §54956.9(a) TRLIA vs. Heir Family YSCCVED 08-0000242

B. Conference with Real Property Negotiators pursuant to Government Code §54956.8 - Property: APN 018-190-108 (Sohal Family Trust) Negotiating Parties: Mike Churchill/Max Steinheimer/Scott McElhern/Bob Morrison/TRLIA Negotiation: Price and Terms of Payment

III 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.

IV 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 meeting of May 18, 2010.

B. Approve out of state travel in the amount of $1,800 for Executive Director to attend Annual Flood Management Association conference held in Henderson, Nevada November 2 – 5, 2010.

V ACTION ITEMS

A. Approve Memorandum of Understanding with Central Valley Flood Protection Board to obtain federal credit for Upper Yuba River Levee Project and authorize the Chair to execute upon review and approval of Counsel.

B. Approve issuance of bids for construction documents for the Upper Yuba Levee Improvement Project, Simpson Lane to Yuba Goldfields, with a tentative bid opening date of July 22, 2010.

C. Authorize request for proposal for transplanting elderberry shrubs impacted by the Upper Yuba Levee Improvement Project and three year monitoring and maintenance of transplants.

D. Approve Amendment No. 1 to agreement with Capitol Public Finance Group in the amount of $270,000 for financial consulting services and authorize the Executive Director to execute same.

E. Approve proposed Reclamation District 784/TRLIA budget for Fiscal Year 2010/2011 for maintenance of levees.
F. Adopt resolution updating and ordering levy of assessments within the Levee and Flood Control Facilities Assessment District for Fiscal Year 2010-2011.

G. Receive proposed Budget for Fiscal Year 2010-2011. Set budget hearings for Tuesday, July 20, 2010 commencing at 3:00 p.m., and direct copies be made available to the public.

VI BOARD AND STAFF MEMBERS’ REPORTS

A. Miscellaneous reports

VII 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.tria.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.
A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority (TRLIA) was held on the above date, commencing at 2:00 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Jerry Crippen, Don L. Graham, Mary Jane Griego, and John Nicoletti. Also present were Executive Director Paul Brunner, Counsel Scott Shapiro, and Deputy Clerk of the Board of Supervisors Rachel Ferris. Chair Griego presided.

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

II  CLOSED SESSION – The Board retired into closed session at 2:01 p.m. to discuss the following:

A.  Pending litigation pursuant to Government Code §54956.9(a) regarding TRLIA versus the following:
   i) Rice YCSCCVED 07-000063  ii) Heir Family YCSCCVED 08-0000242

B.  Conference with Real Property Negotiators pursuant to Government Code §54956.8 - Property: APN 018-140-041(Naumes) Negotiating Parties: Mike Churchill/Max Steinheimer/Scott McElhern/Bob Morrison/TRLIA Negotiation: Price and Terms of Payment

C.  Conference with Real Property Negotiators pursuant to Government Code §54956.8 - Property: APN 018-190-085(Rahul) Negotiating Parties: Mike Churchill/Max Steinheimer/Scott McElhern/Bob Morrison/TRLIA Negotiation: Price and Terms of Payment

The Board returned from closed session at 2:38 p.m. with all members present as indicated above. Council Scott Shapiro advising the matter of TRLIA vs. Rice, the Board accepted the final demand regarding terms of two additional years of lease; in the matter of TRLIA vs. Heir, the Board instructed counsel on how to proceed; and on items B and C, both properties have been added to the real estate plan and counsel has been instructed on how to proceed.

III  PUBLIC COMMUNICATIONS: No one came forward.

IV  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 meeting of May 4, 2010.

   MOTION: Move to approve     MOVED: Jerry Crippen     SECOND: John Nicoletti
   AYES: Rick Brown, Jerry Crippen, Don Graham, Mary Jane Griego, John Nicoletti
   NOES: None     ABSTAIN: None     ABSENT: None
V  ACTION ITEMS

A. Approve lease agreement with Yuba County Office of Education in the approximate amount $32,605.80 through December 2011 and authorize the Chairman to execute lease upon review and approval of Counsel.

MOTION: Move to approve  MOVED: John Nicoletti  SECOND: Don Graham
AYES: Rick Brown, Jerry Crippen, Don Graham, Mary Jane Griego, John Nicoletti
NOES: None  ABSTAIN: None  ABSENT: None

B. Approve Amendment No. 12 to agreement with GEI in the amount of $860,948 for construction and project management and authorize the Executive Director to execute same.

Executive Director Paul Brunner recapped the project and the necessity of the amendment to extend construction and responded to Board questions.

MOTION: Move to approve  MOVED: John Nicoletti  SECOND: Rick Brown,
AYES: Rick Brown, Jerry Crippen, Mary Jane Griego, John Nicoletti
NOES: None  ABSTAIN: Don Graham  ABSENT: None


Executive Director Paul Brunner provided a brief recap of the financial statement. Following Board discussion, Mr. Brunner advised he would request the Independent Auditor place a footnote clarifying the purchase amounts listed for the Phase 4 Feather River Right of Way - Direct Purchase, as the amount listed does not accurately reflect the total amount spent.

VI  BOARD AND STAFF MEMBERS' REPORTS

In response to Director Nicoletti disclosing a possible conflict of interest regarding the Yuba County Office of Education, Counsel Scott Shapiro advised there was no conflict of interest.

Executive Director Paul Brunner:
- Submittal of certification package
- New web page design to include more information readily available to the public to ensure transparency
- Not renewing contract for consulting services with Peterson and Reed at this time
- 100 percent design status for the Upper Yuba River Project available May 21, 2010
- Developers agreed to continue paying flood insurance premium through the end of December 2010
- Video documentary of construction and repairs of Yuba County levees and provided a draft TRLIA event timeline which is identified as Exhibit A and attached to and made a part of the minutes
VII ADJOURN: 3:25 p.m. by Chair Griego.

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

Chair

Approved: ___________________
TRLIA EVENT TIMELINE

• 1908 RD 784 was established, and operates under the authority of the CVFPB and the California Department of Water Resources (DWR).

• 1917 Congress Authorized the Sacramento River Flood Control Project (SRFCP) – Federal Control

• From 1920 to 1964 the Corps constructed upgrades to portions of the levee system, either through reconstruction of existing levees or construction of new setback levees.

• 1950 Flood from Goldfields area (Yuba River) – man made flood

• In 1953 the SRFCP works were turned over to the State of California. A MOU confirmed the state’s obligation to operate and maintain all completed works for the SRFCP and hold the federal government harmless. The State turned the levees over to the local reclamation districts (e.g. RD 784) for maintenance and operation but maintained responsibility for the project.

• 1955 Flood ( Feather River – Sutter County)

• 1968 Oroville Dam Completed

• 1969 Bullards Bar Dam Completed. The construction of two reservoirs, Oroville and New Bullards Bar, helped reduce the flood risk to the RD 784 levee system.

• 1982 FEMA maps finalized for South Yuba County

• 1986 Yuba River Flood Event. The Yuba River levee failed near the communities of Linda and Olivehurst when flows were well below design levels. The 1986 breach led to flood flows traveling south and southwest through RD 784 flooding large portions of Linda and West Linda. Because the breach occurred after the peak of the flood had passed, flood volumes through the breach were small and the lower portion of the RD 784 area escaped significant flooding. Flood waters inundated 10,700 acres, killed one person, and damaged or destroyed more than 4,000 homes and businesses. Damages, and the liability associated with this flood, cost the State of California $450 million.

• After the floods of 1986, the Corps initiated the Sacramento River Flood Control System Evaluation Project (System Evaluation). This project evaluated the integrity of the Sacramento River Flood Control Project levees and was intended to restore the design level of flood protection provided by the levees. The System Evaluation was divided into five phases. Phase II included the populated Marysville/Yuba City areas. 1986 Paterno Case filed

• In 1993, following the initiation of the System Evaluation Project and the Yuba Basin Project, and before the most recent devastating flood (in 1997), Yuba County
April 28, 2010

approved the Plumas Lake Specific Plan, a mixed-use development which provides for 12,000 homes on 5,200 acres in the southern portion of the RD 784 area.

• In the mid 90's the results from the Sacramento River Flood Control System Evaluation (System Evaluation) were published. This study evaluated the integrity of the Sacramento River Flood Control Project levees and was intended to restore the design level of flood protection provided by the levees. The System Evaluation was divided into five phases. Phase II included the populated Marysville/Yuba City areas. The results of the System Evaluation indicated that sections of project levees along the Feather and Yuba Rivers were susceptible to seepage problems and did not provide the level of protection originally believed.

• In 1997 the Feather River East Levee failed near the community of Arboga at Country Club Road. The 1997 floodwaters inundated 16,000 acres in Yuba County, killed three people, and damaged or destroyed more than 850 homes and businesses.

• Also during 1997, Yuba River flows infiltrated the Yuba Goldfields. In 1997 flows from the Yuba River that went into the Goldfields, exited the Goldfields through its contact point with the upstream end of the YRSL. There is no available information indicating that flood flows from the Goldfields have ever escaped from this location before. The exiting flows were concentrated along the waterside toe of the YRSL, and eroded a portion of the YRSL embankment for a distance of approximately 1,200 feet downstream of the Goldfields.

• Following the 1997 flood, the Yuba County Water Agency (YCW A) formed a flood control study team and initiated a study of measures that could provide a higher level of protection to supplement the flood protection system for Yuba County.

• In 1998, concurrently with studies conducted by the YCWA, the Corps completed a feasibility study that recommended a project that would reduce the flood risk in the project area. This project is referred to as the Yuba River Basin Investigation or, in short, the Yuba Basin Project. Additional improvements were planned to the existing levee system to decrease the probability of flooding. An environmental impact statement/environmental impact report for the Yuba River Basin Investigation was completed by Corps and the California Reclamation Board (now referred to as the CVFPB) in 1998.

• 1998 - Most of the System Evaluation Project levee reconstruction work in RD 784 was completed in 1998. The additional seepage problems identified following the 1997 flood led to the Corps' System Evaluation Site 7 Extension project, which was completed in 2004.

• 1998 the Yuba Basin Project led to a Corps project designed to achieve what was then considered to be a "200-year" level of protection for RD 784 levees. The Corps in 1998 completed a feasibility study, Congress authorized the project in the Water Resources Development Act of 1999, and a construction start was authorized in 2003. The authorized project included levee modifications on two levee sections.
along the Yuba and Feather Rivers, as well as a large portion of the Marysville ring levee north of the RD 784 area. The objective of the project was to reduce the risk of flooding in RD 784's service area in a given year to less than the 1 in 200 year storm event and in Marysville to less than the 1 in 300 year storm event. The Cost of this Project was $28 million.

- 2000 with passage of the Water Act of 2000, the efforts of the YCWA flood control study team (formed in 1997) focused on those measures that could be achieved within the budget provisions of this act. This ongoing effort, funded through State Water Act of 2000 grant monies, is the Yuba-Feather Supplemental Flood Control Project (Y-FSFCP).

- 2002 Development was initiated in the Plumas Lake Specific Plan area. To date, primarily residential land uses have been developed in the plan area, with approximately 3,200 of the approximately 12,000 planned homes being built. There are also three elementary schools, a fire station, and a small amount of retail development in the Plumas Lakes area.

- 2002 DWR and the Corp initiated a reevaluation of the ability of the RD 784 levees to withstand the 100-year event. This study is called the Lower Feather River Floodplain Mapping Study

- May 2003 the DWR and Corps Lower Feather River Floodplain Mapping Study, identified deficiencies with the RD 784 levees on the Bear River, WPIC, and the lower Yuba River in May 2003. DWR informed RD 784, Yuba County, and YCWA that study results would be provided to the Federal Emergency Management Agency (FEMA). The study identified several deficiencies including freeboard on the Bear River and WPIC levees that prevented these levees from meeting the FEMA accreditation requirements for protecting RD 784 from a “100-year” flood event. (The top of the levee must be at least 3 feet higher than the 100-year event.) This information was unexpected by Yuba County officials because the 1998 Corps Yuba River Basin study did not recommend any work for the Bear River and WPIC levees to achieve a 200-year level of protection for the RD 784 area. In addition, it was found that a 2,800-foot stretch of the Yuba River levee on the upstream side of SR 70 did not meet slope stability requirements. The results of the 2003 Corps floodplain mapping study indicate that the people and property in the RD 784 area, including homes that had already been built in the Plumas Lake Specific Plan area before the release of the Corps study, are subject to a much higher flood risk than previously believed. These issues were seen as a major setback to the long-term plan to increase the level of flood protection to a 200-year and eventually greater level of protection.

In turn, FEMA would map areas protected by the deficient levee sections as a flood hazard zone (i.e., within the 100-year floodplain) unless corrective measures were implemented.

✓ 2003 - As a result of the DWR and Corps Feather River Floodplain Mapping Study, Yuba County conducted problem identification studies for the Lower Yuba and
Bear River levees and the WPIC levee. Based on these studies, additional deficiencies were subsequently identified on the Lower Yuba River, Bear River, and WPIC.

- 2003, the Corps issued new levee criteria for underseepage, which lead to the reevaluation of the Yuba Basin Project’s design. The Corps’ new underseepage guidelines in 2003 led to the reevaluation of the project, which substantially increased the estimated cost to $65 million. Because of this cost increase, the Yuba River Basin Project must be reauthorized by Congress. A General Reevaluation Report (GRR) is currently being prepared by the Corps to obtain a new project authorization.

- 2003 the Local economy is doing well and there is pressure to build in South Yuba County (e.g. Plumas Lake). Developers are open to participating in paying portions of the levee cost in order to build homes.

- **2004 TRLIA Program funded by Local money – mostly developer (Total cost $65 Million)**

  - 2004 Developers, Yuba County, RD784, and YCWA enter into a funding agreement.

  - 2004 the additional seepage problems identified following the 1997 flood led to the Corps’ System Evaluation for Feather River Segment 1 Site 7 Extension project was completed.

  - In 2004 TRLIA was created by RD784 and Yuba County as a Joint Powers Authority to focus on the completing all the required levee improvements for South Yuba County that are needed for 100-yr and 200-year storm events. YCWA opted to not participate in the JPA due to liability issues associated with re-licensing Bullards Bar Dam power facilities.

- **2004 a portion of the Yuba River – Levee improvements (Stage 3) was completed**

- **2005 TRLIA Program funded by Local money – mostly developer (Total cost $85 million)**

  - January 2005, the Corps issued a letter that the Feather River left (east) bank levee and the Yuba River left (south) bank levee above the Southern Pacific Railroad crossing did not meet 100-year requirements. In response to the Corps’ January 2005 letter, TRLIA performed additional evaluations of the Feather and Yuba River left bank levees in 2005. These evaluations document extensive reaches of the Feather and Yuba River left bank levees that do not meet regulatory seepage and stability criteria under 1:100 annual exceedance probabilities flood event conditions. The impact of the findings was not fully understood. TRLIA created phase 4 and initially budgeted an additional $20 million for this effort making the total program cost $85 million.

- 2005 County Ordinance and State Implementation Agreement were signed that places restriction on development in South Yuba County.
• 2005 first Developer funding agreement is signed. Projected funding is $37.8 million.

• June 2005 TRLIA budget estimates the total cost of the Levee Improvements to be $85 million. TRLIA has 3 phase program, with phase 4 undefined.

• **2005** West Branch Canal (WBC) portions of the Bear River Levee and Yuba Levee (Phase 1) improvements were completed (all Phase 2).

• **2006 TRLIA Program funded by local funding, Developer, and State (Prop 13) (Total cost $260 million)**

• 2006 TRLIA was approved for $63 million ($44.4 DWR and $18.6 F&G) under the State Waster bond Act of 2000 (commonly referred to as Prop 13).

✓ 2006 the cost to improve the Feather River and Yuba River levees became better understood. The Total cost of the program grew to **$260 million** due to the needed Feather River and Yuba River improvements identified 2005.

• 2006 2\textsuperscript{nd} State Implementation Agreement was signed to accommodate the increase work and cost needed for phase 4.

• 2006 Developer 2\textsuperscript{nd} funding agreement was signed to deal with phase 4 cost increases. To provide $135 million from developers.

• 2006 Local, and State economy slowing down. Developers having a hard time making levee payments.

• **2006 State Prop 1E Bond is passed by voters**, which provides local agencies the opportunity to receive major levee improvement funding from the State.

• 2006 FEMA begins remapping process and issues Preliminary Maps for Yuba County.

• **2006 TRLIA Program funded by local funding, Developer, and State (Prop 13) (Total cost $360 million)**

✓ Feb 2007 the TRLIA Board decided to build the Feather River Setback levee, since it provides much greater benefits to the local and regional communities. The setback levee also provides the best alternative that the State will approve major Prop 1E funding. The cost of the Levee program increased to **$360 million**, which included the Feather River Setback levee. **$60 million** of the **$360 million** was for land purchase.

• 2007 negotiations with Developers to continue levee funding become very difficult due to local and state economy issues. The Develop group becomes smaller and smaller as
companies shrink or go out of business, which makes it difficult on those developers remaining since they need to make up for the companies that have departed the group.

- 2007 the Corps certified 11 miles of completed levees (Bear Setback, WPIC and portions of the Yuba River levee) to FEMA (100-year storm event flood protection).

- 2007 TRLIA makes a $191.8 million Feather River application to the State for Prop 1E funding. $138.5 million is proposed to be state funding, the balance to come from local sources (mostly developers)

- **2007 Bear River Setback environmental mitigation/restoration 600 acre area (Phase 3)**

- **2008 TRLIA Program funded by local funding, limited Prop 13, and State (Prop 1E) (Total cost $400 million)**

- 2008 TRLIA modifies the Feather River Prop 1E funding application to show that Yuba County, YCWA, RD784, and local landowner will provide local share in lieu of developers. Developers were going out of business due local, state, and national economic problems.

  ✓ 2008 Feather River State Prop 1E Early Implementation Funding Agreement was executed. Provided **$138.5 million** in State funding for the Feather River Improvements, especially the Feather River Setback.

  ✓ 2008 Yuba County and YCWA sell bonds that generate **$46 million** in funding to support TRLIA's Prop 1E Feather River application. Local landowner and RD784 contribute funding to local share.

  ✓ 2008 a change to the hydraulic analysis for upper Yuba River levee led to levee deficiencies being identified between Simpson Lane up to the Goldfields. These deficiencies increased the project cost by an estimated **$40 million**. The total project cost was now **$400 million**.

- **2009 TRLIA Program funded by local funding and State (Prop 1E) (Total cost $400 million)**

- 2009 TRLIA O&M levee Benefit Assessment District was approved by the South Yuba County property owners

  ✓ 2009 TRLIA makes a **$67 million** Upper Yuba River application to the State for Prop 1E funding. **$48 million** is proposed to be state funding, the balance to come local sources. TRLIA is able to provide local share funding by negotiating with the state a way for state to reimburse and also credit TRLIA for prior levee work that has been accomplished.
• 2009 TRLIA Program funded by local funding and State (Prop 1E) (Total cost $400 million plus potentially Goldfields solution)

✓ 2010 Upper Yuba River State Prop 1E Early Implementation Funding Agreement executed. Provided $48 million in State funding for the Upper Yuba River Improvements.

• 2010 TRLIA FEMA Levee certification with PAL for the Upper Yuba Levee

• 2010 Anticipate FEMA System Levee Accreditation with PAL for Upper Yuba Levee

✓ 2010 Corps of Engineers identifies 200-yr storm event overflow from the Goldfields. Solution and cost to be determined

• 2010 Anticipate completion of existing Feather River Levee (previous Segment 2) completed (Phase 4)

• 2010 Anticipate completion of setback environmental migration areas completed (Phase 4)

• 2011 TRLIA Program funded by local funding and State (Prop 1E) (Total cost $400 million plus potentially Goldfields solution)

• 2011 Anticipate completion of Upper Yuba Levee improvements

• 2011 Anticipate TRLIA FEMA Levee Certification for Upper Yuba Levee

• 2011 Anticipate FEMA System Levee Accreditation to incorporate Upper Yuba Levee construction

• 2011 Anticipate completion of TRLIA land management plan for 1000 acre Feather River Setback area

✓ 2011 Anticipate Goldfields 200-year storm event overflow solutions to be available. Cost TBD
June 15, 2010

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director

SUBJECT: Authorizing travel expense for Executive Director to attend Annual FMA Conference in Henderson, Nevada

**Recommended Action:**

Approve an amount not to exceed $1800 for Executive Director Paul Brunner to attend the Annual FMA Conference in Henderson, Nevada (November 2 to November 5, 2010).

**Discussion:**

The Annual FMA Conference is will bring together over 600 floodplain professionals to discuss adaptive strategies for implementing changing federal regulations affecting projects in the floodplain. The conference provides an excellent forum to share experiences and learn from fellow flood control professionals. The attached abstract on FEMA Accreditation of South Yuba County, Ca Levee System was submitted to the conference for presentation by Paul Brunner and Ric Reinhardt.

By attending, the Executive Director will be able to share to a wide spectrum of professionals the outstanding work that has been accomplished by TRLIA and its partners (Yuba County, RD784, YCWA, and DWR).

**Fiscal Impact:**

The cost of this trip was included in the TRLIA 10/11 Budget. The conference and hotel costs are $729. In addition there will be the costs of a flight, meals, mileage, airport parking, and rental car to from Las Vegas Airport to Conference in Henderson, and then back to Las Vegas Airport. The maximum cost is estimated as not to exceed $1800.

**Attachment:**

Abstract on FEMA Accreditation of South Yuba County
FEMA Accreditation of South Yuba County, Ca Levee System

Paul Brunner, PE TRLIA Executive Director, and Ric Reinhardt, PE TRLIA Program Manager
e-mail: pbrunner@co.yuba.ca.us Phone: 530-749-5679
Three Rivers Levee Improvement Authority, 1114 Yuba St., Suite 218, Marysville, CA 95901

Abstract
The purpose of this paper is to describe the levee certification process including Quality Control measures that Three Rivers Levee Improvement Authority (TRLIA) used to recently obtain FEMA accreditation for the Reclamation District (RD) 784 levee system in accordance with the provisions of 44 Code of Federal Regulations (CFR) § 65.10 for the RD 784 Levee System to become fully accredited in the National Flood Insurance Program (NFIP).

TRLIA, a joint powers authority of Yuba County and Reclamation District 784, has been working diligently since 2004 to obtain the necessary funding, permits, environmental documents, and designs to construct the levee improvements and repairs for the 29 miles of levees maintained by Reclamation District 784. The total project cost was just over $400 million. Yuba County has been flooded numerous times in the recent past, most recently in 1986 along the Yuba River and in 1997 along the Feather River.

A system of earthen levees was designed and constructed to withstand both 100-year and 200-year storm flows from the Yuba River, the Feather River, the Bear River, and the Western Pacific Interceptor Canal (WPIC) in South Yuba County; Ca. TRLIA also formed an assessment district to fund operations and maintenance of the flood protection system.

Evaluation, design and construction of repairs of the RD 784 Levee System were accomplished by a team of engineering consultants under TRLIA’s management. This presentation will outline the technical evaluations performed with respect to levee certification and corresponding Engineer’s Opinion as well as TRLIA’s system certification.
June 15, 2010

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director
       Scott Shapiro, General Counsel
SUBJECT: Approval of Section 2003 MOU to obtain credit for Upper Yuba River Levee Project

Recommended Action:

Authorize Executive Director to execute a “local MOU” with the Central Valley Flood Protection Board whereby the Three Rivers Levee Improvement Authority (TRLIA) agrees to perform the obligations necessary to obtain federal credit for the work to be done by TRLIA.

Discussion:

Traditionally, the U.S. Army Corps of Engineers (Corps) constructs flood control projects, and requires payment of a “local share” by the non-federal sponsor. In the Central Valley, that “local share” is usually split between the State and the local sponsor. Where local agencies seek to construction projects in advance of the Corps (such as for projects not yet Congressionally authorized, where the Corps does not have funds to construct the project, or where the cost of the project exceeds the Congressionally authorized amount), the local agency requests that the funds it expects to expend act as a “credit” toward the local share for future work to be performed by the Corps. The credit authority most familiar to TRLIA is know as Section 104 credit, and is authorized by Section 104 of the Water Resources Development Act (WRDA) of 1986.

Section 104 provides that for projects not yet authorized, where the local agency seeks credit, the local agency shall request a credit pre-approval prior to start of work (this has since be interpreted as prior to “contract award”). The actual credit is then determined by the Secretary after construction by the local agency and after authorization of the project (the Corps compares the actually constructed project to the authorized project).

At its April 2010 meeting the Central Valley Flood Protection Board (CVFPB) authorized sending a letter to the Corps requesting credit under Section 104 for the Upper Yuba River Levee Project based on a request that the Yuba County Water Agency made to the CVFPB. This is appropriate because some of the work to be performed by TRLIA is likely not yet authorized by Congress, and thus is appropriate for a Section 104 credit request. However, as a result of a Congressional authorization in 1999 for the Yuba River Basin Project (Section 101(a)(10) of WRDA 1999), certain work along the Yuba River levees has already been authorized. In cases such as this (where some work is already authorized by Congress and a local agency seeks to start construction), credit should be sought under Section 2003 of the Water Resources
Development Act (WRDA) of 2007. Section 2003 provides in relevant part that “in any case in which the non-Federal interest is to receive credit . . . . the Secretary and the non-Federal interest shall enter into an agreement under which the non-Federal interest shall carry out such work, and only work carried out following the execution of the agreement shall be eligible for credit.”

The Corps has adopted guidance (EC 1165-2-208) to implement Section 2003. That guidance provides that the form “MOU” provided by the Corps as an attachment to EC 1165-2-2008 satisfies the requirement of an “agreement” under Section 2003. Several Section 2003 MOUs have already been executed by the Corps in the Sacramento District, specifically for the Natomas Levee Improvement Project (NLIP). However, those MOUs were executed between the Corps and the Sacramento Area Flood Control Agency (SAFCA). SAFCA was able to execute those MOUs directly with the Corps because SAFCA is both (i) the entity constructing the local project, and (ii) an anticipated party to the Project Partnership Agreement (PPA) that will be executed between the Corps, the Board, and SAFCA for the Corps to complete construction of the NLIP levees. Because SAFCA is constructing the local project and will be a party along with the State and the Corps on the PPA (which will allow the Corps to complete construction of the NLIP), SAFCA is the common party which can bring the credit from the MOU to the PPA.

However, in the present case, while TRLIA will be the entity constructing the local project, it will not be a party to the PPA for the construction of the Marysville Ring Levee (that PPA will only be between the Corps and the CVFPB, with a local PPA between the CVFPB and the Marysville Levee Commission). Therefore, even though TRLIA will construct the local project, it is not in a position to protect the credit for this project because it will not be a party to the PPA for construction of the Maryville Ring Levee. In contrast, the CVFPB is the appropriate entity to protect the credit by executing the MOU because it will be a party to the PPA and 70% of the funds being expended on the Upper Yuba Levee Project that are eligible for credit come from the State (through EIP funding).

TRLIA staff have considered the language of the form MOU and believe that it is appropriate for the CVFPB and TRLIA to execute a “local” MOU which will pass all appropriate obligations contained within the form MOU from the CVFPB to TRLIA. These obligations (as reflected in the Local MOU attached) are all obligations which TRLIA already has as an entity constructing the Upper Yuba River Levee Project.

**Fiscal Impact:**

No fiscal impact beyond those costs already associated with constructing the project.
LOCAL MEMORANDUM OF UNDERSTANDING
BETWEEN
STATE OF CALIFORNIA

AND

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
FOR WORK PROVIDED OR PERFORMED
PRIOR TO EXECUTION OF
A
PROJECT PARTNERSHIP AGREEMENT
FOR
THE YUBA RIVER BASIN, CALIFORNIA PROJECT

THIS LOCAL MEMORANDUM OF UNDERSTANDING (hereinafter the “Local MOU”) is entered into this ___ day of June, 2010, by and between the State of California acting by and through the Central Valley Flood Protection Board (hereinafter the “Board”), represented by the President of the Board, and the Three Rivers Levee Improvement Authority (hereinafter TRLIA), represented by the Executive Director.

WITNESSETH, THAT:

WHEREAS, Section 221(a) of the Flood Control Act of 1970, as amended by Section 2003 of the Water Resources Development Act of 2007, provides that a cost sharing partnership agreement may provide credit for the value of materials or services provided before the execution of such cost sharing partnership agreement if the Secretary and the non-Federal interest enter into an agreement under which the non-Federal interest shall carry out such work and only work carried out following the execution of such agreement shall be eligible for credit;

WHEREAS, the Board is prepared to enter into an MOU with the United States to preserve the potential to obtain credit for work to be performed by TRLIA on the Upper Yuba River Levee Project in compliance with Section 2003 of the Water Resources Development Act, but it is TRLIA that will actually construct the work for which credit will be obtained; and

WHEREAS, by letter dated June 25, 2010, the Board stated its intent to perform certain work (hereinafter the “Proposed Work”, as defined in Paragraph 1 of the MOU to be executed by the Board and the United States) and TRLIA is prepared to assume from the State all obligations contained in the MOU in regard to that Proposed Work.

NOW, THEREFORE, the Board and TRLIA agree as follows:

1. TRLIA shall provide or perform the Proposed Work in accordance with the terms and conditions of the MOU executed between the Board and the United States. As provided in the MOU, that Proposed Work consists of:
• A Soil-Bentonite (SB) Slurry Wall would be placed from Project Station 136+50 to Project Station 288+00 (2.9 miles). The Slurry Wall would be three feet wide and range in depth from 45 to 80 feet. The wall would be placed through the centerline of the levee crown into the underlying foundation. The bottom of the wall would tie into foundation strata of low permeability from Project Station 136+50 to Project Station 189+50 and Project Station 212+50 to Project Station 288+00. However, due to deep gravel deposits that exist in ancient river channels in one area, a portion of the wall (Project Station 189+50 to Project Station 212+50) would be installed as a hanging wall; the bottom of the wall would not tie into foundation strata of low permeability. The hanging wall would serve to block levee through seepage and increase the seepage path through the foundation and reduce levee under seepage. The existing levee would be degraded to about one half of its height to provide a working platform for the slurry wall construction activities. The slurry wall would be capped with clay as the levee crown is restored. Geometry corrections would occur as the levee is restored.

• An 80 foot wide seepage berm would be placed from Project Station 288+00 to Project Station 301+00 (0.25 miles). The seepage berm would be a minimum of three feet high at its toe and slope up towards the levee at a minimum 2 percent slope, and the seepage berm at the toe of the levee would be a minimum of five feet high. The berm would be constructed of local semi-permeable material. The material would be obtained from borrow areas to be established adjacent to the Yuba River South Levee (YRSL).

• Above the seepage berm, a stability berm would be built at a 5:1 slope, such that the top of the stability berm meets the landside slope of the levee at the 200-year water surface elevation (WSE).

• From Project Station 301+00 to Project Station 303+59 the seepage berm would be widened from 80 to 150 feet to form a buffer with the high ground cobble mounds of the Yuba Goldfields. The height of the berm would match the existing levee crown grade.

• A waterside levee slope erosion protection blanket would be placed from Project Station 272+00 to Project Station 303+59 (0.6 miles). The blanket would extend from the 200-year WSE, down the waterside slope to the toe of the levee (approximately 22 feet on average), and project 20 feet from the levee toe out into the natural swale that parallels the levee in this area. The blanket would serve to armor this section of the levee that experienced erosion damage from waters that escaped from the Yuba Goldfields during the 1997 flood.

• Levee geometry corrections would be required to bring the levee into compliance with current USACE standards (2 to 1 landside slope, 20 foot crown width, and 3 to 1 waterside slope). Geometry corrections would be required for the portions of the existing YRSL that do not meet these criteria. Geometry corrections could include a combination of waterside slope corrections, crown width corrections, and landside slope corrections at the following approximate locations Project Station 106+00 to Project Station 123+00 and Project Station 136+00 to Project Station 303+59.
• To the extent that existing facilities would not be impacted, the UYLIP would include a continuous 50 foot wide Operations and Maintenance corridor adjacent to the landside toe of the levee and a 15 foot wide Operations and Maintenance corridor adjacent to the waterside toe of the levee.

• A 16 foot wide aggregate base access road would be located along the centerline at the levee crown (top).

• Realign and relocate local infrastructure and encroachments including utility poles and vegetation as needed to accommodate the flood damage reduction improvements.

• Acquire all lands, easements, and rights of way as needed to accommodate the flood damage reduction improvements,
as generally described in the letter from the Board to the United States.

2. TRLIA shall develop all necessary engineering plans and specifications for the Proposed Work.

3. TRLIA shall complete all necessary environmental coordination and obtain all applicable Federal, State, and local permits required for the performance of the Proposed Work.

4. TRLIA shall comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655), and the Uniform Regulations contained in 49 C.F.R. Part 24, in acquiring lands, easements, and rights-of-way required for construction and subsequent operation and maintenance of the Proposed Work, and inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

5. Nothing in the MOU between the Board and the State nor in this Local MOU creates any duty, obligation, or responsibility in regard to the Proposed Work for the Board. Any activity undertaken by TRLIA for the implementation of the Proposed Work is solely at TRLIA’s own risk and responsibility.

6. TRLIA shall keep books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to this Local MOU to the extent and in such detail as will properly reflect total costs for the Proposed Work and TRLIA shall make such evidence available for inspection and audit by authorized representatives of the Board and the United States.

7. TRLIA understands that any costs incurred for the clean-up of hazardous material regulated by the Comprehensive Environmental Response, Compensation, and Liability Act (hereinafter “CERCLA”; 42 U.S.C. Sections 9601-9675), that may exist in, on, or under lands, easements, or rights-of-way required for the Proposed Work are a TRLIA responsibility and that no credit shall be afforded for such clean-up costs. In addition, TRLIA understands that as between TRLIA, on the one hand, and the Board and United States on the other hand, TRLIA shall be considered the operator of the Proposed Work for the purposes of CERCLA liability and shall defend, protect, and indemnify the State for any liability associated with such operation, to the maximum extent permitted under
To the maximum extent practicable, TRLIA shall operate, maintain, repair, replace, and rehabilitate the Proposed Work in a manner that will not cause liability to arise under CERCLA.

8. The parties to this Local MOU shall each act in an independent capacity in the performance of their respective functions under this MOU, and neither party is to be considered the officer, agent, or employee of the other.

9. TRLIA understands that to be eligible for credit for the costs of the Proposed Work:

   a. The United States must make a determination that the Proposed Work is integral to a project authorized by Congress;

   b. The Proposed Work shall be subject to a review or on-site inspection, as applicable, and certification by the United States that the work was accomplished in a satisfactory manner and in accordance with applicable Federal laws, regulations, and policies;

   c. The costs for the Proposed Work that may be eligible for credit shall be subject to an audit by the United States to determine the reasonableness, allocability, and allowability of such costs;

   d. The costs incurred for the Proposed Work are not subject to interest charges, nor are they subject to adjustment to reflect changes in price levels between the time the Proposed Work is completed and the time that credit may be afforded;

   e. TRLIA shall not use Federal program funds (either funds or grants provided by a Federal agency as well as any non-Federal matching share or contribution that was required by such Federal agency for such program or grant) for the Proposed Work unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law;

   f. Only the costs of the Proposed Work that do not exceed the United States' estimate of the cost of such work if the work been accomplished by the United States may be eligible for credit;

   g. Any contract awarded for the Proposed Work shall include provisions consistent with all applicable Federal laws and regulations and TRLIA shall comply with all applicable Federal and State laws and regulations, including, but not limited to Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well asArmy Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army";

   h. TRLIA must comply with applicable Federal labor laws covering non-Federal construction, including but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.), and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)); and
i. Crediting for the costs of the Proposed Work may be withheld, in whole or in part, as a result of TRLIA's failure to comply with the terms of this MOU.

10. If the Board and the United States agree to enter into a Project Partnership Agreement for the Yuba River Basin, California Project, then the Project Partnership Agreement will contain provisions regarding affording credit for costs of the Proposed Work, if the Secretary determines that the Proposed Work is integral to the project.

11. Execution of this Local MOU shall not be interpreted as a State or Federal assurance regarding later approval of any project; shall not commit the State or United States to any type of reimbursement or credit for the Proposed Work; does not alter any process to be followed by the State or United States in making a determination to execute a future Project Partnership Agreement; nor does it provide any assurance that any future agreement will ever be executed for the project, the Proposed Work, or any portion of the project. Further, this Local MOU shall not be interpreted to signify any State or Federal participation in or commitment to the project or the Proposed Work. Finally, this Local MOU shall not be construed as committing the State or United States to assume any responsibility placed upon TRLIA or any other non-Federal entity or as preventing the State or United States from modifying the project that could result in the Proposed Work performed by TRLIA no longer being an integral part of the design of the project.

12. The Board agrees to execute the MOU with the United States and take all efforts reasonably necessary to pursue the credit sought by the State and TRLIA for the work to be performed by TRLIA.

13. The Board and TRLIA agree that the allocation of any credit obtained as a result of the MOU shall be performed consistent with the Funding Agreement(s) between the State and TRLIA.

IN WITNESS WHEREOF, the parties hereto have executed this Local MOU, which shall become effective upon the date it is signed by a representative of the Board.

STATE OF CALIFORNIA

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

BY: ____________________________  BY: ____________________________

Benjamin Carter  Paul Brunner
President, CVFPB  Executive Director

DATE: __________________________ DATE: __________________________
June 15, 2010

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 2010-01 Upper Yuba Levee Improvement Project
         Approval for Issuance of Bid Documents

Recommended Action
Approve issuance of the bid for the construction documents for the Upper Yuba Levee Repair Project, Simpson Lane to Yuba Goldfields (Station 102+00 to 303+59).

Discussion
Construction and proposed draft bid documents for the Upper Yuba Levee Repair Project (UYLIP) have been prepared to the 90% design level and include plans and specifications that are ready to be issued for bid. The proposed reach of levee work has been divided into 4 segments to facilitate levee construction (see attached map).

✓ Project Cost and Funding/EIP Program

The Engineer’s Estimate for the cost of this project is $15,000,000. The State has approved the UYLIP for EIP funding and will share in the construction cost. The Funding Agreement cost sharing is Local 30% and State 70%. The “Instructions to Bidders” included in the bid documents will describe that an Award of the project will be subject to the confirmation of funding, permitting, and land acquisition.

✓ Permits

Environmental permits for this work are anticipated prior to the commencement of construction. A CVFPB encroachment permit is anticipated to be approved at the July Meeting of the CVFPB subject to Section 408 and Section 104 Credit Approval from the Corps which is expected in early August. These approvals and this permit must be obtained prior to commencing construction.

✓ Bid Documents

   o Alternative Bid Schedules:

The bid documents include a request for the completion of two separate bid schedules. Bid Schedule "A" and Bid Schedule "B". Bid Schedule “A” pricing shall be based on completion of the entire project during the 2010 construction season,
while Bid Schedule "B" shall be based on commencing the work in 2010 and completing the work in 2011. TRLIA reserves the right to award the project to the lowest responsive bidder of the bid schedule of TRLIA’s choice. The bid documents also allow TRLIA to reject all proposals.

- **Award:**
  
  The bid documents state that TRLIA reserves the right to award a contract based on the availability of funding and the permits. Bid results will be presented to the TRLIA Board for award.

- **Material Borrow Sources:**
  
  The bid documents describe that material required to complete the levee (~181,000 CY) shall be obtained in two separate ways. The majority of the material (approximately 80%) will be obtain from a contiguous borrow site (The Sohal Property), included in the construction documents. TRLIA has obtained confirmation from the State Mining and Geology Board that this material is "exempt" from the State Mining and Reclamation Act (SMARA) permit requirements subject to TRLIA’s completion of the environmental documents required for the project.

  The bid documents instruct the bidders that the Contractor is responsible for obtaining the balance of the material (approximately 20%). TRLIA has identified the Teichert Aggregate Plant in Marysville as a potential source for contractors to acquire the material as a Contractor option.

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

  - **Advertise for Bid**  
    June 21, 2010
  - **Open Bids**  
    July 22, 2010
  - **Award of Bid**  
    August 3, 2010
  - **Notice to Proceed**  
    August 6, 2010
  - **Construction Period***  
    August 6, 2010 to November 15th 2010

  *Bid documents provide for an alternative bid schedule that allows for completion in 2011.

- **Fiscal Impact:**
  
  Funding for this project is from the State/TRLIA Upper Yuba River Levee Improvement EIP Funding Agreement.

Attachments:
1. Map
2. Proposed Bid Documents(On file with the Clerk of the Board)
June 15, 2010

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
Larry Dacus, Design Manager
SUBJECT: Request for Proposals (RFP) for Elderberry Transplanting, Upper Yuba River
Levee Improvement Project

Recommended Action:
Authorize Executive Director to release RFP for the transplanting of elderberry shrubs impacted
by the Upper Yuba Levee Improvement Project (UYLIP) and three year monitoring and
maintenance of these transplants.

Background:
Construction of the UYLIP by TRLIA will require the transplanting of 34 elderberry shrubs and
a limited number of associate plantings. TRLIA had planned to use the Feather River Setback
Elderberry mitigation site for the UYLIP mitigation but this site is currently not available until
the CVFPB has issued an encroachment permit for the site. RD784 suggested that an existing
Corps of Engineers Elderberry mitigation site along the Feather River near Anderson Avenue be
used for the UYLIP mitigation. After coordinating with the CVFPB, DWR, FWS, and the Corps
it appears that use of this site is acceptable.

Discussion:
Transplanting of these shrubs will need to occur before August 15, when construction of the
UYLIP is expected to begin. The effort will include transplanting 34 elderberry shrubs,
maintenance of the transplants for three years, and annual reports for three years. TRLIA had
HDR conduct a survey of the Anderson Site. This survey has identified numerous elderberry
shrubs and associate plantings on site which should minimize the number of additional plantings
that may need to accompany the transplanted elderberry shrubs. However, final requirements for
mitigation will not be known until the U.S. Fish and Wildlife Service (FWS) has completed its
Biological Opinion which is currently under preparation as part of the Corps of Engineers 408
Authorization process. The Biological Opinion is anticipated to be completed this month (June).
The proposed scope of work includes a minimum number of associate plantings in case
additional plantings are required by the Biological Opinion. TRLIA staff proposes sending out
an RFP to obtain competitive proposals for this work.

The RFP will include a description of the location of the plants to be transplanted and the
location at which they will be transplanted. Selection will depend on the least cost with proper
assurance that the contractor has the experience and expertise to accomplish the transplants.
Once issued, the RFP will be disseminated via email and mail to known qualified bidders as well as posted to the TRLIA website. Two weeks will be provided for qualified bidders to submit proposals. Proposals will be evaluated and a recommendation made to the TRLIA Board for award. Transplanting cannot occur without FWS concurrence of the mitigation proposed and the mitigation approach via the Biological Opinion. Once the final recommendations are obtained from the FWS, the contract will be adjusted to reflect actual requirements and Notice to Proceed will be given.

Those responsible for reviewing submissions to ensure bidders are experienced and qualified to do the work will include selected members from the TRLIA staff. Criteria that will be used to make a selection for Board approval will include; the estimated cost for performing the work and the contractor’s familiarity with implementing transplanting of elderberries.

**Fiscal Impact:**
The need to accomplish Elderberry mitigation is part of the State EIP UYLIP Agreement overall work plan. The cost to accomplish the RFP and the projected expenses to do the anticipated work are included in the current TRLIA cash flow for project completion. The cost for the proposed work will be presented to the TRLIA Board for approval once the RFP selection process has been completed.
June 15, 2010

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
SUBJECT: Capitol Public Finance Group Contract

**Recommended Action:**
Approve a 1st amendment to the Capitol Public Finance Group (Capitol PFG) contract for $270,000 to continue to extend technical support for administration of the Proposition 1E State Funding Agreement and provide additional financial consulting services through the December 31, 2011, and authorize the Three Rivers Levee Improvement Authority (TRLIA) Executive Director to sign and execute contract once Counsel has reviewed.

**Background:**
On November 21, 2006 TRLIA entered into an Agreement for Consulting Services, EPS #16497, (Agreement) with Economic & Planning Systems, Inc. (EPS). That Agreement was modified several times, with the last amendment expiring in June 2010. Since 2006, the work provided by EPS under this contract was almost solely provided by Seth Wurzel. Seth Wurzel terminated his employment with EPS in April 2010.

As an integral part of TRLIA’s team implementing and administering TRLIA’s complex funding programs with the Department of Water Resources and TRLIA’s local partners, Seth’s involvement in the TRLIA levee improvement program is critical to its success. Seth possesses a depth of institutional knowledge that is not easily replaceable. As a result of his departure from EPS, TRLIA is not renewing its contract with EPS.

In order to quickly retain the services of Seth Wurzel the TRLIA Executive Director used his contract authority and executed the attached contract with Capitol PFG (Seth Wurzel’s new firm) for $30,000. This initial contract expires on June 30, 2010.

**Discussion:**
The initial Capitol PFG contract is now proposed to be amended to increase the contract amount by $270,000 to allow the needed financial consulting services to be available to perform the following tasks through December 31, 2011 (an additional 18 months).

**Task 1: Technical Support, Administration, and Implementation for State Funding Agreements**
Capitol PFG will work with TRLIA to provide support in coordinating with the State to implement and administer the currently in place funding programs for completing Phase 4 levee improvement work. This includes providing technical support on an as-needed to assist in the preparation of required material associated with acquiring funds through the State Funding Agreement(s). The work may include these:

- Preparing quarterly work plans and progress reports and monthly statement of costs;
• Assisting with the preparation of Real Estate invoices and associated documentation;
• Assisting with development of a project cash flow that will be used to provide the necessary data required for quarterly work plans;
• Preparing supporting documentation needed to invoice the State;
• Reviewing invoices for confirm and apply proper cost coding;
• Coordinating with the Community Development and Services Agency to receive training on and obtain data from their in-house cost accounting management system;
• Attending meetings and required conference calls; and
• Providing, on an ad-hoc basis, technical analysis and data as needed.

It may be necessary for Capitol PFG to provide services on-site on a semi-regular basis from time to time. In these instances, TRLIA will provide a suitable location at their location for the consultant to provide services.

Task 2: Local Funding Mechanism Administration

Task 2’s scope includes work associated with generating the required local share of funding for the remainder of TRLIA’s levee improvement program. This includes providing technical support associated with administering the YCWA/County Funding Agreement. In addition, TRLIA has provided technical support to the County associated with administration and as needed updates of the Three Rivers Levee Impact Fee. Additionally, Capitol PFG will provide technical support associated with the currently in place TRLIA Mello-Roos Districts. Capitol PFG’s work may include these:

• Continued administration of the currently in place TRLIA CFDs;
• Revising the current TRLIA levee fee nexus study, as needed, for feasible implementation;
• Providing analyses and technical information associated with joint YCWA/County borrowing;
• Providing technical support to TRLIA to prepare required documentation pursuant to the YCWA/County Funding Agreement;
• Attending meetings and required conference calls; and
• Providing, on an ad-hoc basis, technical analysis and data as needed.

Fiscal Impact:
This is a time and material contract which means the tasks under this contract can be terminated, suspended, or minimized at any time. Agreements are in place with the State and local sources to provide funding for this work.

2 Attachments:
1. Proposed Contract Amendment & Scope of Work
2. Initial Capitol PFG Contract
FIRST AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES

THIS FIRST AMENDATORY AGREEMENT is made as of the execution date set forth below by and between the Three Rivers Levee Improvement Authority, a California Joint Powers Authority (THREE RIVERS LEVEE IMPROVEMENT AUTHORITY), and Capitol Public Finance Group, (CONSULTANT).

WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CONSULTANT entered into an agreement on April 27, 2010 to provide professional consulting services (“AGREEMENT”);

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, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CONSULTANT desire to extend the term and budget of the Agreement;

NOW, THEREFORE, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CONSULTANT agree to as follows;

1. **APPENDIX A TO ATTACHMENT A, SCOPE OF WORK AND BUDGET.** Appendix A to Attachment A, Scope of Work, Sections 3 - Proposed Schedule and 4 - Proposed Budget and Payment shall be amended to reflect the amended Sections 3 and 4 to the Scope of Work and Budget described in Attachment A attached to this FIRST AMENDATORY AGREEMENT.

2. **OPERATIVE PROVISION 2 OF THE AGREEMENT, TERM.** Operative Provision 2 of the agreement shall be revised to extend the termination date of the Agreement from June 30, 2010 to December 31, 2011.

3. **ATTACHMENT B, ARTICLE B.I, BASE CONTRACT FEE.** Article B.1 shall be revised to increase the maximum not to exceed total contract fee of the Agreement from $30,000 to $300,000.

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

This FIRST AMENDATORY AGREEMENT is hereby executed on this ____ day of _______ 2010.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

CAPITOL PUBLIC FINANCE GROUP

__________________________________________  __________________________________________
Paul G. Brunner, P.E.                          Jeffrey S. Small, J.D.
Executive Director                            Managing Director

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

[Signature]
Attachment A to First Amendment

Scope of Work and Budget

Sections 3 and 4 are hereby modified as follows. All other terms within the Scope of Work and Budget shall remain unchanged.

3. Proposed Schedule

The performance period of this contract is from the date of execution of this contract through December 31, 2011. The term of this agreement may be extended as needed through a contract modification mutually agreed to by the parties.

4. Proposed Budget and Payment

The work defined in the scope of this proposal will be performed on a time-and-materials basis up to a specific maximum amount.

The total budget to provide all work for the listed scope of work for the contract period is **$300,000**. This is CONSULTANT's estimate of the amount of budget that may be required to perform the above-listed scope of work. With this type of work, a moderate level of uncertainty is inherent, and this uncertainty is reflected in this budget. Consequently, the estimated budget may be in excess of or under the funds required to perform the requested work.

CONSULTANT will charge for services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; therefore, CONSULTANT will bill only for the work completed up to the authorized budget amount. CONSULTANT's hourly billing rate is $175 per hour.

If additional work is required or requested, CONSULTANT will request authorization for additional budget with the understanding that terms would be negotiated in good faith. It is expected that this budget may be increased on an as-needed basis through a contract amendment process.

CONSULTANT will send request for payment to TRLIA on a monthly basis after the completion of services.

Request for payment will be sent to the following address:

Three Rivers Levee Improvement Authority  
915 8th Street, Suite 125  
Marysville, CA 95901  
Attn: Accounts Payable  
**Task 1 Code: 3107 / 3125 - 3271**  
**Task 2 Code: 3006 - 3061**

Proper Cost Coding of time expended will be indicated on all requests for payment.
AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT for professional services ("Agreement") is made as of the Agreement Date set forth below by and between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, a political subdivision of the State of California ("the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY"), and Capitol Public Finance Group, the "CONSULTANT".

In consideration of the services to be rendered, the sums to be paid, and each and every covenant and condition contained herein, the parties hereto agree as follows:

OPERATIVE PROVISIONS

1. SERVICES.

The CONSULTANT shall provide those services described in Attachment "A", Provision A-1. CONSULTANT shall provide said services at the time, place and in the manner specified in Attachment "A", Provisions A-2 through A-3.

2. TERM.

Commencement Date: May 1, 2010

Termination Date: June 30, 2010

Notwithstanding the term set forth above, and unless this contract is terminated by either party prior to its termination date, the term of this Agreement shall be automatically extended from the termination date for ninety days. The purpose of this automatic extension is to allow for continuation of services, and to allow THREE RIVERS LEVEE IMPROVEMENT AUTHORITY time in which to complete a novation or renewal contract for CONSULTANT and THREE RIVERS LEVEE IMPROVEMENT AUTHORITY approval.

CONSULTANT understands and agrees that there is no representation, implication, or understanding that the services provided by CONSULTANT pursuant to this Agreement will be purchased by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY under a new agreement following expiration or termination of this Agreement, and CONSULTANT waives all rights or claims to notice or hearing respecting any failure to continue purchase of all or any such services from CONSULTANT.

3. PAYMENT.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay CONSULTANT for services rendered pursuant to this Agreement at the time and in the amount set forth in Attachment 2.
Attachment "B". The payment specified in Attachment "B" shall be the only payment made to CONSULTANT for services rendered pursuant to this Agreement. CONSULTANT shall submit all billings for said services to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY in the manner specified in Attachment "B".

4. FACILITIES, EQUIPMENT AND OTHER MATERIALS AND OBLIGATIONS OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

CONSULTANT shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement, unless an exception to this requirement is provided in Attachment "A", Provision A-4.

5. GENERAL PROVISIONS.

The general provisions set forth in Attachment "C" are part of this Agreement. Any inconsistency between said general provisions and any other terms or conditions of this Agreement shall be controlled by the other term or condition insofar as it is inconsistent with the general provisions.

6. DESIGNATED REPRESENTATIVES.

Paul G. Brunner, Executive Director, is the representative of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and will administer this Agreement for the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. Seth Wurzel is the authorized representative for CONSULTANT. Changes in designated representatives shall occur only by advance written notice to the other party.

7. ATTACHMENTS.

All attachments referred to herein are attached hereto and by this reference incorporated herein. Attachments include:

Attachment A - Services
Attachment B - Payment
Attachment C - General Provisions
8. TERMINATION. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CONSULTANT shall each have the right to terminate this Agreement upon 30 days written notice to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on April 21, 2010.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Paul G. Brunner, P.E.
Executive Director

CAPITOL PUBLIC FINANCE GROUP

Jeffrey S. Small, J.D.
Managing Director

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

A.1 SCOPE OF SERVICES AND DUTIES.

The services to be provided by CONSULTANT and the scope of CONSULTANT's duties are described in the Scope of Work and Budget which is an Appendix to this Attachment A.

A.2 TIME SERVICES RENDERED.

See Appendix.

A.3 MANNER SERVICES ARE TO BE PERFORMED.

As an independent CONSULTANT, CONSULTANT shall be responsible for providing services and fulfilling obligations hereunder in a professional manner: THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall not control the manner of performance.

A.4 FACILITIES FURNISHED BY THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

CONSULTANT shall, at his/her sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement. In the event THREE RIVERS LEVEE IMPROVEMENT AUTHORITY requests that services be provided on-site, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY will provide a suitable work space for the consultant to work and, as needed, read-only access to TRLIA's cost accounting system for the purpose of retrieving cost data.
ATTACHMENT B

PAYMENT

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay CONSULTANT as follows:

B.1 BASE CONTRACT FEE. As described in the Appendix to Attachment A, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay CONSULTANT a contract fee not to exceed $30,000; CONSULTANT shall submit requests for payment after completion of services or no later than the tenth (10th) day of the month following provision of services. In no event shall total compensation paid to CONSULTANT under this Provision B.1 exceed $30,000 without an amendment to this Agreement approved by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY Board of Directors.

B.2 TRAVEL COSTS. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall not pay CONSULTANT for meals, lodging or other travel costs not included in this Agreement unless said costs are approved in advance by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY representative and then THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay THREE RIVERS LEVEE IMPROVEMENT AUTHORITY per diem rates in effect on the date of invoice upon presentation of invoices.

B.3 AUTHORIZATION REQUIRED. Services performed by CONSULTANT not authorized in this Agreement shall not be paid for by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. Payment for additional services shall be made to CONSULTANT by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY if, and only if, this Agreement is amended by both parties in advance of performing additional services.
ATTACHMENT C

GENERAL PROVISIONS

C.1 INDEPENDENT CONSULTANT STATUS. At all times during the term of this Agreement, the following apply:

C.1.1 All acts of CONSULTANT shall be performed as an independent CONSULTANT and not as an agent, officer or employee of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. It is understood by both CONSULTANT and THREE RIVERS LEVEE IMPROVEMENT AUTHORITY that this Agreement is by and between two independent parties and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association.

C.1.2 CONSULTANT shall have no claim against THREE RIVERS LEVEE IMPROVEMENT AUTHORITY for employee rights or benefits, including, but not limited to, seniority, vacation time, vacation pay, sick leave, personal time off, overtime, medical, dental or hospital benefits, civil service protection, disability retirement benefits, paid holidays or other paid leaves of absence.

C.1.3 CONSULTANT is solely obligated to pay all applicable taxes, deductions and other obligations, including, but not limited to, federal and state income taxes, withholding and Social Security taxes, unemployment and disability insurance and Workers' Compensation and Medi-Care payments.

C.1.4 As an independent CONSULTANT, CONSULTANT is not subject to the direction and control of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY except as to the final result contracted for under this Agreement. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may not require CONSULTANT to change its manner of doing business, but may require it to redirect its efforts to accomplish what it has agreed to do.

C.1.5 CONSULTANT may provide services to others during the same period service is provided to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY under this Agreement.

C.1.6 If in the performance of this Agreement any third persons are employed by CONSULTANT, such persons shall be entirely and exclusively under the direction, supervision and control of CONSULTANT. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the CONSULTANT.

C.1.7 As an independent CONSULTANT, CONSULTANT hereby indemnifies and holds THREE RIVERS LEVEE IMPROVEMENT AUTHORITY harmless
from any and all claims that may be made against THREE RIVERS LEVEE IMPROVEMENT AUTHORITY based on any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

C.2 LICENSES, PERMITS, ETC. CONSULTANT represents and warrants to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY that it has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONSULTANT to practice its profession. CONSULTANT represents and warrants to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY that CONSULTANT shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONSULTANT to practice its profession at the time the services are performed. Failure of the CONSULTANT to comply with this provision shall authorize the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY to immediately terminate this agreement notwithstanding Operative Provision No. 8.

C.3 TIME. CONSULTANT shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of CONSULTANT'S obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

C.4 INSURANCE. Prior to rendering services provided by the terms and conditions of this Agreement, CONSULTANT or its sub CONSULTANTS shall acquire and maintain during the term of this Agreement, insurance coverage, through and with an insurer acceptable to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, naming the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and THREE RIVERS LEVEE IMPROVEMENT AUTHORITY'S officials and employees as additional insured (excluding workers' compensation and professional liability insurance), (hereinafter referred to as "the insurance"). The limits of insurance herein shall not limit the liability of the CONSULTANT hereunder.

C.4.1 TERM. Policies of insurance shall be in effect during the term of this Agreement and shall provide that they may not be canceled without first providing THREE RIVERS LEVEE IMPROVEMENT AUTHORITY with thirty (30) days written notice of such intended cancellation. If CONSULTANT fails to maintain the insurance provided herein, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may secure such insurance and deduct the cost thereof from any funds owing to CONSULTANT.

C.4.2 MINIMUM SCOPE OF INSURANCE. CONSULTANT shall procure insurance covering general liability, automobile liability, and workers' compensation. Coverage shall be at least as broad as:

(a) Insurance Services Office (ISO) Commercial General Liability Occurrence form number CG 0001 or equivalent ISO form. A non-ISO form must be reviewed and approved by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY Risk
Manager prior to acceptance of the Agreement.

(b) Insurance Services Office Business Auto Coverage
form number CA 0001 0187 covering Automobile Liability, code 1
“any auto” and Endorsement CA 0029.

(c) Workers’ Compensation insurance as required by the

(d) If this Agreement is for the provision of professional
services, Professional Errors and Omissions Liability Insurance,
with a coverage form subject to THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY approval.

C.4.3 OTHER INSURANCE PROVISIONS. The policies are to contain, or
be endorsed to contain the following provisions:

(a) General Liability and Automobile Liability Coverages.

(i) The THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY and its officials
and employees are to be covered as additional
insureds as respects: liability arising out of activities
performed by or on behalf of the CONSULTANT;
products and completed operations of the
CONSULTANT; premises owned, leased,
occupied, or used by the CONSULTANT; or
automobiles owned, leased, hired, or borrowed by
the CONSULTANT. The coverage shall contain no
special limitations on the scope of protection
afforded to the THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY, its officials or
employees.

(ii) The CONSULTANT’S insurance
coverage shall be primary insurance as respects the
THREE RIVERS LEVEE IMPROVEMENT
AUTHORITY, its officials and employees. Any
insurance or self-insurance maintained by the
THREE RIVERS LEVEE IMPROVEMENT
AUTHORITY, its officials and employees shall be
excess of the CONSULTANT’S insurance and shall
not contribute with it.

(iii) Any failure to comply with reporting provisions
of the policies shall not affect coverage provided to
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials and employees.

(iv) The insurance policy required by this clause shall be endorsed to state that the CONSULTANT’S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(b) Worker’s Compensation. The insurer shall agree to waive all rights of subrogation against the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials and employees.

(c) All Coverages. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or below minimum limits required under this Agreement except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

C.4.4 ACCEPTABILITY OF INSURERS. Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A:VII.

C.4.5 MINIMUM LIMITS OF INSURANCE. CONSULTANT shall maintain limits no less than:

(a) Commercial General Liability: One Million Dollars ($1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement or the general aggregate limit shall be twice the required occurrence limit.

(b) Automobile Liability: $1,000,000 combined single limit per accident for bodily injury or property damage.

(c) Workers’ Compensation: Workers’ Compensation limits as required by the Labor Code of the State of California.

(d) Professional Errors and Omissions Liability (if required): Policy limits of not less than One Million Dollars ($1,000,000) per claim and One Million Dollars ($1,000,000)
annual aggregate, with deductible or self-insured portion not to exceed Two Thousand Five Hundred Dollars ($2,500). Coverage may be made on a claims-made basis with a “Retro Date” either prior to the date of the Agreement or the beginning of the Agreement services. If claims-made, coverage must extend to a minimum of twelve-months beyond completion of the services. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a “Retro Date” prior to the Agreement effective date, the CONSULTANT must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of services.

C.4.6 SUBCONSULTANTS. In addition to the above policies, if CONSULTANT hires a subCONSULTANT under this Agreement CONSULTANT shall include all subCONSULTANTs as insureds under its policies or shall furnish separate certificates and endorsements for each subCONSULTANT. All coverages for subCONSULTANTs shall be subject to all of the requirements stated herein. If CONSULTANT requires subCONSULTANTs to provide insurance coverage, then CONSULTANT shall be named as an additional insured under such policy or policies (excluding workers’ compensation and professional liability insurance).

C.4.7 DEDUCTIBLES AND SELF-INSURED RETentions. Except as otherwise provided in this Agreement, any deductibles or self-insured retentions must be declared to and approved by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. At the option of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, either the insurer shall reduce or eliminate such deductions or self-insured retentions as respects THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials, employees and volunteers; or, the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C.4.8 VERIFICATION OF COVERAGE.

(a) CONSULTANT shall furnish THREE RIVERS LEVEE IMPROVEMENT AUTHORITY with Certificates of Insurance and with original endorsements effecting coverage required by this clause. The certificate(s) and endorsement(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) and endorsement(s) are to be on forms provided by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY or on forms received and approved by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY before work commences. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY reserves the right to require complete, certified copies of all required insurance policies at any time.
(b) CONSULTANT shall not render services under the terms and conditions of this Agreement unless each type of insurance coverage and endorsement is in effect and CONSULTANT has delivered the certificate(s) of insurance and endorsement(s) to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY as previously described. If CONSULTANT shall fail to procure and maintain said insurance, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may, but shall not be required to, procure and maintain the same, and the premiums of such insurance shall be paid by CONSULTANT to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY upon demand. The policies of insurance provided herein which are to be provided by CONSULTANT shall be for a period of time sufficient to cover the term of the Agreement, including THREE RIVERS LEVEE IMPROVEMENT AUTHORITY'S acceptance of CONSULTANT'S work. It is understood and agreed that thirty (30) days prior to the expiration of any policy of insurance, CONSULTANT will deliver to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY certificate(s) and endorsement(s) evidencing a renewal or new policy to take the place of the policy expiring.

C.5 INDEMNITY. CONSULTANT shall defend, indemnify, and hold harmless THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its elected and appointed councils, boards, commissions, officers, agents, and employees from any liability for damage or claims for damage for personal injury, including death, as well as for property damage, which may arise from the intentional or negligent acts or omissions of CONSULTANT in the performance of services rendered under this Agreement by CONSULTANT, or any of CONSULTANT'S officers, agents, employees, CONSULTANTS, or subCONSULTANTS.

C.6 CONSULTANT NOT AGENT. Except as THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may specify in writing, CONSULTANT shall have no authority, express or implied, to act on behalf of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this Agreement to bind THREE RIVERS LEVEE IMPROVEMENT AUTHORITY to any obligation whatsoever.

C.7 ASSIGNMENT PROHIBITED. CONSULTANT may not assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no legal effect.

C.8 PERSONNEL. CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. In the event that THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by CONSULTANT to
perform services pursuant to this Agreement, CONSULTANT shall remove any such person immediately upon receiving written notice from THREE RIVERS LEVEE IMPROVEMENT AUTHORITY of its desire for removal of such person or persons.

C.9 STANDARD OF PERFORMANCE. CONSULTANT shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged. All products of whatsoever nature which CONSULTANT delivers to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY pursuant to this Agreement shall be prepared in a first class and workmanlike manner and shall conform to the standards or quality normally observed by a person practicing in CONSULTANT'S profession.

C.10 POSSESSORY INTEREST. The parties to this Agreement recognize that certain rights to property may create a "possessory interest", as those words are used in the California Revenue and Taxation Code, §107. For all purposes of compliance by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY with Section 107.6 of the California Revenue and Taxation Code, this recital shall be deemed full compliance by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. All questions of initial determination of possessory interest and valuation of such interest, if any, shall be the responsibility of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY Assessor and the contracting parties hereto. A taxable possessory interest may be created by this contract; and if created, the party in whom such an interest is vested will be subject to the payment of property taxes levied on such an interest.

C.11 TAXES. CONSULTANT hereby grants to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY the authority to deduct from any payments to CONSULTANT any THREE RIVERS LEVEE IMPROVEMENT AUTHORITY imposed taxes, fines, penalties and related charges which are delinquent at the time such payments under this Agreement are due to CONSULTANT.

C.12 TERMINATION. Upon termination of this Agreement as otherwise provided herein, CONSULTANT shall immediately cease rendering service upon the termination date and the following shall apply:

C.12.1 CONSULTANT shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any tangible thing and form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.

C.12.2 THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall have full ownership and control of all such writings or other communications delivered by CONSULTANT pursuant to this Agreement.

C.12.3 THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay CONSULTANT the reasonable value of services rendered by CONSULTANT to the date of termination pursuant to this Agreement not to exceed the amount documented by
CONSULTANT and approved by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY as work accomplished to date; provided, however, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall not in any manner be liable for lost profits which might have been made by CONSULTANT had CONSULTANT completed the services required by this Agreement. In this regard, CONSULTANT shall furnish to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY such financial information as in the judgment of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY is necessary to determine the reasonable value of the services rendered by CONSULTANT. In the event of a dispute as to the reasonable value of the services rendered by CONSULTANT, the decision of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall be final. The foregoing is cumulative and does not affect any right or remedy which THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may have in law or equity.

CONSULTANT may terminate its services under this Agreement upon thirty (30) days written notice to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, without liability for damages, if CONSULTANT is not compensated according to the provisions of the Agreement or upon any other material breach of the Agreement by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

C.13 NON-DISCRIMINATION. Throughout the duration of this Agreement, CONSULTANT shall not unlawfully discriminate against any employee of the CONSULTANT or of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY or applicant for employment or for services or any member of the public because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sex or sexual orientation. CONSULTANT shall ensure that in the provision of services under this Agreement, its employees and applicants for employment and any member of the public are free from such discrimination. CONSULTANT shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900, et seq.). The applicable regulations of the Fair Employment Housing Commission implementing Government Code Section 12900, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONSULTANT shall also abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. CONSULTANT shall give written notice of its obligations under this clause to any labor agreement. CONSULTANT shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

C.14 REHABILITATION ACT OF 1973/AMERICANS WITH DISABILITIES ACT OF 1990. In addition to application of the non-discrimination provision of this Agreement, above, CONSULTANT agrees to comply with all provisions of section 504 et seq. of the Rehabilitation Act of 1973, and with all provisions of the Americans with Disabilities Act of 1990, and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts, pertaining to the prohibition of discrimination against qualified handicapped and disabled persons, in all programs or activities, as to employees or recipients of services.
C.15 OWNERSHIP OF INFORMATION. All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, and CONSULTANT agrees to deliver reproducible copies of such documents to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY on completion of the services hereunder. The THREE RIVERS LEVEE IMPROVEMENT AUTHORITY agrees to indemnify and hold CONSULTANT harmless from any claim arising out of reuse of the information for other than this project.

C.16 WAIVER. A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

C.17 COMPLETENESS OF INSTRUMENT. This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied.

C.18 SUPERSEDES PRIOR AGREEMENTS. It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, representations, or agreements, written or oral, between the parties hereto.

C.19 ATTORNEY’S FEES. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fee, which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such party may be entitled.

C.20 CAPTIONS. The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

C.21 DEFINITIONS. Unless otherwise provided in this Agreement, or unless the context otherwise requires, the following definitions and rules of construction shall apply herein.

C.21.1 NUMBER AND GENDER. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

C.21.2 MANDATORY AND PERMISSIVE. "Shall" and "will" and "agrees" are mandatory. "May" is permissive.
C.22 **TERM INCLUDES EXTENSIONS.** All references to the term of this Agreement or the Agreement Term shall include any extensions of such term.

C.23 **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto,

shall be binding upon and inure to the benefit of such party, its successors and assigns.

C.24 **MODIFICATION.** No modification or waiver of any provision of this Agreement or its attachments shall be effective unless such waiver or modification shall be in writing, signed by all parties, and then shall be effective only for the period and on the condition, and for the specific instance for which given.

C.25 **COUNTERPARTS.** This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

C.26 **OTHER DOCUMENTS.** The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

C.27 **PARTIAL INVALIDITY.** If any term, covenant, condition or provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

C.28 **JURISDICTION.** It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a Court of competent jurisdiction in the County of Yuba, State of California.

C.29 **CONTROLLING LAW.** The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

C.30 **TIME IS OF THE ESSENCE.** Time is of the essence of this Agreement and each covenant and term a condition herein.

C.31 **AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Further, by entering into this Agreement, neither party hereto shall have breached the terms or conditions of any other contract or agreement to which such party is
obligated, which such breach would have a material effect hereon.

**C.32 CONFLICT OF INTEREST.** Neither a THREE RIVERS LEVEE IMPROVEMENT AUTHORITY employee whose position in THREE RIVERS LEVEE IMPROVEMENT AUTHORITY enables such employee to influence the award of this Agreement or any competing Agreement, nor a spouse or economic dependent of such employee, shall be employed in any capacity by CONSULTANT herein, or have any other direct or indirect financial interest in this Agreement.

CONSULTANT may be subject to the disclosure requirements of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY conflict of interest code if in a position to make decisions or influence decisions that could have an effect on the CONSULTANT’S financial interest. The THREE RIVERS LEVEE IMPROVEMENT AUTHORITY Administrator shall determine in writing if CONSULTANT has been hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in the Yuba County Conflict of Interest Code.

**C.33 NOTICES.** All notices and demands of any kind which either party may require or desire to serve on the other in connection with this Agreement must be served in writing either by personal service or by registered or certified mail, return receipt requested, and shall be deposited in the United States Mail, with postage thereon fully prepaid, and addressed to the party so to be served as follows:

If to "THREE RIVERS LEVEE IMPROVEMENT AUTHORITY":

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY  
Paul G. Brunner, Executive Director  
1114 Yuba Street, Suite 218  
Marysville, CA 95901

If to "CONSULTANT":

Capitol Public Finance Group  
Attn: Seth Wurzel  
1900 Point West Way, Suite 273  
Sacramento, CA 95815
Appendix to Attachment A
Scope of Work and Budget

1. Project Understanding

Capitol Public Finance Group represented by Seth Wurzel (CONSULTANT) has been requested to provide financial consulting services and support to the Three Rivers Levee Improvement Authority (TRLIA) for the purpose of administering all funding programs for levee improvements. These services are required to assist TRLIA in meeting its current contractual obligations under several agreements to fund levee improvements and provide general consulting services on an as needed basis. These agreements and funding mechanisms include, but are not limited to:

- All prior agreements between landowners and TRLIA for advanced funding and reimbursements (Landowner Agreements);
- The Three Rivers Levee Impact Fee Program;
- TRLIA Mello-Roos Community Facilities Districts 2006-1 and 2006-2;
- The “Agreement for Funding Between Three Rivers Levee Improvement Authority, County of Yuba, and Yuba County Water Agency” (YCWA/County Funding Agreement);
- The “Funding Agreement between the State of California Department of Water Resources and the Three Rivers Levee Improvement Authority for the Feather River Levee Improvement Project” (Feather River Funding Agreement); and,
- The “Funding Agreement between the State of California Department of Water Resources and the Three Rivers Levee Improvement Authority for the Upper Yuba Levee Improvement Project” (Upper Yuba Funding Agreement);

2. Scope of Work

The Scope of Work is divided into two tasks. Task 1 involves funding agreement administrative support related to the Feather and Upper Yuba Funding Agreements with the State. Task 2 involves support related to the funding agreements and mechanisms with and for landowners and Yuba County/ YCWA.

Task 1: Technical Support, Administration, and Implementation for State Funding Agreements

CONSULTANT will work with TRLIA to provide support in coordinating with the State to implement and administer the currently in place funding programs for completing Phase 4 levee improvement work. This includes providing technical support on an as-needed to assist in the preparation of required material associated with acquiring funds through the State Funding Agreement(s). The work may include these:

- Preparing quarterly work plans and progress reports and monthly statement of costs;
Attachment A
Scope of Work & Budget
April 21, 2010

- Assisting with the preparation of Real Estate invoices and associated documentation;
- Assisting with development of a project cash flow that will be used to provide the necessary data required for quarterly work plans;
- Preparing supporting documentation needed to invoice the State;
- Reviewing invoices for confirm and apply proper cost coding;
- Coordinating with the Community Development and Services Agency to receive training on and obtain data from their in-house cost accounting management system;
- Attending meetings and required conference calls; and
- Providing, on an ad-hoc basis, technical analysis and data as needed.

It may be necessary for the CONSULTANT to provide services on-site on a semi-regular basis from time to time. In these instances, TRLIA will provide a suitable location at their location for the consultant to provide services.

Task 2: Local Funding Mechanism Administration

Task 2’s scope includes work associated with generating the required local share of funding for the remainder of TRLIA’s levee improvement program. This includes providing technical support associated with administering the YCWA/County Funding Agreement. In addition, TRLIA has provided technical support to the County associated with administration and as needed updates of the Three Rivers Levee Impact Fee. Additionally, CONSULTANT will provide technical support associated with the currently in place TRLIA Mello-Roos Districts. CONSULTANT’s work may include these:

- Continued administration of the currently in place TRLIA CFDs;
- Revising the current TRLIA levee fee nexus study, as needed, for feasible implementation;
- Providing analyses and technical information associated with joint YCWA/County borrowing;
- Providing technical support to TRLIA to prepare required documentation pursuant to the YCWA/County Funding Agreement;
- Attending meetings and required conference calls; and
- Providing, on an ad-hoc basis, technical analysis and data as needed.

3. Proposed Schedule

The performance period of this contract is from the date of execution of this contract through June 30, 2010 (the remainder of fiscal year 2010). The term of this agreement maybe extended as needed through a contract modification mutually agreed to by the parties.
4. Proposed Budget and Payment

The work defined in the scope of this proposal will be performed on a time-and-materials basis up to a specific maximum amount.

The total budget to provide all prior work for the listed scope of work for the initial contract period is $30,000. This is CONSULTANT's estimate of the amount of budget that may be required to perform the above-listed scope of work. With this type of work, a moderate level of uncertainty is inherent, and this uncertainty is reflected in this budget. Consequently, the estimated budget may be in excess of or under the funds required to perform the requested work.

CONSULTANT will charge for services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; therefore, CONSULTANT will bill only for the work completed up to the authorized budget amount. CONSULTANT's hourly billing rate is $175 per hour.

If additional work is required or requested, CONSULTANT will request authorization for additional budget with the understanding that terms would be negotiated in good faith. It is expected that this budget may be increased on an as-needed basis through a contract amendment process.

CONSULTANT will send request for payment to TRLIA on a monthly basis after the completion of services.

Request for payment will be sent to the following address:

Three Rivers Levee Improvement Authority
915 8th Street, Suite 125
Marysville, CA 95901
Attn: Accounts Payable

Task 1 Code: 3107 / 3125 - 3271
Task 2 Code: 3006 - 3061

Proper Cost Coding of time expended will be indicated on all requests for payment.
June 15, 2010

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
SUBJECT: FY 2010/11 TRLIA Benefit Assessment District Revenues and FY 2010/11 RD784 Levee Maintenance Budget

Recommendation:

Review and accept the proposed RD784/TRLIA proposed FY10/11 budget for maintenance of levees improved by TRLIA.

Background:

On June 2, 2009 the TRLIA Board adopted a resolution to form the Benefit Assessment District to pay for long-term maintenance and operations on 29 miles of improved levees.

On August 4, 2010 TRLIA and RD784 signed a MOA that outlined the relationship of the Organization in regards to using the TRLIA Assessment revenues. RD 784 is to operate and maintain improved levees and TRLIA's formation of the Assessment District is 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 benefited 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.

Discussion:

The RD 784 FY09/10 target revenue was $800,000 from the TRLIA Benefit Assessment. As April 30, 2010 the TRLIA has received to $781,117.64. The revenues were distributed as follows:

- RD784 for Levee Maintenance: $763,731.24
- TRLIA for Administrative Expenses: $16,000
- County for Administrative Expenses: $1,386.40
The TRLIA Board will consider the FY 2010/11 collection of Levee O&M assessments for approximately $800,000 at the June 15, 2010 TRLIA Board meeting.

TRLIA staff did provide input to RD784 as the levee maintenance budget specifics were developed. TRLIA staff have reviewed the proposed RD784 FY2010/11 budget for maintenance of levees improved by TRLIA and concurs with the projected expenditures and believes the proposed levee maintenance budget adheres to the criteria outlined in the TRLIA approved Engineers Report. The RD784 Board approved the attached budget on June 1, 2010.

**Fiscal Impact:**

TRLIA's Benefit Assessment is projected to generate approximately $800,000 in FY 2010-11. Assessment revenues will be collected by the County Assessor, deposited into TRLIA's Assessment Benefit Account No. 818, and then transferred to RD784 to use for levee maintenance minus County and TRLIA administrative expenses.

Attachment:
RD784 Proposed Budget for levee maintenance
Who We Are and How We Got Started: Origin of Reclamation Districts
Reclamation Districts began when farmers mounded soil to protect farm land from flooding by nearby rivers. The State Legislature passed legislation (the Water Code 5000) allowing Reclamation Districts to form as a way to pay the costs associated with "reclaiming" the land. This law provides a means for counties to finance the reclamation of land that has been made unusable due to overflow or flooding. Services and facilities that can be financed by a Reclamation District include all things "necessary and convenient" to reclaim the land. Items commonly financed include facilities and services for sewage and waste removal and facilities to be used for the irrigation of lands inside or outside the district." (Source: California Property Tax Information: What is a Reclamation District?)

Local Reclamation Districts in Yuba County provide protection through a system of levees on the Yuba, Bear, and Feather Rivers and other creeks and streams. Local Reclamation Districts are also responsible for the maintenance and operation of levees, pump stations and internal drainage canals.

History of 784
Reclamation District 784 was established in May 1908 and operates under the authority of the State of California's Central Valley Flood Protection Board and the Department of Water Resources. RD784 covers approximately 29,000 acres including 29.7 miles of urban levees, more than 60 miles of internal drainage canals, nine pumping stations and 7.44 miles of rural levees. In the past, farmers maintained the drainage ditches adjacent to their fields at their expense. As development converted farm fields into residential areas, farmers maintained fewer ditches and internal drainage became more costly.

A board of trustees made up of 5 local landowners is the local governing body and they are elected to serve 4 year terms.

Where Are We Located
The district's boundaries are: North- Yuba River, South- Bear River, West- Feather River, East- Western Pacific Interceptor Canal. The district encompasses approximately 2,000 commercial buildings and more than 12,500 residences.

RD784 Responsibilities
RD784 has two primary responsibilities: maintenance of the district's levee system, drainage facilities and pumping stations and flood fighting and patrols on district levees during times of high water. The primary funding for the district to accomplish their responsibilities comes from annual assessments on each property within the district.

District Staff
RD784 currently has a total of 6 personnel: a General Manager, Office Manager, Field Superintendent and 3 maintenance workers.
Budget Process Overview

The budget was developed in four parts: an overall operation and maintenance budget, an urban district levee budget, a required enhanced budget and a combination internal drainage and rural district levee budget. The last two sub-budgets describe how the overall budget was actually funded. This approach was needed because funding was derived from separate dedicated sources. Those funding sources are described below.

In addition, an engineering cost estimate based on projected O & M requirements as identified in O & M Manual Addendums was included. This engineering estimate is attached although it was received after the budget was developed but suggests estimated budget costs were low.

Funding Sources
Reclamation District 784 receives Operations and Maintenance income from several sources:

1. The RD 784 1999-2000 Benefit Election (218) which assessed land owners within RD 784's District's current boundary benefitting from both levee and internal drainage protection.
2. Community Service Area (CSA) funds from specific neighborhoods which are dedicated for levee protection and specific internal drainage tasks.
3. The Three Rivers Benefit Assessment (218) which assessed land owners both within and outside the current RD 784 District geographical boundary whom are protected by the levees operated and maintained by District 784.

Other Income
Reclamation District 784 receives some minor income from signage rental space. This income is not committed.

Contract Income
The District operates and maintains the Olivehurst pump station under contract for Yuba County Public Works. This contract allows the District to electronically monitor and control the pump station with a computerized system that will eventually be installed on all of the District's internal drainage pumps. This income is offset by costs.

Development Funds
Reclamation District 784 also receives Impact Fees from developers to pay for infrastructure development. These funds are committed only to infrastructure development and cannot be used for Operations or Maintenance. Newly built infrastructure generally requires less maintenance although operational costs increase as additional infrastructure is brought on-line. In 2009-2010, a new emergency generator and a redundant pump were installed in Pump Station 2. The Ella Basin was expanded and pipes were installed over the newly completed Feather River Setback levee as part of a staged Regional Pumping Station project.
Funding Limitations

RD784 1999-2000 Benefit Election
These funds were originally assessed to operate and maintain all the current RD784 levees and the internal drainage needs within the District. Even with residential and commercial growth, these funds were inadequate as costs mandated by evolving federal and state regulations grew faster than income. Costs also increased as community expectations grew with District urbanization. Burning levees and ditches, a common past practice, became less acceptable and is now an exception rather than a rule. A variety of other methodologies are used which require additional equipment and personnel and often require contract services. Additional monitoring devices are now a part of the levee system which requires additional manpower, technology and costs. Increased state reporting and maintenance requirements have also increased needs for technical infrastructure, training and time.

The economic downturn reduced District income. The Yuba County Treasurer and Auditor/Controller removed the District from Teeter funding in 2008. Assessment funds not paid by parcel owners were lost to the District during that tax cycle. The 2008-2009 budget cycle payment was approximately $200,000 less than anticipated. In 2009, Teeter funding was partially reinstated. State, County and the Yuba County Airport fees remained outside the Teeter fund reimbursement program.

The Three Rivers Benefit Assessment was not included in the Teeter program. The initial TRLIA assessment payment of $401,995 was received in January 2010 and a second TRLIA assessment payment of $361,732.15 is expected before the end of Fiscal Year 2009-2010. TRLIA is expected to transfer $763,731.24 during FY 2009-2010.

Overall RD784 Operations and Maintenance Budget

The overall RD784 budget was developed by combining the levee and the internal drainage/rural levee budgets. Several overarching concepts were used during the budgeting process:

1. Costs of equipment, personnel and overhead for the overall organization were split 70-30 between the combined urban district levee budgets (ULB) and the internal drainage/rural levee budget (RLB).
2. Costs attributable to a single budget were added to only that budget.
3. Given the complexity of the budgeting process the 70-30 split would not be absolute and some flexibility would be required.
4. Due to past income deficiencies and deferred projects, past spending did not always reflect actual need. Internal drainage maintenance was often deferred so levee maintenance could be completed.
5. The budget was designed to only allocate anticipated funds. However, expected unfunded annual needs were identified at the end of the formal budget.
6. No new employees would be hired and contract or temporary workers would be hired to complete specific assignment/tasks.
FY 2010-2011 Reclamation District 784

7. No funds were allocated for one-time purchase of “basic equipment” identified as needed.

Budget Highlights

No employees will be hired during FY 2010-2011. Organizational efficiencies and use of contract personnel during FY 2009-2010 proved effective in meeting organizational needs. That strategy will continue to be employed unless and until conditions change.

The purchase of “needed basic equipment” was not built into the original TRLIA or RD784 benefit assessment budgets. “Needed basic equipment” would have to be purchased as money was available over time or on credit. During FY 2010-2011, equipment purchase will be deferred to build reserves and contract services will continue to be used.

Hiring temporary personnel, limiting spending and postponing equipment purchasing were successful strategies which will continue in FY 2010-2011. The District anticipates savings which will be used to pay outstanding bills and create reserve accounts. This strategy may prevent the District from having to borrow money as it had in the past to respond to unanticipated problems or unfunded government mandates.

The urban levee budget as proposed during the original TRLIA assessment election process required the District to contribute $247,000 from its original 218 assessment budget. That requirement continues in the 2010-2011 budgets. The FY 2009-2010 budget has not yet been closed and carry over funds have not been allocated to reserve accounts.

Unique Budget Costs

Original RD784 Budget Unique Costs
Electrical utility costs for the pumps- $75,000.
Rural levee operation and maintenance-$30,000.
The outstanding YCWA loan: $40,000 remained in the budget.

TRLIA Budget Unique Costs:
Contract Services- Monitor and evaluate Pizometers/ Inclinometers - $15,000
Contract Services- Fencing repair - $5,000
Contract Services- Concrete Block - $10,100
Contract Services- Welding - $5,000.
Contract Services- Rehab Wells- $25,000.

Equipment Purchase-$50,000.
Land Contingency- $50,000.
Emergency/ Contingency-$50,000.
Excluded Expenses:
Only funds that were actually received were included as income in this budget. TRLIA and Yuba County overhead costs were excluded from the current FY 2010-2011: TRLIA Overhead Costs- 3%- $24,000; County Overhead- 2%- $16,000.

Summary:
The FY 2010-2011 budget will be the first year in which the TRLIA assessment funds will be utilized. Due to the uncertain economic conditions of FY 2009-2010, no TRLIA funds were spent until received by the District. While the FY 2009-2010 budget is not yet closed, reserves are expected. Economic conditions, governmental regulations and regulatory requirements are expected to continue to change and increase costs. Additional levee safety features requiring rehabilitation and monitoring were added. Some jobs changed as the organization matured requiring more sophisticated skills. Management intends to utilize temporary workers and outside contractors to reduce costs whenever possible.
RD784 2010-2011 Budget

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<tr>
<td>All the Rest 70/30</td>
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</table>
TO: Three Rivers Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director  
Thomas Brightbill, Assessment Engineer  
Joe Schofield, Special Assessment Counsel  

SUBJECT: UPDATING AND ORDERING LEVY OF ASSESSMENTS WITHIN THE LEVEE AND FLOOD CONTROL FACILITIES ASSESSMENT DISTRICT FOR FISCAL YEAR 2010-2011

Recommendation:

That the Board of Directors adopts the resolution entitled:

RESOLUTION NO._____


Background:

On June 2, 2009 the TRLIA Board adopted a resolution to form the Benefit Assessment District (District) to pay for long-term maintenance and operations on 29 miles of improved levees.

The RD 784 FY09/10 target revenue was $800,000 from the TRLIA Benefit Assessment. As of April 30, 2010 the TRLIA has received $781,117.64 through the District. The revenues were distributed as follows:

- RD784 for Levee Maintenance: $763,731.24
- TRLIA for Administrative Expenses: $16,000
- County for Administrative Expenses: $1,386.40

Discussion:

The RD784 Board approved a FY 2010/11 levee maintenance budget on June 1, 2010, which identified the need for TRLIA to collect in excess of $800,000 in FY 2010/11.
TRLIA staff did provide input to RD784 as the levee maintenance budget specifics were developed. TRLIA staff have reviewed the proposed RD784 FY2010/11 budget for maintenance of levees improved by TRLIA and concurs with the projected expenditures and believes the proposed levee maintenance budget adheres to the criteria outlined in the TRLIA approved Engineers Report. The TRLIA Board will consider the proposed RD784 FY 2010/11 levee maintenance budget at the TRLIA June 15, 2010 Board meeting.

The US Department of Labor Consumer Price Index (CPI-U) for the San Francisco Bay Area December to December change for 2009 was 2.613%. The attached resolution incorporates this increase into the FY 2010/11 assessment. Due to the hard economic times of the community the TRLIA Board may opt to waive the CPI increase for FY 2010/2011, and to reserve it for a discretionary adjustment to the next fiscal year’s adjustment.

**Fiscal Impact**
The assessments for fiscal year 2010-11 with the 2.613% CPI would potentially generate $820,904 in FY 2010/11. This is an increase of $20,904. The new rates with the CPI increase would be levied at the rate of:

- One hundred fifty one dollars and ninety one cents ($151.91) per single-family equivalent benefit unit for the South Zone. The assessment for fiscal year 2009-10 was levied at the rate of one hundred forty eight dollars and four cents ($148.04) per single-family equivalent benefit unit for the South Zone.

- Eleven dollars and sixty three cents ($11.63) for the Central A Zone. The assessment for fiscal year 2009-10 was levied at the rate of Eleven dollars and Thirty three cents ($11.33) for the Central A Zone.

- Thirty three dollars and no cents ($33.00) for the Central B Zone. The assessment for fiscal year 2009-10 was levied at the rate of thirty two dollars and sixteen cents ($32.16) for the Central B Zone.

- Eleven dollars and forty one cents ($11.41) for the East Zone. The assessment for fiscal year 2009-10 was levied at the rate of eleven dollars and twelve cents ($11.12) for the East zone.

**Attachments:**
Proposed Resolution.
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

RESOLUTION NO.______

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
UPDATING AND ORDERING LEVY OF ASSESSMENTS WITHIN THE LEVEE AND FLOOD CONTROL
FACILITIES ASSESSMENT DISTRICT FOR FISCAL YEAR 2010-2011

WHEREAS, the Three Rivers Levee Improvement Authority ("Three Rivers") has installed and
otherwise made substantial improvements to the flood control facilities along portions of the Feather and
Yuba Rivers within Yuba County;

WHEREAS, Three River formed an assessment district — the Three Rivers Levee Improvement
Authority Flood Control Facilities Assessment District (the "District") — in June 2009 to fund operation and
maintenance of the improved facilities;

WHEREAS, the legal notices that were mailed to property owners in the District in March 2009 and
the Three Rivers Levee and Flood Control Facilities Engineer's Report dated May 28, 2009 state that the
assessment is subject to an annual adjustment based on the US Department of Labor Consumer Price
Index (CPI-U) for the San Francisco Bay Area with the maximum annual adjustment not to exceed 4%;

WHEREAS, the US Department of Labor Consumer Price Index (CPI-U) for the San Francisco Bay
Area December to December change for 2009 was 2.613%;

WHEREAS, Reclamation District No. 784 has submitted, and the Three Rivers Board of Directors
has reviewed, a proposed annual budget for operation and maintenance of the improved levees for fiscal
year 2010-11,

NOW, THEREFORE, BE IT RESOLVED THAT:

1: The above recitals are true and correct.

2: The Three Rivers Levee Improvement District Board of Directors finds that to meet the budgeting needs
for operation and maintenance of the flood control facilities for fiscal year 2010-11 it is necessary to adjust
the assessment to match the full 2009 CPI change of 2.613%.

3. Therefore, the assessments for fiscal year 2010-11 shall be levied at the rate of one hundred fifty
one dollars and ninety one cents ($151.91) per single-family equivalent benefit unit for the South Zone,
eleven dollars and sixty three cents ($11.63) for the Central A Zone, thirty three dollars and no cents
($33.00) for the Central B Zone, and eleven dollars and forty one cents ($11.41) for the East Zone,
reflecting the 2.613% increase in CPI-U described in the Engineer's Report.

4. Three Rivers staff is directed to file or cause to be filed a certified copy of this Resolution with the
Auditor/Controller of Yuba County (the "County Auditor/Controller"). Upon such filing, the County
Auditor/Controller shall enter on the County tax roll opposite each lot or parcel of land in the District the amount of assessment thereupon as shown in the Engineer's Report and described in Section 3 of this Resolution. The benefit assessment shall be collected at the same time and in the same manner as County ad valorem taxes are collected and all laws providing for the collection and enforcement of County ad valorem taxes shall apply to the collection and enforcement of the assessments. After collection by the County Tax Collector, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to Three Rivers for the purposes of the District.

ADOPTED as a resolution of the Board of Directors of the Three Rivers Levee Improvement Authority at a regular meeting duly held on the 15th day of June 2010.

MARY JANE GRIEGO, CHAIR

APPROVED AS TO FORM: ATTEST:

DONNA STOTTLEMEYER, SECRETARY

STATE OF CALIFORNIA )
COUNTY OF YUBA ) ss
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY )

I, Donna Stottlemeyer, Secretary of the Board of Directors of Three Rivers Levee Improvement Authority, do hereby certify that the foregoing is a true and correct copy of Resolution No. ____ adopted by the Board of Directors of the Three Rivers Levee Improvement Authority, Yuba County, California, at a regular meeting thereof, held on the 15th day of June 2010 by the following vote:

AYES:
NOES:
ABSENT:

DONNA STOTTLEMEYER, SECRETARY
June 15, 2010

TO: Three Rivers Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director  
       Seth Wurzel, Financial Consultant  
SUBJECT: Acceptance of Budget for Fiscal Year 2010-11

**Recommended Action**

1. Accept the Executive Director’s Proposed Budget for Fiscal Year 2010-11  
2. Direct TRLIA Executive Director to make copies of the Proposed Budget available for inspection by the public  
3. Direct Budget Hearing to be scheduled to begin on Tuesday, July 20, starting at 3:00 pm.

**Discussion:**

TRLIA continues to follow the same requirements for budget adoption as prescribed by the Yuba County Ordinance Code and state law. State law also requires the Board to notify the public when budget hearings will begin and to provide copies of the Proposed Budget for inspection by the Public.

Attached is the proposed Fiscal Year 2010-11 TRLIA budget for your consideration. Funding for the Fiscal Year 2010-11 budget comes from essentially two areas: 1) the Feather River Levee and Upper Yuba River Prop 1E funding agreements, and 2) local funding agreements with Yuba County, YCWA, RD784, and a local landowner.

Tremendous levee improvement success was achieved by the TRLIA team with the revenues that were provided by the State and Local Agencies that were approved in last years TRLIA budget – the Major highlight was the FEMA Levee System Accreditation. I anticipate similar success to be achieved with the proposed expenses that are outlined in this years TRLIA FY10/11 budget, which is fully funded.

The TRLIA Plan has always been to aggressively improve the levees along the Feather, Yuba, and Bear Rivers, and the Western Pacific Inceptor Canal to achieve 200-year flood protection for South Yuba County. All but the Upper Yuba River Levee Improvements from Simpson Lane up to the Goldfields Area have been completed in just six years. The
focus for this next fiscal year will be to complete the Upper Yuba River levee improvements and then to certify these improvements to FEMA.

Described in this budget is an ambitious State and Local capital improvement program specifically aimed to enhance flood protection for Yuba County residents that reside in South Yuba County.

**Fiscal Impact**

Proposed appropriations for fiscal year 2010-11 total in excess of $58 million, which includes substantial funding from State Prop 1E funding agreements. The expenditures anticipated for the next Fiscal Year are estimated to be in excess of $48 million. This will leave approximately $10 million dollars to continue project work into Fiscal Year 2011-12.

Attachment:
Proposed TRLIA Fiscal Year 2010/11 Budget
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

2010/11 Budget

Paul G. Brunner, P.E.
Executive Director

June 15, 2010
# Three Rivers Levee Improvement Authority (TRLIA) FY 2010/2011 Budget

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<td>- Comparison FY09/10 Budget items to Actual Expenses through May 31, 2010</td>
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<td>- Special Projects Detail (#23-01)</td>
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<td>- Future Professional Services Detail (#23-02)</td>
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</table>
June 15, 2010

To: Three Rivers Levee Improvement Authority Board
From: Paul G. Brunner, Executive Director
Re: Proposed Budget for Fiscal Year 2010/11

Tremendous levee improvement success was achieved by the TRLIA team with the revenues that were provided by the State and Local Agencies that were approved in last year’s TRLIA budget – the Major highlight was the FEMA Levee System Accreditation. I anticipate similar success to be achieved with the proposed expenses that are outlined in this year’s TRLIA FY10/11 budget, which is fully funded.

The TRLIA Plan has always been to aggressively improve the levees along the Feather, Yuba, and Bear Rivers, and the Western Pacific Inceptor Canal to achieve 200-year flood protection for South Yuba County. All but the Upper Yuba River Levee Improvements from Simpson Lane up to the Goldfields Area have been completed in just six years. The focus for this next fiscal year will be to complete the Upper Yuba River levee improvements and then to certify these improvements to FEMA.

Described in this budget is an ambitious State and Local capital improvement program specifically aimed to enhance flood protection for Yuba County residents that reside in South Yuba County.

Thank you for the opportunity to submit this budget.

Sincerely,

Paul G. Brunner, P.E.
Executive Director

3
**TRLIA Phased Program**

In its entirety, the cost to complete the TRLIA Program is approximately $400 million. There are four phases to this capital improvement program.

**RD784**

- Non TRLIA Levees (black): WPIC, and Bear River

**TRLIA & RD784 Levees**

- Phase 1 (red): Yuba River
- Phase 2 (green): Yuba River, Western Pacific Interceptor Canal (WPIC), and Bear River
- Phase 3 (purple): Bear River Setback
- Phase 4 (blue): Yuba River, and Feather River

The most critical flood control projects were prioritized and done first in order to rapidly reduce the risk of flooding to residents as quickly as possible. All the levee improvements are designed and constructed to withstand flows from both 100-year (FEMA criteria) and 200-year Storms. The following list is a breakdown and status of each of the Phases:

- **Phase 1** - Strengthened the existing Yuba River left (south) levee between Highway 70 and approximate Yuba River Project Levee Mile (PLM) 0.8. The work was funded by local funding. This work was completed in 2004 and received certification for FEMA from the Corps on May 8, 2007. TRLIA updated the 100-year certification for FEMA on May 5, 2010.

- **Phase 2** - Strengthened and raised the existing upper Bear River right (north) levee from about 200 feet downstream from Highway 70 to the WPIC right (west) levee, added a seepage berm to the existing Yuba River left (south) bank levee from the Western Pacific Railroad (WPRR) to Highway 70 and from Highway 70 to the Southern Pacific Railroad (SPRR), strengthened and raised the existing WPIC levees, relocated Pump Station No. 6, and constructed the Olivehurst detention basin and ring levee. The work was funded by Prop 13 and local funding and then, in 2010, the State reimbursed TRLIA a portion of the local share with Prop IE funds under the Upper Yuba EIP funding agreement. The Olivehurst detention basin was funded with FEMA and local funds. This work was completed in 2006 and received certification for FEMA from the Corps on May 8, 2007. TRLIA updated the 100-year certification for FEMA on May 5, 2010.
• **Phase 3** – Constructed the Bear River setback levee from the Feather River levee near Pump Station No. 2 to the west end of the Phase 2 Bear River levee work. This phase is referred to as the Bear River Setback Levee project (BRSL). Levee work was completed in 2006. A 600 acre Environmental Restoration Area was created as part of this project. TRLIA is the property owner of the 600 acres and is in the process of transferring ownership to the State. Maintenance of the Environmental Restoration area is ongoing. The work was funded by Prop 13 and local funding and then in 2010 the State reimbursed TRLIA a portion of the local share with Prop 1E funds under the Upper Yuba EIP funding agreement. Corps certification for FEMA was received on May 8, 2007. TRLIA updated the 100-year certification for FEMA on May 5, 2010.

• **Phase 4** – consists of multiple projects on the Feather River and Yuba River:
  
  o **Phase 4 Feather** – This work is referred to as the Phase 4 Feather River Levee Repair Project (FRLRP) and consists of three segments as described below:
    
    ▪ **Segment 1**: Below Star Bend, from the Bear River setback levee (PLM 13.3) to PLM 17.1 - Embankment and foundation seepage mitigation consisting of cutoff walls, stability berms, relief wells, and monitoring wells. This work was completed in 2009 and was funded initially by local funding and then in March, 2010 the State approved reimbursing TRLIA for their share of the work with Prop 1E funds under a modified Feather EIP funding agreement. TRLIA completed 100-year certification for FEMA on May 5, 2010.

    ▪ **Segment 2**: The levee is set back from Star Bend (FR PLM 17.1) to about one mile north of Murphy Road (FR PLM 23.6) - A new levee embankment and foundation seepage mitigation was constructed consisting of cutoff walls, stability berms, relief wells, and monitoring wells. The work included degrading the existing Segment 2 levee and the purchase/creation of an expanded 1600 acre floodway along the Feather River. TRLIA is the property owner of the 1600 acres and is in the process of transferring ownership to the State. The new Setback levee replaced the portion of levee that broke in 1997. Construction of the Setback levee began in 2008 and was completed in 2009. Degradation of the existing Segment 2 levee will be completed in 2010. Maintenance of the 1600 area expanded floodway is ongoing. The work was funded by Prop 1E EIP and local funding. TRLIA completed 100-year certification for FEMA on May 5, 2010.

    ▪ **Segment 3**: From Feather River PLM 23.6 to PLM 26.1 and from Yuba River PLM 0.0 to the WPRR crossing at about PLM 0.3 - Embankment and foundation seepage mitigation consisting of cutoff walls, stability berms and monitoring wells; and levee freeboard mitigation. This work was completed in 2009 and was funded by Prop 1E EIP and local funding. TRLIA completed 100-year certification for FEMA on May 5, 2010.
Phase 4 Yuba – The first portion of Phase 4 Yuba included strengthening the existing Yuba River left bank levee above the UPRR crossing to Simpson Lane and adding a seepage berm adjacent to the UPRR crossing. This work was completed in 2006 and was funded initially by local funding and then in 2010 the State reimbursed TRLIA a portion of the local share with Prop 1E funds under the Upper Yuba EIP funding agreement. 100-year certification for FEMA from the Corps was received on May 8, 2007. TRLIA updated the 100-year certification for FEMA on May 5, 2010.

Phase 4 Yuba (Highway 70 to the UPRR) – This work is referred to as the Phase 4 Upper Yuba River Levee Improvement Waterside Slope Flattening Project and was funded by Prop 1E EIP and local funding. This work was done to achieve 200-year flood protection. The work includes slope flattening, seepage remediation, correcting deficiencies in levee geometry, and erosion protection from Highway 70 upstream to the Yuba Goldfield. This work was completed in 2009. See figure 2.

Phase 4 Yuba (Simpson Lane up to the Goldfields west boundary) – This work is referred to as the Phase 4 Upper Yuba River Levee Improvement Remaining Work Project and is funded by Prop 1E EIP and local funding. The work includes slope flattening, seepage remediation, correcting deficiencies in levee geometry, and erosion protection. This work is anticipated to begin in 2010 and be completed in either 2010 or 2011 depending on the acquisition of federal permits and weather. Currently this section of levee is Provisionally Accredited (PAL) by FEMA. TRLIA FEMA certification is planned to be completed in 2011. See Figure 2.

Figure 2 – Upper Yuba River Levee Improvement Project
Key highlights from Fiscal Year 2009-2010:

- FEMA Levee Accreditation of the RD784 levee system. Accreditation included the Provisionally Accredited Levee (PAL) for the levee from Simpson Lane to the Goldfields area.

- TRLIA FEMA Levee Certification of the RD784 levee system. Certification included the Provisionally Accredited Levee (PAL) for the levee from Simpson Lane to the Goldfields area.

- Completion of the Feather River Setback including levee tie-ins

- Enterprise Rancheria, Corps of Engineers, DWR Independent Consulting Board, DWR, and the CVFPB approved the proposed TRLIA embankment redesign for the Native American cultural site located near Star Bend. The construction work over the cultural site (south tie-in) was completed.

- The Sacramento Section of the American Society of Civil Engineers (ASCE) awarded its “2009 Outstanding Engineering Award” for Flood Control to the Three Rivers Levee Improvement Authority for its Feather River Setback Levee.

- To celebrate completion of the Feather River Setback Levee, TRLIA held a ribbon cutting ceremony on October 26, 2009.

- Completion of the Feather River Segment 1 Crack levee fix

- Completion of the Feather River Erosion Site 2 which is contained in Feather River Segment 3

- Completion of Yuba River Levee slope flattening work between Hwy 70 and the UPRR

- Completion of environmental documents and design of the work proposed for the Upper Yuba River levee between Simpson Lane and Goldfield

- Collection of the first year Assessment revenues from the newly formed TRLIA Benefit Assessment District

- DGS approved the Modified Funding agreement on March 25, 2010. The State cost share was increased by $16.28 million, comprised of 70 percent of $16.6 million for Segment 1, 82.8246 percent of $4.9 million for additional work in Segment 2, and 70 percent of $0.855 million for additional work in Segment 3. The total project cost was revised from the $191.4 million to $200.5 million with the State cost-share capped at $154.8 million.

- DWR signed the Upper Yuba River Levee Improvement EIP Agreement and DGS executed the agreement on Oct 20, 2009. The agreement provides $47.4 million Prop 1E funds for the Upper Yuba River levee work.
Believed to be the largest levee improvement project west of New Orleans, the Feather River Setback Levee Improvements required the purchase of nearly 1,700 acres of property from 28 South Yuba County property owners. Through FY09/10 TRLIA had reached agreement with 19 of the 28 property owners. TRLIA is engaged in Eminent Domain proceedings in the 9 cases where an agreement has not yet been reached. The Eminent Domain process provides opportunities for TRLIA to continue to negotiate with landowners to reach agreement. If an agreement cannot be reached, the value of the property is then decided by a jury. Although these cases are advancing through the legal process – to include jury trials – TRLIA continues to make every effort to negotiate agreements.

TRLIA began securing right-of-way for the Upper Yuba Levee Improvement Project to meet state regulations requiring 50-feet of land on the landside of the levee for flood fighting and maintenance access. TRLIA is engaged in negotiations with impacted property owners to secure the right-of-way as required by state law.

The Corps of Engineers presented their hydraulic analysis and findings for the Goldfields area at the March 2010 CVFPB meeting. The key points from the presentation were: 1) The Corps has concluded that the Goldfields do not represent a risk from flooding for the 100 year storm event. 2) The Corps hydraulic model for the 200 year storm event shows flow coming out of the Goldfields area above the RD784 Patrol Road levee. This overflow results in shallow overland flow and impacts portions of East and West Linda, Olivehurst, and Arboga. TRLIA has initiated a hydraulic study to better define the risk of flooding from the Goldfields. The purpose of this effort is to reaffirm the Corps’ conclusions for the 100 year event and to conduct a more detailed evaluation of the flood risk at the 200 year flood event. TRLIA remains committed to achieving 200 year flood protection for South Yuba County, and will keep the CVFPB and others up to date on our progress.

**Comparison FY09/10 Budget items to Actual Expenses through May 31, 2010:**

**FY 09/10 Comparison of Budgeted to Actual Expenditures**

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<td><strong>55,182,385</strong></td>
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1/ Actual costs to date are as of April 30, 2010.

**Key highlights that the 2010-11 TRLIA Budget accomplishes:**

- Full Degradation of the existing Feather River Segment 2
- Completion of the work proposed for the Upper Yuba River levee between Simpson Lane and Goldfields Area
• Completion of the FEMA Certification Addendum for the Upper Yuba River levee work between Simpson Lane and Goldfields Area

• Completion of the Feather River Land Acquisitions for the Setback Area.

• Initial funding for an Alternative Analysis for the Goldfields Area

**Projected Overall Cost and Schedule of the TRLIA Program:**

Below is a table that outlines the anticipated program cost by Phase.

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<tr>
<th>PHASE</th>
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<tr>
<td>PHASE 1</td>
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<td>PHASE 4 (YUBA)</td>
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<td>PHASE 4 (UPPER YUBA)</td>
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On the next page is the TRLIA Construction Schedule by Phase. TRLIA staff is working aggressively to complete all levee work by the end of calendar year 2010; however, weather or regularly issues may delay work into 2011.
**PHASE 4 LEVEL IMPROVEMENTS (2004)**
- Construction of approximately 1,600 acres for Feather River Setback Levee
- Construction of setback levee embankment (approximately 2 miles)
- Feather River levee strengthen-in-place river foundation work to achieve 200-year flood protection goal
- Clearing, grubbing, and stripping of setback levee foundation
- Repair of Feather River Levee segment crack
- TRLIA O&M Benefit Assessment: District Approved

**PHASE 4 LEVEL IMPROVEMENTS (2005)**
- Construction of Feather River Setback Levee
- Underseepage berms and new fish passage improvements from Shanghai Bend to Yuba River (Segment 3) - completed

**PHASE 4 LEVEL IMPROVEMENTS (2006)**
- Feather River Setback Levee
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3)
- Construction of Feather River Setback Levee (approximately six miles long) foundation, embankment and levee tie-ins
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3) - completed

**PHASE 4 LEVEL IMPROVEMENTS (2007)**
- TRLIA Board adopts Feather River Setback Levee Alternative February 6, 2007
- Yuba Levee (NE corner of UPPER & Lower intersection: Constructed seepage berms and installed two monitoring wells)
- Feather River levee strengthen-in-place river improvements began between Shanghai Bend and Yuba River (Segment 3)

**PHASE 4 LEVEL IMPROVEMENTS (2008)**
- Yuba Levee: Constructed backfilling and grouting of remaining trees
- Feather River levee strengthen-in-place river improvements began between Shanghai Bend and Yuba River (Segment 3)
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3) - completed

**PHASE 4 LEVEL IMPROVEMENTS (2009)**
- Complete construction of Feather River Setback Levee
- Underseepage berms and new fish passage improvements from Shanghai Bend to Yuba River (Segment 3)
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3) - completed

**PHASE 4 LEVEL IMPROVEMENTS (2010)**
- Complete upgrade of existing Feather River Levee
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3)
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3) - completed

**PHASE 4 LEVEL IMPROVEMENTS (2011)**
- Complete construction of Feather River Setback Levee
- Underseepage berms and new fish passage improvements from Shanghai Bend to Yuba River (Segment 3)
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3) - completed

**PHASE 4 LEVEL IMPROVEMENTS (2012)**
- Complete construction of Feather River Setback Levee
- Underseepage berms and new fish passage improvements from Shanghai Bend to Yuba River (Segment 3)
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3) - completed

**PHASE 4 LEVEL IMPROVEMENTS (2013)**
- Complete construction of Feather River Setback Levee
- Underseepage berms and new fish passage improvements from Shanghai Bend to Yuba River (Segment 3)
- Feather River strengthen-in-place improvements from Shanghai Bend to Yuba River (Segment 3) - completed
TRLIA Revenues:

- **TRLIA General Fund No. 805:**
  This is the fund that developer money, State Proposition 13 reimbursements, levee impact fees, State Proposition 1E credit payments, and other miscellaneous revenues are deposited into. This is also the fund that all TRLIA payments are made from. Fund Nos. 810, 811, 813, 816, 817, and 818 transfer money to Fund No. 805 to pay project and administrative expenses.

- **State Proposition 1E Early Implementation Program (EIP) funding Agreements – Funds 816 and 817:**
  TRLIA currently has two funding agreements:
  
  o Modified Feather River EIP Agreement total project cost $200.5 million (State Share $154.8 million) – Modified Funding Agreement Approved by DGS March 25, 2010. The State Share of expenses for this project advanced to TRLIA is deposited to Fund No. 816.
  
  o Upper Yuba River EIP Agreement total project cost $67.8 million of which $7.7 million is prior work (State share $47.4 million). The State Share of expenses for this project advanced to TRLIA is deposited to Fund No. 817.

- **Yuba Levee Finance Authority Bond Revenues – Fund No. 813:**
  On July 22, 2008, YCWA and Yuba County formed the Yuba Levee Finance Authority (YLFA) as the entity to effectuate the borrowing contemplated in the local funding agreement. On September 23, 2008, the YLFA closed on bonds sales to yield $46.6 million in proceeds. To date, the YLFA Board has authorized for draw by TRLIA $41,656,000 of the $46,600,000 in local funding for the project. As of the date of this report, TRLIA had drawn down $39,619,337.

- **TRLIA Benefit Assessment District – Fund No. 818:**
  On June 2, 2009 the TRLIA Board adopted a resolution to form the Benefit Assessment District to pay for the additional long-term maintenance and operation costs on the 29 miles of improved levees. The FY09/10 budget was $800,000. As of April 30, 2010 the revenues deposited into Fund No. 818 for FY09/10 were $781,117.64. The revenues were distributed as follows:
  
  o RD784 for Levee Maintenance: $763,731.24
  o TRLIA for Administrative Expenses: $16,000
  o County for Administrative Expenses: $1,386.40

  It is anticipated that TRLIA will approve FY10/11 collection of Levee O&M assessments for approximately $800,000 at the June 15, 2010 TRLIA Board meeting.

- **Levee Impact Fees – Fund No. 803:**
  Pursuant to Yuba County Ordinance No. 1465 adopted on November 18, 2008 (effective January 17, 2009) Yuba County collects Levee Impact Fees from building permits to help pay for the
local share of costs of levee improvements being made by TRLIA. Fee revenue collected by the
County is used to service and retire bids issued by YLFA.

- **TRLIA Community Facility Districts (CFD) – Fund No.’s 810 and 811:**
TRLIA collects revenues from two CFD’s that were created in April 2007 by the landowners that
were developing their property. The CFD’s are called “TRLIA CFD 2006-1 (South County
Area)” (Fund No. 810); and “TRLIA CFD 2006-2 (South County Overlay District)” (Fund No.
811). The special taxes levied by these CFD’s provide funding to the landowners developing the
property in order to pay the Levee Impact Fee obligations imposed by County Ordinance No.
1465. TRLIA has issued CFD’s Bonds and the special taxes collected by the CFD’s are either
being used to fund remaining fee obligations of the developers or redeem outstanding bonds.
Funds collected to pay remaining fee obligations are transferred to YLFA in lieu of fee
collections.

In FY09/10 the CFD’s levied:
- 2006-1: $328,740.34, and collected $323,520.62. $8,820.40 was used to pay County
  and TRLIA administrative expenses, the remaining funds will be used to advance
  levee fees and retire outstanding bond debt.
- 2006-2: $78,002.96, and collected $77,724.87 which $5,625.20 were used to pay
  County and TRLIA administrative expenses, the remaining funds will be used to
  advance levee fees and retire outstanding bond debt.

Revenues for the coming Fiscal Year will be known when the CFD administrative work is
completed in July in time for the August 10th submission of the Tax rolls to the Auditor
Controller.

**Other TRLIA Budget Items of Note:**

- **Environmental Escrow Accounts:**
TRLIA has established two Environmental Escrow Accounts to pay for Corps of Engineers 404
permit requirements:

  - Bear River Setback Area: The 404 permit requires TRLIA to create an endowment
    large enough to continually pay for long term monitoring and maintenance of the
    Setback Area. The approved initial amount per the Property Analysis Record is
    $2,141,695. This amount has been placed into the escrow account and is generating
    interest. Once the property has been transferred (anticipated in 2011) to the State, and
    the State has identified a nonprofit 3rd party organization to maintain the area, TRLIA
    will execute a contract with the 3rd party organization. The estimated annual cost of
    the maintenance contract is $88,115 (subject to timing and inflationary adjustments).

  - Feather River Wetlands and Drainage Swale Area: The 404 permit requires TRLIA to
do the following items:

    ✓ Obtain a performance bond that could be used to fix the Wetlands and Drainage
    Swale Areas should they not meet the 3 year performance criteria. The
The performance period is anticipated to end in 2014. The approved bond amount is $220,286, which has been deposited into the escrow account.

✓ Create an endowment large enough to continually pay for long term monitoring and maintenance of the Wetlands and Drainage Swale Areas. The approved initial amount is $430,289. This amount has been placed into the escrow account and is drawing interest. Once the property has been transferred to the State (anticipated in 2012), and the State has identified a nonprofit 3rd party organization to maintain the area, TRLIA will execute a contract with the 3rd party organization. The yearly cost of the contract is estimated to be approximately $20,000.

- **TRLIA Memberships:**
  TRLIA belongs to the California Central Valley Flood Control Association and the Butte-Yuba-Sutter Water Quality Coalition. This budget includes TRLIA joining the Floodplain Managers Association (FMA) in 2010.

- **TRLIA Outreach:**
  It is anticipated that due to TRLIA’s success in quickly completing the RD784 levee major levee improvements and achieving FEMA levee system accreditation, that TRLIA staff and Directors will be asked share how it was all done. The outreach effort could lead to new business opportunities for Yuba County. This budget proposes to use $100,000 funding from the 805 account to accomplish this effort.

- **Goldfields**
  The Corps of Engineers presented their hydraulic analysis and findings for the Goldfields area at the March 2010 CVFPB meeting. The key points from the presentation were:
  1) 100 year storm event: The Corps’ has concluded that the Goldfields do not represent a risk from flooding for the 100 year storm event. 2) 200 year storm event: The Corps hydraulic model for the 200 year storm event shows flow coming out of the Goldfields area above the RD784 Patrol Road levee. This overflow results in shallow overland flow and impacts portions of East and West Linda, Olivehurst, and Arboga. 3) TRLIA has initiated a hydraulic study to better define the risk of flooding from the Goldfields. The purpose of this effort is to reaffirm the Corps’ conclusions for the 100 year event and to conduct a more detailed evaluation of the flood risk at the 200 year flood event. The TRLIA analysis is anticipated to be available by end of 2010. TRLIA has budgeted $150,000 in this budget to perform an Alternative Analysis to better define options for the 200-year storm event.
Three Rivers Levee Improvement Authority (Joint Powers Authority)

Organization Chart

TRLLA Board of Directors
Mary Jane Griego (Chair) - Yuba County Board of Supervisors
Rick Brown (Vice Chair) - Placer County
Barry Copes - At Large
Don Graham - Reclamation District 784
John Nicoletti - Yuba County Board of Supervisors

Executive Director
Paul Brunner

Executive Assistant
Leslie Wells

County Constitutional Officers
Acting as
Treasury Auditor Secretary

County Support
- CAO
- Public Works
- Community Development
- County Clerk

Reclamation District 784
Support

Government Relations
Vacant

Program Manager
Ric Randeloth
MBK, Inc.

Construction & Design
Manager
Doug Haden
Wahde & Co.

Consultants and Contractors for Phases 1 thru 4

Yuba Ph 1 (Completed)
Overall Engineering: HDR
Geotechnical Engineering: Kleinfelder
Hydraulic Erosion Studies: MBK
Environmental: Nordic Industries

Ph 2 (WPIC, Upper Bear, Yuba)
Overall Engineering: HDR
Geotechnical Engineering: Kleinfelder
Hydraulic Erosion Studies: MBK
Environmental: Nordic Industries

Ph 3 (Bear Segment)
Overall Engineering: HDR
Geotechnical Engineering: Kleinfelder
Hydraulic Erosion Studies: MBK
Environmental: Nordic Industries
Construction Sectors 1: Environment
Construction Sectors 2: Nordic Industries

Ph 4 (Yuba) - Prior to EIP
Overall Engineering: HDR
Geotechnical Engineering: Kleinfelder
Hydraulic Erosion Studies: MBK
Environmental: Nordic Industries
Construction: Loring Brothers, Inc.

Ph 4 (Furthest) - EIP
Overall Engineering: HDR
Geotechnical Engineering: Kleinfelder
Hydraulic Erosion Studies: MBK
Environmental: HDR
Construction: Nordic Industries
Construction: R2B

Ph 4 (Yuba) - EIP
Overall Engineering: HDR
Geotechnical Engineering: Kleinfelder
Hydraulic Erosion Studies: MBK
Environmental: HDR
Construction: Loring Brothers, Inc.
Construction: TED

Ph 4 (Furthest) - EIP
Overall Engineering: HDR
Geotechnical Engineering: Kleinfelder
Hydraulic Erosion Studies: MBK
Environmental: HDR
Construction: Nordic Industries
Construction: R2B
TRLIA
FISCAL YEAR 2010-2011 BUDGET

BUDGETED ESTIMATED EXPENDITURE SUMMARY 1/

<table>
<thead>
<tr>
<th>ACCOUNT NUMBER</th>
<th>ACCOUNT DESCRIPTION</th>
<th>2010 - 2011 REQUEST</th>
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<tr>
<td>805-3350-425.15-00</td>
<td>INSURANCE</td>
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<td>805-3350-425.20-00</td>
<td>MEMBERSHIP</td>
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<td>805-3350-425.23-01</td>
<td>SPECIAL PROJECTS</td>
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<td>TRLIA Phase 2 Levee Repair</td>
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<td>TRLIA Phase 4 Feather Levee Repair</td>
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<td>Olivehurst Detention Basin</td>
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<td>Gold Fields</td>
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<td>805-3350-425.23-02</td>
<td>PROFESSIONAL SERVICES</td>
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<td>805-3350-425.23-01</td>
<td>TRLIA FUNDING DISTRICT ADMIN.</td>
<td>26,000 2/</td>
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<td>805-3350-425.23-01</td>
<td>TRLIA OUTREACH</td>
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<td>805-3350-425.29-00</td>
<td>TRAVEL</td>
<td>20,000 4/</td>
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ESTIMATED REVENUE 1/

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<td>805-0000-361.62-36</td>
<td>PROP 13 (DWR Phases 2 &amp; 3)</td>
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<td>PROP 1E Yuba - Credited Local Share</td>
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<td>805-3350-425.90-00</td>
<td>PROP 1E Feather - State Share (Advances &amp; Retention)</td>
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<td>PROP 1E Feather - Credited Local Share</td>
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<td>805-0000-371.98-99</td>
<td>COUNTY/YCWA JOINT FINANCING</td>
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<td>805-0000-311.07-00</td>
<td>NET FUNDING DISTRICT REVENUE (ADMIN)</td>
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<td>ESTIMATED FUND CARRYOVER FROM 09/10</td>
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<td><strong>TOTAL</strong></td>
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Fund Balance 6/30/11 9,925,175

1/ Source for Special Project Budget is TRLIA Cash Flow Spreadsheet 5-27-10 (updated 6/8/10).
2/ CFD and Assessment District Admin including contracts with SCI & CPFG. Shown separately from Special Projects for clarity.
3/ Includes consulting time related to TRLIA outreach efforts on project certification.
4/ Includes O&M Cost of County Vehicle Provided to TRLIA.
5/ Represents advance funding from the State per Upper Yuba funding agreement, transfers from fund 817.
6/ Represents funding for reimbursable expenses from the State per funding agreements.
7/ Represents advance funding from the State per Feather River funding agreement, transfers from fund 816.
8/ No additional funding is budgeted for FY 10-11 to come from YLFA from fund 813.
9/ Represents transfers from funds 810, 811 and 818 to cover CFD and Assessment District administrative expenses.
### SPECIAL PROJECTS DETAIL (#23-01)

**PHASE**

<table>
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<tr>
<th>TRILLI Project</th>
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<tbody>
<tr>
<td>Phase 2 Levee Repair</td>
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<tr>
<td>Upper Bear, WPIC &amp; Yuba to UPRR</td>
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<td>Phase 3 Levee Repair</td>
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<tr>
<td>Bear River Setback Levee</td>
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<td>Phase 4 Upper Yuba Levee Repair</td>
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<td>HWY 70 to Goldfields</td>
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<td>Phase 4 Feather Levee Repair</td>
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<td>Segment 1 - Strengthen in Place</td>
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<td>Segment 2 - Setback</td>
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<td>Phase 4 Feather Levee Repair</td>
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<td>Segment 3 - Strengthen in Place</td>
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<td>OLIVEhurst Detention Basin</td>
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<td>Goldfields Analysis</td>
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### TRLIA PROJECT MANAGEMENT CONTRACTS (#23-01)

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<th>CONTRACTOR</th>
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<td>MBK (Program Mgmt &amp; Design Mgmt)</td>
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<td>350,000</td>
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<td>PBS&amp;J (Environmental Mgmt)</td>
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<td>30,000</td>
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<td>Downey Brand (General Counsel)</td>
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<tr>
<td>Downey Brand (R of W Counsel)</td>
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<td>BRI (ROW Mgmt and Acquisition)</td>
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<td>CPF Group (Financial Consultant)</td>
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<td>Board of Senior Consultants</td>
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<td>MBK and Mike Hinz (Financial Support and Auditing)</td>
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<td>Floyd Communications (Public Relations)</td>
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**TOTAL**

| 978,000 | 2,920,000 |
2010/2011 PROFESSIONAL SERVICES DETAIL (#23-02)

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<tr>
<th>DETAIL DESCRIPTION</th>
<th>2010/11</th>
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<tbody>
<tr>
<td>Public Works Admin Salaries, Benefits, and Expenses</td>
<td>150,000</td>
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<tr>
<td>Executive Director Salary &amp; Benefits</td>
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<tr>
<td>CAO, Auditor, &amp; Treasurer Salary, Benefits, and Expenses</td>
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<td>Administrative Assistants Salary &amp; Benefits</td>
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<tr>
<td>Clerk of the Board Salary, Benefits, and Expenses</td>
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<tr>
<td>TRLIA General Expenses (Services, Supplies &amp; Office)</td>
<td>90,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>583,000</strong></td>
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</tbody>
</table>

1/ Includes $10,000 per year for temporary assistance as needed
2/ $7,500 per month
# TRLIA

**FISCAL YEAR 2011-2012 PROJECTED BUDGET**

## BUDGETED ESTIMATED EXPENDITURE SUMMARY 1/  

<table>
<thead>
<tr>
<th>ACCOUNT NUMBER</th>
<th>ACCOUNT DESCRIPTION</th>
<th>AMOUNT 2011 - 2012</th>
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</thead>
<tbody>
<tr>
<td>805-3350-425.15-00</td>
<td>INSURANCE</td>
<td>284,000</td>
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<tr>
<td>805-3350-425.20-00</td>
<td>MEMBERSHIP</td>
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<td>805-3350-425.23-01</td>
<td>SPECIAL PROJECTS</td>
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<td>TRLIA Phase 3 Levee Repair</td>
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<td>TRLIA Phase 4 Upper Yuba Levee Repair</td>
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<td>TRLIA Phase 4 Feather Levee Repair (Segment 1)</td>
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<td>TRLIA Phase 4 Feather Levee Repair (Segment 2)</td>
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<td>TRLIA Phase 4 Feather Levee Repair (Segment 3)</td>
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<td>Olivehurst Detention Basin</td>
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<td>Gold Fields</td>
<td>75,000</td>
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<td>805-3350-425.23-02</td>
<td>PROFESSIONAL SERVICES</td>
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<td>805-3350-425.23-01</td>
<td>TRLIA FUNDING DISTRICT ADMIN.</td>
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<tr>
<td>805-3350-425.29-00</td>
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<td><strong>TOTAL</strong></td>
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## ESTIMATED REVENUE 1/  

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<th>ACCOUNT NUMBER</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT 2011 - 2012</th>
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<tbody>
<tr>
<td>805-3350-425.90-00</td>
<td>PROP 1E Yuba - State Share (Advances &amp; Retention)</td>
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<td>PROP 1E Yuba - Credited Local Share</td>
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<td>805-3350-425.90-00</td>
<td>PROP 1E Feather - State Share (Advances &amp; Retention)</td>
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<tr>
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<td>PROP 1E Feather - Credited Local Share</td>
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<td>805-0000-371.98-99</td>
<td>Bear River Endowment Ecosystem Restoration Funding</td>
<td>90,000</td>
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<td>805-0000-311.07-00</td>
<td>NET FUNDING DISTRICT REVENUE (ADMIN)</td>
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<td>805-0000-101.01-00</td>
<td>ESTIMATED FUND CARRYOVER FROM 10/11</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>16,497,221</strong></td>
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**Fund Balance 6/30/11** 3,546,646

1/ Source for Special Project Budget is TRLIA Cash Flow Spreadsheet 5-27-10.  
2/ CFD and Assessment District, includes Contracts with SCI & CPFG. Shown separately from Special Projects for Clarity.  
3/ Includes O&M Cost of County Vehicle Provided to TRLIA  
4/ Represents advance funding from the State per Upper Yuba funding agreement, transfers from fund 817.  
5/ Represents funding for reimbursable expenses from the State per funding agreements.  
6/ Represents advance funding from the State per Feather River funding agreement, transfers from fund 816.  
7/ Reflects annuity from endowment funded in December 2009.  
8/ Represents transfers from funds 810, 811 and 818 to cover CFD and Assessment District administrative expenses.
## TRLIA PROJECT MANAGEMENT CONTRACTS (#23-01)

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>Management</th>
<th>Portion Included w/in</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBK (Program Mgmt &amp; Design Mgmt)</td>
<td>210,000</td>
<td>0</td>
</tr>
<tr>
<td>Handen Company</td>
<td>90,000</td>
<td>0</td>
</tr>
<tr>
<td>Downey Brand (General Counsel)</td>
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<tr>
<td>Downey Brand (R of W Counsel) 1/</td>
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<td>BRI (ROW Mgmt and Acquisition)</td>
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<tr>
<td>CPF Group (Financial Consultant)</td>
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<tr>
<td>MBK and Mike Hinz (Financial Support and Auditing)</td>
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<tr>
<td>Floyd Communications (Public Relations)</td>
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<td><strong>TOTAL</strong></td>
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1/ Specific Project Management Contract are detailed below.
2/ Specific ROW & Permitting Contracts are detailed below.
## 2011/2012 PROFESSIONAL SERVICES DETAIL (#23-02)

### DETAIL DESCRIPTION

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Public Works Admin Salaries, Benefits, and Expenses</td>
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<td>Executive Director Salary &amp; Benefits</td>
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<tr>
<td>CAO, Auditor, &amp; Treasurer Salary, Benefits, and Expenses</td>
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<td>Administrative Assistant Salary &amp; Benefits</td>
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<td>Clerk of the Board Salary, Benefits, and Expenses</td>
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<td>TRLIA General Expenses (Services, Supplies &amp; Office)</td>
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<td><strong>TOTAL</strong></td>
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1/ $7,500 per month
DATE: June 8, 2010

TO: Prospective Elderberry Transplanting Contractors

FROM: Paul Brunner, Executive Director, TRLIA

SUBJECT: Request for Proposals (RFP) for Transplanting Elderberry Shrubs for the Upper Yuba Levee Improvement Project (UYLIP) in Yuba County, California

Three Rivers Levee Improvement Authority (TRLIA) is inviting contractors to submit proposals for transplanting, maintaining, and reporting 34 elderberry shrubs that will be impacted by the construction of the UYLIP in Yuba County, California. This effort will also include a limited number of associate plantings. It is the goal for TRLIA to transplant these shrubs by August 15, 2010. The project overview, submittal requirements, and additional provisions are provided below.

Project Overview

Project Location

The UYLIP is located in the southwestern portion of Yuba County (Figure 1); all figures are located at the end of the RFP. It encompasses a portion of the Yuba River south bank levee from approximately Simpson Lane (Project Levee Mile (PLM) 2.2; Project Station 102+00) to the Yuba Goldfields (PLM 6.1; Project Station 303+59). The total length of the project is approximately 3.9 miles. The project area is located in Township 15 North and Range 4 East, on the U.S. Geological Survey 7.5 minute Yuba City quadrangle.

Background and Purpose

Repairs are needed at various locations along the Yuba River south bank levee to address underseepage and through-seepage conditions. The purpose of the proposed repairs is to correct through seepage, under seepage, and levee geometry deficiencies and improve flood protection on the Yuba River south bank levee in order to provide a minimum 200-year level of flood protection in the project area and ensure that the project area meets the minimum requirements of Federal and State laws.

The primary methods proposed for levee repair are installation of a cutoff wall and construction of landside stability/seepage berms. Some locations will also require geometry correction to provide the design standard 20 foot crown width and 3 horizontal (H) to 1 vertical (V) waterside sideslopes. See Figures 2a–2d for the approximate location of the proposed repairs. Levee repairs are
scheduled to take place during the non flood construction season of August 1 through October 31 in 2010.

The environmental impacts of the UYLIP were evaluated pursuant to requirements of the California Environmental Quality Act in TRLIA’s Initial Study/Mitigated Negative Declaration dated February 2010 and the National Environmental Policy Act in the Corps’ Environmental Assessment dated May 2010. The Biological Opinion for this action is pending Corps of Engineers and U.S. Fish and Wildlife Service (FWS) action.

A total of 34 elderberry shrubs will need to be transplanted from the UYLIP Project Area. These shrubs will be moved to an existing Corps/State elderberry mitigation area know as the Anderson Site located at the end of Anderson Avenue on the east bank of the Feather River, see Figure 2. This site already contains some associated plantings. Since consultation with the FWS is not complete it is not know how many, if any, additional associate plantings will be required. Therefore, the transplanting of the 34 elderberry shrubs located in the UYLIP project area and a limited number of associate plantings are included in this RFP. Numerous elderberry shrubs already exist at the Anderson Site, which should preclude the need for the planting of additional elderberry seedlings. The Anderson Site is located approximately nine miles from the UYLIP project area.

The following is the discussion on elderberry impacts from the Draft Biological Assessment.

**Project Impacts to the Valley Elderberry Longhorn Beetle**

Ninety elderberry shrubs with at least one stem ≥ one inch in diameter at ground level were observed within the Environmental Study Limits (ESL), most containing multiple stems. Although no exit holes were observed on the elderberry shrubs within the ESL and the location of the shrubs makes them marginal to poor habitat for the Valley Elderberry Longhorn Beetle (VELB), these shrubs could be utilized by VELB due to their proximity to known sightings. Based on preliminary project design, it is anticipated that 30 elderberry shrubs located within the ESL (elderberry shrubs 36-38, 41, 42, 45-65, 82, 83, 88 and 90) would be avoided by a buffer of 100-foot or greater and would not be impacted by construction activities. A total of 26 elderberry shrubs occur within 100 feet of the proposed construction activities but are anticipated to be protected on site during construction (shrubs 1, 22, 30-35, 39, 40, 43, 44, 69-80, 84, and 89). It is anticipated that 34 elderberry shrubs (shrubs 2-21, 23-29, 66-68, 81, and 85-87) would need to be transplanted or removed to facilitate construction activities. The locations of the shrubs with respect to construction activities are indicated in the right hand column of the elderberry shrub table in **Appendix E (Attached to the RFP)**. Buffers of 20 and 100 feet were also drawn around the elderberry shrubs on **Figures 4a through 4h** to graphically depict their location with respect to construction activities.

The minimization ratios that would be required for planting replacement elderberry plants and associative native plants were calculated based on current project design and the status of elderberry shrubs in the ESL at the time of BA preparation (**Table 1**).
Table 1. Affected Elderberry Shrubs: Minimization ratios based on location (riparian vs. non-riparian), stem diameter of affected elderberry plants at ground level, and presence or absence of exit holes

<table>
<thead>
<tr>
<th>Location ID #</th>
<th>Number of Stems by Diameter Class</th>
<th>Exit Holes?</th>
<th>Riparian Habitat?</th>
<th>Elderberry Seedling Ratio</th>
<th>Associated Native Plant Ratio</th>
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<tr>
<td></td>
<td>≥ 1&quot; - ≤ 3&quot;</td>
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</table>
Table 2 summarizes the estimated elderberry stems that would be removed and the elderberry shrub and native plant conservation plantings that would be required as mitigation based on preliminary project design.
Table 2. Estimated Elderberry and Native Plant Conservation Plantings

<table>
<thead>
<tr>
<th>Location</th>
<th>Stem Diameter at ground level (inches)</th>
<th>Number of Stems Removed</th>
<th>Replacement Elderberry Seedlings/Cuttings</th>
<th>Associated Native Plants</th>
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<tbody>
<tr>
<td>Non-riparian</td>
<td>≥ 1&quot; - ≤ 3&quot;</td>
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<td>214</td>
<td>214</td>
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<td>Non-riparian</td>
<td>&gt; 3&quot; - &lt; 5&quot;</td>
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<td>170</td>
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<tr>
<td>Non-riparian</td>
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<td>150</td>
<td>150</td>
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<tr>
<td>Riparian</td>
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<td><strong>486</strong></td>
<td><strong>864</strong></td>
<td><strong>864</strong></td>
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</tbody>
</table>

The acreage to be affected by the project that:

- lies within 50 feet of any elderberry plant, is 2.34 acres;
- lies within riparian vegetation of any kind, is 0.35 acres;
- lies outside of riparian vegetation but within 50 feet of an elderberry plant is 2.17 acres.

Areas outside of the ESL but within 2,000 feet of the project footprint are largely in agricultural production and urban land uses and represent poor habitat for the VELB, even where isolated elderberry shrubs occur. However, east of the levee within the Yuba Gold Fields, scattered elderberry shrubs occur within a matrix of riparian vegetation, dredger piles, and dredge ponds. These elderberry shrubs within the Yuba Gold Fields provide suitable habitat for the VELB and some of these shrubs are likely occupied by the beetle where it has gone undetected.

**Compensatory Mitigation**

Elderberry shrubs that occur within the project footprint and need to be relocated to facilitate construction activities would be transplanted to an appropriate location within the project area or an alternative suitable site agreed upon by USFWS according to the transplantation guidelines outlined in the *Conservation Guidelines for the Valley Elderberry Longhorn Beetle* (*USFWS 1999*). These transplantation guidelines dictate the necessary timing and details of the transplanting. At the discretion of USFWS, shrubs that are unlikely to survive transplantation because of poor condition or location, or a plant that would be extremely difficult to move because of access problems, may be exempted from transplantation. In cases where transplantation is not possible, minimization ratios would be increased to offset the additional habitat loss.

Each elderberry stem measuring 1.0 inch or greater in diameter at ground level that is adversely affected (i.e., transplanted or destroyed) would be replaced with elderberry seedlings or cuttings at a ratio ranging from 1:1 to 8:1 (new plantings to affected stems). The numbers of elderberry seedlings/cuttings and associated riparian native trees/shrubs to be planted as replacement habitat are determined by stem size class of affected elderberry shrubs, presence or absence of exit holes, and whether the shrub lies in a riparian or non-riparian area. Stock of either seedlings or cuttings would be obtained from local sources. Cuttings may be obtained from the plants to be transplanted if the project site is in the vicinity of the conservation area.
The following measures/procedures shall be implemented during transplantation:

A qualified biologist (monitor) must be on-site for the duration of the transplanting of the elderberry shrubs to insure that no unauthorized take of VELB occurs. If unauthorized take occurs, construction activities in the area will stop until corrective measures have been completed. The monitor will immediately report any unauthorized take of the beetle or its habitat to the USFWS.

The following transplanting procedure will be followed:

The plants will be cut back 3 to 6 feet from the ground or to 50 percent of its height (whichever is taller) by removing branches and stems above this height. The trunk and all stems measuring 1.0 inch or greater in diameter at ground level will be replanted. Any leaves remaining on the plant will be removed.

A hole will be excavated of adequate size to receive the transplant.

The plants will be excavated using a Vermeer™ spade, backhoe, front end loader, or other suitable equipment, taking as much of the root ball as possible, and will be replanted immediately at the conservation area. The plant will only be moved by the root ball. The root ball will be secured with wire and wrapped with damp burlap. The burlap will be dampened as necessary to keep the root ball wet. Care will be taken to ensure that the soil is not dislodged from around the roots of the transplant. Soil at the transplant site will be moistened prior to transplant if the soil at the site does not contain adequate moisture. The hole created at the shrub site will be backfilled with native soil and tamped to provide compaction.

The planting area will be at least 1,800 square feet for each elderberry transplant. The root ball will be planted so that its top is level with the existing ground. Soil will be compacted sufficiently so that settlement does not occur. As many as five additional elderberry plantings (cuttings or seedlings) and up to five associated native species plantings may also be planted within the 1,800 square foot area with the transplant. The transplant and each new planting will have its own watering basin measuring at least three feet in diameter. Watering basins should have a continuous berm measuring approximately eight inches wide at the base and six inches high.

Soil will be saturated with water. Fertilizers or other supplements will not be used, as the effects of these compounds on the beetle are unknown. Shrubs will be monitored and watered as necessary. The use of a drip watering system, water truck, or other apparatus may be used.

A mix of native plants associated with the elderberry shrubs at the project site or similar sites will be planted according to USFWS guidelines for associate plantings. Native plant stock will be obtained from local sources. The exact number of associate plantings has yet to be determined. Regardless of Table 2 above, for the purposes of this RFP, the contractor should assume 400 plants. The contractor will be compensated for the actual number planted on a cost per planting based on final FWS requirements.

Monitoring and Reporting Requirements

Annual monitoring reports will be provided for at least 3 years on the success of the transplants and associate plantings.
Scope of Work

Transplanting of the Elderberry Shrubs will include the following tasks:

1. Removal and transplanting of 34 impacted elderberry shrubs according to USFWS Guidelines. $/Each

2. Installing and operating a temporary irrigation system on Anderson site. Lump Sum

3. Planting of 400 Associate Plantings. $/Each

4. Installing and maintaining a fence around the transplant area. For purposes of the proposal, assume 2,800 feet of fence to be installed and maintained. $/Linear Feet

5. Provide TRLIA annual monitoring reports for three years, demonstrating success criteria of plantings per USFWS guidelines. Lump Sum

6. Replanting as necessary where plantings do not meet performance criteria (fall/winter 2010 and spring/summer 2010/2011 if necessary). Lump Sum

7. Conducting plant establishment maintenance (mowing, spraying, irrigating, weed control, litter control) (3-year period). Lump Sum

Construction Schedule

The selected contractor will need to accomplish transplanting of elderberry shrubs before August 15, 2010. Fencing and associate plantings should be installed by December 31, 2010

Submittal Requirements

Contents

The qualifications submittal must include the items summarized below:

- A cover letter (one page maximum) describing the qualifications for providing the required transplanting, as well as the firm name, address, and contact person.
- Section 1. Brief discussion of the understanding of the project.
- Section 2. A proposed budget for each of the 7 items in the Scope of Work above using unit costs identified for each item.
- Section 3. Summary of similar past elderberry transplant projects implemented by the firm within and out of the Sacramento Valley region.
- Section 4. Explanation of the firm's proposed approach to transplanting the elderberry shrubs.
- Section 5. Discussion of ability to meet project schedule and stay within the proposed budget.
- Section 6: Resumes of key personnel and hourly rates (include as an appendix).
• The statement of qualifications shall not exceed 20 pages (single-sided), excluding the appendix and cover letter.

Submittals

Submit six (6) copies of the proposal in a sealed envelope. The proposal shall be submitted in writing and shall be mailed or hand-delivered to the following address:

Three Rivers Levee Improvement Authority
Paul Brunner
1114 Yuba Street, Suite 218
Marysville, CA 95901

Proposals will be received until 4:45 p.m. on Wednesday June 30th, 2010. Electronic submissions will not be accepted.

The firm submitting the least cost that can demonstrate an established ability and experience to transplant the elderberry shrubs will be selected.

Minimum Qualifications

Submitting firms must have a minimum of three (3) years of experience in elderberry transplanting and care of transplanted shrubs. As a part of their submittals, contractors will submit documentation of their experience in the implementation of two (minimum) projects of similar scope and magnitude. This will be a factor in the final selection. The prospective contractors should submit bid estimates using prevailing landscape wage criteria. The selected contractor must hold or subcontract with a firm that possesses a C-27 Landscape Contractor's license in good standing from the State of California.

Questions

Firms shall submit all questions arising during the submittal period in writing to TRLIA. Questions should be submitted to Larry Dacus via email: dacus@mbkengineers.com, or to the TRLIA website at: www.trlia.org/contact

Responses will be provided to all firms that advise TRLIA that they plan to respond to this RFP.

Selection

The contractor that provides adequate assurances of ability to transplant the impacted elderberry shrubs with the least cost will be selected.
**Additional Selection Provisions**

1. **Understanding of Project Site.** Before submitting a statement of qualifications, firms will become familiar with the project site and all conditions that may directly or indirectly affect their work.

2. **Delivery of Submittal.** The submittal will be delivered by the time and to the place specified herein. It is the firm's sole responsibility to see that his/her submittal is received in proper time. Any submittal received after the scheduled closing time for receipt of statements of qualifications will be returned to the contractor unopened.

3. **Rejection of Submittals.** Any submittal that contains special stipulations may not be accepted.

4. **Competency of Firms.** In selecting a firm, consideration will be given to the general competency for the performance of the work covered by this RFP.

**Contract Provisions**

1. **Award of Contract.** Primary elements to be considered in the award of the contract will include the firm's proposed price for the work, past performance on similar projects, qualifications of key personnel, understanding of the project, and ability to meet the project schedule in a professional and timely manner.

2. **Time of Completion.** Upon receiving the Notice to Proceed from TRLIA, the contractor will be responsible for beginning work immediately and conforming to the specified schedule. The contractor will perform all work in a good faith effort for completion according to this schedule, as summarized in this request for qualifications.

3. **Execution of Contract.** The contractor to whom award is made will execute a written contract with TRLIA and provide proof of insurance, and will furnish all certificates and bonds required for the project within 2 calendar days after receipt of the contract. Failure or refusal to enter into a contract or to conform to any of the stipulated requirements in connection therewith will be just cause for annulment of the award.

**Insurance.** The following summarizes the insurance requirements of the project to be provided by the contractor:

- Commercial general liability: $1,000,000 (each occurrence)
- Automobile liability: $1,000,000 (combined single limit each accident)
- Worker's compensation: $1,000,000
- Umbrella/excess liability: $1,000,000
- Builder's risk: Total limits for the full cost of replacement

**Bonds.** The contractor must agree to furnish, at the contractor's expense, the following bonds with sureties approved by TRLIA: (1) Performance Bond in the amount of the contract price; and (2) Labor and Materials Payment Bond in the amount of the contract price.
4. **Staking.** Any staking required will be provided by the contractor. All stakes, marks, and other information will be carefully preserved by the contractor, and in case of their careless or unnecessary destruction or removal by him/her or his/her employees, such stakes, marks, and other information will be replaced at the contractor’s expense.

5. **Dust Control.** The contractor will be responsible for dust control during the implementation period; dust control will conform to the provisions in Section 10, “Dust Control,” of the California State Standard Specifications and the guidelines of the Feather River Air Quality Management District.

6. **Health and Safety.** The contractor will be solely and completely responsible for conditions on the job site, including health and safety of all persons (including employees, subcontractors, service personnel, and site visitors) and property during performance of the work. This requirement will apply continuously and will not be limited to normal working hours. Health and safety provisions will conform to U.S. Safety Orders, Title 8, U.S. Environmental Protection Agency Standard Operations Safety Guides and all other applicable federal, state, county, and local laws, ordinances, codes. Where any of these are in conflict, the more stringent requirement will be followed. The contractor's failure to thoroughly familiarize himself/herself with the aforementioned safety provisions will not relieve him/her from compliance with the obligations and penalties set forth by TRLIA.

7. **Plant Survivorship.** The contractor will be responsible for attaining minimal plant survivorship to be determined before the award of contract; this may require replacement planting and other adaptive management during the plant establishment maintenance period.

8. **Permits.** The contractor will be responsible for adhering to the terms and conditions of all permits issued to TRLIA that are applicable to the project.