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 Atwal, Brown, Crippen, Griego, Nicoletti

II PUBLIC COMMUNICATIONS: Any person may speak about any subject of concern within the jurisdiction of TRLIA which is not on today’s agenda. The total amount of time allotted 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 secretary.

III CONSENT AGENDA: Matters listed are considered to be routine and can be enacted by one motion.

A. Approve minutes of the meeting of January 20, 2015.

B. Approve Amendment No. 16 extending agreement to December 31, 2016 with Bookman-Edmonston/GEI Consultants for construction management and authorize Executive Director to execute.

C. Approve Amendment No. 5 extending agreement to December 31, 2016 with Kim Floyd Communications for public outreach and authorize Executive Director to execute.

D. Approve Amendment No. 3 extending agreement to December 31, 2016 with ENGEIO Inc. for engineering services and authorize Executive Director to execute.

E. Approve Amendment No. 6 extending agreement to December 31, 2016 with MHM Inc. for engineering and surveying services and authorize Executive Director to execute.

F. Approve Amendment No. 6 to agreement with CTA engineering and Surveying in the amount of $52,415 for engineering services and authorize Executive Director to execute.

IV ACTION ITEMS

A. Adopt resolution authorizing application to California Department of Water Resources for funding under the Urban Flood Risk Reduction Program for the Goldfields Project and authorizing Executive Director to conduct all negotiations, execute and submit all necessary documents required to accept funding.

V BOARD AND STAFF MEMBER REPORTS

A. June 30, 2014 Financial Statements
B. Other Reports

VII ADJOURN

The complete agenda is available at the Yuba County Government Center, 915 8th Street, Suite 109 Marysville, and www.trlia.org. Any disclosable public record related to an open session item on the agenda and distributed to all or a majority of the Board less than 72 hours prior to the meeting is available at Suite 109 during normal business hours. In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made one full business day before the start of the meeting.
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

JANUARY 20, 2015

MINUTES

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, Mary Jane Griego, and John Nicoletti. Directors Sarbdeep Atwal and Jerry Crippen were absent. Also present were Executive Director Paul Brunner, Counsel Andrea Clark, and Secretary/Clerk of the Board of Supervisors Donna Stottlemeyer. Chair Griego presided.


II  **PUBLIC COMMUNICATIONS**: None.

III  **CONSENT AGENDA**: Matters listed are considered to be routine and can be enacted by one motion.

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

   A. Approve minutes of the meeting of November 18, 2015. Approved.

IV  **ACTION ITEMS**

   A. Approve CEQA Notice of Exemption for construction of an enlarged stability berm at the site of the 1986 break on the Yuba south levee and authorize Executive Director to execute and submit to State office of Planning and Research. Executive Director Paul Brunner recapped the Urban Levee Evaluation, purpose of construction, and responded to Board inquiries.

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

V  **BOARD AND STAFF MEMBER REPORTS**

Construction Manager DougHanden: Public Entrance to Feather River Setback move from Broadway to Star Bend

Executive Director Paul Brunner:
• Status Report of current projects
• Evaluation of Pools
• Met with Central Valley Flood Board on December 19, 2014

VI  **CLOSED SESSION**: The Board retired into closed session at 3:15 p.m. and returned at 3:50 p.m. with all present as indicated above. There was no report.
A. Pending litigation pursuant to Government Code §54956.9(a) - TRLIA vs. Latigo Farms LLC, et al., YCSCCVED 14-0000222, APNs 014-360-011 and 014-360-013

B. Pending litigation pursuant to Government Code §54956.9(a) - TRLIA vs. Anthony J. Luis and Zelma B. Luis, et al., YCSCCVED 10-0000903, APNs 018-200-005, 018-200-007, 018-210-035, 018-200-010


VII ADJOURN: 3:50 p.m.

__________________________
Chair

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

__________________________
Approved: ____________________
February 17, 2015

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
        Larry Dacus, Design Manager
SUBJECT: Approve Amendment 16 to Extend Termination Date for GEI Contract for Construction Management and Other Project Support Tasks

Recommended Action:
Approve Amendment 16 to extend the contract termination date of the existing contract with GEI to December 31, 2016 and authorize the executive director to sign and execute the contract amendment once General Counsel has reviewed and approved.

Discussion:

GEI will continue to support the TRLIA levee improvement program in 2015 and 2016. The current contract has a termination date of December 31, 2014 with a 90 day grace period. This contract needs to be extended through 2016. GEI will continue to provide construction management services for work along the Feather River East Levee, will complete the Urban Levee Design Criteria (ULDC) evaluation for the Feather and Bear River improved levees, and will assist in other Project Support Tasks such as:

- Review of monitoring data obtained by RD 784 for the reach of Segment 1 levee where a crack was repaired. Data provided by RD 784 will be reviewed and a brief email summarizing the review will be provided on a monthly basis.
- Support to TRLIA for Feather River and Bear River Setback Area relief well testing issues. GEI will assist RD 784 in the maintenance and testing of relief wells and provide guidance on any well issues which develop.
- Support to TRLIA for Feather River and Bear River Setback Area land use issues, monitoring and reporting requirements, and land ownership transition.
- Support to TRLIA in complying with EIP funding requirements, including project reporting and closeout.
- Support to TRLIA in coordination with CVFPB, DWR, and Corps of Engineers.

Amendment 16, attached, extends the contract termination date from December 31, 2014 to December 31, 2016. No increase in budget is proposed at this time.

Fiscal Impact:
No increase in budget is proposed so there is no fiscal impact. This is a time and material contract and can be terminated at any time, with TRLIA only being obligated to pay for the work completed up to the time of termination.

ATTACHMENT
1. Amendment No. 16
AMENDMENT NO. 16

AGREEMENT FOR PROFESSIONAL SERVICES
FOR
PHASE 4 FEATHER RIVER LEVEE REPAIRS
BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AND
BOOKMAN-EDMONSTON/GEI CONSULTANTS

THIS 16th AMENDMENT TO AGREEMENT is made effective ___________,
by and between Three Rivers Levee Improvement Authority ("TRLIA") and Bookman-Edmonston/GEI Consultants, a division of GEI Consultants, Inc. ("Contractor"), who agree as follows:

1. Recitals. This Amendment is made with reference to the following background recitals:

1.1. Effective December 13, 2005, the parties entered into the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Levee project with a contract value of $1,439,400.

1.2. Effective April 25, 2006, the parties entered into Amendment No. 1 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Levee Repair design in the amount of $3,082,240 for a total contract value of $4,521,640.

1.3. Effective June 27, 2006, the parties entered into Amendment No. 2 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Levee Repair design in the amount of $32,700 for a total contract value of $4,554,340.

1.4. Effective October 30, 2006, the parties entered into Amendment No. 3 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Levee Repair design in the amount of $262,500 for a total contract value of $4,816,840.

1.5. Effective January 16, 2007, the parties entered into Amendment No. 4 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Levee Repair design in the amount of $115,000 for a total contract value of $4,931,840.

1.6. Effective April 3, 2007, the parties entered into Amendment No. 5 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $5,860,244 for a total contract value of $10,792,084.

1.7. Effective September 18, 2007, the parties entered into Amendment No. 6 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $1,963,660 for a total contract value of $12,755,744.
1.8. Effective April 15, 2008, the parties entered into Amendment No. 7 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $636,300 for a total contract value of $13,392,044.

1.9. Effective June 17, 2008, the parties entered into Amendment No. 8 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $5,671,000 for a total contract value of $19,063,044.

1.10. Effective September 8, 2008, the parties entered into Amendment No. 9 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $358,200 for a total contract value of $19,421,244.

1.11. Effective November 18, 2008, the parties entered into Amendment No. 10 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $536,764 for a total contract value of $19,958,008.

1.12. Effective July 9, 2009, the parties entered into Amendment No. 11 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $829,986 for a total contract value of $20,787,994.

1.13. Effective May 18, 2010, the parties entered into Amendment No. 12 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $860,948 for a total contract value of $21,648,942.

1.14. Effective May 17, 2011, the parties entered into Amendment No. 13 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $668,980 for a total contract value of $22,317,922 and to extend the contract termination date to December 31, 2013.

1.15. Effective December 18, 2012, the parties entered into Amendment No. 14 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Setback Levee design in the amount of $433,813 for a total contract value of $22,751,735.

1.16. Effective January 21, 2014, the parties entered into Amendment No. 15 to the Agreement for Professional Services relating to TRLIA’s Phase 4 Feather River Levee Improvement Project to extend the contract termination date to December 31, 2014.

1.17. The parties now desire to amend the Professional Services Agreement to extend the contract termination date to December 31, 2016.

2. Sixteenth Amendment to Agreement. The Professional Services Agreement is hereby amended as follows:

2.1. The Contract termination date is revised to December 31, 2016.
3. **No Effect on Other Provisions.** Except for the amendments in Section 2, the remaining provisions of the Professional Services Agreement shall be unaffected and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

___________________________________________________________________________

THREE RIVERS LEVEE IMPROVEMENT
AUTHORITY OF YUBA COUNTY

BOOKMAN-EDMONSTON, A
DIVISION OF GEI
CONSULTANTS, INC.

___________________________________________
Paul G. Brunner
Executive Director

___________________________________________
Stephen Verigin
Senior Vice President

ATTEST:
DONNA STOTTERMeyer
SECRETARY, THREE RIVERS

APPROVED AS TO FORM:
ANDREA P. CLARK
GENERAL COUNSEL, TRLIA

___________________________________________

Andrea P. Clark
February 17, 2015

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director
       Andrea Clark, General Counsel
SUBJECT: Consider Approving Amendment No. 5 to Extend Contract Date with Kim Floyd Communications for Public Outreach Activities

Recommended Action:
Approve Amendment No. 5 (Attached) to extend the contract date for Kim Floyd Communications for public outreach services through December 31, 2016, and authorize Executive Director to execute amendment.

Discussion:
Ms. Floyd has been the primary and key representative for all the TRLIA outreach activities since early 2007. Among others, her tasks include the development of public outreach materials (such as newsletters and fact sheets), the organization of community meetings and preparation of meeting materials, development of content for the website and media relations activities.

On August 17, 2009, TRLIA Executive Director awarded a public outreach contract to Kim Floyd Communications in the amount of $49,950. Because the scope and dollar value of the original contract was not sufficient to cover the level of effort needed to accomplish a successful quality outreach program through the completion of the Upper Yuba Levee Improvement Project, Amendment No. 1 for $165,050 was approved on November 17, 2010, bringing the total contract value to $215,000. The initial contract terminated on December 31, 2010. Amendment No. 2, approved by the Board on November 16, 2010, extended the contract termination date to December 31, 2011, but did not increase the total contract value.

Amendment No. 3, approved in January 2014, added $58,000 to the total contract value, increasing the total contract value to $273,000 and extended the date for public outreach services through the end of 2013. Focus was placed on communications related to the completion of the UYLIP, and ongoing work in the Gold Fields.

Amendment No. 4, approved in January 2014, extended the contract termination date to December 31, 2014.

Amendment No. 5 would extend the contract termination date to December 31, 2016. All other terms and conditions contained in the agreement shall remain the same.

In the coming years, public outreach tasks may include:

- Design, production and distribution of outreach materials
- Design and production of updated program brochure
- Levee tours
- Media relations
- Speakers' Bureau
- Website updates/maintenance
- Small group meetings
- Strategic counsel
- Hotline management

**Fiscal Impact:**
This is a time and material contract and can be terminated at any time, with TRLIA only being obligated to pay for the work completed up to the time of termination.

Attachment:
Amendment 5
FIFTH AMENDMENT
TO
AGREEMENT BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
AND
KIM FLOYD COMMUNICATIONS

THIS FIFTH AMENDATORY AGREEMENT is made and entered into on ____ day of
_____ 2015, by and between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, a
Joint Powers Authority, ("TRLIA") and Kim Floyd Communications ("CONSULTANT").

RECITALS:

WHEREAS, TRLIA and CONSULTANT entered into an agreement to provide professional
Services dated August 17, 2009 ("AGREEMENT"); and

WHEREAS, a FIRST AMENDATORY AGREEMENT, executed November 17, 2009 amended
the Agreement to increase the maximum not to exceed contract fee by $165,050, for a total
contract amount of $215,000; and

WHEREAS, a SECOND AMENDATORY AGREEMENT, executed November 16, 2010
amended the Agreement to extend the date to December 31, 2011; and

WHEREAS, a THIRD AMENDATORY AGREEMENT, executed February 7, 2012 amended the
Agreement to increase the maximum not to exceed contract fee by $58,000 for a total contract
amount of $273,000; and

WHEREAS, a FOURTH AMENDATORY AGREEMENT, executed January, 2014 amended the
Agreement to extend the date to December 31, 2014; and

WHEREAS, Article C.23 of the AGREEMENT, states that modifications or amendments to the
terms of the AGREEMENT shall be in writing and executed by both parties; and

WHEREAS, TRLIA and CONSULTANT desire to amend the AGREEMENT;

NOW, THEREFORE, TRLIA and CONSULTANT agree as follows:

1. Operative Provision 2 of the AGREEMENT shall be revised to change the Termination
Date from December 31, 2014 to December 31, 2016.

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

This AMENDED AGREEMENT is hereby executed on this _____ day of _____ 2015.
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

BY: 
Paul G. Brunner
Executive Director

ATTEST:
DONNA STOTTLEMeyer,
SECRETARY

KIM FLOYD COMMUNICATIONS

BY: 
Kim Floyd

APPROVED AS TO FORM:
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Andrea P. Clark, General Counsel
February 17, 2015

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
       Larry Dacus, Design Manager
       Andrea Clark, General Counsel
SUBJECT: Approve 3rd Contract Amendment with ENGEIO Incorporated for Engineering Services, which extends the contract to December 31, 2016

Recommended Action:
Approve Amendment No. 3 (Attached) to extend the contract date for ENGEIO Incorporated for engineering services for the Yuba Goldfields Flood Evaluation through December 31, 2016, and authorize Executive Director to execute amendment.

Background:
In November 2011, the TRLIA Board approved a contract award to ENGEIO Incorporated for engineering services for the Yuba Goldfields High Ground Evaluation not to exceed $500,000 and delegated authority to Executive Director to negotiate the contract. The final contract amount was for $500,000. This contract was amended on August 7, 2012 to increase the contract amount by $350,000 to a total of $850,000 and a second amendment on August 13, 2013 to increase the contract amount by $500,000 to a total of $1,350,000. ENGEIO efforts have provided a great deal of information regarding the material composition of the Goldfields, the definition of embankment geometry which will work in the Goldfields to withstand design flood elevations, the evaluation of formulated alternatives for 100-year and 200-year protection, evaluated the recommended 100-year protection project, and prepared critical technical appendices for Goldfields Feasibility Study Reports.

Discussion:
The evaluation of the Goldfields is complicated and continues. ENGEIO services are still required to complete the feasibility study and select a project for 200-year protection.

Fiscal Impact:
This is a termination date extension amendment and there is no fiscal impact. This is a time and material contract and can be terminated at any time, with TRLIA only being obligated to pay for the work completed up to the time of termination.

Attachment:
Amendment 3
AMENDMENT NO. 3

AGREEMENT FOR PROFESSIONAL SERVICES
FOR
ENGINEERING SERVICES
BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AND
ENGEIO INCORPORATED

THIS THIRD AMENDATORY AGREEMENT is made effective February _____, 2015, by and between Three Rivers Levee Improvement Authority ("TRLIA") and ENGEIO Incorporated ("the Consultant"), who agree as follows:

1. **Recitals.** This Amendment is made with reference to the following background recitals:

   1.1. Effective December 1, 2011 the parties entered into an Agreement for Professional Services relating to Engineering Services for TRLIA’s Construction Program.

   1.2. Effective August 7, 2012 the parties entered into the first Amendatory Agreement to increase the budget by $350,000 to a total of $850,000.

   1.3. Effective August 14, 2013 the parties entered into the second Amendatory Agreement to increase the budget by $500,000 to a total of $1,350,000 and to extend the Termination Date of the contract from June 30, 2013 to December 31, 2014.

   1.4. 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;

   1.5. TRLIA and the CONSULTANT desire to amend the AGREEMENT;

NOW, THEREFORE, TRLIA and the CONSULTANT agree as follows.

2. **Third Amendment to Agreement.** The Professional Services Agreement is hereby amended as follows:

   2.1. Operative Provision 2 is amended to extend the Termination Date of the contract from December 31, 2014 to December 31, 2016.

3. **No Effect on Other Provisions.** Except for the amendments in Section 2, the remaining provisions of the Professional Services Agreement shall be unaffected and remain in full force and effect.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on ______________________, 2015.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

__________________________
Paul G. Brunner
Executive Director

ENGEIO INCORPORATED

__________________________
Josef Tootle, GE
Principal

ATTEST:
DONNA STOTTLEMEYER
CLERK OF THE BOARD OF DIRECTORS

__________________________
APPROVED AS TO FORM:
ANDREA P. CLARK
GENERAL COUNSEL

__________________________
Andrea P. Clark
February 17, 2015

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
       Larry Dacus, Design Manager
       Andrea Clark, General Counsel
SUBJECT: Approve Amendment 6 to Extend Termination Date for MHM Inc. to Provide Engineering and Surveying Services for TRLIA Levee Improvement Program

**Recommended Action:**
Approve Contract Amendment 6 to extend the contract termination date of the existing contract with MHM Inc. to December 31, 2016 and authorize the executive director to sign and execute the contract.

**Discussion:**
TRLIA entered into a contract with MHM in October 2009 for surveying and engineering services. Work continues for some of the Tasks included in that contract. Task 5 allows MHM to provide general surveying services for miscellaneous items that develop as TRLIA completes the levee repairs. This task allows MHM to perform monitoring surveys and construction surveys in the RD 784 Levee System as needed. The budget for this task was increased from $55,000 to $70,000 by Amendment 4 on June 4, 2013. The contract end date was also extended to December 31, 2014 by Amendment 4. The budget for this task was again increased by Amendment 5 on September 17, 2013 by $25,000 to a total Task 5 amount of $95,000 and a total contract amount of $260,200. Requirements for this task still exist. The TRLIA staff would like to continue to have access to MHM knowledge of the area and expertise by extending the contract termination date to December 31, 2016.

**Fiscal Impact:**
No increase in budget is proposed so there is no fiscal impact. This is a time and material contract and can be terminated at any time, with TRLIA only being obligated to pay for the work completed up to the time of termination.

Attachment:
MHM, Inc. Amendment 6
SIXTH AMENDMENT
TO
AGREEMENT BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
AND
MHM, Inc.

THIS SIXTH AMENDATORY AGREEMENT is made and entered into this ____ day of
February, 2015, by and between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY,
a Joint Powers Authority, ("TRLIA") and MHM, Inc. ("CONSULTANT").

RECITALS:

WHEREAS, TRLIA and CONSULTANT entered into an agreement to provide Engineering and
Surveying Services dated October 13, 2009 ("AGREEMENT"); and

WHEREAS, TRLIA and CONSULTANT entered into the First Amendatory Agreement dated
November 16, 2010; and

WHEREAS, TRLIA and CONSULTANT entered into a Second Amendatory Agreement dated
January 17, 2012; and

WHEREAS, TRLIA and CONSULTANT entered into a Third Amendatory Agreement dated
September 18, 2012; and

WHEREAS, TRLIA and CONSULTANT entered into a fourth Amendatory Agreement dated
June 4, 2013; and

WHEREAS, TRLIA and CONSULTANT entered into a fifth Amendatory Agreement dated
August 17, 2013; and

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: and

WHEREAS, TRLIA and CONSULTANT desire to amend the AGREEMENT.

NOW, THEREFORE, TRLIA and CONSULTANT agree as follows:

1. Operative Provision 2 – TERM – shall be revised to change the Termination Date to
   December 31, 2016

   All other terms and conditions contained in the Agreement shall remain in full force and effect.
This AMENDED AGREEMENT is hereby executed on this ____ day of February 2015.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MHM, INC.

Paul G. Brunner, Executive Director

John Michael Smith
Principal

ATTEST:
DONNA STOTTERMeyer,
SECRETARY

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

Andrea P. Clark
February 17, 2015

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
Larry Dacus, Design Manager
SUBJECT: Consider Approval of Sixth Contract Amendment to CTA Engineering and Surveying Professional Services Contract

Recommended Action:
Approve a contract Amendment Six (attached) to the basic CTA Engineering and Surveying contract for engineering services and authorize Executive Director to sign and execute upon review of General Counsel.

Discussion:
TRLIA entered into a professional services contract with CTA on March 2, 2010 to perform surveying services for the Yuba, Feather and Bear levee repairs land acquisition actions and has amended the contract five times to accomplish additional unforeseen tasks. CTA has also been providing real estate support for the Upper Yuba Levee Improvement Project (UYLIP) direct consultant to TRLIA since Amendment 5.

CTA has been providing surveying services in a timely and professional manner and has knowledge and experience of survey conditions in Yuba County and with the parcels that were acquired as part of the TRLIA Levee Improvement Program. Cadastral requirements of the DWR Real Estate Division for land transfer have been more complicated than originally assumed. This has required much more coordination and the revision of some previous work. DWR Real Estate is also requiring a record of survey for all land transfers and that all land boundaries be monumented. This is additional work for which TRLIA requires CTA assistance. The proposed amendment increases the budget for surveying services by CTA by $52,415 to a total budget amount of $217,415. The budget adjustments for the numerous tasks that CTA is currently performing for TRLIA is shown on Exhibit 1 to the Sixth Amendment. This amendment will also extend the contract termination date to December 31, 2016.

Fiscal Impact:
This amendment increases the current contract amount of $165,000 by $52,415 to a total contract amount of $217,415. The expenses for performing these services are partially funded by the State through Prop 1E funding per the Feather River EIP Funding Agreement (Feather River Segments 1, 2 and 3) and the UYLIP EIP Funding Agreement.

Attachment:
CTA Engineering and Surveying Amendment 6 with Exhibit 1
AMENDMENT NO. 6

AGREEMENT FOR PROFESSIONAL SERVICES
FOR
ENGINEERING SERVICES
BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AND
CTA ENGINEERING AND SURVEYING

THIS SIXTH AMENDATORY AGREEMENT is made effective February ___________, 2015, by and between Three Rivers Levee Improvement Authority ("TRLIA") and CTA Engineering and Surveying ("Consultant"), who agree as follows:

1. **Recitals.** This Amendment is made with reference to the following background recitals:

1.1. Effective March 2, 2010 the parties entered into an Agreement for Professional Services relating to Surveying Services for TRLIA’s Construction Program.

1.2. Effective August 3, 2010 the parties entered into the first Amendatory Agreement.

1.3. Effective February 15, 2011 the parties entered into the second Amendatory Agreement.

1.4. Effective January 17, 2012 the parties entered into the third Amendatory Agreement.

1.5. Effective August 28, 2012 the parties entered into the fourth Amendatory Agreement.

1.6. Effective January 21, 2014 the parties entered into the fifth Amendatory Agreement.

1.7. 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;

1.8. TRLIA and the CONSULTANT desire to amend the AGREEMENT;

NOW, THEREFORE, TRLIA and the CONSULTANT agree as follows.

2. **Sixth Amendment to Agreement.** The Professional Services Agreement is hereby amended as follows:
2.1. The payment, budget, and not-to-exceed amounts, Condition B.1 in Attachment B to the Agreement for Professional Services between TRLIA and CTA Engineering and Surveying will be increased by $52,415 to a total contract amount of $217,415. The budget increases among the existing tasks are shown on the attached Exhibit 1.

2.2. The Termination Date in Clause 2 and A.2 is amended to extend to December 31, 2016.

3. **No Effect on Other Provisions.** Except for the amendments in Section 2, the remaining provisions of the Professional Services Agreement as amended shall be unaffected and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on ______________________, 2015.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

CTA ENGINEERING AND SURVEYING

Paul G. Brunner
Executive Director

Kevin A. Heeney
Vice-President

ATTEST:
DONNA STOTTLEMEYER
CLERK OF THE BOARD OF DIRECTORS

APPROVED AS TO FORM:
ANDREA P. CLARK
GENERAL COUNSEL

Andrea P. Clark
## CTA TRLIA Tasks and Budget
Revised February 17, 2015

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Current Total Budget</th>
<th>Revised Total Budget</th>
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<tbody>
<tr>
<td>Task 1 - Segment 2 ROW Record Maps \ RE Support</td>
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<td>Task 2 - Segment 2 ROW Line Marking and ROS</td>
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<td>Task 3 - Segment 2 Rice Property Road Abandonment</td>
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<tr>
<td>Task 7 - Upper Bear River RE Support</td>
<td>$10,300</td>
<td>$7,300</td>
</tr>
<tr>
<td>Task 8 - WPIC RE Support</td>
<td>$13,900</td>
<td>$21,400</td>
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<tr>
<td>Task 9 - Lower Yuba River RE Support</td>
<td>$17,400</td>
<td>$24,900</td>
</tr>
<tr>
<td>Task 10 - Miscellaneous Survey Services</td>
<td>$10,000</td>
<td>$11,415</td>
</tr>
<tr>
<td>Task 11 - Upper Yuba River RE Support</td>
<td>$5,290</td>
<td>$23,290</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$165,000</strong></td>
<td><strong>$217,415</strong></td>
</tr>
</tbody>
</table>
February 17, 2015

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director
        Andrea Clark, General Counsel
SUBJECT: Approval of a Resolution authorizing the Executive Director to negotiate, apply for and execute a Project Agreement with the Department of Water Resources for State funding under the Urban Flood Risk Reduction Program

Recommendation
Staff recommends that the Board of Directors approve attached resolution authorizing TRLIA’s intent to participate in the Urban Flood Risk Reduction (UFRR) Program and authorize the Executive Director to apply for and execute a funding agreement with the Department of Water Resources (DWR) and to accept State funding under the UFRR Program.

Background
The California Department of Water Resources (DWR) is working to advance a new post Central Valley Flood Protection Plan program called the UFRR Program. The UFRR Program is essentially a continuation of funding under the Early Implementation Program, the program currently funding several of TRLIA’s Basin Area Projects (the Feather River Levee Improvement Project and the Upper Yuba Levee Improvement Project). On January 20, 2015 DWR issued an UFRR Proposal Solicitation Package and the final version of the UFRR Guidelines. These documents can be found here: http://www.water.ca.gov/floodmgmt/ipo/guidelines/. The guidelines require agencies applying for funding to adopt a resolution authorizing submission of a proposal for funding.

UFRR proposals are to be turned in by March 9, 2015. TRLIA is proposing to submit an UFRR proposal for construction of a Goldfields Project that would improve and preserve the effectiveness of the State Plan of Flood Control (SPFC) by preventing 200-year Yuba River flood flows from traveling through the Goldfields and flanking the SPFC which protects the Reclamation District (RD) 784 urban area. Because TRLIA has an immediate need for funding under this program, staff is requesting that the board take the necessary steps to authorize the Executive Director to submit a proposal for funding this necessary project.

Fiscal Impact
The current budget includes revenues from a DWR future funding program for the Goldfields Project. The UFRR program would provide this funding. The immediate action being requested of the Board is to apply for this future funding and execute an agreement under the UFRR program. Approval of the recommended action does not obligate TRLIA to incur additional costs nor will it generate additional revenues until an agreement is provided to TRLIA for execution. Adoption of the attached resolution will allow TRLIA to request and receive funding from the State for the Goldfields Project. Accordingly, there is no net budgetary impact resulting from the Board’s approval of the recommended action to apply for funding.

Attachment: Proposed Resolution
RESOLUTION 2015-__

RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AUTHORIZING EXECUTIVE DIRECTOR TO SEEK FUNDING FROM THE STATE OF CALIFORNIA

WHEREAS, the Three Rivers Levee Improvement Authority ("TRLIA") is a joint powers authority that has spent over $400 million improving and rehabilitating levees protecting areas of Yuba County from flooding from the Yuba, Feather and Bear Rivers; and

WHEREAS, the goal of TRLIA is to provide a minimum level of 200-year flood protection for urban areas in the Yuba Basin; and

WHEREAS, TRLIA intends to complete its work to provide 200-year protection to the Basin by constructing flood protection work in the Yuba Goldfields ("Goldfields Project"); and

WHEREAS, the California Department of Water Resources ("DWR") has finalized its new grant funding requirements under the Urban Flood Risk Reduction ("UFRR") program; and

WHEREAS, TRLIA wishes to seek funding for the Goldfields Project through the Urban Flood Risk Reduction Program.

NOW, THEREFORE, THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY RESOLVES AS FOLLOWS:

1. Pursuant and subject to all of the terms and provisions of the California Public Resources Code Section 5096.21 and/or 75030 this proposal by the Three Rivers Levee Improvement Authority may be made to the California Department of Water Resources to obtain funding for the Goldfields Project.

2. The Executive Director is hereby authorized and directed to prepare the necessary data, make investigations, sign certifications required as part of the proposal, and sign and file such proposal with the California Department of Water Resources.

3. The Executive Director is hereby authorized and directed as agent to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, payment requests and so on, which may be necessary for accepting UFRR funding for the Goldfields Project.
PASSED AND ADOPTED this 17th day of February, 2015, by the Board of Directors of the Three Rivers Levee Improvement Authority.

AYES:  
NOES:  
ABSTAIN:  
ABSENT:  

__________________________
Mary Jane Griego, CHAIRPERSON

ATTEST:  

Donna Stottlemeyer, Clerk of the Board

APPROVED AS TO FORM  
GENERAL COUNSEL

______________________________
Andrea P. Cervini

By: ___________________________
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2014

MICHAEL L. HINZ, CPA, INC
CERTIFIED PUBLIC ACCOUNTANT
Board of Directors
Three Rivers Levee Improvement Authority
Marysville, California

I have audited the accompanying statement of the governmental activities of Three Rivers Levee Improvement Authority as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the district's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Three Rivers Levee Improvement Authority as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

December 19, 2014
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Levee Assessment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in County Treasury (Note)</td>
<td>3,765,360</td>
<td>70,823</td>
</tr>
<tr>
<td>Cash with Fiscal Agent (Note)</td>
<td>2,797,012</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>2,946,123</td>
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<tr>
<td>Interest Receivable</td>
<td>9,207</td>
<td>1,488</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>9,517,702</td>
<td>72,311</td>
</tr>
<tr>
<td><strong>Other Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>9,517,702</td>
<td>72,311</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Levee Assessment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable - Accrued Expenses</td>
<td>325,806</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>325,806</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>2,797,012</td>
<td>-0-</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>6,394,884</td>
<td>72,311</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>9,191,896</td>
<td>72,311</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>9,517,702</td>
<td>72,311</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
JUNE 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Levee Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposition 1E Funding</td>
<td>4,488,902</td>
<td>887,158</td>
</tr>
<tr>
<td>Property Assessments and Fees</td>
<td>36,982</td>
<td>2,303</td>
</tr>
<tr>
<td>Interest</td>
<td>1,231,842</td>
<td>29,781</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>5,787,507</td>
<td>920,761</td>
</tr>
</tbody>
</table>

| Expenditures:          |              |                  |
| Special Projects       |              |                  |
| Levee Improvement Costs (Schedule) | 4,561,799 |                  |
| Maintenance Reimbursements |            | 885,925          |
| Administrative Expenses:|                |                  |
| Yuba County Reimbursements |            |                  |
| Salaries and Benefits  | 352,851      |                  |
| Interdepartment Costs  | 39,740       |                  |
| Utilities              | 14,789       |                  |
| Insurance              | 276,510      |                  |
| Directors Fees         | 2,550        |                  |
| Rent                   | 32,606       |                  |
| Office and Miscellaneous| 9,625       |                  |
| Travel                 | 6,725        |                  |
| Memberships            | 11,430       |                  |
| Total Expenditures     | 5,308,625    | 885,925          |
| Excess of Revenues over Expenditures | 478,882 | 34,836 |
| Net Assets, Unrestricted – Beginning of Year | 7,973,544 | 37,475 |
| Adjustments to Beginning Net Assets (Note) | (2,057,542) | -0- |
| Net Assets, Unrestricted – End of Year | 6,394,884 | 72,311 |

See accompanying notes to financial statements
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
STATEMENT OF CASH FLOWS
JUNE 30, 2014

Cash Flows From Operating Activities:

Cash Received from Operating Activities 5,911,471
Cash Disbursed for Operating Activities (5,396,910)

Net Cash Flows Used in Operation Activities: 514,561

Cash Flows From Investing Activities:

Interest Income 36,912

Net Cash Flows From Investing Activities 36,917

Cash Flows From Financing Activities -0-

Cash Flows From Non-Operating Activities:

Adjustment to Beginning Net Assets (2,057,542)

Net Cash Flows From Non-Operating Activities (2,057,542)

Net Decrease in Cash (1,506,064)

Cash at Beginning of Year 5,271,424

Cash at End of Year 3,765,360

See accompanying notes to financial statements

- 4 -
# Three Rivers Levee Improvement Authority

## Schedule of Levee Improvement Costs
For the Year Ended June 30, 2014

### Phase 4 – Yuba:
- **Design**: 26,815
- **Permit**: 49,751
- **Environmental Mitigation**: 18,925
- **Construction**: 50,595
- **Construction Management**: 10,848
- **Right of Way**: 422,956

Total: 579,890

### Phase 4 - Yuba - Element 1A
- **Design**: 1,086
- **Construction**: 30,120
- **Construction Management**: 14,067
- **Right of Way**: 67,050

Total: 112,323

### Phase 4 – Feather:
- **Segment 1**:
  - **Design**: 16,440
  - **Right of Way Support**: 99,158

- **Segment 2**:
  - **Design**: 21,749
  - **Right of Way Support**: 178,983
  - **Right of Way – Direct Purchase (Note)**: 1,300

- **Segment 3**:
  - **Design**: 79,406
  - **Construction**: 1,163,365
  - **Construction Management**: 242,548
  - **Right of Way**: 120,514
  - **TAC License Costs**: 30,304

Total: 1,953,767

### WPIC 200 Year Compliance
- **Design**: 266,873
- **Permitting**: 28,876
- **Right of Way**: 29,213

Total: 324,962

### 200 Year Compliance - Non EIP
- **Total**: 231,887

### Goldfield Evaluation (Prop 13 work)
- **Total**: 1,125,845

### Environmental Mitigation Costs
- **Total**: 221,250

### Interim Operating Costs
- **Total**: 11,875

### Total
- **Total**: 4,561,799
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT SPECIAL REVENUE FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2014

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>CFD 2006-1</th>
<th>CFD 2006-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Treasury</td>
<td>926,693</td>
<td>139,098</td>
</tr>
<tr>
<td>Total Assets</td>
<td>926,693</td>
<td>139,098</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>CFD 2006-1</th>
<th>CFD 2006-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>Net Assets</td>
<td>926,693</td>
<td>139,098</td>
</tr>
<tr>
<td>Total Liabilities and Net Assets</td>
<td>926,693</td>
<td>139,098</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements

-6-
<table>
<thead>
<tr>
<th>Description</th>
<th>CFD 2006-1</th>
<th>CFD 2006-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Secured Taxes</td>
<td>464,173</td>
<td>90,096</td>
</tr>
<tr>
<td>Total Taxes</td>
<td>464,173</td>
<td>90,096</td>
</tr>
<tr>
<td>Interest</td>
<td>4,895</td>
<td>856</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>469,068</td>
<td>90,952</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
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<tr>
<td>Debit Service</td>
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<td>43,118</td>
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<tr>
<td>Fiduciary Fees</td>
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<td>-0-</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>-0-</td>
<td>43,118</td>
</tr>
<tr>
<td>Excess Revenues over Expenditures</td>
<td>469,068</td>
<td>47,834</td>
</tr>
<tr>
<td>Beginning Net Assets</td>
<td>457,625</td>
<td>91,264</td>
</tr>
<tr>
<td>Ending Net Assets</td>
<td>926,693</td>
<td>139,098</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements

- 7 -
History and Organization

The Three Rivers Levee Improvement Authority (TRLIA) was formed in April 2004 as a Joint Powers Authority (JPA) between Yuba County and Reclamation District No. 784. Section 2.01 from the JPA agreement describes TRLIA’s purpose.

This Agreement is made pursuant to the Act providing for the joint exercise of powers common to the County and the District, and for other purposes as permitted under the Act, the Bond Law and as agreed by the parties hereto. The primary purpose of this Agreement is to provide for flood control improvements located in the County, including improvements to the levee system and related drainage improvements. The Authority may undertake any activities necessary or desirable to achieve its primary purpose including, but not limited to (a) the power to study, plan for, design, develop, acquire, and construct and repair improvements, (b) the acquisition and holding of title to land, including the acquisition of land by eminent domain proceedings, as necessary for levee system improvements, related drainage improvements and/or habitat mitigation incident to any such improvements, and (c) the provision of financing for improvements and related activities, including financing by means of the creation of one or more community facilities districts, assessment districts or other financing districts, the entering into of lease and/or installment sale obligations, the issuance of revenue or other notes, bonds or evidences of indebtedness, and the imposition of appropriate impact or other fee obligations. The Authority may conduct activities alone, or in cooperation with any Member, any Associate Member, the State of California or any agency or political subdivision thereof, the United States or any department or agency thereof, or other entities. It is not contemplated that the Authority will in any way contract for or finance periodic levee maintenance activities which the District, other reclamation districts or other governmental or nongovernmental entities are obligated to do, or which otherwise in the past have been done by them.

Four work phases have been identified with the goal of achieving 200-year flood protection. The first construction work was initiated September 2004. The final phase was scheduled to be completed by the end of 2011 with the completion of the Upper Yuba Levee Improvement Project with a cost estimated to be $405 million for 29 miles of levees and funded mostly by local sources and State funding. Additional Phase 4 work has been identified in the Goldfields area that is anticipated to last for at least several more years. The cost estimate for the Goldfields work is still being developed.
**Significant Accounting Policies**

**Fund Accounting**

The Organization operates as an Enterprise Fund. The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed primarily through landowner charges.

**Basis of Accounting**

The Organization uses the accrual basis of accounting for financial reporting purposes. Accrual accounting attempts to record the financial effects on an enterprise of transactions and other events and circumstances that have cash consequences for an enterprise in the periods in which those transactions, events and circumstances occur rather than only in the periods in which cash is received or paid by the enterprise. Accrual accounting is concerned with the process by which cash expended on resources and activities is returned as more (or perhaps less) cash to the enterprise, not just with the beginning and end of that process.

**Property and Equipment**

The Organization was formed to perform repairs and improvements to property owned and maintained by the County of Yuba and Reclamation District No. 784. In addition, the organization has purchased land as a right of way to enable the improvements to the existing levee system.

Construction work for the improvement of the levee system within the Organizations boundaries in Yuba County is reflected on its books as an operating expense. The Organization, as originally formed, will cease to exist upon the completion of the projects for which it was formed. At that time ownership of any property and the completed improvements to the levee system will be transferred to the existing owner, primarily the State of California, and maintenance responsibility will be assumed by Reclamation District No. 784 and/or other entities established to perform this function. The value to be transferred will be the fair market value of levee improvements. The total costs of the levee improvements to date are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2004</td>
<td>701,774</td>
</tr>
<tr>
<td>June 30, 2005</td>
<td>5,603,384</td>
</tr>
<tr>
<td>June 30, 2006</td>
<td>50,572,148</td>
</tr>
<tr>
<td>June 30, 2007</td>
<td>74,257,632</td>
</tr>
<tr>
<td>June 30, 2008</td>
<td>24,376,482</td>
</tr>
<tr>
<td>June 30, 2009</td>
<td>82,916,631</td>
</tr>
<tr>
<td>June 30, 2010</td>
<td>54,496,111</td>
</tr>
<tr>
<td>June 30, 2011</td>
<td>14,111,717</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>13,487,570</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>6,185,931</td>
</tr>
<tr>
<td>June 30, 2014</td>
<td>4,561,799</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>331,271,179</strong></td>
</tr>
</tbody>
</table>
Cash and Reserves

Funds of the Organization are on deposit with the Yuba County Treasurer. These funds consist of a diversified portfolio pool and do not require a category of risk in accordance with GASB #3. The risk of material loss with regard to these funds is not considered to be material.

Use of Estimates

The preparation of the general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the general purpose financial statements and the reported amount of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Deposit - State Condemnation Fund

Deposits with the State Condemnation Fund represent funds contributed for the purchase of property for the right of way for levee improvements, for which the District and the sellers have not reached an agreed upon sales price. The total contribution to the fund represents a 17.175% allocation from Three Rivers Levee Improvement Authority and an 82.825% allocation from the State of California Department of Water Resources. Upon the determination of the actual property fair value additional contributions will be made or any refunds will be received in the same proportion. During this process, the District receives interest on these funds. At the conclusion of the improvement process, the real property acquired for right-of-way purposes will become the property of the State of California. The funds provided directly by the State of California are not included in the property acquisition costs due to the fact that they were not paid through District accounts.

Other Income

A detail of Other Income for the year ended June 30, 2014 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Fees</td>
<td>27,271</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,510</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29,781</strong></td>
</tr>
</tbody>
</table>

Cash in County Treasury

Cash in County Treasury as of June 30, 2014 consisted of the following accounts with the Yuba County Treasurer:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Account</td>
<td>3,428,824</td>
</tr>
<tr>
<td>Feather River Funding</td>
<td>51,053</td>
</tr>
<tr>
<td>Upper Yuba River Funding</td>
<td>285,483</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,765,360</strong></td>
</tr>
</tbody>
</table>
Cash with Fiscal Agent

Funds are held in trust for the long term care endowments for mitigation areas created within the Bear River and Feather River set-back areas by the Authority. These funds are dedicated to the long term care and maintenance of the areas in perpetuity as a condition of certain permits obtained by the Authority. The cash is held in trust by US Bank pursuant to an escrow agreement. The cash held by the trustee as of June 30, 2014 consisted of the following amounts:

<table>
<thead>
<tr>
<th>Endowment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feather River Endow.</td>
<td>651,434</td>
</tr>
<tr>
<td>Bear River Endow.</td>
<td>2,145,578</td>
</tr>
<tr>
<td></td>
<td>2,797,012</td>
</tr>
</tbody>
</table>

Community Facilities Districts - Special Revenue Funds

"Special Taxes collected from TRLIA Communities Facilities Districts 2006-1 & 2006-2 are utilized pursuant to the adopted Three Rivers Levee Impact Fee Advance Funding Credit & Reimbursement Policies and Procedures memorialized within development agreements covering properties within the aforementioned CFD's. The first use of Special Taxes is to satisfy any remaining Three Rivers Levee Impact Fee obligations of the development from which the special taxes are collected. Once all fee obligations are satisfied, special taxes are then utilized to redeem outstanding bonds issued as obligations of the districts. The Net assets of the CFD Revenue Funds are consequently reserved for those purposes.

Community Facilities Districts - Capital Improvement Bonds

Three Rivers Levee Improvement Authority issued Capital Improvement Bonds on April 18, 2007 to finance the repayment of proceeds received in accordance with the advance funding agreements with local developers. These are special tax bonds and are issued on specific parcels of landowners within Community Facilities Districts 2006-1 & 2006-2. These bonds are repaid solely from annual special taxes on the parcels within the Districts. These bonds are not an obligation of Three Rivers Levee Improvement Authority. They are an obligation of the respective Three Rivers Levee Improvement Community Facilities Districts, and are payable solely from the proceeds of refunding bonds or special taxes, therefore, they are not reflected as a general liability of the Authority. A summary of the bonds is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Issue</td>
<td>4-18-2007</td>
<td>4-18-2007</td>
<td>8,663,901</td>
<td></td>
</tr>
<tr>
<td>Original Issue Value</td>
<td>14,930,382</td>
<td>14,378,121</td>
<td>35,689,815</td>
<td></td>
</tr>
<tr>
<td>Accreted Value – 6/30/14</td>
<td>23,461,701</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Assessed Value</td>
<td>115,553,974</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Local Funding – Yuba Levee Financing Authority

The Yuba Levee Financing Authority has authorized the matching funds for the Levee Improvement Program as follows:

Authorizations:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2008</td>
<td>13,080,000</td>
</tr>
<tr>
<td>November 2008</td>
<td>7,376,000</td>
</tr>
<tr>
<td>May 2010</td>
<td>14,200,000</td>
</tr>
<tr>
<td>January 2010</td>
<td>7,000,000</td>
</tr>
<tr>
<td>November 2010 Adjustment</td>
<td>(2,079,469)</td>
</tr>
</tbody>
</table>

Total Authorized: 39,576,531

Amount Funded to June 30, 2010: 39,576,531

Authorization Remaining: -0-

Levee Assessment Fund

The Levee Assessment Fund was established to collect funds for the purpose of providing levee maintenance within the operating and maintenance assessment district. Collections of direct property assessments are used to fund both the administrative costs of the district and the authorized services approved as part of the formation of the district. For Fiscal Year 13/14, from the total collections of $909,014.40, $27,271 was used to reimburse Three Rivers Levee Improvement Authority for the administrative costs of the district and $858,654.85 was transferred to Reclamation District 784 to fund the costs of levee maintenance activities. The annual assessment levy is determined based upon a projected budget for levee maintenance as provided by Reclamation District 784 and approved by the Three Rivers Levee Improvement Authority Board, subject to the maximum allowable levy based upon the Engineer’s Report and the Proposition 218 process used to approve and form the district.

Adjustment to Prior Year Net Assets

An year adjustment to beginning net assets has been made to reflect a change in how funds related to the Three Rivers Levee Fees are reflected by the Authority. As a result of the agreement concerning Levee impact fees among County of Yuba, Yuba County Water Agency, and Yuba Levee Financing Authority, effective July 22, 2008, fees collected by the County under the Three Rivers Levee Impact Fee program are only to be used and applied in accordance with the agreement which does not include use by the
Three Rivers Levee Improvement Authority for direct construction of Levee Improvements. Instead, the County and Yuba County Water Agency and the Authority entered into the agreement for funding between Three Rivers Levee Improvement Authority, County of Yuba, and Yuba County Water Agency effective April 14, 2008, which provided funding for the Levee Improvements in-lieu of Levee Impact Fees.

Subsequent Events

The District has prepared its financial statements for the fiscal year ended June 30, 2014. The date of issuance of these financial statements is December 19, 2014. All events taking place after June 30, 2014 but before December 19, 2014 are deemed to be subsequent events. There have been no significant subsequent events required to be disclosed as a part of this financial statement.
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAUDITING STANDARDS

The Board of Directors
Three Rivers Levee Improvement Authority
Marysville, California

I have audited the general purpose financial statements of Three Rivers Levee Improvement Authority as of and for the year ended June 30, 2014, and have issued my report thereon dated December 19, 2014.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

The management of Three Rivers Levee Improvement Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of Three Rivers Levee Improvement Authority for the year ended June 30, 2014, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.
My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the management and granting agencies. However, this report is a matter of public record and its distribution is not limited.

December 19, 2014
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
Three Rivers Levee Improvement Authority
Marysville, California

I have audited the general purpose financial statements of Three Rivers Levee Improvement Authority as of and for the year ended June 30, 2014, and have issued my report thereon dated December 19, 2014.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Three Rivers Levee Improvement Authority is the responsibility of Three Rivers Levee Improvement Authority’s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Three Rivers Levee Improvement Authority’s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management and granting agencies. However, this report is a matter of public record and its distribution is not limited.

December 19 2014