



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AGENDA

AUGUST 15, 2006 – SPECIAL MEETING

Yuba County Government Center

Board of Supervisors' Chambers

915 Eighth Street, Suite 109A

Marysville, California

Unless otherwise indicated

2:00 P.M. I

CALL TO ORDER

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

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.

IV **ACTION ITEMS**

Approve proposed changes to the Second Agreement for Advance Funding Reimbursement of Costs for Levee Improvements subject to clarifying and conforming changes agreed to by County Administrative Officer/Executive Director/General Manager County Counsel, Three Rivers Levee Improvement Authority, Reclamation District 784, County of Yuba, and the Participants.

VI **BOARD AND STAFF MEMBERS' REPORTS**

VII **ADJOURN**



**THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY**

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**The County of Yuba
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August 15, 2006

TO: Board of Supervisors, Three Rivers Levee Improvement Authority Board
Members and Reclamation District 784 Board Members

FROM: Robert Bendorf, County Administrative Officer and Paul Brunner, TRLIA
Executive Director *Paul Brunner*

By Randy Margo, Assistant County Administrator *Randy Margo*

SUBJECT: Proposed Changes to Second Agreement for Advance Funding and
Reimbursement of Costs for Levee Improvements

Recommended Actions

Approve the proposed changes to the Second Agreement for Advance Funding Reimbursement of Costs for Levee Improvements subject to clarifying and conforming changes agreed to by the County Administrative Officer/Executive Director/General Manager and legal counsel for the County, Three Rivers Levee Improvement Authority, (TRLIA) Reclamation District 784 and the Participants.

Reason for Recommended Action

Because of unanticipated potential levee costs associated with levee repair work on the Feather River levee identified after the Second Funding Agreement was adopted on July 18th and a continued softening of the real estate market, landowners are requesting some modifications to the Agreement in order to maintain their continued financial participation in levee improvements within the South Yuba Basin Area. Staff supports these changes in order to complete critical flood control projects for this area.

Background

The Board of Supervisors approved the Second Agreement for Advance Funding at its July 18th meeting. Since that meeting occurred, additional information regarding the cost of the Feather River Phase 4 levee improvements was provided to the landowners from TRLIA staff and consultants. TRLIA Engineering Consultants identified approximately 2 miles of existing Feather River levees that until recently had been considered to need little or no repair by the U.S. Army Corps of Engineers as now potentially needing significant repair. Based on this new finding TRLIA Engineering Consultants are proposing very conservative engineering solutions, which have driven up the estimated costs. That information estimated potential cost increases for Phase 4 levee work on the

Feather River portion of the project. As a result, the landowners have asked for some modifications to the Agreement to maintain their continued financial participation in the funding program.

Discussion

County staff discussed with landowners representatives possible options to alleviate cash flow issues for building projects within the Plumas Lake/North Arboga areas, in light of new cost information and a softening of the real estate market. Among the options offered for your Board's consideration are as follows:

1. Deferral of Countywide Capital Facility Fees, including road fees, from the issuance of building permits to final inspection when the building is ready for occupancy. This provision would result in approximately a five-month delay in receipt of these fees under typical circumstances, but could be longer depending upon market conditions. This deferral is permissible under the County's Capital Facility Ordinance. Landowners would agree to pay for any new increases to road fees adopted between the issuance of building permits and final inspections.
2. Building permits are issued for an 18-month period. The Chief Building Official has the discretion to extend them for a reasonable period of time. Landowners have requested language in the funding agreement that provides an automatic 12 month extension beyond the 18 month period.
3. Landowners have requested that applications, including plot plans be processed within 30 days. Community Development has agreed to this timeframe provided that a request for a revised floor plan or elevation is received at least 30 days prior to the first inspection, the changes are based on an approved master plan and the request results in no decrease in the square footage of a home. Landowners understand that there will be a charge based on the difference in fee costs based on square footage. If the request results in a decrease in square footage, no refunds will be processed.
4. Community Development also will make best efforts to process all master plan building permits of participating builders within 30 days so long as the builders provide all necessary materials (building & plot plans etc.) at submittal and all fees are promptly paid when requested.
5. Because of the uncertainty as to which landowners will participate as Original Participants versus Deferred Participants for the first cash call of \$20 million, actual cash might be above that amount if Deferred Participants choose to become Original Participants during the open enrollment period after the first cash call is made. Landowners have requested that any additional funds above the \$20 million cash call reimburse those Original Participants who covered the higher proportional share of cost when the \$20 million cash call was made.
6. Landowners are requesting a change in the Agreement to reduce the Second Capital Call for cash from \$20 million to \$10 million and increase the last Capital Call by \$10 million from \$35 million to \$45 million. This change is consistent with TRLIA's current cash flow projections and should not hinder or delay completion of Phase 4 levee work.

7. TRLIA will prepare an information packet for potential buyers and new home homeowners on the status of the levee program.
8. TRLIA will facilitate a peer-review by qualified professional engineering and design that includes an engineer representing the landowners and qualified contractors, in order to add value engineering concepts and practices, and thereby, potentially enhance the cost-benefits of the program.

Fiscal Impact

Without the Second Funding Agreement being adopted by the landowners, TRLIA is left with no immediate funding source for all phases of levee work currently under construction. TRLIA will have no funding source to complete Phase 2 and 3 cost additions other than State Proposition 13 funding, which will take many months to receive reimbursements and make contractual payments. There also is no funding source for Phase 4 levee work (Yuba and Feather Rivers). Furthermore, deferral of Capital Facility Fees could potentially delay construction of municipal projects.