I CALL TO ORDER

II ROLL CALL – Directors Rick Brown, Jerry Crippen, Don Graham, Mary Jane Griego, Dan Logue

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 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 regular meeting of April 15, 2008.

B. Approve waiver of conflict of interest with McDonough Holland and Allen, PC and authorize Executive Director to execute waiver upon review and approval of Counsel.

V ACTION ITEMS

A. Adopt resolutions declaring the public necessity for the taking of certain property for repair, construction, installation and maintenance for the Phase 4 Levee Repair Project as it relates to the following properties:

   i) APN 014-370-003, H & H Trenching
   ii) APN 014-370-037, Johl

B. Adopt resolution adopting findings to the Feather River Levee Repair Project Environmental Impact Report Addendum.

C. Consider ratifying Executive Director action to award and issue Notice to Proceed to Nordic Industries, Inc. for the Feather River Levee Repair Project, Segment 1 and alternative for Site 7 Extension Work in an amount of $8,693,951 and take action as appropriate.

D. Approve Amendment No. 3 in the amount of $200,000 with Economic and Planning Systems, Inc. for financial consulting services and authorize Executive Director to execute upon review and approval of Counsel.

VI BOARD AND STAFF MEMBERS’ REPORTS

VII CLOSED SESSION


VIII ADJOURN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
MINUTES – BOARD OF DIRECTORS
APRIL 15, 2008

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority 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, Don L. Graham, and Mary Jane Griego. Directors Jerry Crippen and Dan Logue were absent. Also present were Executive Director Paul Brunner, Counsel Scott Shapiro, and Clerk of the Board of Supervisors/Secretary Donna Stottlemyer. Chair Griego presided.

PUBLIC COMMUNICATIONS

No one came forward.

CONSENT AGENDA

Minutes: Upon motion of Director Graham, seconded by Director Brown, and carried with Directors Crippen and Logue being absent, the Board approved the minutes of the regular meeting of April 1, 2008, as written.

ACTION ITEMS

A. GEI Consultants Amendment No. 7/$636,300/Phase 4: Program Manager Rick Reinhardt recapped the engineering required and responded to Board inquiries.

Upon motion of Director Brown, seconded by Director Graham, and carried with Directors Crippen and Logue being absent, the Board approved amendment No. 7 with GEI Consultants in the amount of $636,300 for Phase 4 final engineering and permit actions and authorize the Executive Director to execute same.

B. Environmental Impact Report Addendum/Feather River levee Repair Project: Consultant Anja Kelsy recapped analyses and conclusions included within the addendum and responded to Board inquiries.
Following Counsel Scott Shapiro providing a resolution to adopt, upon motion of Director Graham, seconded by Director Brown, and carried with Directors Crippen and Logue being absent, the Board adopted Resolution No. 08-23, which is entitled: "A RESOLUTION BY THE BOARD OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY IN REGARD TO CALIFORNIA ENVIRONMENTAL QUALITY ACT ADDENDUM TO THE FEATHER RIVER LEVEE REPAIR PROJECT ENVIRONMENTAL IMPACT REPORT."

BOARD AND STAFF MEMBERS’ REPORTS

Reports were received on the following:

Director Griego:
- Cap to Cap trip in Washington, DC April 4-9, 2008 regarding flood protection

Executive Director Paul Brunner:
- Status of state funding agreement
- Notice to proceed awarded to Nordic Industries for Segment 3 and conditions of notice
- Notice to proceed for Nordic Industries on Segment 1
- Contract negotiations for Segment 2 award to Teichert Construction
- Public awareness program regarding construction
- Central Valley Flood Protection Board meeting on Friday, April 18, 2008.
- Correspondence to Reclamation District 784 regarding acceptance of 11 miles of certified levee for operation and maintenance

CLOSED SESSION

The Board retired into closed session at 2:36 p.m. to discuss the following:


C. Conference with real property negotiators pursuant to Government Code §54956.8 – Property: APN 014-250-027 and 028 (Yuba County) and 23-180-007 and 009 (Sutter County)/Naumes, Inc. Negotiating Parties: TRLIA/Bob Morrison/Rich Brown Negotiation: Price and Terms


The Board returned from closed session at 3:20 p.m. with all Board and staff members present as indicated above.

Counsel Scott Shapiro advised staff direction was provided regarding property negotiations.

BOARD AND STAFF MEMBERS' REPORTS CONTINUED

Executive Director Paul Brunner:
- Discussions between Central Valley Flood Protection Board and Hofman Ranch regarding acquisition of easement

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority, the meeting was adjourned at 3:24 p.m. by Chair Griego.

_____________________________ Chairman

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

Approved: ____________________

04/15/08 PAGE 26
May 6, 2008

TO: Three Rivers Levee Improvement Authority Board  
FROM: Scott Shapiro, General Counsel

SUBJECT: Approval of Waiver Request from McDonough Holland & Allen

Staff Recommendation: Staff recommends the Board approve, and have the Executive Director sign, the attached conflict waiver letter prepared by Rich Brown of McDonough, Holland, and Allen.

Background: Three Rivers Levee Improvement Authority (the “Authority”) has previously retained Rich Brown of McDonough, Holland, and Allen to represent the Authority in all land acquisition activities. The attached letter from Rich Brown informs the Authority that his firm also represents Greg Foster, Bank of America, and Wachovia Bank in matters unrelated to the Authority. However, Greg Foster, Bank of America, and Wachovia Bank all have interests in some property which the Authority seeks to acquire to construct the setback levee.

Discussion: By McDonough, Holland, and Allen representing the Authority as against Greg Foster, Bank of America, and Wachovia Bank, and also representing Greg Foster, Bank of America, and Wachovia Bank in other matters, the firm has a legal conflict under California's Rules of Professional Responsibility. That conflict may be waived by a client, after knowing consent, allowing McDonough, Holland, and Allen to continue to function for all of its existing clients. The risk of McDonough, Holland, and Allen performing its work with a bias in this situation appears very low because the matters are unrelated. Therefore, General Counsel is comfortable with the Board waiving this conflict.

Financial Impact: No financial impact.
April 25, 2008

Paul Brunnen
Executive Director
Three Rivers Levee Improvement Authority
1114 Yuba Street, Suite 218
Marysville, CA 95901

Re: Three Rivers Levee Improvement Authority v. Foster Bar (APN 001)
APN 016-060-001
Three Rivers Levee Improvement Authority v. Foster Ranch (APN 002)
APN 016-010-002
Three Rivers Levee Improvement Authority v. Foster House (APN 008)
APN 016-010-008
Three Rivers Levee Improvement Authority v. Uppal
APN 014-290-034

Dear Paul:

As you know, McDonough Holland & Allen PC ("McDonough"), represents Three Rivers Levee Improvement Authority ("TRLIA") for the acquisition through eminent domain of property for the above-referenced matters.

It has come to my attention that McDonough also represents Gregory Foster, Bank of America, N.A., and Wachovia Bank in unrelated real estate, finance, tax and litigation matters. As you know Gregory Foster is a property owner that TRLIA is currently seeking to acquire. Mr. Foster has already selected other counsel to represent him in this matter. McDonough’s representation of Mr. Foster was on an unrelated real estate matter. Bank of America is on title as having beneficial interest in a deed of trust recorded against the Uppal property TRLIA is currently seeking to acquire. Wachovia is on title as having a beneficial interest in a deed of trust recorded against the Foster Ranch property.

In these circumstances, a law firm has a conflict of interest under Rule 3-310(C) of the California Rules of Professional Conduct. In such circumstances, Rule 3-310(C) provides that McDonough may not represent clients with conflicting interests, even when the subject matter of the representations is entirely different, without obtaining the “informed written consent” of each client. By giving such consent, you would be agreeing to our representation of Gregory Foster, Bank of
America, N.A., and Wachovia Bank in these matters, and to our continuing representation of TRLIA. We are requesting similar consents from Gregory Foster, Bank of America, N.A., and Wachovia Bank.

In order to ensure that such consent is "informed," we are required to inform you of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences of McDonough's representation of persons with a conflict.

If you wish to approve this waiver, we request that you sign the copy of this letter and return it to us. If you have any questions about this or want further clarification, I will be happy to provide that. It is important that you feel comfortable with this situation.

Very truly yours,

G. Richard Brown

:pal
Enclosure

Agreed and consented to:

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

By:

Paul Brunner
Executive Director
TO: THREE RIVERS LEVEE IMPROVEMENT BOARD OF DIRECTORS

FROM: PAUL BRUNNER, EXECUTIVE DIRECTOR
       BOB MORRISON, RIGHT OF WAY MANAGER

DATE: May 6, 2008

SUBJECT: CONSIDER ADOPTING RESOLUTIONS OF NECESSITY FOR ACQUISITION OF TWO PROPERTIES ALONG THE FEATHER RIVER FOR THE PHASE 4 LEVEE REPAIR PROJECT

RECOMMENDATION

Recommend that the Board of Directors adopt the attached Resolutions of Necessity for the acquisition of certain properties bearing the following Assessor’s Parcel Numbers for the Three Rivers Phase 4 Levee Repair Project (the "Project"):

1. 014-370-003 (H & H Trenching)
2. 014-370-037 (Johl)

BACKGROUND

The Three Rivers Levee Improvement Authority (TRLIA) is preparing to carry out the construction, improvement and repair work along certain sections of the flood control levees along the Feather River in Yuba County. A major portion of the levee improvements includes a new setback levee.

The proposed setback levee is part of a larger flood control project that includes 29.3 miles of levee improvements in Yuba County. The proposed setback levee is about 5.7 miles long and will replace approximately 6.2 miles of existing Feather River levee. At the North end the new levee begins about 2,000 feet downstream of the Linda County Water District wastewater treatment plant and is West of the Yuba County airport. The Northern tie-in station with the existing Feather River levee is at approximately Project Levee Mile (PLM) 23.4. The Southern tie-in with the existing levee is just North of the Star Bend boat ramp, at about PLM 17.2. The levee height generally ranges between 18 and 30 feet, with an average height of about 24 feet,
and the setback area (the area between the existing levee and the new setback levee, including the footprint of the new levee) is about 1,550 acres.

Selection of Current Alignment

The selection of the current alignment is based on previous planning studies, hydraulic analysis, and geotechnical analysis. A summary of the planning studies, hydraulic and geotechnical conditions that were considered before selecting the existing Feather River setback levee alignment are described below.

Previous Planning Studies

Setbacks of the Feather River left (East) bank levee within RD 784 have been the subject of several studies and projects by the Yuba County Water Agency and TRLIA during the last seven years. These studies have evaluated levee deficiencies, deficiency remediation measures, and setback levee options. The significant findings of these studies are documented in the following reports:

**Yuba – Feather Supplemental Flood Control Project (2003 Feasibility Report)** – The 2003 Feasibility Report included Feather River setback levees as options to reduce flooding impacts in Marysville, Yuba City, and RD 784. The study included drilling a total of nine borings to investigate soil conditions in the project area. The Feather River levee was divided into two segments, above Start Bend and below Star Bend. Recommendations included continued development of setback levee options for both reaches.

**RD 784 Supplemental Flood Control Improvements (2004 Feasibility Report)** – The 2004 Feasibility Report evaluated an alternative that included a combined setback levee for the lower Bear River and the lower (below Star Bend) Feather River. The study recommended a Southern alignment for a Bear River setback levee over the combined Feather-Bear Rivers setback levee alternative. It was found that the Southern Bear River setback levee could accomplish some of the benefits of a below-Star-Bend Feather setback levee. Construction of the Bear River setback levee has been completed.

**Phase 4 Feather River Levee Repair Project Alternatives Analysis (2006 Alternatives Analysis Report)** - While the 2003 Feasibility Report considered a single setback levee alignment extending from Star Bend to about one mile North of Murphy Road, the 2006 Alternatives Analysis Report evaluated that alignment plus two additional alignments farther to the West. The alternative setback levee alignments for study were selected by a range of project stakeholders in an Alternatives Identification Workshop held in January 2006. The workshop participants identified two alignments to include in the alternatives analysis. Subsequent to the workshop a third alternative setback levee alignment was identified to address property owner concerns at the Northern end of Segment 2. These alignments are summarized in Table 1.
The study assessed the impact of the three alignments on lowering of flood stages in the Feather and Yuba Rivers and evaluated the geotechnical conditions along the alignments, inundation reduction benefits, impact on private property, comparative costs, and opportunities for habitat restoration. As part of the geotechnical evaluation, 13 additional soil borings were drilled to investigate soils conditions along the alternative alignments. Combined with the nine borings from the 2003 Feasibility Report, and several borings from earlier Corps studies, over 25 borings were included in the geotechnical evaluation. Based on the hydraulic, geotechnical, environmental, inundation damage reduction, and cost evaluations documented in the 2006 Alternatives Analysis Report, the Above Star Bend (ASB) setback levee was determined to provide the greatest total benefits and greatest net benefit of the identified alternatives and was therefore determined to be the economically superior alternative.

DISCUSSION

Undertaking the proposed construction work along the Feather and Yuba River bank levee will necessitate the acquisition of the two properties illustrated below:

<table>
<thead>
<tr>
<th>Assessor’s Parcel No.</th>
<th>Owner</th>
<th>Area to be acquired (Acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>014-370-003</td>
<td>H &amp; H Trenching, Inc.</td>
<td>15.179 acres</td>
</tr>
<tr>
<td>014-370-037</td>
<td>Johl</td>
<td>50.85 acres</td>
</tr>
</tbody>
</table>

FISCAL IMPACT

The appraised values for these two parcels are within the TRLIA Board approved (Feb. 6, 2007) land acquisition plan for Feather River Segment 2. The Prop 1E funding agreement was fully executed on April 25, 2008 so the funding is in the TRLIA cash flow and is available to be deposited to the State Treasurer’s Condemnation Fund.
SPECIAL POWER OF ATTORNEY

Know all men by these presents:

That I, Herminita E. Flores, of legal age, single, with residence and postal address at Blk. D-8, Lot 2, Brgy. San Andres II, Dasmariñas, Cavite, do hereby name, constitute and appoint Dolorosa Caroosa, of legal age, married, with residence and postal address at 5608 Forbes Dr., Newark, CA 94560-3684, USA, to be my true and lawful attorney-in-fact, for me and in my name, place and stead, to do and the following acts:

1. To negotiate and enter into any or all transactions leading to the sale, transfer, and conveyance of that real property located at Yuba County, State of California, USA, complete description of which is attached hereto on separate sheet, which forms part of this document;
2. To receive and collect from whoever will buy the property the entire proceeds from the said sale;
3. To deposit cash or encash checks with the concerned bank all or portion of the said proceeds, and;
4. To sign or follow-up any or all papers, documents or records that appertain to the negotiation and sale of subject property.

of which I am co-owner to the extent of an equal share of the whole lot, pursuant to the provision of theQuitclaim Deed executed by Socorro Boyer on October 16, 2002, in the state of California, a copy of which is on file with the Office of the Yuba County Recorder of the said state.

HEREBY GIVING AND GRANTING unto my said attorney-in-fact, full power and authority to do and perform all and every act requisite or necessary to carry into effect the foregoing authority to sell, as fully to all intents and purposes as I might or could lawfully do if personally present, with full power of substitution, and hereby confirming all that my said attorney-in-fact shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this day of MAR 05 2008, at Passay City, Metro Manila, Philippines.

HERMINITA E. FLORES
Principal

SIGNED IN THE PRESENCE OF:

SONIA E. RIVERA
168-E Villanueva Street, Passay City

REPUBLIC OF THE PHILIPPINES)
PASAY CITY, METRO MANILA ) S. O.

ACKNOWLEDGEMENT

Before me, a Notary Public, for and in the City of Passay, on this day of MAR 05 2008, personally appeared Herminita E. Flores with CTC No. 2357460-1, issued on 02-20-07 at Dasmariñas Cavite, known to me and to me known to be the same person who executed the foregoing instrument which she acknowledged to me as her free and voluntary act and deed.

WITNESS MY HAND AND SEAL, on the date and place above written.

ATTY. CECILIO B. CASALLA
NOTARY PUBLIC
UNTIL DEC. 31, 2008
P H I L I P P I N E S

SERIES OF 2002

DOC NO. 50
PAGE NO. 1
BOOK NO. 1/1

PW 0321171-1-02 PASAY CITY
TN NO. 125-707-902
AFFIDAVIT

THREE RIVERS LEVEE IMPROVEMENT PROJECT
APN #014-370-037

I, __ Sarbjit S. Johl __, hereby waive the required 15 day Notice of the Resolution of Necessity hearing scheduled on May 6, 2008 at 3:30 pm in connection with the above project.

Sarbjit S. Johl
AFFIDAVIT

THREE RIVERS LEVEE IMPROVEMENT PROJECT
APN #014-370-003

I, Paul Hawes, hereby waive the required 15 day Notice of the
Resolution of Necessity hearing scheduled on May 6, 2008 at 3:30 pm in
connection with the above project.

H & H Trenching

By: Paul Hawes, President
RESOLUTION NO. __________

A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY
FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE
RIVERS LEVEE IMPROVEMENT PROJECT
(CODE CIV. PROC. § 1245.230)

WHEREAS, Three Rivers Levee Improvement Authority ("TRLIA") proposes to repair, construct, install, and maintain the Three Rivers Phase 4 Levee Repair Project (the "Project") affecting Assessor's Parcel No. 014-370-003 in the County of Yuba, California (the "Property"); and

WHEREAS, TRLIA has advised the owners of the Property of the need for the Project and offered said owners an opportunity for a hearing before the TRLIA Board on May 6, 2008 pursuant to section 1245.235 of the Code of Civil Procedure, State of California; and

WHEREAS, the Board of Directors of TRLIA adopts this resolution in compliance with Section 1245.230 of the Code of Civil Procedure.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Property to be acquired is for the repair, construction, installation and maintenance of the Project.

TRLIA is authorized to acquire property for the Project pursuant to, among others, the following statutes: Government Code section 25350.5 and Water Code section 50930.

SECTION 2. The general location and extent of the Property to be acquired is as set forth in the legal description attached hereto as Exhibit A and map attached hereto as Exhibit B, incorporated herein by reference.

SECTION 3. The Board of Directors declares that it has found and determined as follows:

a. The public interest and necessity require the proposed Project.

b. The proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury.

c. The Property described in Exhibits A and B is necessary for the proposed Project.

d. The offer of just compensation required by Government Code Section 7267.2 has been made to the owners of record of the Property.

e. The use of the property for its stated public use scheduled to begin within two years of its acquisition.
PASSED AND ADOPTED by the Board of Directors of the Three Rivers Levee Improvement Authority this 6th day of May, 2008 by a two-thirds (2/3) or greater vote as follows:

AYES:
NOES:
ABSTAIN:
ABSENT:

Chairperson

ATTEST:

Donna Stottlemeyer, Secretary

APPROVED AS TO FORM
SCOTT L. SHAPIRO
GENERAL COUNSEL

By:
LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF YUBA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All that portion of the Southerly one-half of Lot 8, Block 26, as shown upon the map entitled "Arboga Colony", filed in the office of the County Recorder of Yuba County, California, in Book I of Maps, Page 31, and more particularly described as follows:

BEGINNING at the Southeast corner of said Lot 8; thence West along the Southerly line thereof 884.80 feet; thence North 196.00 feet; thence West 136.38 feet to the Easterly right of way line of the Sacramento and San Joaquin Drainage District; thence along said right of way line the following courses and distances: North 14° 00' West 21.61 feet and North 6° 46' West 446.14 feet to the Northerly line of said Southerly half of Lot 8; thence leaving said right of way line, East 1079.48 feet to the Northeast corner of said Southerly half of Lot 8; thence South 660.00 feet to the point of beginning.

APN: 014-370-003-000
RESOLUTION NO. _______

A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT (CODE CIV. PROC. § 1245.230)

WHEREAS, Three Rivers Levee Improvement Authority ("TRLIA") proposes to repair, construct, install, and maintain the Three Rivers Phase 4 Levee Repair Project (the "Project") affecting Assessor's Parcel No. 014-370-037 in the County of Yuba, California (the "Property"); and

WHEREAS, TRLIA has advised the owners of the Property of the need for the Project and offered said owners an opportunity for a hearing before the TRLIA Board on May 6, 2008 pursuant to section 1245.235 of the Code of Civil Procedure, State of California; and

WHEREAS, the Board of Directors of TRLIA adopts this resolution in compliance with Section 1245.230 of the Code of Civil Procedure.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Property to be acquired is for the repair, construction, installation and maintenance of the Project.

TRLIA is authorized to acquire property for the Project pursuant to, among others, the following statutes: Government Code section 25350.5 and Water Code section 50930.

SECTION 2. The general location and extent of the Property to be acquired is as set forth in the legal description attached hereto as Exhibit A and map attached hereto as Exhibit B, incorporated herein by reference.

SECTION 3. The Board of Directors declares that it has found and determined as follows:

a. The public interest and necessity require the proposed Project.

b. The proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury.

c. The Property described in Exhibits A and B is necessary for the proposed Project.

d. The offer of just compensation required by Government Code Section 7267.2 has been made to the owners of record of the Property.

e. The use of the property for its stated public use scheduled to begin within two years of its acquisition.
PASSED AND ADOPTED by the Board of Directors of the Three Rivers Levee Improvement Authority this 6th day of May, 2008 by a two-thirds (2/3) or greater vote as follows:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

______________________
CHAIRPERSON

ATTEST:  

______________________
Donna Stottlemeyer, Secretary

APPROVED AS TO FORM  
SCOTT L. SHAPIRO  
GENERAL COUNSEL

By:  

TRLIA/Jobh  
1091591v1 15662/0037  
4/24/2008
LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF YUBA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Portion of Lot 1 and portion of the North one-half of Lot 8, in Block 26, as shown upon the map entitled, "Arboga Colony", on file in the Office of the County Recorder of the County of Yuba, State of California, in Book 1 of Maps, at Page 31, and more particularly described as follows:

Beginning at the Southeast corner of the North one-half of said Lot 8; thence North 0° 02' East along the East line of said Lots 8 and 1, a distance of 1983.54 feet; more or less, to the Northeast corner of said Lot 1; thence West along the North line of said Lot 1, a distance of 1280.93 feet to the Easterly line of the property conveyed to the Sacramento-San Joaquin Drainage District by Deed recorded April 11, 1941 in Book 61 of Official Records, at Page 76, Yuba County Records; thence along said Easterly line South 5° 28' East 339.66 feet, South 10° 42' East, 301.03 feet, South 6° 17' East, 500.01 feet, South 5° 13' East, 556.05 feet and South 6° 48' East 97.94 feet to the South line of the North one-half of said Lot 8, thence East along said South line of said North one-half of said Lot 8, 1079.00 feet to the point of beginning.

EXCEPTING THEREFROM portion of Lot 1, in Block 26, as shown upon the Map entitled, "Arboga Colony", on file in the Office of the County Recorder of the County of Yuba, State of California, in Book 1 of Maps, at Page 31, and being more particularly described as follows:

Beginning at a point on the Northerly line of said Lot 1, distant thereon Westerly, a distance of 1017.93 feet from the Northeasterly corner of said Lot 1; thence from said point of beginning Westerly along the Northerly line of said Lot 1, a distance of 263 feet to the Easterly line of that certain parcel of land described in Deed to Sacramento-San Joaquin Drainage District, recorded April 11, 1941 in Book 61 of Official Records, at Page 76; thence Southerly along the Easterly line of the said drainage district Parcel the following two courses and distances: South 5° 28' East, a distance of 339.66 feet and South 10° 42' East, a distance of 185.14 feet; thence leaving the said drainage district parcel, South 89° 58' East, a distance of 195.97 feet; thence North 0° 02' East, a distance of 520 feet to the point of beginning.

APN: 014-370-037-000
NOTE: This map was prepared for assessment purposes only, and is not intended to illustrate legal building areas or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

BLOCK 25, 26, ARBOGA COLONY

Tax Area Code
64-347
64-145

Assessor's Map Bk.14, Pg. 37
County of Yuba, Calif.

R.S. - Bk. 87, Pg. 11 (ROG 06-15)
R.S. - Bk. 7, Pg. 28 (Ditch R/W)
R.S. - Bk. 1, Pg. 31 (Arboga Colony)

NOTE: Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

07/07
May 6, 2008

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
SUBJECT: EPS Consulting Services Contract Amendment No. 3

Recommendation
Approve Amendment No. 3 to the Economic & Planning Systems, Inc., (EPS) contract for $200,000 to continue to extend technical support for the administration of the Proposition IE State Funding Agreement and provide additional financial consulting services through the end of FY 08-09, and authorize the TRLIA Executive Director to sign and execute contract once Counsel has reviewed.

Background
The Board previously authorized execution of the contract in November of 2006 with EPS to provide financial consulting services. That contract provided service through June 30, 2007 and had a budget of $70,000. The Board approved the First Amendment to that contract July 2007 to increase the budget (to $115,000) and extend services through FY 2007-08. The Board then approved a Second Amendment to the Contract in December of 2007 to increase the budget (to $190,000) and expanded the scope of the contract to account for a revised funding scenario for the Phase IV project.

Discussion
The contract is now being amended to increase the budget (to $390,000) to allow EPS to provide ongoing consulting services associated with the State Funding agreement as well as extend the duration of the services through FY 2008-09. This 3rd amendment also splits the scope of work into eligible State funded services and ineligible services (those services not related directly Phase IV Feather River Work).

Generally, the services associated with activities included in the scope of work outlined in the Amended Exhibit A of the contract which include the following activities:

- Assisting with development of a project cash flow that will be used for providing the necessary data required for Work Plans described in the State Funding Agreement;
- Preparation of supporting documentation needed for invoicing the State;
- Continued Administration of the currently in place TRLIA CFD’s,
- Revising the current TRLIA Levee Fee Nexus Study, as needed, for feasible implementation;
- Providing analyses a technical information associated with a joint YCWA and Yuba 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**
For work associated with Task 5 as described in the Amended Exhibit A, the work will be partially funded by the State and partially from local funding pursuant to the terms of the State Funding Agreement. TRLIA has budgeted expenses within the Overall Work Plan for the State Funding Agreement which include Overhead Consultant Expenses. The costs will fall under that Consultant Expense category.

Work associated with Task 6 as described in the Amended Exhibit A, work will be funded through various local funding mechanisms including the following;
- The Yuba County YCWA joint financing;
- Administrative fee collected from TRLIA CFD Special Tax Collections
- Levee Impact Fee received
- Other potential Land Owner Advanced Funding
April 28, 2008

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

Subject: Third Amendment to Contract; EPS #16497

Dear Mr. Brunner:

Economic & Planning Systems, Inc. (EPS) looks forward to continuing work with Three Rivers Levee Improvement Authority (TRLIA). As requested, EPS is providing this amendment to the current contract with TRLIA to extend the authorized budget amount and expand the Scope of Work to reflect the current Feather River Levee Improvement Project financing plan.

Scope of Work

EPS will provide technical support as outlined in Attachment 1 to the Third Amendment to Agreement for Consulting Services (Attachment 1). It is EPS’s intent to modify the scope and budget of the currently active Task 5 to include work eligible for funding through the agreement with the State for the Feather River Levee Improvement Project and also to create an additional Task 6 to authorize additional services not eligible for State funding. In general, the scope of Task 5 will include administrative tasks associated with the funding agreement, which will include preparing supporting materials as described and required according to the agreement for disbursement of state funding. Task 6 will include work associated with securing the local share of funding including administration of local financing mechanisms (updating the Levee Impact Fee, administering the currently in place TRLIA Community Facilities Districts, and providing technical support for the Yuba County and Yuba County Water Agency financing).

Budget

EPS proposes to revise the total budget of the contract from $190,000 to $390,000 as outlined in Attachment 1. EPS has expended roughly all of the $190,000 approved budget through Fiscal Year 2007-08 and estimates that the additional work to be authorized through Fiscal Year 2008-09 will require an additional $200,000 to complete. Therefore, if approved, the total contract amendment authorization will be increased to $390,000.

Schedule

EPS will complete the authorized assignments on an as-needed, mutually agreeable schedule. This amended agreement will continue to allow EPS to provide services through June 30, 2009.
EPS thanks you for the opportunity to continue working with TRLIA. To approve the Third Amendment, please sign below, return one original letter agreement to EPS, and keep the other one for your records. Please call Project Manager Seth Wurzel at (916) 649-8010 if you have questions regarding this amendment.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.

Tim R. Youmans
Managing Principal

David Zehnder
Managing Principal

attachments
Third Amendment to Agreement for Consulting Services  
EPS #16497

This Third Amendatory Agreement is made and entered into this _____ day of _______________ 2008, by and between the Three Rivers Levee Improvement Authority, a California Joint Powers Authority (CLIENT), and Economic & Planning Systems, Inc., (CONSULTANT).

WHEREAS, CLIENT and CONSULTANT entered into an agreement on November 21, 2006, to provide professional consulting services (Agreement);

WHEREAS, CLIENT and CONSULTANT entered into the First Amendment to Agreement for Consulting Services on July 17, 2007, to provide professional consulting services (First Amendment to Agreement);

WHEREAS, CLIENT and CONSULTANT entered into the Second Amendment to Agreement for Consulting Services on December 3, 2007, to provide professional consulting services (Second Amendment to Agreement);

WHEREAS, CLIENT and CONSULTANT desire to further extend the budget and scope of the Agreement;

NOW, THEREFORE, CLIENT and CONSULTANT agree to as follows:

1. Exhibit A of Agreement. The Scope of Work of this Agreement shall be modified to include additional services as outlined in Attachment 1 to this amendatory Agreement. The authorized budget of this agreement shall be revised, as further outlined in Attachment 1, to increase the maximum not-to-exceed amount by $200,000 from $190,000 to $390,000.

All other terms and conditions contained in the Agreement, the First Amendment to Agreement, and Second Amendment to Agreement shall remain in full force and effect.

This Amended Agreement is hereby executed on this _____ day of _______________ 2008.

Three Rivers Levee Improvement Authority
A California Joint Powers Authority

Paul Brunner, Executive Director

Economic & Planning Systems, Inc.
A California Corporation

Tim R. Younan, Managing Principal

Approved as to form:

David Zender, Managing Principal

Scott Shapiro, TRLIA Counsel
Attachment 1

to

Third Amendment to Agreement for Consulting Services; EPS #16497

Exhibit A of the Agreement shall be revised and amended to read as follows. Exhibit A—Attachment 1 shall be removed.

Amended Exhibit A

Scope of Work and Budget

1. Project Understanding

Economic & Planning Systems, Inc., (EPS) has been requested to provide financial consulting services and support to the Three Rivers Levee Improvement Authority (TRLIA) for the purpose of administering a funding program for levee improvements. These services are required to assist TRLIA in meeting its current contractual obligations under several agreements to fund levee improvements. These agreements include the prior agreement between certain landowners and TRLIA entitled the “Second Agreement for Advanced Funding and Reimbursement of Costs for Levee Improvements” (Second 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” (State Funding Agreement), and the “Agreement for Funding Between Three Rivers Levee Improvement Authority, County of Yuba, and Yuba County Water Agency” (YCWA/County Funding Agreement).

2. Scope of Work

Since the execution of the Second Amendment to this Agreement for Consulting Services, TRLIA has entered into the State Funding Agreement. The work described in Task 5 describes the work EPS will perform in furtherance of this Agreement.

The scope of work in the previous versions of this Agreement for Consulting Services primarily included technical support associated with TRLIA’s contractual obligations associated with the Second Funding Agreement. These obligations have been, for the most part, extinguished as a result of the landowners’ failure to fund according to the terms of that agreement and TRLIA’s determination that the agreement is no longer in effect. However, because funding was raised through the agreement, TRLIA may continue to have certain responsibilities with respect to administering reimbursements associated with that funding. The Scope of Work included in Task 6 outlines work associated with this Agreement as well as continued local funding.

The revised budgets for Tasks 5 and 6 also have been provided with this Exhibit A.

Task 5: Consolidated Task—Technical Support, Administration, and Implementation

Prior versions of this Agreement for Consulting Services included the administrative Tasks 1 through 4, which provided for the administration of the Second Funding Agreement, the administration of levee impact fee and building permit authorization, bond and CFD administration. The scope of work associated with these tasks, according to the Second
Amendment for Consulting Services, was rolled into a consolidated Task 5. The scope of work for Task 5 also included work associated with moving the levee impact fee program forward and securing a funding agreement with the State, as well as implementing/revising any local funding mechanisms.

The scope of work for Task 5 is now revised to include only work associated with implementing and administering the State Funding Agreement. Tasks 1 through 4, as their budgets have been expended, are hereby removed.

EPS will work with Yuba County (County) and TRLIA to provide support in negotiating with the State to implement and administer a funding program for completing Phase 4 levee improvement work. This includes providing technical support on an as-needed basis for negotiating funding agreements to secure the local share of funding required, as well as preparing the required material associated with acquiring funds through the State Funding Agreement. The work may include these:

- Preparing a financial plan for Phase 4 Feather River levee improvements;
- Assisting with development of a project cash flow that will be used to provide the necessary data required for work plans described in the State Funding Agreement;
- Preparing supporting documentation needed to invoice the State;
- Attending meetings and required conference calls; and
- Providing, on an ad-hoc basis, technical analysis and data as needed.

Task 6: Local Funding Mechanism Administration

Task 6'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 the unraveling of the Second Funding Agreement. In addition, EPS will provide technical support associated with the financing contemplated in the YCWA/County Funding Agreement, as well as the levee impact fee program. EPS'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, 2009 (the remainder of Fiscal Year 2007-08 and Fiscal Year 2008-09).

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 for the remainder of Fiscal Year 2007-08 and the entirety of Fiscal Year 2008-09 until June 30, 2009. The attached Table 1 presents the amended budget.

The total budget to provide all prior work under prior versions of this agreement as well as the listed scope of work for the amended contract period is $390,000. This is EPS’s estimate, based on previously completed work, 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. EPS charges for its services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; therefore, EPS will bill only for the work completed up to the authorized budget amount. EPS’s Hourly Billing Rates are periodically updated and are attached as part of this Amendment Agreement along with EPS’s Standard Terms and Conditions. If additional work is required or requested, EPS 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.

The following table is a breakdown of the budget for each component of the proposed scope of work.

EPS will send request for payment to TRLIA on a monthly basis after the completion of services. EPS will request payment for services by the tasks indicated in the following table.

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 5—(3107-3271)
Task 6—(3006-3052)
### Table 1
Third Amendment to Agreement for Consulting Services; EPS #16497

#### Revised Budget

<table>
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<tr>
<th>Line Item</th>
<th>Prior Authorized Budget Amounts (Through FY 07-08)</th>
<th>Estimated Amount (Through FY 08-09)</th>
<th>Total Amended Contract Amount</th>
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<td>Prior Tasks 1 through 4</td>
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<td>$115,000</td>
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<td>$100,000</td>
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<tr>
<td>Total Budgets</td>
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<td>$200,000</td>
<td>$390,000</td>
</tr>
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</table>
TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director  
Anja Kelsey, Environmental Manager
SUBJECT: Feather River Levee Repair Project (FRLRP) CEQA Addendum #1 Update
DATE: May 6, 2008

Recommended Action: Approve Resolution that adopts FRLRP CEQA Addendum #1 Findings

Background: The Board approved an addendum to the Feather River Levee Repair Project EIR as the appropriate course of analysis on April 15th, 2008. This updated staff report serves to provide the Board with a background for approval of findings for this addendum.

Section 15162 of the State CEQA guidelines can be summarized as requiring that a subsequent EIR be prepared if any of the following apply:

- Substantial changes are proposed to the project which will require major revisions to the EIR and increase the severity of significant effects;
- Substantial changes occur with respect to the circumstances under which the project is undertaken;
- New information of significant importance regarding the project is brought to light which was not known and could not have been known at the time the EIR was certified.

Based on the analysis of the categories of environmental impacts evaluated above, implementing the FRLRP with modifications as described in this CEQA addendum would result in none of the condition described in Section 15162 of the State CEQA guidelines calling for preparation of a subsequent EIR. In summary, there are no altered circumstances or new information of substantial importance since certification of the FRLRP EIR, and the project and the project modifications in this addendum.

Discussion: The lead agency is required to supply findings for this action under CEQA Section 15162 and should be included as part of the addendum. The findings for addendum #1 are attached.

TRLIA is required to adequately address CEQA compliance in the form of an EIR Addendum to the 2006 EIR in order to address this borrow site addition. There are no public review requirements for an EIR addendum: upon submittal to the State Clearing House and the Office of Planning and Research, a 45 day statutory period of protest and/or challenge exists, however this does not prevent TRLIA from initiating construction on these affected borrow sites.

Fiscal Impact: The construction work that is analyzed in this addendum is included in the pending Prop 1E funding agreement, which was executed by the State on April 25, 2008.
I. INTRODUCTION

A. Feather River Levee Repair Project Environmental Impact Report

On August 4, 2006, the draft environmental impact report (DEIR) for the Feather River Levee Repair Project (FRLRP) was distributed to public agencies and the general public. The lead agency under the California Environmental Quality Act (CEQA) is the Three Rivers Levee Improvement Authority (TRLIA), a joint powers authority composed of Yuba County and the Reclamation District 784. In November 2006, the final environmental impact report (FEIR), addressing written and oral comments received on the DEIR, was distributed to the public agencies and the general public. The TRLIA Board of Directors certified the environmental impact report (EIR), consisting of the DEIR and the FEIR, on February 6, 2007. The EIR was prepared in accordance with the requirements of CEQA and the State CEQA Guidelines.

The FRLRP consists of levee improvements along segments of the existing Feather River and Yuba River levees in southern Yuba County. The EIR evaluated three project alternatives at an equal level of detail and a no-project alternative. Concurrent with certification of the EIR, the TRLIA Board of Directors approved Alternative 2, the "Levee Strengthening and ASB [Above Star Bend] Setback Levee Alternative," for implementation. Activities included in Alternative 2 are divided into three project segments as follows:

- Segment 1 - The existing Feather River left (east) bank levee from Project Levee Mile (PLM) 13.3 to PLM 17.2 (from approximately Pump Station No. 2 to Star Bend). Proposed improvements to this levee segment consist of repairing and strengthening the existing levee in place to correct seepage and/or stability deficiencies.

- Segment 2 - The existing Feather River left bank levee from approximately PLM 17.2 to PLM 23.4 (from Star Bend to immediately south of Shanghai Bend [west of the Yuba County Airport]). Proposed improvements to this levee segment consist of replacing the existing levee with a new setback levee (the ASB setback levee). Relocation and replacement of the existing RD 784 Pump Station No. 3 is also included with Segment 2.

- Segment 3 - The existing Feather River left bank levee from PLM 23.4 to PLM 26.1, and the Yuba River left (south) bank levee from PLM 0.0 to PLM 0.3 (west of the Yuba County Airport to the railroad crossing at the State Route [SR] 70 bridge). Proposed levee improvements in this area consist of repairing and
strengthening the existing levee in place to correct seepage and/or stability deficiencies.

Since certification of the EIR, design and permitting for FRLRP Alternative 2 has proceeded. In summer 2007, these processes were completed for improvements of the existing levee in project Segments 1 and 3. Construction was initiated in Segment 3 in late summer 2007 and is anticipated to be completed in Segments 1 and 3 in 2008. Levee improvements and construction processes in these segments are consistent with those described in the EIR. However, as a result of information gathered during the detailed design process, coordination with utility providers affected by the project, and changes in land acquisition conditions, minor modifications have been made to the Segment 2 portion of the project relative to the details described in the EIR.

The three project alternatives evaluated in the EIR were developed based on a preliminary design effort. The structural features of the proposed levee repairs and the setback levee (i.e., the improvements in Segments 1, 2, and 3) included in all of the alternatives were developed to a level of detail sufficient for a complete project-level environmental analysis consistent with Section 15161 of the State CEQA Guidelines. An increase in the availability of detailed information regarding the approved project (in this case, Alternative 2) is to be expected as a project transitions from a preliminary design effort for several alternatives to a final design for a single alternative.

The additional project detail for FRLRP Segment 2 relates primarily to soil borrow areas and utility relocations. A portion of one soil borrow area evaluated in the EIR has been found to contain material that does not meet agency standards for construction of the setback levee, and new potential soil borrow areas have been identified. Pacific Gas and Electric Company (PG&E) has determined, based on a detailed design effort that towers supporting the Bogue Loop electrical transmission line, which crosses the future levee setback area, will require replacement rather than the reinforcement assumed in the EIR. In addition to these differences, further consideration of the construction processes needed for the setback levee show that public access to the Star Bend Boat Ramp will need to be restricted during construction for approximately 30 days rather than the 2-3 days assumed in the EIR.

TRLIA, as lead agency for the project under CEQA, has determined that these changes to FRLRP Segment 2 elements require minor modifications and clarifications to the EIR and warrant preparation of this EIR addendum in accordance with Section 15164 of the State CEQA Guidelines.

B. Proposed Project Subject to the Addendum

If, after certification of an EIR, altered conditions or changes or additions to a project occur, CEQA provides three mechanisms to address these changes: a subsequent EIR, a supplement to an EIR, and an addendum to an EIR.

Section 15162 of the State CEQA Guidelines describes the conditions under which preparation of a subsequent EIR would be appropriate. When an EIR has been certified for a project, preparation of a subsequent EIR would be appropriate if the lead agency determines, on the basis of substantial evidence in light of the whole record, that one or more of the following conditions is met:
(1) substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects;

(2) substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows any of the following:

(A) the project will have one or more significant effects not discussed in the previous EIR.;

(B) significant effects previously examined will be substantially more severe than shown in the previous EIR.;

(C) mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or

(D) mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Section 15163 of the State CEQA Guidelines states that a lead agency may choose to prepare a supplement to an EIR, rather than a subsequent EIR if:

(1) any of the conditions described above for Section 15162 would require the preparation of a subsequent EIR., and

(2) only minor additions or changes would be necessary to make the previous EIR adequately apply to the project in the changed situation.

Section 15164 of the State CEQA Guidelines states that a lead agency may prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described above for Section 15162 calling for preparation of a subsequent EIR have occurred.

The differences between the FRLRP as described in the FRLRP EIR and approved by TRLIA and additional or modified elements of the Segment 2 portion of the FRLRP as they are currently known constitute changes consistent with Section 15164 that may be addressed in an addendum to an EIR. As described in Chapter 2 of this document, "Description of Modified FRLRP Segment 2 Elements" and Chapter 3, "Environmental Analysis of Modified FRLRP Segment 2 Elements," none of the conditions described above for Section 15162 calling for preparation of a subsequent EIR have been met. In addition, the FRLRP EIR and associated Mitigation Monitoring and
Reporting Program remain valid for assessing and mitigating identified impacts that would result from implementation of the approved project.

Changes to the FRLRP as described in this addendum and any altered conditions since certification of the EIR on February 6, 2007:

- would not result in any new significant environmental effects and
- would not substantially increase the severity of previously identified effects.
- In addition, no new information of substantial importance has arisen that shows that:
  - the project would have new significant effects,
  - the project would have substantially more severe effects,
  - mitigation measures or alternatives previously found to be infeasible would in fact be feasible, or
  - mitigation measures or alternatives that are considerably different from those analyzed in the EIR would
- substantially reduce one or more significant effects on the environment.

Because minor clarifying changes and additions to the FRLRP EIR are necessary to accommodate additional or modified elements of the Segment 2 improvements, and none of the conditions described in Section 15162 of the State CEQA Guidelines calling for preparation of a subsequent EIR have occurred, an addendum to the FRLRP EIR, consistent with Section 15164 of the State CEQA Guidelines, is the appropriate mechanism to address the project modifications.

C. Proposed Project Subject to the Addendum

The Findings and recommendations set forth below ("Findings") are made and recommended by the TRLIA Board of Directors, for adoption by the Board, as the Board’s findings under CEQA and the CEQA Guidelines (Cal. Code Regs., title 14, § 15000 et seq.) relating to the Project. The Findings provide the written analysis and conclusions of this Board regarding the determination that the Project, as amended, will not result in any of the conditions requiring a subsequent or supplemental EIR, as described in Sections 15164 of the CEQA Guidelines. Specifically, the Board finds and determines the following:

II. GENERAL FINDINGS AND OVERVIEW

A. Changes in Project Description for Alternative 2 of the Feather River Levee Repair Project EIR.

The following three elements of the FRLRP Segment 2 project description for Alternative 2 (the approved project) have undergone minor changes since the FRLRP EIR was certified and Alternative 2 was approved for implementation:
New potential soil borrow areas have been identified to replace borrow areas evaluated in the EIR;

Several existing PG&E transmission line towers, rather than being reinforced, will require replacement with stronger, taller towers, and;

Public access to the Star Bend Boat Ramp will need to be restricted for approximately 30 days during construction, rather than 2-3 days.

B. Consideration of the Addendum

In recommending adoption of these Findings, this Board finds that the Addendum was presented to this Board, which reviewed and considered the information in the Addendum prior to recommending approval of the addendum. By these findings, this Board ratifies, adopts and incorporates the analysis, explanation, findings, responses to comments and conclusions of the Addendum. The Addendum represents the independent judgment of the Board.

C. Severability

If any term, provision, or portion of these Findings or the application of these Findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these Findings, or their application to other actions related to the Feather River Levee Setback Project, shall continue in full force and effect unless amended or modified by the Board.

III. FINDINGS IN SUPPORT OF THE ADDENDUM

The Board hereby finds that approval and development of the Project will not result in any of the conditions requiring an EIR addendum, as described in Sections 15164 of the CEQA Guidelines. Specifically, the Board finds and determines the following:

A. Findings Regarding No Substantial Change in the Project Requiring Preparation of an EIR Addendum.

Finding: Based on the entire record before it, the Board finds that the Project will not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects such that major revisions will be required in the addendum for the Feather River Levee Repair Project.

Evidence in Support of Finding: The following identifies the differences between the Project (as proposed amended) and the current FRLRP Project approvals that warrant minor changes or additions to the addendum, including a discussion of the evidence supporting the finding that the changes to the Project will not result in new impacts or a substantial increase in the severity of the previously identified impacts:

B. Findings Regarding No Substantial Change in Circumstances Regarding the Project Requiring Preparation of an Addendum.
Finding: Based on the entire record before it, the Board finds that there are no substantial changes with respect to the circumstances under which the Project will be constructed which will require major revisions to the addendum due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Evidence in Support of Finding: Since certification of the addendum and approval of the current project approvals for the project, no changes to the regulatory background or existing conditions related to the project relative to land use; population, employment, and housing; air quality; noise; geology, soils and mineral resources; hazardous materials and public health; public services; public utilities; recreation; terrestrial biology; fisheries; cultural resources; aesthetic resources; growth inducing impacts; or project alternatives have occurred that would result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

There have been changes in the circumstances under which the Project will be developed related to existing traffic conditions, hydrology and water quality, agricultural resources and cumulative impacts associated with the project since certification of the addendum. However, as discussed below, none of these changes would result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. As such, the following changes would not trigger the need for subsequent environmental review for the Project.

C. Findings of No New Information of Substantial Importance Regarding the Project Requiring Preparation of a Subsequent EIR.

Finding: Based on the entire record before it, the Board finds that there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the ADDENDUM for the FRLRP was certified as complete, which shows any of the following:

1. The Project will have one or more significant effects not discussed in the addendum;
2. Significant effects previously examined will be substantially more severe than shown in the addendum;
3. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or
4. Mitigation measures or alternatives which are considerably different from those analyzed in the addendum would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Evidence in Support of Finding: Since certification of the addendum and the current project approvals in 2007, there has been no new information of substantial importance related to the Project relative to land use; population, employment, and
housing; traffic; air quality; noise; geology, soils and mineral resources; hydrology and water quality; hazardous materials and public health; public services; public utilities; recreation; agricultural resources; terrestrial biology; aesthetic resources; growth inducing impacts; or project alternatives that would result in new significant impacts, significant changes in the severity of previously identified environmental impacts, or significant changes in the effectiveness or applicability of mitigation measures and project alternatives.

New information of substantial importance related to fisheries, cultural resources and cumulative impacts associated with the Project has been discovered since addendum certification. However, none of this new information would result in new significant impacts, significant changes in the severity of previously identified environmental impacts, or significant changes in the effectiveness or applicability of mitigation measures and project alternatives. Thus, there is no new information that would trigger the need for subsequent environmental review for the Project.
May 6, 2008

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
Doug Handen, Construction Manager
SUBJECT: Contract No. PH4-2007-08-01
Phase 4 Feather River Levee Repair Project
Segments 1 and Site 7 Extension - Notice to Proceed

**Recommended Action**
Ratify the Executive Director's action to award and issue Notice to Proceed (NTP) to Nordic Industries, Inc. for the Feather River Levee Repair Project, Segment 1 and the alternative for the Site 7 Extension Work in an amount of $8,693,951.

**Background**
TRLIA accepted bids for the Feather River Levee Repair Project, Segments 1 and 3, and the Site 7 Extension Alternative on 6/21/07. Two complete bids were received and Nordic Industries, Inc. provided the lowest bid. Envirocon provided the second bid at a price approximately 4% higher than the bid provided by Nordic.

The bid documents for this project included two bid schedules. Bid Schedule “A” was priced to reflect an award of both Segment 1 and 3 with Site 7 as a TRLIA option. Bid Schedule “B” was priced to include only Segment 3 with Segment 1 and Site 7 as TRLIA a option. Nordic Industries provided identical pricing for both Schedule “A” and “B”.

On August 14, 2007 the TRLIA Board delegated the authority to the Executive Director to award contracts to Nordic Industries, Inc. for Segment 1 in an amount not to exceed $6,123,581 and Site 7 in an amount not to exceed $1,977,670 for all/or portion of the Feather River Levee Repair Project with Notices to Proceed subject to funding; authorized the Executive Director to execute contracts upon submittal, review, and approval of Counsel; and directed that the contract not be awarded until State Proposition 1E grant letter is received.

**Discussion**
At the April 15, 2008 TRLIA Board meeting the Executive Director advised the TRLIA Board that:

1. DWR (Lester Snow) had signed the Prop 1E agreement and that the State contracting office (DGS) was close to fully executing the agreement. The final State approval was received on April 25, 2008.
2. Nordic Industries was willing to accept the financial risk should the State Prop 1E agreement not be executed and would like to go to work ASAP.
3. Based on items 1 and 2 above the Executive Director advised the Board that the conditions required by the August 14, 2007 action had been met and that he would be
issuing the Notice to Proceed to Nordic for Segment 1 and Site 7 once contract negotiations were completed. The Board did not express any concern regarding the Executive Director's plan.

However, in order to best protect the Executive Director's decision to proceed, the Board requested the Executive Director to bring this item to the next TRLIA Board meeting for formal Board approval.

TRLIA and Nordic have negotiated phasing costs for Segment 1 and Site 7, which allow for labor and material costs adjustments since the work will start one year later than originally planned. These costs are as follows:

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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Base Bid Segment 1</td>
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<tr>
<td>Base Bid Site 7 Extension</td>
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<td>Segment 1 Fuel related increase</td>
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<td>Segment 1 Labor related increase</td>
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<td>Site 7 Fuel related increase</td>
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<tr>
<td><strong>Total Revised Contract Amount</strong></td>
<td><strong>$8,693,951</strong></td>
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The Notice to Proceed was issued for this work on April 24, 2008 (see attachment).

**Fiscal Impact:**
The State Prop 1E funding agreement was fully executed on April 25, 2008. The State Prop 1E funding agreement requires all work related to Segment 1 and Site 7 to be paid with local funds. Consequently, the funding for work will come from the following sources:
- The Yuba County-YCWA joint financing;
- County agreement with Axel Karlshoej

Nordic Industries acknowledged in the April 15, 2008 NTP:
1. The NTP was being issued prior to obtaining full funding for this work.
2. The funding for this project is entirely from “local share funds” as described in the State/TRLIA Prop 1E funding agreement.
3. A significant portion of these funds is not currently anticipated to be available until August of 2008 when funding mechanisms from Yuba County/YCWA have been established.
4. Currently the only source of local funding for this work is provided by the Yuba County agreement with Axel Karlshoej dated April 1, 2008 that is part of the TRLIA/State Prop 1E financial plan. This Yuba County/Karlshoej agreement is contingent upon the State Prop 1E agreement being executed.
5. Nordic Industries accepts the financial risk for any work accomplished under this NTP if the State Prop 1E contract is not executed.
6. Nordic Industries also acknowledged the above financial constraints and agreed to either carry the cost of the construction work at no interest until August 15, 2008, or accelerate the payment schedule outlined in the Yuba County/Karlshoej agreement.
7. Nordic reserved the right to delay the commencement of work prior to obtaining verification of TRLIA’s ability to process progress payments within the terms of the Work Agreement for this project.

Attachment:
Notice to Proceed, April 24, 2008
April 24, 2008

NOTICE TO PROCEED

Nordic Industries, Inc.
1437 Furneaux Road
Marysville, CA 95901
Attention: Jens Karlshoej

SUBJ: Three Rivers Levee Improvement Authority Phase 4 – Feather River Levee Project,
Segment 1 and Site 7 - Notice to Proceed, Contract No. PH4-2007/08-01

Dear Mr. Karlshoej:

On August 14, 2007, the Three Rivers Levee Improvement Authority Board authorized the Executive Director to award a contract for the aforementioned project once the State Prop 1E grant letter was received. TRLIA has received the State Prop 1E approval letter, but has not yet received a fully executed State Prop 1E funding agreement (the State has signed the agreement, but DGS has not yet executed the agreement). This means that funding for the work can not yet be assured. Nordic Industries has asked that TRLIA provide a Notice To Proceed (NTP) for this work prior to the final State/TRLIA Prop 1E agreement is executed and is agreeable to the conditions outlined below in order for the work to proceed now.

This NTP is for Bid Schedule “B” of the Feather River Levee Repair Project- Segment 1 and the Site 7 Extension. The following is a summary of the total base bid and subsequent contract modifications based on the time extension associated with this project:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Bid Segment 1</td>
<td>$6,123,581</td>
</tr>
<tr>
<td>Base Bid Site 7 Extension</td>
<td>$1,977,670</td>
</tr>
<tr>
<td>Fuel Related Increases Segment 1</td>
<td>$ 426,000</td>
</tr>
<tr>
<td>Labor Related Increases Segment 1</td>
<td>$ 84,000</td>
</tr>
<tr>
<td>Fuel Increases to Site 7</td>
<td>$ 67,700</td>
</tr>
<tr>
<td>Labor Increases to Site 7</td>
<td>$ 15,000</td>
</tr>
</tbody>
</table>

Total of base bid and modifications $8,693,951
The Notice of Proceed includes the following conditions:

- Work on the "Valley View Property" within the Site 7 Extension shall not proceed until all real estate clearances have been provided to TRLIA.

- The waterside blanket from station 85+00 to 95+00 of Segment 1 shall not be performed prior to the issuance of an Encroachment Permit modification by the Department of Water Resources.

- The grading related to the levee elevation increases from station 185+00 to 221+00 shall not be performed prior to the issuance of an Encroachment Permit modification by the Department of Water Resources.

- The Soil-Bentonite Cutoff Wall from Station 246+00 to 249+00 shall be deleted from this project. Work associated with the Soil-Bentonite Cutoff Wall from Station 220+00 to 246+00 shall not proceed until written notification has been provided by TRLIA.

- SCB walls shall be installed at a depth of 5 feet greater than that shown on the construction drawings. This work shall be paid for at bid unit pricing.

- Nordic Industries acknowledges that TRLIA is providing this NTP prior to obtaining full funding for this work. The funding for this project is entirely from "local share funds" as described in the State/TRLIA Prop 1E funding agreement. A significant portion of these funds is not currently anticipated until August of 2008 when funding mechanisms from Yuba County/YCWA have been established. Currently the only source of local funding for this work is provided by the Yuba County agreement with Axel Karlshoej, dated April 1, 2008 that is part of the TRLIA/State Prop 1E financial plan. This Yuba County/Karlshoej agreement is contingent upon the State Prop 1E agreement being executed. Nordic Industries accepts the financial risk for any work accomplished under this NTP should the State Prop 1E contract not be executed. TRLIA shall notify Nordic when the State Agreement has been fully executed. Nordic Industries also acknowledges the above financial constraints and agrees to either carry the cost of the construction work at no interest until August 15, 2008, or accelerate the payment schedule outlined in the Yuba County/Karlshoej agreement. Nordic reserves the right to delay the commencement of work prior to obtaining verification of TRLIA's ability to process progress payments within the terms of the Work Agreement for this project.
In accordance with Section 7-1 (Beginning of Work), SP-15 (Start Time and Time of Completion) of the Contract Specifications, you are requested to begin work within 10 calendar days from the date of this letter or the date that you receive this letter.

Please sign below acknowledging receipt of the subject documents and return a copy of this letter to this office.

Sincerely,

Paul G. Brunner, P.E.
Executive Director

Please sign below acknowledging receipt of this letter and return one signed copy.

By ________________________________
Date April 25, 2008

Vice President