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

OCTOBER 3, 2017 – 3:30 P.M.

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

I ROLL CALL – Directors Atwal, Brown, Lofton, Ritchie, Vasquez

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 ACTION ITEM:

1. Approve meeting minutes of September 19, 2017.

2. Approve Amendment No. 5 to professional services agreement with Larsen Wurzel and Associates Inc. in the amount of $175,000 extending term by two years through December 31, 2019 and authorize Executive Director to execute upon review and approval of Counsel.

3. Approve Memorandum of Agreement between Three Rivers Levee Improvement Authority and the County of Yuba for support services and authorize Executive Director to execute upon review and approval of Counsel.

4. Approve lease extension for office space at One Stop Center with Yuba County Office of Education extending termination date of lease until December 31, 2020 and authorize Executive Director to execute upon review and approval of Counsel.

IV BOARD AND STAFF MEMBER REPORTS

A. Financial Statements for Fiscal Year 2015/2016

B. Miscellaneous reports

V ADJOURN

The complete agenda, including backup material, is available at the Yuba County Government Center, 915 8th Street, Suite 109, the County Library at 303 Second Street, Marysville, and www.trlia.org. Any disclosable public record related to an open session item on the agenda and distributed to all or a majority of the Board of Directors less than 72 hours prior to the meeting are available for public inspection at Suite 109 during normal business hours.

In compliance with the 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

SEPTEMBER 19, 2017

MINUTES

Call to order 2:00 p.m. with a quorum being present as follows: Directors Sarbdeep Atwal, Rick Brown, Doug Lofton, Edward Ritchie, and Andy Vasquez. Also present were Executive Director Paul Brunner, Counsel Andrea Clark, and Secretary/Clerk of the Board of Supervisors Donna Stottlemyer. Chairman Brown presided.


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 AGENDA ITEMS

A. Approve minutes of the meeting of August 1, 2017.

   MOTION: Move to approve
   MOVED: Andy Vasquez
   SECOND: Edward Ritchie
   AYES: Rick Brown, Doug Lofton, Edward Ritchie, Andy Vasquez
   NOES: None
   ABSTAIN: None
   ABSENT: Sarbdeep Atwal

   Director Atwal joined the meeting at 2:01 p.m.

B. Approve Amendment No. 8 to agreement with CTA Engineering and Surveying in the amount of $82,500 for professional services and authorize Executive Director to execute. Executive Director Paul Brunner recapped expansion of work in the Goldfields required in addition to transfer of the Bear River setback area and responded to inquiries.

   MOTION: Move to approve
   MOVED: Doug Lofton
   SECOND: Andy Vasquez
   AYES: Sarbdeep Atwal, Rick Brown, Doug Lofton, Edward Ritchie, Andy Vasquez
   NOES: None
   ABSTAIN: None
   ABSENT: None

IV BOARD AND STAFF MEMBER REPORTS

Executive Director Paul Brunner:
   o Flood Management Association Conference held September 5-8, 2017
   o UFFR agreement update
   o Central Valley Flood Protection Board meeting September 22, 2107
   o Western Pacific Interceptor Canal project tour August 15
   o Yuba River erosion site update
   o Coordinating with Yuba County Water Agency regarding irrigation ditches crossing at Goldfields levee

V. CLOSED SESSION: The Board retired into closed session at 2:21 p.m. and returned at 3:37 p.m.
A. Public Employee Performance Evaluation Government Code §54957(b)(1) - Executive Director No report

B. Conference with Legal Counsel - Anticipated Litigation Significant exposure to litigation pursuant to Government Code paragraph (2) of subdivision (d) of Section 54956.9: One Case No report

VI. ADJOURN: 3:37 p.m.

______________________________
Chairman

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

______________________________
Approved: ____________________
Recommended Action:
Approve a 5th amendment to the agreement providing financial consulting services to TRLIA by Larsen Wurzel & Associates, Inc. (LWA) that adds an additional $175,000 and extends the term by two years through December 31, 2019. LWA’s services include financial consulting services and support for the preparation of TRLIA annual budget, annual audit, the ongoing administration of various State Funding Agreements and support for the local funding mechanisms including the Levee Impact Fee and Mello-Roos CFD’s. The Board’s approval would authorize the Executive Director to sign and execute Amendment No. 5 once Counsel has reviewed and approved the attached form of amendment.

Background:
On May 1, 2010, TRLIA entered into an Agreement for Consulting Services, (Agreement) with Capitol Public Finance Group, LLC and on June 1, 2011 this agreement was assigned to Larsen Wurzel & Associates, Inc (formerly Seth Wurzel Consulting, Inc.) The current term of the amended Agreement provided services through December 31, 2017. The contract currently provides a budget of $795,000 and, as of services provided through September 2017, a budget of approximately $20,000 remains.

Discussion:
As an integral part of TRLIA’s team implementing and administering TRLIA’s funding programs with the Department of Water Resources and its local partners, Seth’s involvement in the TRLIA levee improvement program is necessary. In order for Seth to continue to provide services to TRLIA, the Agreement with LWA needs to be amended in order to extend its term and budget.

The Agreement is proposed to be amended to increase the contract amount by $175,000 to allow the needed financial consulting services to be available to perform the following tasks through December 31, 2019 (an additional 24 months).

The primary scope of work provided through the contract includes the following:

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

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

- Preparing quarterly work plans and progress reports and quarterly statements of costs;
- Assisting with development of a project cash flow that will be used to provide the necessary data required for quarterly reports;
- Preparing supporting documentation needed to invoice the State;
- Reviewing invoices for confirm and apply proper cost coding;
- Coordinating with the Auditor Controller’s Office to obtain data from their in-house cost accounting management system;
- Attending meetings and required conference calls; and
- Providing, on an ad-hoc basis, technical analysis and data as needed.

**Task 2: Local Funding Mechanism Administration**

Task 2’s scope includes work associated with administering the local funding for the remainder of TRLIA’s levee improvement program. This includes providing technical support associated with administering the YCWA/County Funding Agreement. In addition, TRLIA has provided technical support to the County associated with administration of the Three Rivers Levee Impact Fee including the associated Credit & Reimbursement program with impacted developers. Finally, LWA will provide technical support associated with the currently in place TRLIA Mello-Roos Districts. LWA’s work will include:

- Continued administration of the currently in place TRLIA CFDs;
- Preparing necessary information for the regular required disclosure’s to CDIAC and the redemption of outstanding TRLIA Mello-Roos debt;
- Preparing the required updates and review of the current TRLIA levee fee nexus study;
- Providing analyses and technical information associated with joint YCWA/County borrowing;
- Providing technical support to TRLIA to prepare required documentation pursuant to the YCWA/County Funding Agreement;
- Attending meetings and required conference calls; and
- Providing, on an ad-hoc basis, technical analysis and data as needed.

**Fiscal Impact:**

This is a time and material contract which means the tasks under this contract can be terminated, suspended, or minimized at any time. Agreements are in place with the State to cover a portion of this work. The remaining costs are covered with prior local fund as they reimbursed from the State.

1 Attachment:

1. Proposed Contract Amendment & Scope of Work Amendments
AMENDMENT NO. 5

AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
AND
LARSEN WURZEL & ASSOCIATES, INC.

THIS FIFTH AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES is made as of the execution date set forth below by and between the Three Rivers Levee Improvement Authority, a California Joint Powers Authority (THREE RIVERS LEVEE IMPROVEMENT AUTHORITY), and LARSEN WURZEL & ASSOCIATES, INC. formerly SETH WURZEL CONSULTING, INC. (CONSULTANT).

WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CAPITOL PUBLIC FINANCE GROUP, LLC (an assignor of the AGREEMENT to the CONSULTANT) entered into an agreement on April 27, 2010 to provide professional consulting services ("AGREEMENT");

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

WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CAPITOL PUBLIC FINANCE GROUP, LLC entered into THE FIRST AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES on June 15, 2010 amending both the term and base contract fee of the AGREEMENT.

WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, CAPITOL PUBLIC FINANCE GROUP, LLC and SETH WURZEL CONSULTING, INC. entered into an ASSIGNMENT AGREEMENT assigning the AGREEMENT from CAPITOL PUBLIC FINANCE GROUP, LLC to SETH WURZEL CONSULTING, INC. on June 1, 2011.

WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and SETH WURZEL CONSULTING, INC. entered into THE SECOND AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES on January 3, 2012 amending both the term and base contract fee of the AGREEMENT.

WHEREAS, on August 1, 2013 SETH WURZEL CONSULTING, INC. changed its name to LARSEN WURZEL & ASSOCIATES, INC.

WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and LARSEN WURZEL & ASSOCIATES, INC. entered into THE THIRD AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES on December 17, 2013 amending both the term and base contract fee of the AGREEMENT.

WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and LARSEN WURZEL & ASSOCIATES, INC. entered into THE FOURTH AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES on December 15, 2015 amending both the term and base contract fee of the AGREEMENT.
WHEREAS, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CONSULTANT desire to further extend the term and budget of the Agreement;

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

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

2. **OPERATIVE PROVISION 2 OF THE AGREEMENT, TERM.** Operative Provision 2 of the Agreement shall be revised to extend the termination date of the Agreement from December 31, 2017 to December 31, 2019.

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

   Contractor understands and agrees that there is no representation, implication, or understanding that the services provided by Contractor pursuant to this Agreement will be purchased by TRLIA under a new agreement following expiration or termination of this Agreement.

3. **ATTACHMENT B, ARTICLE B.1, BASE CONTRACT Fee.** Article B.1 shall be revised to increase the maximum not to exceed total contract fee of the Agreement by $175,000 from $795,000 to $970,000.

   All other terms and conditions contained in the AGREEMENT shall remain in full force and effect.
This FIFTH AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES is hereby executed on this _____ day of ______ 2017.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Paul G. Brunner, P.E.
Executive Director

LARSEN WURZEL & ASSOCIATES, INC.

Seth Wurzel
President

ATTEST:
DONNA STOTTLEMeyer
CLERK OF THE BOARD

APPROVED AS TO FORM:
ANDREA P. CLARK
THREE RIVERS LEVEE IMPROVEMENT GENERAL COUNSEL
Attachment A to Fifth Amendment

Scope of Work and Budget

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

3. Proposed Schedule

The performance period of this contract is from the date of execution of this contract through December 31, 2019. The term of this agreement maybe extended as needed through a contract modification mutually agreed to by the parties.

4. Proposed Budget and Payment

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

The total budget to provide all work for the listed scope of work for the contract period is $970,000, which includes this amendment for $175,000. This is CONSULTANT’s estimate of the amount of budget that may be required to perform the above-listed scope of work. With this type of work, a moderate level of uncertainty is inherent, and this uncertainty is reflected in this budget. Consequently, the estimated budget may be in excess of or under the funds required to perform the requested work.

CONSULTANT will charge for services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; therefore, CONSULTANT will bill only for the work completed up to the authorized budget amount. CONSULTANT’s hourly billing rates are included within Exhibit A attached hereto and are effective January 1, 2018.

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

CONSULTANT will send request for payment to TRLIA on a monthly basis after the completion of services.
Request for payment will be sent to the following address:
Three Rivers Levee Improvement Authority  
Auditor Controller  
915 8th Street, Suite 105  
Marysville, CA 95901  
Attn: Bonnie Roja

Task 1 Code: 3107 / 3125 – 3271 (FRLIP and UYRLIP EIP Work)  
Task 2 Code: 3006 – 3061 (Non-EIP General Local Funding Work)  
Task 4 Code: 3127-3550 (Goldfields Prop 13 Grant Work)  
Task 4B Code: 3128 – 3641 (Goldfields 200-Year UFRR Work)  
Task 5 Code: 3107/3125 -3279 (FRLIP and UYRLIP EIP Closeout Work)  
Task 6 Code: 3140 – 3600 (200-Year Non-EIP Compliance Work)  
Task 7 Code: 3006 – 3086 (Levee Fee Update)  
Task 8 Code: 3146 – 3621 (FESSRO Work)

(Other tasks and code may be identified as needed to properly segregate and track costs.)

Proper Cost Coding of time expended will be indicated on all requests for payment.
# Hourly Rate Schedule*

<table>
<thead>
<tr>
<th>Staff Billing Rates</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>$205.00</td>
<td>$215.00</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>$190.00</td>
<td>$195.00</td>
</tr>
<tr>
<td>Vice President</td>
<td>$185.00</td>
<td>$190.00</td>
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<tr>
<td>Project Manager</td>
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<tr>
<td>Project Engineer</td>
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<td>$160.00</td>
</tr>
<tr>
<td>Senior Analyst</td>
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<td>$155.00</td>
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<tr>
<td>Associate Engineer</td>
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</tr>
<tr>
<td>Assistant Engineer</td>
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<td>$140.00</td>
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<tr>
<td>Analyst II</td>
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<td>CAD Tech</td>
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<td>$130.00</td>
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<tr>
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<td>Project Coordinator</td>
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<tr>
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<tr>
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<tr>
<td>Clerical Staff</td>
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<td>$75.00</td>
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<tr>
<td>Engineering Intern</td>
<td>$60.00</td>
<td>$65.00</td>
</tr>
</tbody>
</table>

*Rates adjust January 1st of each year.

Automobile mileage is billed at the IRS federal reimbursement rate.

Professional services provided by others billed through LWA are billed at cost plus a service charge of 5%.

updated 4/28/17
October 3, 2017

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
SUBJECT: Memorandum of Agreement between the County of Yuba and Three Rivers Levee Improvement Authority for Support Services

**Recommended Action:**

Recommend that the Board of Directors approve and authorize the Chair to sign the attached Memorandum of Agreement (MOA) between Three Rivers Levee Improvement Authority (TRLIA) and the County of Yuba (County) for support services. The MOA has been reviewed and approved by our General Counsel.

**Background:**

Since the inception of TRLIA, County departments have provided support services to TRLIA. In 2006 the County of Yuba and TRLIA signed a MOA to provide these services: legal counsel, processing invoices, transportation, telephones, cell phone, information technology support, fiscal and accounting functions, banking functions and personnel management support.

**Discussion:**

The purpose of the proposed MOA is to update and delineate the current support services provided by the County to TRLIA and TRLIA to the County. It was developed with input TRLIA staff and from all County Departments that provide support services to TRLIA. The MOA was approved to be signed by the County at their meeting held on September 26, 2017.

**Fiscal Impact:**

No additional fiscal impact, as the services provided by the County under this MOA have already been included in the budget for FY 17/18.
FIRST AMENDED AND RESTATED MEMORANDUM OF AGREEMENT
BETWEEN THE COUNTY OF YUBA
AND THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
FOR SUPPORT SERVICES

This First Amended and Restated Memorandum of Agreement Between the County of Yuba and the Three Rivers Levee Improvement Authority for Support Services ("Amended Services Agreement") is entered into this 26th day of September 2017, by and between the County of Yuba, hereinafter "County", and the Three Rivers Levee Improvement Authority, hereinafter "TRLIA".

Recitals

A. Whereas, TRLIA and the County entered into a Memorandum of Agreement Between the County of Yuba and the Three Rivers Levee Improvement Authority for Support Services ("Services Agreement"), dated as of December 12, 2006;

B. Whereas, the County agreed to provide office space, equipment, supplies and personnel for TRLIA in the original Services Agreement;

C. Whereas, TRLIA and the County wish to continue to cooperate with respect to services associated with the functioning of TRLIA; and

D. Whereas, TRLIA and the County wish to amend and restate the original Services Agreement, and thus, hereby enter into this Amended Services Agreement, which supersedes the original Services Agreement.

Agreement

Now, therefore, it is agreed as follows:

1. Services to be Provided by the County Auditor include, but not be limited to:

   A. Perform general accounting functions including:

      a. Processing and reviewing Accounts Payable

      b. Processing and reviewing Accounts Receivables

      c. Budget management

      d. Preparing journal entries

      e. Managing the TRLIA sub ledger and reconciling with County financial system
B. Contract Management to include tracking expenditures to gauge contract performance.

C. Manage the payroll function to include receiving and reviewing timesheets and compiling necessary information for submission for approval and to payroll.

D. Assist with tracking of performance of TRLIA's Community Facilities Districts (CFDs).

E. Assist with research and grant submissions.

F. Prepare financial related reports as requested.

2. Information Technology Services to be provided by the County: The Administrative Services Department through the Information Technology Division will provide computer, office telephone, cell phone, and support services. These services shall include, but not be limited to:

   A. Telephone services and support.

   B. Internet and e-mail, support partnership in the Microsoft Enterprise Agreement and access to hardware, Microsoft Operating System, and Microsoft Office Suite technical support.

   C. Access to notices and other TRLIA information for the public through an Internet website.

   D. Information Technology Division Help Desk technical support on a per-hour basis.

3. Other Services to be Provided by County:

   A. The County, through the County Treasurer-Tax Collector, agrees to perform all banking and investment functions for TRLIA in accordance with Government Code §53649.

   B. The County, through the County Personnel Department, agrees to provide hiring and personnel management support and to establish and administer any personnel policies necessary or advisable, for carrying out the purposes of TRLIA.

   C. The County, through the County Risk Management Department, agrees to maintain in force (or through self-insurance) and administer the following insurances on behalf of TRLIA: (1) Workers' Compensation coverage for all employees of TRLIA; (2) Commercial General Liability providing coverage on an occurrence basis for bodily injury, personal injury, and property damage.
D. The County, through the Clerk of the Board of Supervisors Department agrees to provide Clerk services to the Authority, agenda and minute preparation, and maintain official records of the Authority.

E. The County, through the Department of Public Works will provide an automobile to TRLIA through the Automotive Services Fund.

F. The County through the Department of Administrative Services provide to TRLIA by Administrative Services will provide mail service, including interdepartmental, U.S. Mail and expedited.

4. Payment: In consideration of the County’s agreement to provide the services defined above, TRLIA agrees to make monthly, bi-monthly, or quarterly payments, as required, in amounts sufficient to reimburse the County for the entirety of its costs in performing under this Agreement. The County’s costs shall include all direct and indirect costs associated with the provision of services to TRLIA as determined by the County Auditor’s office. These costs may be based upon the County’s Cost Plan (A-87) or any other reasonable method, provided charges are not duplicated. Reimbursement shall include costs associated with services provided to TRLIA by the County’s Information Technology, Auditor, Treasurer-Tax Collector, County Administrator, Personnel, Risk Management, Buildings and Grounds, Community Development, Administrative Services offices, and Clerk of the Board of Supervisors. The County shall submit invoices or journal entries for reimbursable costs to the County Auditor on a monthly, bi-monthly, or quarterly basis.

5. TRLIA employees may provide services to the County departments and offices, as requested. TRLIA will be reimbursed by the County for these services on an hourly basis to be negotiated between TRLIA and the County department or office.

6. This Agreement shall remain in effect unless terminated upon six months written notice to the other party.
In Witness Whereof, the parties hereto have executed this Agreement as of the date set forth above.

Three Rivers Levee Improvement Authority

By:
Chairman
Three Rivers Levee Improvement Authority

County of Yuba

By:
Chairman
Board of Supervisors

Attest:

Donna Stottlemyer
Clerk of the Board of Supervisors

Approved as to form:

By:
Yuba County Counsel

By:
General Counsel
Three Rivers Levee Improvement Authority
October 3, 2017

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director
       Leslie Wells, Executive Assistant
SUBJCT: TRLIA Administrative Office Agreement Extension

Recommended Action:

Approve the proposed office lease extension with Yuba County Office of Education (Attached) and authorize the Executive Director to sign the lease agreement extending the termination date of the lease until December 31, 2020.

Discussion:

The current lease with the Yuba County Office of Education expires on December 31, 2017. The proposed lease extension would allow the administrative offices of TRLIA to remain at the One-Stop Center located at 1114 Yuba Street, Marysville until December 31, 2020. The terms and conditions of the lease are essentially the same and as they were prior to moving to the current TRLIA location at the One-Stop Center. The leased space has three office spaces, a file storage area and a conference room for a total of 1720 sq. ft. The lease rate is $1.50 per square foot. The proposed lease has California Price Index (CPI) incorporated into it.

Fiscal Impact:

The monthly rate for 2018 is $2,580 plus a $30 per charge per month for a secured vehicle parking space. The total cost per month is $2,610. The amount for the office lease is already allowed for in the budget.

Attachment:
Proposed Lease Extension
GROSS LEASE
BETWEEN YUBA COUNTY OFFICE OF EDUCATION
AND THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
FOR LEASE SPACE LOCATED AT
1114 YUBA STREET, MARYSVILLE, CALIFORNIA

Section 1. Lease
Section 2. Warranty by Landlord
Section 3. Term
Section 4. Renewal Extension Option
Section 5. Holding Over
Section 6. First Refusal
Section 7. Rent
Section 8. Service, Utilities and Supplies
Section 9. Use of Premises
Section 10. Insurance
Section 11. Insurance for Tenant’s Personal Property
Section 12. Indemnification
Section 13. Assignment and Subletting
Section 14. Other Provisions of Lease
Section 15. No Broker
Section 16. Notices
Section 17. Successors and Assigns
Section 18. Entry
Section 19. Late Charge and Interest
Section 20. Compliance with Legal Requirements; Tenant’s Obligations
Section 21. Environmental Certification
Section 22. Parking
Section 23. Attorney Fees
Section 24. Entire Agreement
Section 25. Time of Essence
Section 26. Governing Laws

Exhibit “A” Lease Space Allocation
Exhibit “B” Area Reference Plan Drawing
Exhibit “C” Technical Support of Computer Infrastructure, Tenant’s Phone Systems, and Security Systems
Exhibit “D” C.B.W.D. Rules

**************************
This Lease ("Lease") is made between Francisco Reveles, Ed.D., the Yuba County Superintendent of Schools, solely in his official capacity as an elected public official of Yuba County, California ("Landlord"), and the Three Rivers Levee Improvement Authority ("Tenant"), on this date January 1st, 2018.

Recitals

Landlord is the authorized agent of the Yuba County Board of Education, ("Owner"), the owner of the real property located in the City of Marysville, County of Yuba, State of California, described as One Stop Center for Business and Workforce Development ("Premises").

Section 1. Lease.

Landlord leases to Tenant on the terms and conditions in this Lease the following portion of the Premises:

Portions of a two-story office building ("Lease Space") located on Premises as set forth in Exhibit "A", attached hereto and by reference incorporated herein, and more specifically referred to as One Stop Center for Business and Workforce Development located at 1114 Yuba Street, Marysville, California.

Section 2. Warranty by Landlord.

Landlord warrants to Tenant that the Landlord is an authorized agent of the Owner and is empowered to enter into this Lease agreement on the Owner’s behalf.

Section 3. Term.

The term of this Lease ("Term") will commence on January 1st, 2018, ("Commencement Date"), and end on December 31st, 2020 ("Termination Date") unless terminated sooner in accordance with the provisions of this Lease. Upon Tenant’s possession of the Premises ("Possession"), tenancy will continue in accordance with terms of the Lease until the Termination Date of this Lease.
Section 4. Renewal Extension Option.

Landlord grants to Tenant the option to negotiate a new Lease upon written notification of intent to renew the Lease to Landlord from Tenant at least ninety (90) days prior to the Termination Date of this Lease. Tenant's privilege to exercise this option is expressly conditioned upon Tenant not having previously defaulted on the terms of the Lease, not being in default at the time the option is exercised, and not being in default between the time the option is exercised and the start of the new lease term.

Section 5. Holding Over.

Any holding over after the expiration of the Term of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month-to-month, cancelable by Landlord upon ninety (90) days written notice, with a Monthly Rent as existing during the last year of the Term of this Lease, and upon terms and conditions as existing during the last year of the Term of this Lease, until a new Lease is negotiated. Any holding over after the expiration of the Term, without the consent of Landlord, shall be construed to be a tenancy-at-will at a Monthly Rent of one hundred ten percent (110%) of the existing Monthly Rent, but otherwise on the terms and conditions in this Lease.

Section 6. First Refusal

If the Landlord elects to lease any space in the Premises other than that space presently occupied by Tenant, then Landlord shall first offer such space in writing to Tenant on terms no less favorable than those offered in their original lease agreement. If within ten (10) working days after receipt of such offer Tenant does not notify Landlord in writing that Tenant elects to lease such space, Landlord shall be relieved of any obligations to Tenant with regard to any such offering.

Section 7. Rent

Commencing on the Commencement Date, the Tenant shall pay monthly, in advance, a rent ("Monthly Rent") without notice or demand, as set forth below:

(a) For the first one year period of the Term of the Lease commencing from January 1st, 2018, and ending, December 31st,
2018, the Monthly Rent shall be computed at One Dollar and Fifty Cents ($1.50) per square foot for One Thousand Seven hundred and Twenty (1,720) square feet of rentable Tenant office space. The total monthly cost shall be Two Thousand Five Hundred and eighty Dollars and 00/100’S ($2,580.00).

(b) The Monthly Rent for the remaining one year of the Lease may be increased at the discretion of the Landlord. The adjustment to the Monthly Rent, if any, shall not exceed the previous year’s annual United States Consumer Price Index ("CPI") and shall be up to, but not exceeding, 10% over the term of the Lease. The Tenant shall be notified ninety-days (90 days) prior to the end of the first year of the two-year term of this lease.

The One Thousand Seven Hundred and Twenty (1,720) square feet of rentable Tenant office space is set forth in Exhibit “A” - Space Allocation and Exhibit “B” - Rentable Area Reference Plan Drawing. The Monthly Rent includes base lease space rental for the Premises and services, utilities, supplies, security and maintenance as set forth in more detail in section 8 of this lease.

The Monthly Rent shall be payable on the Commencement Date, continuing thereafter on the first day of each month. Monthly Rent payments shall be delivered to the following address:

Yuba County Office of Education
935 14th Street
Marysville, California 95901

Landlord may from time-to-time designate another address by written notice to Tenant. If the Term begins or ends on a day other than the first or last day of a month, the rent for the partial months will be prorated on a per diem basis.

Section 8. Services, Utilities and Supplies.

Landlord, at Landlord’s sole cost and expense, during the term of this Lease, shall furnish the following services, utilities, and supplies to the areas leased by the Tenant:
(a) Elevator service

(b) Maintenance of Premises in good operating condition and appearance to include, but not necessarily limited to, the following:

1) Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballasts, starters, and filters for the heating, ventilating and air conditioning equipment as required
2) Furnishing remedial painting as necessary to maintain the Premises in a neat and clean condition
3) Furnishing prompt, good quality repair of the building, equipment, and appurtenances
4) Annual testing and maintenance of all fire extinguishers in or adjacent to the leased premises

(c) Security monitoring service with access fobs and security codes. Gross lease services include physical on-site security services Monday through Friday, 8:00 am through 6:30 pm. Tenant shall make arrangements and pay for the actual cost of any additional on-site security service outside this Lease Agreement with the Landlord.

(d) *Janitorial services sufficient to maintain the interior in a clean, well-maintained condition to the greatest practical degree possible, by more specially performing the following:

**Daily or as Needed:**
1) Clean and maintain in a sanitary and odor-free condition all floors, wash mirrors, basins, toilet bowls and urinals.
2) Empty and clean all trash containers, and dispose of all trash and rubbish.
3) Furnish and replenish all toilet room supplies (including soap, towels, seat covers, and toilet tissue.)

**Twice Weekly or as Needed:**
1) Vacuum all carpets.

**As Needed:**
1) Dust the tops of all furniture, counters, cabinets, and window sills.
2) Clean and damp-mop reception area.
3) Carpet sweep all carpeted areas.
4) Spot clean all walls.
7) Sweep parking areas and sidewalks
8) Dust all window blinds.
9) Strip all hard surface floors and apply a new coat of floor finish; buff as necessary to produce a uniformly shining appearance.
10) Wash all windows, window blinds, light fixtures, walls and painted surfaces.
11) Steam clean carpets to remove all stains and spots.

* Extent of janitorial services dependent on Tenant spaces being kept in a manner whereby surfaces and areas to be cleaned can be accessed without moving and replacing personal items and equipment.

The utility baseline expenses incurred by the Landlord are established at the Commencement Date. The Tenant’s Commencement Date baseline utility costs are established at an averaged monthly cost of $0.20 per square foot of rentable area leased per month. Baseline utility expense rate established covers the Tenant’s share of the Landlord’s utility costs related to electric, gas, water, sewer, and garbage in providing the services and utilities, as set forth below:

(a) Sewer, trash disposal, and water service including both hot and cold water to the lavatories

(b) Electricity and/or gas as necessary to provide power for heating, ventilating, and air conditioning.

Landlord reserves the right to adjust the Monthly Rent upwards in the event of an increase in the established baseline utility costs. For purposes of this section, an increase in utilities costs means Premise’s cumulative aggregate increase in any such charges in excess of five percent (5%) aggregate over the term of the Lease. Utility increases shall be documented by the Landlord and provided to the Tenant, and shall solely reflect the actual increase in Landlord’s costs of utility operation of the Premises.

Landlord shall make available a telephone system for the premises. Tenant shall utilize said telephone system and receive local area phone service at Landlord’s expense. Landlord shall make available a local area network for Computers and Security System on the Premises. Landlord shall provide technical support services for phone system,
Network infrastructure/low voltage cable, Computer Local area network and Security System in accordance with Exhibit "C". Long distance phone usage will be invoiced.

Section 9. Use of Premises.

The Premises will be used and occupied only for office, classroom, and education purposes in accordance with both this Agreement and the Center for Business and Workforce Development ("C.B.W.D.") Rules as set forth in Exhibit "D", and for any necessary and related use or purpose, and for no other use or purpose. Any extended use of the Premises beyond the Tenant’s normal business hours shall result in a pro rata increase in rental assessments to compensate Landlord for such extended use. Tenant’s normal business hours shall be deemed to be 8:00am to 6:30pm Monday through Friday. Tenant shall maintain the Premises in a professional manner and appearance. This does not alter in any fashion any obligation of Landlord to maintain the Premises and the common areas of the Premises. Tenant shall not undertake any remodeling, redecoration, or alteration, including painting and wall coverings, to the Premises without first receiving Landlord's written permission.

Section 10. Insurance

For the mutual benefit of Landlord and Tenant, Tenant shall, during the Term of this Lease, cause to be issued and maintained public liability insurance in the sum of at least One Million Dollars ($1,000,000) for injury to or death of one person, and Three Million ($3,000,000) for injury to or death of more than one person in anyone accident, insuring the Tenant against liability for injury and/or death occurring in or on the Premises or the common areas. Landlord shall be named as an additional insured, and the policy shall contain cross-liability endorsements. The Tenant shall maintain all such insurance in full force and effect during the entire term of this Lease and shall pay all premiums for the insurance. Tenant will provide the landlord with a certificate of insurance and additional insured endorsement in compliance with the requirements of this paragraph. Subsequent insurance renewal certificates and additional insured endorsements shall be provided at each renewal. Such liability insurance, including the deductible, may be maintained as part of or in conjunction with any other insurance coverage carried by Tenant and may be maintained in the form of self-insurance by Tenant.
Section 11. Insurance for Tenant's Personal Property.

Tenant agrees at all times during the term of this Lease to keep, at Tenant's sole expense, all of Tenant's personal property, including trade fixtures and equipment of Tenant that may be on or in the Premises from time to time, insured against loss or damage by fire and by any peril included within fire and extended coverage insurance for an amount that will insure the ability of Tenant to fully replace the personal property, trade fixtures, and equipment or, in the alternate, Tenant shall waive any claim against Landlord for any such loss or damage.

Section 12. Indemnification

Each party to this Lease shall indemnify and hold harmless the other party from any and all claims or liability for any injury or damage to any person or property whatsoever occurring in, on, or about the Premises when that injury or damage was caused in part or in whole by the act, neglect, fault of, or omission of any duty by the party, its agents, servants, employees, or invitees.

Section 13. Assignment and Subletting

Tenant will not assign this Lease or further sublet all or any part of the Premises without the prior written consent of Landlord. Tenant further agrees that it shall not assign or sublet all or any part of the Premises to any party other than a public, governmental, or municipal entity.

Section 14. Other Provisions of Lease

Landlord reserves the right to terminate the Lease in the event of the partial or total damage, destruction, or condemnation of the Premises or the building or project of which the Premises are a part. The exercise of this right by Landlord will not constitute a default or breach, and the parties will be relieved of any further liability or obligation under this Lease.
Section 15. No Broker.

Landlord and Tenant each warrant that they have not dealt with any real estate broker in connection with this transaction. Landlord and Tenant each agree to indemnify, defend, and hold the other harmless against any damages incurred as a result of the breach of the warranty contained in this Section.


All notices and demands that may be required or permitted by either party to the other will be in writing. All notices and demands by the Landlord to Tenant will be sent by United States Mail, postage prepaid, addressed to the Tenant at the Premises, and to the address in this Lease below, or to any other place that Tenant may from time to time designate in a notice to the Landlord. All notices and demands by the Tenant to Landlord will be sent by United States Mail, postage prepaid, addressed to the Landlord at the address in this Lease, and to any other person or place that the Landlord may from time to time designate in a notice to the Tenant.

**To Landlord:** Francisco Reveles, Ed.D.
Yuba County Superintendent of Schools
935 14th Street
Marysville, California 95901

**To Tenant:** Paul G. Brunner
Executive Director
Three Rivers Levee Improvement Authority
1114 Yuba Street
Marysville, California 95901

Section 17. Successors and Assigns.

This Lease will be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

Section 18. Entry

Landlord reserves the right to enter the Premises on reasonable notice to Tenant to inspect the Premises or the performance by Tenant of the terms and conditions of this Lease and, during the last six (6)
months of the Term, to show the Premises to prospective Tenants. In an emergency, no notice will be required for Landlord’s entry.

Section 19. Late Charge and Interest.

The late payment of any Monthly Rent will cause Landlord to incur additional costs, including the cost to maintain in full force the Lease, administration and collection costs, and processing and accounting expenses. If Landlord has not received any installment of Monthly Rent within five (5) days after that amount is due, Tenant will pay five percent (5%) of the delinquent amount, which is agreed to represent a reasonable estimate of the cost incurred by Landlord. In addition, all delinquent amounts will bear interest from the date the amount was due until paid in full at a rate as established by applicable California law. In no event will the Applicable Interest Rate exceed the maximum interest rate permitted by law that may be charged under these circumstances. Landlord and Tenant recognize that the damage Landlord will suffer in the event of Tenant’s failure to pay this amount is difficult to ascertain and that the late charge and interest are the best estimate of the damage that Landlord will suffer. If a late charge becomes payable for any three (3) installments of Monthly Rent within any twelve (12) month period, the Monthly Rent will automatically become payable quarterly in advance.

Section 20. Compliance with Legal Requirements; Tenant’s Obligations.

(a) Compliance with Legal Requirements. At Landlord’s sole cost, Landlord will promptly comply with all laws, statutes, ordinances, rules, regulations, orders, recorded covenants and restrictions, and requirements of all municipal, state, and federal authorities now or later in force, including, but not limited to all provisions of the Americans with Disabilities Act; the requirements of any board of fire underwriters or other similar body now or in the future constituted; and any direction or occupancy certificate issued by public officers (“Legal Requirements”), insofar as they relate to the construction, condition, use, or occupancy or the Premises.
(b) Tenant's Obligations. Tenant will comply in a timely manner with all Legal Requirements that are not Landlord's responsibility under this Section to the extent that noncompliance would adversely affect Landlord's use or occupancy of the Premises.

(c) The judgment of any court of competent jurisdiction or Landlord's admission in any action or proceeding against Landlord that Landlord has violated any Legal Requirement in the condition, use, or occupancy of the Premises will be conclusive of that fact as between Tenant and Landlord.

Section 21. Environmental Certification.

Landlord certifies to Tenant that Landlord has complied with all applicable Environmental Laws and the requirements of all applicable Agencies and that no soil or groundwater contamination has occurred on or under or originated from the Premises.

Section 22. Parking.

Landlord shall, at Landlord's sole cost and expense, provide spaces adjacent to the building on-site in which the Premises are located. Visitor parking spaces and handicap parking spaces sufficient to comply tenant needs and with municipal codes shall be provided to the building in addition to parking spaces provided for building Tenants.

Landlord shall provide One Secured parking space within a fenced area adjacent to the Building in which the Premises are located at a cost of $ 30.00 per month to the Tenant for the term of the lease. The additional parking space will be invoiced monthly along with the lease rent.

Section 23. Attorney Fees.

If either party brings an action to enforce or declare rights hereunder, the prevailing party in the action shall be entitled to reasonable attorney fees fixed by the court.
Section 24. Entire Agreement.

This Lease and the C.B.W.D. Rules for the Office Building set forth all the agreements between Landlord and Tenant concerning the Premises, and there are no agreements, either oral or written, other than as set forth in this Lease.

Section 25. Time of Essence.

Time is of the essence in this Lease.


This Lease will be governed by and construed in accordance with California law. In the event of any litigation arising from this Lease, the parties agree that any such dispute shall be submitted to the jurisdiction of the courts of Yuba County, State of California.

In Witness Whereof, the parties have executed this Lease as of the date first above written.

Tenant: ___________________________ Date: __________

Paul G. Brunner
Executive Director
Three Rivers Levee Improvement Authority

Landlord: ___________________________ Date: 9/14/17

Francisco Reveles, Ed.D.
Yuba County Superintendent of Schools
Yuba County Board of Education
EXHIBIT "A"
Three Rivers Levee Improvement Authority One Stop Rental 2nd Floor Lease Space Allocation

<table>
<thead>
<tr>
<th>Tenant: Three Rivers Levee Improvement Authority 2nd Floor Tenant Lease Alteration</th>
<th>Rentable Area</th>
<th>2nd Floor Building Load Calculations</th>
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<tbody>
<tr>
<td>Owner: Yuba County Office of Education One Stop</td>
<td>Tenant Useable Area 1,220 SF</td>
<td>Total 2nd Floor Square Footage 23403 SF</td>
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<tr>
<td>Developer: Yuba County Office of Education</td>
<td>Restroom Allocation 70 SF</td>
<td>Total Tenant 2nd Floor Useable 17554 SF</td>
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<tr>
<td>Location: 1114 Yuba Street, Marysville, CA</td>
<td>Common Area 430 SF</td>
<td>2nd Floor Common Area Distributed 5849 SF</td>
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<tr>
<td>Occupancy: Group B - Division 1 &amp; Group S Division 2</td>
<td>Total Rentable Area: 1,720</td>
<td>Tenant % Second Floor Useable Area 7.35%</td>
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<tr>
<td>Bldg.Type: Type IV Rated</td>
<td></td>
<td>Load Factor (Common x Useable Prorata) 430 SF</td>
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</table>

Peach Tree Employee Restrooms Allocation (See Exhibit "B") 70 SF