



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

1114 Yuba Street, Suite 218

Marysville, CA 95901

Office (530) 749-7841 Fax (530) 749-6990

July 5, 2017

Ms. Leslie Gallagher, Executive Officer
Central Valley Flood Protection Board
3310 El Camino Avenue, Suite 170
Sacramento, CA 95821

SUBJECT: Annual Report of Progress

In accordance with the requirements of Government Code §65007 (a) and the Urban Level of Flood Protection Criteria issued by the Department of Water Resources in 2013, Three Rivers Levee Improvement Authority, as the local flood management agency, respectfully submits the enclosed annual report of progress towards providing an urban level of flood protection to the Reclamation District 784 urban area.

This report is available to the public at the following website: www.trlia.org

Questions on the matter may be referred to Mr. Larry Dacus at dacus@mbkengineers.com or 916-456-4400.

Sincerely,

Paul G. Brunner
Executive Director

Cc: Kevin Mallen, County of Yuba



**THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY**

**ADEQUATE PROGRESS TOWARDS
URBAN LEVEL OF FLOOD PROTECTION**

ANNUAL REPORT

JUNE 20, 2017

PURPOSE

In June 2016, Yuba County adopted a finding of adequate progress (APF) toward an Urban Level of Flood Protection (ULOP) for the urban area protected by the RD 784 Levee System. When a local agency makes an APF, as described in the *Urban Level of Flood Protection Criteria* (ULOP Criteria), issued by the Department of Water Resources in 2013, Government Code Section 65007 (a) (5) requires the Local Flood Management Agency annually report to the Central Valley Flood Protection Board (CVFPB) on the progress toward the completion of the flood protection system. This report serves as that Annual Report. As required by the ULOP Criteria, this report, as well as prior reports, is publicly available at www.trlia.org.

ADEQUATE PROGRESS FINDING

Yuba County's APF was based on several supporting documents including, TRLIA's *Substantial Evidence Engineer's Report, Urban Level of Protection, RD 784 Levee System* (Engineer's Report), dated May 2016 and TRLIA's *Adequate Progress Finding towards an Urban Level of Flood Protection Report for the Reclamation District 784 Levee System* (APF Report), dated June 2016. These documents collectively describe an attainable, reasonable approach toward providing an urban level of flood protection for the RD 784 urban area by 2025. Specifically, these documents describe the RD 784 Levee System and the urban area it protects; provide substantial evidence, including data and references, demonstrating the levee system will provide an urban level of flood protection; and the scope, schedule, cost and identified sources of funding and their expected timing to provide an urban level of flood protection. The Engineer's Report and APF Report are hereby incorporated by reference. Pursuant to DWR's ULOP Criteria, a finding based on adequate progress has an effective period of 10 years or until the finding is superseded, whichever is sooner, provided that the adequate progress requirements per California Government Code Section 65007(a) are met. Based upon this criterion, the finding made by Yuba County based upon the APF is valid until December 31, 2025,¹ so long as the requirements of Government Code §65007(a) are met by TRLIA as the Local Flood Management Agency.

PROGRESS

The APF Report identified two projects as being necessary to provide an urban level of flood protection: the WPIC West Levee Standard Project (WPIC Project) and the Goldfields 200-Year Project (Goldfields Project). Progress on these projects is described below.

WPIC WEST LEVEE STANDARD PROJECT

The WPIC west levee is considered a critical feature for providing an urban level of flood protection to the RD 784 urban area. Planning and design for the project were completed in 2016 and construction of portions of the levee began in 2016. Construction will continue in 2017 as described below.

¹ Pursuant to Government Code Sections 65865.5, 65962, and 66474.5, for area protected by SPFC levees, an urban level of flood protection shall be achieved by 2025, therefore, after 2025, a local agency can no longer rely on findings of adequate progress after 2025 for an area protected by SPFC levees. The levees protecting the RD 784 basin being improved by TRLIA are or will be SPFC levees.

Scope

The scope identified in the APF Report for the WPIC Project remains the same, although progress in completing these items was made during the 2016 construction season (Table 1).

Table 1. Scope and Status

CRITICAL FEATURE – WPIC WEST LEVEE	CONSTRUCTION STATUS
Station 9+50 to 24+50; 70-Ft-Deep Deep Mix Method Cutoff Wall	To be completed
Station 115+00 to 119+00; Fill Landside Low Area (Minimum of 3 Feet)	To be completed
Station 135+00 to 309+00; Landside Levee Toe All-Weather Maintenance Road	<i>Partially completed</i>
Station 144+50 to 167+50; 50-Ft-Deep Conventional Cutoff Wall	To be completed
Station 190+10 to 216+00; Drained Berm, 2.5-Feet High by 18-Feet Wide in Conjunction with the Toe Maintenance Road	<i>Partially completed</i>
Station 238+50 to 248+50; 50-Ft-Deep Conventional Cutoff Wall	To be completed
Station 259+00 to 278+00; 10-Foot-Tall by 10-Foot-Wide Landside Stability Berm	<i>Partially completed</i>
Station 286+00 to 300+00; Fill Landside Low Area (Minimum of 3.5 Feet)	<i>Partially completed</i>

Schedule

The schedule identified in the APF Report for the WPIC Project remains the same. All but one milestone, construction completion, have been achieved (Table 2). Construction is still anticipated to be complete in October 2017.

Table 2. Milestones and Status

MILESTONE	SCHEDULED	STATUS
Complete Design	March 2016	<i>Achieved.</i>
Complete Environmental Permitting	May 2016	<i>Achieved.</i>
USACE Section 408 Permits Issued	May 2016	<i>Achieved.</i>
CVFPB Permits Issued	May 2016	<i>Achieved.</i>
Real Estate Access for Construction Obtained	June 2016	<i>Achieved.</i>
Award Construction Contract	June 2016	<i>Achieved.</i>
Initiate Construction	June 2016	<i>Achieved.</i>
Complete Construction	October 2017	On target.

Costs and Expenditures

TRLIA has spent approximately \$5,027,000 on the WPIC Project through December 2016. As described above, planning (i.e., permitting, real estate, etc.) and design were completed in 2016. The majority of the outstanding costs are related to the completion of construction (

Table 3). Construction is divided over two seasons: 2016 and 2017. Construction of cutoff walls, which is by far the more expensive work, commenced in May 2017. Construction management costs are estimated to increase slightly to reflect a two-year construction season.

The APF Report projected expenditures in FY 2015-16 of \$2,113,055 and in FY 2016-17 of \$10,980,683. Actual expenses in FY 2015-16 were \$1,963,718 and in FY 2016-17 are projected to be \$7,760,326 with remaining costs to be incurred in FY 2017-18 (during the summer construction season of 2017) of \$1,834,193. An updated combined TRLIA ULOP Adequate Progress Pro Forma cashflow has been included within this report (Table 7) after a discussion of funding and revenues.

Table 3. Costs and Expenditures

COSTS	ORIGINAL ESTIMATE	EXPENDED*	REVISED ESTIMATE
Design	\$1,371,000	\$1,410,958	\$1,500,000
Permitting & Env. Doc.	\$759,000	\$1,006,280	\$1,100,000
Right of Way Acquisition	\$609,000	\$19,600	\$125,025
Right of Way Support	\$323,000	\$240,272	\$323,000
Construction Management	\$1,501,000	\$131,651	\$1,700,000
Construction	\$11,167,000	\$2,217,683	\$10,981,975
O&M Manual Addendum	\$50,000	\$0	\$50,000
Total	\$15,780,000	\$5,026,443	\$15,780,000
*Dollars expended reflect the amount of all invoices paid as of the date this report was prepared and therefore may not reflect all costs incurred.			

Delays and Changes

There have been no significant delays in meeting the scheduled 2017 completion of the WPIC Project, nor have there been any significant changes to the project's approach.

GOLDFIELDS 200-YEAR PROJECT

The Yuba River south levee extension, proposed as part of the Goldfields 200-Year Project, is considered a critical feature for providing an urban level of flood protection to the RD 784 urban area. Planning and design for the project have started, despite no executed funding agreement with the State.

Scope

The scope identified in the APF Report for the Goldfields Project is generally the same: to provide an urban level of flood protection through a levee extension south of the Goldfields. However, following adoption of the Goldfields 200-Year Project by the TRLIA board in fall 2015, Teichert filed suit against TRLIA's CEQA document. Over the past year, TRLIA and Teichert have negotiated a settlement agreement that will result in a new alignment. This new alignment will also require new environmental clearances. The status of construction of this feature remains the same, to be completed (Table 4).

Table 4. Scope and Status

CRITICAL FEATURE – Yuba River left (south) levee	CONSTRUCTION STATUS
Construction of levee extension south of the Goldfields to high ground	To be completed

Schedule

The schedule identified in the APF Report for the Goldfields Project has changed, as indicated in Table 5, based on changes in scope and requirements by the State of California's funding agreement (see Delays and Changes section below).

Table 5. Milestones and Status

MILESTONE	SCHEDULED	STATUS	REVISED SCHEDULE
Sign Funding Agreement	October 2016	<i>Delayed</i>	August 2017
Complete Design	December 2017	<i>Delayed</i>	December 2018
Complete Environmental Permitting	December 2017	<i>Delayed</i>	December 2018
USACE Section 408 Permission Issued	May 2019	<i>Delayed</i>	December 2019
CVFPB Permits Issued	May 2019	<i>Delayed</i>	December 2019
Real Estate Access for Construction Obtained	July 2018	<i>Delayed</i>	May 2020
Award Construction Contract	June 2019	<i>Delayed</i>	March 2020
Initiate Construction	July 2019	<i>Delayed</i>	May 2020
Complete Construction	October 2021	<i>Delayed</i>	October 2022

Costs and Expenditures

From July 2015 to December 2016, TRLIA has spent approximately \$1.4 million advancing the Goldfields Project. TRLIA's efforts on the Goldfields project have included the completion of the 200-Year Feasibility Study, advancing environmental review as well as the pursuit of funding for the implementation of the 200-Year project through DWR's Urban Flood Risk Reduction program. In addition, TRLIA has started to advance the 200-Year Goldfields Project implementation and these efforts include coordination with State

and other governmental agencies, and initiation of permitting, environmental compliance, design, and real estate. The Costs of the 200-Year Goldfields project are summarized in (Table 6) and those specific costs related to the final project that will be implemented that have been incurred through December 2016 (a portion of the \$1.4 million) are summarized below.

Table 6. Costs and Expenditures

COSTS	ORIGINAL ESTIMATE	EXPENDED IN YEAR*	REVISED ESTIMATE
Right of Way Acquisition	\$7,254,200	\$-	\$7,254,200
Right of Way Support	\$537,400	\$25,586	\$537,400
Permitting & Environmental Documentation	\$1,792,500	\$104,999	\$1,792,500
Design	\$5,504,900	\$106,445	\$5,504,900
Construction	\$22,774,400	\$-	\$22,774,400
Construction Management	\$2,277,400	\$-	\$2,277,400
Preparation of OMRR&R Documents	\$50,000	\$-	\$50,000
Project Management	\$1,075,000	\$53,720	\$1,106,245
Total	\$41,265,800	\$290,750	\$41,299,045
*Dollars expended reflect the amount of all invoices paid as of the date this report was prepared and therefore may not reflect all costs incurred.			

The APF Report projected expenditures in FY 2015-16 of \$1,199,948 and in FY 2016-17 \$2,852,828. Actual expenses in FY 2015-16 were \$1,246,478 and in FY 2016-17 are projected to be \$2,115,009. The 2016-17 expenses have been delayed due to a longer than expected UFRR funding agreement commitment process and the previously mentioned CEQA litigation. An updated combined TRLIA ULOP Adequate Progress Pro Forma cashflow has been included within this report (Table 7) after a discussion of funding and revenues.

Delays and Changes

As indicated above, there have been changes in the scope of the project as a result of a CEQA settlement agreement. TRLIA is currently developing a new alternative(s) in response to that settlement and preliminary design and environmental study began in May 2017.

Execution of the funding agreement has been delayed and has resulted in a delay of design and environmental compliance efforts. The status as of May 2017 was that the agreement had been developed and agreed to by both the State and TRLIA but was awaiting State approval and signature. The terms of the agreement were also modified by the State to prohibit expenditures towards real estate acquisition and construction without a reasonable path forward for incorporation of the project into the State Plan of Flood Control being established by December 2018. This means real estate acquisition cannot begin in earnest until 2019.

FUNDING / REVENUES

TRLIA's funding to advance the remaining ULOP Projects comes from multiple sources. For the WPIC Project, TRLIA has an Early Implementation Projects program funding agreement with the State that includes 70% State cost share. For the 200-Year Goldfields project, TRLIA received a Prop 13 Grant that advanced a Feasibility Study and Environmental Review and TRLIA has funding agreement commitment from the State through its Urban Flood Risk Reduction program that includes 79% cost share.

WPIC State Revenues

The APF Report projected revenues for the WPIC (labeled as *DWR Proposition 1E - UYLIP Funds*) in FY 2015-16 of \$1,480,736. Actual revenues in FY 2015-16 were \$7,702,683. TRLIA received an advance payment in June 2016 of \$6,221,987 from DWR specifically for the WPIC project. Revenues in 2016-17 were expected to be \$9,377,693, however, given the status of payments with the State, the revenue projections for 2016-17 have been revised to \$0. Revenues in 2017-18 are expected to be \$5,528,845.

Goldfields State Revenues

The APF Report projected revenues for the Goldfields (labeled as *DWR Goldfields Funds*) in FY 2015-16 of \$203,683. Actual revenues in FY 2015-16 were \$203,683. In the APF Report, TRLIA projected revenues for the Goldfields of \$1,806,970 in FY 2016-17. Now, given the status of TRLIA's UFRR funding agreement with the State, TRLIA has revised the revenue projections for 2016-17 to \$200,000. This revenue amount reflects the release of the State's retention on its Proposition 13 Grant. This revenue was received in August 2016. Revenues in 2017-18 are expected to be \$4.85 million.

Local Revenues

As described in the APF Report, TRLIA's local revenues come from cash balances and revenues from the Yuba Levee Financing Authority (YLFA). In September 2016, the YLFA refinanced their outstanding debt, and, as part of that process, advanced more than \$6.7 million to TRLIA.

TRLIA's revenues projection in the APF Report (on a cumulative basis) for 2015/16 through 2016/17 was \$7,101,005. Based on the updated projections as a result of the YLFA funding, the cumulative local revenues through 2016/17 are expected to be \$8,366,888.

An updated Pro Forma cashflow is presented in Table 7.

Table 7. Pro Forma Cashflow

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Starting Fund Balance	\$1,694,930	\$6,429,402	\$4,926,553	\$3,906,173	\$7,505,922	\$1,309,029	\$816,578	\$500,000	\$500,000
Expenditures									
Remaining WPIC Costs	\$1,963,718	\$5,032,040	\$6,832,480	\$0	\$0	\$0	\$0	\$0	\$0
Goldfields Costs*	\$1,246,478	\$2,115,009	\$6,855,950	\$6,337,716	\$19,889,029	\$11,709,484	\$8,957	\$0	\$0
Remaining FRLIP Costs	\$523,903	\$372,143	\$42,000	\$36,000	\$18,000	\$0	\$0	\$0	\$0
Remaining UYLIP Costs	\$422,888	\$68,183	\$11,200	\$0	\$0	\$0	\$0	\$0	\$0
Remaining 200-Year Compliance Work	\$51,220	\$22,205	\$12,000	\$12,000	\$12,000	\$12,000	\$1,000	\$0	\$0
Ongoing Environmental Compliance Costs	\$116,498	\$201,305	\$19,766	\$0	\$0	\$0	\$0	\$0	\$0
Other Remaining TRLIA Project Costs	\$285,279	\$362,001	\$3,223,428	\$329,506	\$127,448	\$0	\$0	\$0	\$0
TRLIA GO&A	\$1,044,700	\$781,068	\$567,500	\$542,500	\$480,000	\$480,000	\$480,000	\$480,000	\$480,000
Total Expenditures	\$5,654,684	\$8,953,955	\$17,564,324	\$7,257,722	\$20,526,477	\$12,201,484	\$489,957	\$480,000	\$480,000
Revenues									
DWR Proposition 1E - FRLIP Funds	\$592,272	\$182,231	\$5,000,269	\$0	\$0	\$0	\$0	\$0	\$0
DWR Proposition 1E - UYLIP Funds	\$7,702,683	\$0	\$5,528,845	\$4,233,732	\$0	\$0	\$0	\$0	\$0
DWR Goldfields Funds*	\$203,683	\$200,000	\$4,853,251	\$4,500,784	\$14,141,100	\$9,104,866	\$0	\$0	\$0
Other DWR Funding Sources	\$302,927	\$289,576	\$1,133,679	\$2,095,055	\$160,585	\$438,492	\$0	\$0	\$0
Local Funding	\$1,587,591	\$6,779,298	\$27,900	\$27,900	\$27,900	\$2,165,675	\$173,378	\$480,000	\$480,000
Total Revenues	\$10,389,156	\$7,451,105	\$16,543,944	\$10,857,471	\$14,329,585	\$11,709,033	\$173,378	\$480,000	\$480,000
Ending Balance	\$6,429,402	\$4,926,553	\$3,906,173	\$7,505,922	\$1,309,029	\$816,578	\$500,000	\$500,000	\$500,000

* Reflects costs and revenues from TRLIA's Goldfields 200-Year Feasibility Study work and associated YFFPP Prop 13 Grant

Source: 16497 TRLIA Cash Flow 06-15-17 Yuba EIP R2.xlsx

Prepared by LWA TRLIA ULOP Financial Plan Tables - 6-19-2017.xlsx

CONCLUSION

Based upon the information provided within this report TRLIA is compliant with the requirements of SB 5. More specifically that, in aggregate, from a revenues and expenses perspective, the progress of the work that will provide ULOP meets the requirements of Government Code §65007(a). TRLIA will continue to make progress and report on this progress annually. The next annual report will be submitted in June 2018.