



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AGENDA

MARCH 7, 2006

**Yuba County Government Center
Board of Supervisors' Chambers
915 Eighth Street, Suite 109A
Marysville, California**

Unless otherwise indicated

2:30 P.M. **WORKSHOP WITH YUBA COUNTY BOARD OF SUPERVISORS AND RECLAMATION DISTRICT 784**

- A. Roll Call
- B. Consider financial status of Three Rivers Levee Improvement Authority and provide comments and insight. (Information Only)
- C. Adjourn

3:30 P.M. I **ROLL CALL** – Directors Rick Brown, Mary Jane Griego, Dan Logue, Richard Webb

II **ACTION ITEMS**

- A. Receive financial report for Fiscal Year 2005/2006 Budget and take action as appropriate.
- B. Approve Pump Station 6 Funding Agreement with Lennar Renaissance, Inc. and authorize Executive Director to execute same. (Continued from March 7, 2006)
- C. Approve amendment four with HDR Inc. for Yuba River Phase Four Design and Construction and authorize Chairman to execute same.
- D. Provide direction for proceeding with discussion with Reclamation Board consistent with the issue paper and take action as appropriate.
- E. Approve minutes of the regular meeting of February 7, 2006.

III **BOARD AND STAFF MEMBERS' REPORTS**

IV **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.

V **ADJOURN**



**THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY**

915 Eighth Street, Suite 115
Marysville, CA 95901
(530) 749 7575
(530) 749-7312 Fax

THE COUNTY OF YUBA
915 8th Street
Marysville, CA 95901

March 7, 2006

TO: Three Rivers Levee Improvement Authority Board
Yuba County Board of Supervisors
Reclamation District 784 Board of Directors

FROM: Charles K. McClain, TRLIA Executive Director
Robert Bendorf, County Administrator
Randy Margo, Assistant County Administrator
James S. Kennedy, Treasurer-Tax Collector
Dean Sellers, Auditor-Controller
Kevin Mallen, Public Works Director
Ric Reinhardt, TRLIA Program Manager

SUBJECT: TRLIA Program Budget Overview

Purpose of Workshop

TRLIA Program costs are at the point of potentially exceeding identified revenue. While there is not an immediate cash flow need, the award of additional contracts and continuation of unfunded Phase 4 activities increase the risk that TRLIA, the County and RD 784 will be obligated to pay costs that exceed revenue.

In addition the uncertainty of right of way costs currently in litigation present a potential liability of approximately \$25 million more than the expenses depicted in the attached financial summary.

Staff requests direction from TRLIA and its respective partner agencies as to how to proceed in light of this risk.

Discussion

When the Advanced Funding Agreement was implemented during April 2005, Phases 1-3 of the levee improvement projects were estimated to cost \$79 million and there was a

projected surplus of \$20 million to fund Phase 4 costs. Unfortunately the costs for Phases 2 and 3 have continued to rise thereby reducing the amount available for Phase 4.

On February 7th 2006 the TRLIA Board approved two contracts to accelerate Phase 4 project work totaling \$520,000 which was in addition to the more than \$4 million previously approved to finish Phase 2 construction management and begin Phase 4 environmental and preliminary design work. While these amounts appear minor when compared to the overall project costs, they raise the larger question of covering the cost for all current expenditures to complete Phases 1-3.

Of particular concern is the uncertainty over potential expenses for right-of-way litigation. Based on current assumptions the expenses and revenues are balanced. However, a worst-case projection for right-of-way expenses could increase costs by as much as \$25 million and a best case increase in revenue (absent a Phase 4 finance plan) would only increase by \$11 million.

Currently, contractually obligated revenue for TRLIA is \$89.6 million. Estimated costs to complete Phases 1-3 are estimated at \$106.3 million. Anticipated revenue of \$21.9 million is projected but not contractually obligated. Additionally, TRLIA is eligible for an additional \$7.8 million in Department of Fish and Game – Proposition 13 funds, but cannot enter into contractual agreements unless the funds are appropriated in the State of California's FY 06-07 budget. Another revenue source of \$3.2 million from developers within the East Linda Specific Plan area is being negotiated. The Department of Fish and Game Proposition 13 funds and potential revenue sources from the East Linda Specific Plan would provide for approximately \$11 million, however it is uncertain at this point if these funding sources will be realized.

Several landowners are working on a financing plan that will cover the remainder of Phase 2 and 3 costs as well as all of Phase 4, assuming the Feather River levee is strengthened in place. The finance plan is expected to be presented conceptually in March 2006 and in greater detail in April 2006 to the State Reclamation Board. The plan will need to meet the approval of both TRLIA and the County prior to implementation.

Staff believes there are valid reasons for not delaying the work on Phases 2 and 3 despite funding uncertainties. If Phases 2 and 3 are not completed in a timely manner the following ramifications could result:

- Added people and property would be at greater risk than before the project work began if Phases 2 and 3 are not completed.
- Delays could add costs to eventually completing these projects and result in not enough funding to finish these phases of the project.
- Potential financial and legal exposure to TRLIA and the County if there were a significant time delay.
- The levees for Phases 2 and 3 could not be certified thereby increasing the likelihood that this area would be remapped into a floodplain.

- If Phases 2 or 3 were not completed, Prop 13 funds for the phases would need to be returned to the State.
- Under the agreement with the Reclamation Board building permit limitations cannot be lifted until Phases 2 and 3 are completed.

While the consequence of not continuing with Phase 4 work poses many of the same issues as above, it creates a significant dilemma for TRLIA and its parent agencies including the following:

- Funding is not available for design of the Phase 4 Feather River work, which is currently estimated at \$5 million, or for the Yuba River Phase 4 work proposed for acceleration, currently estimated at \$15 million.
- The developers have expressed concern about the ability to implement a Phase 4 financing plan without the ability to construct more homes following the Phase 2 & 3 projects. Unfortunately, this decision does not rest with either TRLIA or the County.
- The developers do not have the financial means to fund a setback levee on the Feather River. Staff is working with the State Administration and Legislature to earmark funding in the State Infrastructure Bond that is under consideration to fund portions of the TRLIA Phase 4 program, including a setback levee on the Feather River. It is speculative as to whether this bond measure will contain a specific earmark or if the measure will successfully be placed on the ballot and will obtain voter approval.

In light of the financial state of the TRLIA program and the potential financial liabilities to all three agencies, staff from the County and TRLIA have been working together to develop a recommended course of action for the TRLIA Board. There are many issues and concerns associated with any course of action taken in regards to implementing the levee improvement program.

- How the State will react if the program is slowed to minimize the County's financial liability?
- Does this increase long-term fiscal exposure by reducing the ability to secure additional State funds or is the program already at a point where our local agencies have proven to the State that we are deserving of additional State funds even if we slow or stop to reduce exposure?
- Will the development community be deterred in developing a financing plan if work is slowed or stopped?

Staff has discussed, at length, the concerns raised in this staff report over the past several weeks and discussed them with the development community. While there is no formal agreement on this issue with the development community, staff is providing its recommendation along with additional alternatives that were discussed.

Staff's Recommended Option

- Continue with the current pace of completing construction on Phases 2 and 3.
- Continue with the current pace of Phase 4 Yuba design (UPRR to Simpson Lane).
- Stop work on Phase 4 Feather design and environmental until the Phase 4 finance plan is complete and funds are obligated.
- Establish a Financial Review Committee (FRC) composed of the Auditor-Controller, Treasurer-Tax Collector, Assistant County Administrator, Public Works Director, TRLIA Executive Director and TRLIA Program Manager to review all financial matters, and if there is disagreement within the FRC all three Boards would need to concur with the recommended action.

This option will balance the revenue and expenditures and allow for some contingency for cost overruns in the event a Phase 4 financing plan does not materialize. It allows the continued acceleration on Phase 4 Yuba due to funding coming through a Prop 13 design grant, which according to counsel will not require repayment. The delay most likely pushes the completion of Phase 4 Feather back one construction season, to 2009.

Alternate Option #1

- Continue with the current pace of all current Phase 2, 3 and 4 activities.
- No additional Phase 4 Feather design contracts until the Phase 4 finance plan is complete and funds are obligated.
- Establish a Financial Review Committee (FRC) composed of the Auditor-Controller, Treasurer-Tax Collector, Assistant County Administrator, Public Works Director, TRLIA Executive Director and TRLIA Program Manager to review all financial matters, and if there is disagreement within the FRC all three Boards would need to concur with the recommended action.

Under this option based on current revenue and expenditures there are adequate funds if there are no additional construction contract change orders and there are no additional right of way litigation costs. Considering how costs have gone to date increase in expenditures are likely however there are potentially more funds available from East Linda and Fish & Game. The delay associated with not awarding additional design contracts for Phase 4 Feather most likely pushes the completion of Phase 4 Feather back one construction season, to 2009.

Alternate Option #2

- Continue with the current pace of completing construction on Phases 2 and 3.
- Continue with the current pace of Phase 4 Yuba design (UPRR to Simpson Lane).
- Minimize expenses on Phase 4 Feather contracts and continue until June 1st or the Phase 4 finance plan is complete.
- Establish a Financial Review Committee (FRC) composed of the Auditor-Controller, Treasurer-Tax Collector, Assistant County Administrator, Public

Works Director, TRLIA Executive Director and TRLIA Program Manager to review all financial matters, and if there is disagreement within the FRC all three Boards would need to concur with the recommended action.

This scenario increases financial liability over the staff recommended option due to the unfunded work on Phase 4 Feather and sets a stop date in the event a Phase 4 finance plan is not completed. Under the current pace, the monthly expenses for Phase 4 Feather are roughly \$380 thousand per month and will be minimized as much as possible. This scenario will maintain the current construction schedule for Feather River Contract 1 work in 2007 and Contract 2 work in 2008.

It is the intention of staff to be provided direction through discussion at this workshop so a subsequent recommendation can be made to the TRLIA Board at its next meeting.

Info Based on Cash Flow & Current Assumptions
2/28/2006

EXPENSES:

	Already Expended	Add. Expense to Complete Contract	
Phase 1	\$3,982,286		
Phase 2	\$14,757,376	\$20,460,164	Includes Olv Det Basin
Phase 3	\$29,862,574	\$35,394,299	Includes Phase 3 embankment w/ actual bid amount
Phase 4 Yuba Design	\$622,144	\$2,580,020	Includes Kleinfelder PIR
Phase 4 Feather Design		\$1,439,418	Only partial design cost
Phase 4 Yuba Advance		\$520,000	HDR & BRI
TRLIA General Expenses	\$682,098	\$1,200,000	\$100k/month for 1 year to oversee current obligations
SUBTOTALS:	\$49,906,478	\$61,593,901	

TOTAL: \$111,500,379

Note: Does not include potential \$25 million R/W Liability

REVENUE:

	Approved	Pending	
DWR Grants Approved	\$36,212,401		
DWR Grants Pending		\$10,700,000	Letter from DWR working on contract
Fish & Game Grant Pending		\$11,200,000	Appropriated this fiscal year, working on contract
FEMA (Olv Det Basin)	\$1,400,000		
CFD Payments (14k/acre)	\$14,677,987		
Interest	\$406,441		Environmental escrow
Advance Funding Agreement	\$36,927,764		
SUBTOTALS:	\$89,624,593	\$21,900,000	

TOTAL: \$111,524,593


Note: County staff is negotiating with East Linda Developers in an attempt to secure up to \$3.2 million in additional revenue. There is also a potential \$7.8 million in additional revenue from Fish & Game if budgeted next fiscal year and a grant is executed with TRLIA for the entire amount.



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Government Center
915 Eighth Street, Suite 115
Marysville, CA 95901-5273

Telephone: (530) 749-7575 Fax: (530) 749-7312

Date: February 28, 2006
To: Board of Directors
From: 
Charles K. McClain, Executive Director
Subject: Pump Station 6 Funding Agreement

Recommended Action:

Authorize the Executive Director to execute the Pump Station 6 Funding Agreement between Three Rivers Levee Improvement Authority and Lennar Renaissance, Inc. and authorize the Executive Director to execute future change orders associated with the terms and conditions of the agreement.

Background:

TRLIA is pursuing a multi-phase levee improvement program including strengthening, raising, and in some sections rebuilding of the Bear River levee located within Reclamation District 784. As part of its program, TRLIA must make improvements to Pump Station 6, a pump station designed to pump interior drainage out of RD 784 and into the Bear River.

Lennar Renaissance, Inc. is constructing the River Oaks East project within RD 784. The River Oaks East project will increase the drainage within RD 784. As a result, Lennar seeks to fund expanded capacity within Pump Station 6 to accommodate the increased drainage flows.

Discussion

The attached funding agreement provides Lennar will pay all incremental costs associated with TRLIA's expansion of capacity at Pump Station 6. In addition to \$160,000 already paid for design work, the Agreement calls for Lennar to pay \$1.1 million on March 2 with a final payment to be made once the total incremental costs are known. The Agreement explicitly provides that because TRLIA is undertaking this work on a limited and tight time schedule, Lennar is responsible for the total costs, whether or not Lennar changes its mind on the necessity the improvements.

The expanded capacity for Pump Station 6 is a temporary solution for the increased drainage created by the River Oaks East project. RD 784 intends to construct the Ella Basin Pump Station as a permanent solution to accommodate increased drainage from within RD 784. In addition to the funds to be provided by Lennar to TRLIA under this Agreement, Lennar will be subject to any drainage impact fees paid to RD 784 for the Ella Basin Pump Station. TRLIA cannot provide any guarantee as to the period of time during which Pump Station 6 will be permitted to

Lennar's River Oaks East project is or may be subject to certain approvals from, and meeting certain conditions imposed by, RD 784 and Yuba County. While this Agreement may address some of the issues associated with these approvals and conditions, it is not intended to bind RD 784 or the County of Yuba or to provide any assurances on their behalf.

Lennar desires to enter into this Agreement with TRLIA to memorialize the understanding as to the conditions under which Lennar will provide funding to expand the capacity of Pump Station 6 and as to the conditions under which TRLIA will construct the upgraded Pump Station 6. Due to the tight time schedule, the Executive Director may have already executed this contract at the time of the Board meeting under previously delegated authority.

Fiscal Impact

Because the Agreement calls for Lennar to cover all costs associated with the incremental costs of expanding the pumping capacity of Pump Station 6, this Agreement should have no fiscal impact.

PUMP STATION 6 FUNDING AGREEMENT

This Pump Station 6 Funding Agreement ("Agreement"), dated for convenience this 7th day of March, 2006, is by and between the Three Rivers Levee Improvement Authority, a joint powers authority ("TRLIA"), Reclamation District 784, a special district of the State of California ("RD 784"), Lennar Renaissance, Inc., a California corporation ("Lennar"), and Western Pacific Housing Inc., a Delaware corporation ("Western Pacific"). Lennar and Western Pacific shall be referred to collectively as "Developer."

1. **Recitals.** This Agreement is made in regard to the following facts:

a. TRLIA is pursuing a multi-phase levee improvement program including strengthening, raising, and in some sections rebuilding of the Bear River levee located within RD 784, Yuba County, California. As part of its program, TRLIA must make improvements to Pump Station 6, a pump station designed to pump interior drainage out of RD 784 and into the Bear River.

b. Developer is constructing the River Oaks East project within RD 784. The River Oaks East project will increase the drainage within RD 784. As a result, Developer seeks to fund expanded capacity within Pump Station 6 from 60 cfs to 200 cfs to accommodate the increased drainage flows.

c. The Parties acknowledge that the expanded capacity for Pump Station 6 is a temporary solution for the increased drainage created by the River Oaks East project. In particular, RD 784 intends in the future to construct the Ella Basin Pump Station as a permanent solution to accommodate increased drainage from within RD 784. Developer acknowledges that in addition to the funds provided under this Agreement, it will be subject to drainage impact fees paid to RD 784 for the Ella Basin Pump Station. Developer also acknowledges that neither TRLIA nor RD 784 can provide any guarantee as to the period of time during which Pump Station 6 will be permitted to operate with capacity expanded to 200 cfs.

d. The Parties further acknowledge that development of Developer's River Oaks East project is or may be subject to certain approvals from, and is or may be required to meet certain conditions imposed by, Yuba County. While this Agreement may address some of the issues associated with these approvals and conditions, it cannot and is not intended to bind the County of Yuba.

e. The Parties now desire to enter into this Agreement to memorialize their understanding as to the conditions under which Developer will provide funding to expand the capacity of Pump Station 6 and as to the conditions under which TRLIA will construct the upgraded Pump Station 6.

NOW, THEREFORE, in consideration of the mutual promises herein made, the Parties agree as follows:

2. **Obligations of Developer.**

a. Lennar has previously paid the sum of \$160,000, which amount funded the design of the expanded Pump Station 6.

b. Developer agrees to provide \$1,100,000 (\$1.1 million) to TRLIA at the time of execution of this Agreement.

c. Developer agrees to provide a two (2) additional payments for the incremental cost of this expansion in an amount as yet unknown (the "Expansion Cost") and for the future downsizing of Pump Station No. 6 upon completion and operation of the Ella Basin Pump Station (the "Downsizing Cost"). For purposes of this Agreement, the cost of the expansion shall also include any reasonable costs to expedite the manufacture and installation of the pumps to assure completion of the project before the 2006/07 flood season. Upon execution of this Agreement, TRLIA will work to obtain from its various consultants and contractors change orders which identify the incremental Expansion Cost of the increased capacity at Pump Station 6 sought by Developer. Once the change orders have been received, TRLIA shall present to Developer an accounting of the change orders and costs to date, and an invoice reflecting the actual incremental Expansion Cost of the expanded capacity, minus any payments previously made. If Developer has any questions regarding the invoice and accounting, the Parties shall work in good faith for a period of up to two weeks from receiving the invoice and accounting to resolve the questions. Following the end of this two week period, Developer shall, within a further two week period, make a payment to TRLIA of the amount of the invoice, or any revised invoice mutually agreed to by the Parties.

Similarly, upon commencement of construction of the Ella Basin Pump Station, TRLIA or RD 784 will work to obtain from its consultants and contractors an estimate of the Downsizing Costs and shall present Developer an accounting and invoice for the Downsizing Costs. If Developer has any questions regarding the invoice and accounting, the Parties shall work in good faith for a period of up to two weeks from receiving the invoice and accounting to resolve the questions. Following the end of this two week period, Developer shall, within a further two week period, make a payment to TRLIA of the amount of the invoice, or any revised invoice mutually agreed to by the Parties.

If, after either payment, Developer still questions or disputes the accounting, Developer shall invoke the arbitration provision of Section 6.b below.

d. Developer shall have no further obligation to pay fees to TRLIA for drainage improvements that are associated with drainage from the River Oaks East project.

e. Lennar agrees to clean the culverts upstream of the pump station at Feather River Blvd with the purpose of allowing unobstructed flow of 200 cfs through the culverts toward Pump Station 6. RD 784 shall cooperate with Lennar to provide Lennar with any easements or licenses necessary to permit access to the culverts for such cleaning to occur. Lennar shall complete such cleaning prior to September 1, 2006. Western Pacific shall reimburse Lennar for its share of the costs of such cleaning pursuant to their separate cost sharing agreement.

f. Developer agrees to fund the design and construction of a trash rack just upstream of the culverts at Feather River Blvd. Developer understands that the purpose of the trash rack is

to facilitate the flow of 200 cfs through the culverts. Developer further understands that the need for the trash rack is temporary until such time as unrelated but expected construction results in removal of the culverts. RD 784 shall provide Developer with an accounting and invoice for the costs thereof and, subject to the reasonable review by the parties, such invoice shall be paid within thirty (30) days after receipt thereof.

g. Developer agrees to fund any necessary environmental or regulatory permits specifically associated with TRLIA or RD 784 actions resulting from its obligations under this section. The costs thereof shall be paid by Developer as and when required for such permitting and shall be due within thirty (30) days after receipt of an invoice and accounting therefor.

h. Developer agrees to fund the incremental electric costs associated with the increased pumping capacity at Pump Station 6. The incremental costs of electricity shall be offset by all increased revenues from special assessments collected for the purpose of drainage O&M from homes within River Oaks East. Developer shall pay such costs within 30 days after receipt of an accounting from RD 784 of such increased costs, and offsets. Developer's obligation hereunder shall terminate upon operation of the Ella Basin Pump Station.

3. **Obligations of TRLIA.**

TRLIA agrees to proceed with construction of the upgraded Pump Station 6, consistent with the plans prepared using the funding provided by Lennar, as memorialized in an October 11, 2005 letter from Lennar to TRLIA. The upgraded Pump Station 6 shall provide temporary pumping capacity of 200 cfs.

4. **Obligations of RD 784**

a. RD 784 agrees to contract for the design and construction of the trash rack upstream of the culverts at Feather River Blvd using the funds provided by Developer. RD 784 further agrees to operate and maintain Pump Station 6 upon completion of the station's construction.

b. RD 784 agrees that upon full execution of this Agreement and payment of the initial \$1.1 million pursuant to Section 1.b above, and so long as Developer does not breach any of the obligations of Developer contained herein when required hereunder, coupled with payment of all otherwise required drainage impact fees, it shall issue any requested will serve letter for drainage associated with the River Oaks East project.

c. RD 784 agrees that the capacity represented by the expansion of Pump Station No. 6 being funded by Developer shall be reserved for development of the River Oaks East project. Accordingly, RD 784 will not assume that any of this expanded drainage capacity is or will be available to serve any other developments within the drainage shed served by Pump Station No. 6 when considering requests for will serve letters from such developments.

5. **Liquidated Damages**

Developer acknowledges that, due to the limited time in which TRLIA may make the required improvements as part of its levee improvement program, once TRLIA orders materials and pumps to implement the requested expansion of capacity to Pump Station 6, it may no longer have time to construct improvements to Pump Station 6 at a capacity less than 200 cfs. As a result, the parties agree the payments to be made by Developer under this Agreement represent the incremental cost to TRLIA and shall constitute liquidated damages, the amount of which shall be due to TRLIA even if Developer seeks to breach or has breached its obligations under this Agreement.

6. **Standard Provisions.**

a. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of California, without regard to conflicts of laws principles. Any action to compel arbitration or to enforce an arbitrator's decision shall be venued in Sacramento Superior Court.

b. **Arbitration.** All disputes arising out of this Agreement shall be submitted to final and binding arbitration. A Party seeking to arbitrate a dispute arising out of this Agreement must notify the other Parties to the dispute in writing of its intent to arbitrate any claim for breach or enforcement of any provision of this Agreement within 30 days of discovery of the last event giving rise to the claim for breach or enforcement. Any such timely and properly noticed claim for breach or enforcement of any provision of this Agreement shall be submitted to binding arbitration through the American Arbitration Association in accordance with the National Rules for Commercial Disputes. Before arbitration commences, the Parties shall each pay half of the expected cost of the arbitration. At the conclusion of the arbitration, the arbitrator may award the prevailing Party some or all of the arbitration costs including attorneys fees. The decision of the arbitrator shall be final and conclusive, and the Parties waive the right to a trial de novo or appeal excepting only for the purpose of enforcing the arbitrator's decision

c. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement between the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements and understandings of the Parties regarding the subject matter hereof. This Agreement may not be amended except by the mutual written consent of all of the Parties.

d. **Waiver.** Any provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof, but only by a writing signed by such Party stating that it waives such provision. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver.

e. **Severability.** If any provision of this Agreement is held invalid or unenforceable, the other provisions of this Agreement shall remain in full force and effect provided that the severance of the invalid or unenforceable provisions does not result in a material failure of consideration under this Agreement to any party hereto.

f. **Headings.** The headings of this Agreement are included for convenience only and shall not affect the construction or interpretation of the Agreement.

g. **Counterparts and Facsimile.** This Agreement may be executed in one or more counterparts, including facsimile, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same instrument.

h. **Authority.** The undersigned certify that they are fully authorized by the Party or Parties whom they represent to enter into the terms and conditions of this Agreement and able to legally bind such Party or Parties hereto.

i. **Interpretation.** This Agreement shall be deemed to have been prepared equally by all of the Parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for any one Party on the basis that another Party prepared it.

j. **Third Party Beneficiaries.** This Agreement is not intended to, and shall not be construed to, create any right on the part of a third party to bring an action to enforce any of the terms of this Agreement.

k. **Successors and Assigns.** The provisions of this Agreement shall apply to, be binding upon, and inure to the benefit of, all successors and assigns of the Parties. Developer's right of assignment shall be subject to approval by TRLIA, which approval shall not be unreasonably withheld

l. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (1) on the date delivered by hand; (2) the next business day following the date sent by overnight delivery service or sent by facsimile; or (3) on the third day after mailing if deposited in the U.S. mail. Any notice to be given to TRLIA should be addressed as follows:

Executive Director
Three Rivers Levee Improvement Authority
915 Eighth Street, Suite 115
Marysville, California 95901-5273

or to such other addresses as TRLIA may specify from time to time. Any notice to be given to RD 784 should be addressed as follows:

Board of Directors
Reclamation District 784
1594 Broadway Ave
Marysville, California 95901

or to such other addresses as RD 784 may specify from time to time. Any notice to be given to Developer should be addressed as follows:

Larry Gualco
Lennar Renaissance
1075 Creekside Ridge Drive, Suite 110
Roseville, California 95678

with a copy to

Len Matchniff
Western Pacific Housing
1210 Central Boulevard
Brentwood, California 94513

or to such other addresses as Developer may specify from time to time.

m. **Joint and Several Liability.** The obligations of Developer hereunder shall be joint and several as between Lennar and Western Pacific. However, TRLIA and RD 784 may rely upon Lennar to satisfy all obligations of the Developer under this Agreement until such time as Western Pacific executes the Agreement. Further, Lennar and Western Pacific shall coordinate their efforts so that a single check is presented to TRLIA for each payment required.

n. **No Joint Venture.** Nothing in this Agreement shall be construed as creating a joint venture or partnership between the Parties or any of them.

IN WITNESS WHEREOF, the Parties agree to the provisions set forth herein as evidenced by the signature of their authorized representatives below:

Date: _____

THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY

Attest and witness:

by: _____

by: _____
Executive Director

Date: _____

RECLAMATION DISTRICT 784

Attest and witness:

by: _____

by: _____
President

LENNAR RENAISSANCE, INC.,
a California corporation

By: _____
Larry Gualco, Vice President

WESTERN PACIFIC HOUSING INC.,
a Delaware corporation

By: _____
Bob Selders, Vice President of Forward Planning



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

GOVERNMENT CENTER – 915 8TH STREET, SUITE 115
MARYSVILLE, CA 95901-5273
(530) 749-7575 (530) 749-7312 Fax

March 7, 2006

TO: Three Rivers Levee Improvement Authority Board
FROM: Ric Reinhardt, Program Manager *Ric Reinhardt*
SUBJECT: Consider Contractual Agreement with HDR for TRLIA Phase 4 –
Amendment 2, Design Changes for Bear River Water Surface Profile
Modifications, Environmental Permitting Modifications and Additional
Work

Recommended Action

Approve a contract amendment to the contract with HDR for the TRLIA Phase 4 - Yuba River Design and Construction Documents. This second amendment to HDR's contract is to cover additional effort by HDR and its environmental sub consultant to continue construction in 2006. The specific contract amendment terms are detailed in the attached document (i.e., the amendment document). Amount of the amendment is \$177,649.

Discussion

Additional effort is required by HDR to incorporate design changes due to a modification in the Bear River water surface. In addition, during the construction season of 2005 additional environmental compliance monitoring efforts were required because of an extended construction season. More environmental coordination was also required because of the finding of cultural resource artifacts and due to changes in the approach to habitat mitigation and monitoring. Even with an extended construction season, some of the work that was to be accomplished in 2005 was continued into 2006 and additional environmental permitting efforts are required prior to the delayed 2006 construction work commencing. The estimated additional cost associated with all of these additional efforts is \$177,649.

Fiscal Impact

The contract amendment would increase the existing contract by \$177,649 for services on a time-and-expenses basis, to a maximum amount not exceeding \$2,876,642 without prior authorization by TRLIA.



February 27, 2006

Mr. Ric Reinhardt
MBK Engineers
2450 Alhambra Blvd, 2nd Floor
Sacramento, CA 95817

RE: Amendment No. 2: Proposed Modifications to Scope of Services and Phase 4 Contract dated December 13, 2005 - Design Changes for Bear River Water Surface Profile Modifications, Environmental Permitting Modifications and Additional Work

Dear Mr. Reinhardt:

Please refer to our Phase 4 Agreement with the Three Rivers Levee Improvement Authority (TRLIA), dated December 13, 2005, and Amendment No. 1, dated February 9, 2006.

The purpose of this letter is to present recommended changes in our contract scope of work, schedule and fee to accomplish the following changes:

- ▶ Under the Construction Management task, the Phase 2 design documents and Basis of Design Report will be updated to reflect the increased water surface elevation in MBK's refined hydraulic model.
- ▶ A Caltrans Encroachment Permit and modifications to Reclamation Board Permit No. 17782 will be pursued.
- ▶ Current and future environmental permitting efforts over and above Jones and Stokes' current Phase 2 work.

Please refer to the attached scope and fee proposal. The following table summarizes tasks and proposed changes in costs:

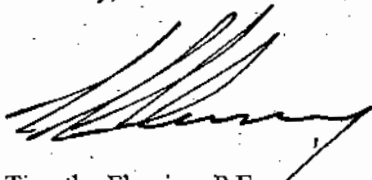
Mr. Ric Reinhardt
February 27, 2006
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Task Description	Fee
Task 7.7 Design Modifications for Bear River Design WSE Modifications	
Task 7.7.1 - Draft Design Modifications	\$21,420
Task 7.7.3 - Final Design Modifications	\$4,325
Task 7.7.4 - Review Basic Design Report	2,000
Task 7.7.5 - Caltrans and Reclamation Board Permit Modifications	\$7,365
Task 7.8 - Environmental Permitting Modifications & Additional Work	\$133,756
Total - Basic Services (Tasks 7.7 - 7.8)	\$177,649

The cost for Basic Services (Tasks 7.7 through 7.8) is increased by **\$177,649** over the current budget to **\$2,876,642**. Our current price ceiling is **\$2,698,993**. With this amendment, the price ceiling would be increased by **\$177,649** to **\$2,876,642**. We are requesting that the price ceiling be increased to **\$2,876,642**.

If you have any questions please call Mr. Ken Myers at (916) 817-4860.

Sincerely,



Timothy Fleming, P.E.
Vice President



Kenneth R. Myers, P.E.
Vice President

Attachments
KRM:ama/05205

Revised Scope of Work (Amendment No. 2)

**Design Changes for Bear River Water Surface Profile
Modifications, Environmental Permitting Modifications and
Additional Work**

February 27, 2006

**Three Rivers Levee Improvement Authority
Marysville, California**



HDR

2365 Iron Point Road, Suite 300
Folsom, CA. 95630

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Background

The MBK HEC-RAS 2-D hydraulic model for the Bear River was refined during the course of the original design process for Phase 2. Design was completed and construction was underway when the model was completed, although construction has not yet begun along the portion of the Bear River expected to require modifications due to these changes. Refinements to the model have resulted in an increase in the design water surface profile, and therefore an additional levee raise of approximately 0.3 feet (average) along the levee from State Route (SR) 70 downstream to the setback levee in order to meet freeboard requirements.

The levee will be redesigned and the contract documents revised to reflect the 0.3 foot (average) raise for the Bear River levee repairs as well as for Pump Station No. 6. New quantities and estimates are required as a result of the new contract documents. The Basis of Design report will be revised to include the new hydraulics and resulting levee raise. Environmental permitting documents will be revised, as will the Caltrans encroachment permit and the Reclamation Board permit. The following new subtasks discuss these changes and are to be added to Task 7, Construction Management, of the amended Phase 4 contract scope, dated February 9, 2006. Parts A (Upper Yuba River Levee Repairs) and C (FEMA Certification of Contract Work) are not modified by this scope of work.

In addition, we have received a memorandum from Jones and Stokes detailing additional effort beyond their current contract in support of the Phase 2 project. Please see the attached memo, dated February 23, 2006.

Part B - Continuation of Phase 2 Construction Management

Task 7. - Construction Management (Phase 2 Bear River, WPIC and Yuba River Levee Repairs in 2006)

Subtasks 7.1 through 7.6 shall remain as originally submitted in Amendment 1 of the contract scope, dated February 9, 2006. Subtasks 7.7 and 7.8 below will be added to the Construction Management Task for Phase 2.

7.7. Design Modifications For Bear River Design WSE Modifications

7.7.1. Draft Design Modifications

Design modifications will include redesign of the Bear River levee to account for the increased water surface elevation. Coordination will be conducted with the current status of the Pump Station No. 6 redesign, including changes to the outlet structure and pipe elevations. Plan sheets will be revised and are expected to include most of the "100 Series" plan sheets. The draft design will undergo an internal quality assurance/quality control review per the existing project Quality Control Plan (QCP) prior to submittal.



It is anticipated that plans will include the sheets listed below. The drawings will be modified in accordance with USACE formats (Tri-Service A/E/C CADD Standards).

Table 1. Draft Design Modifications Preliminary Drawing List

Type of Drawings	Sheet Number
<i>General</i>	
Drawing List	G-02
<i>Civil Plans, Cross Sections and Details</i>	
Plan and Profiles, Stations 121+00 to 145+00	C-100, C-101
Line, Curve, Point and Utility Tables	C-104
Typical Sections and Details	C-105
Sections	C-108 through C-113
Pump Station No. 6 Details	C-120
Gate Vault & CIP Reinforced Concrete Box Culvert Details	C-121
Outfall Structure Details No. 1	C-122
Gate Vault Details No. 1 & 2	C-124, C-125
TOTAL	16 Sheets

Deliverables:

- ▶ Draft Design Modifications plan sheets for the Bear River portion (sheets listed above) of the plan set (10 copies).
- ▶ Cost Estimate in Excel spreadsheet format (10 copies).

7.7.2. TRLIA and Agency Review of Draft Design Modifications

A 14-day review of the draft design modifications will be conducted by TRLIA and other agencies. At the end of the review period, comments will be distributed to the project team.

7.7.3. Final Design Modifications

A set of final construction drawings will be prepared as a basis for a construction change order, which will incorporate comments received, as appropriate.

Deliverables:

- ▶ Final Design Modifications plan sheets for the Bear River portion (sheets listed above) of the plan set (10 copies).
- ▶ Cost Estimate in Excel spreadsheet format (10 copies).



7.7.4. Revise Basis of Design Report

The Basis of Design Report for Phase 2 will be modified to reflect the changes brought about by the new hydraulic information.

Deliverables:

- ▶ Basis of Design Report (10 copies).

7.7.5. Caltrans and Reclamation Board Permit Modifications

A Caltrans encroachment permit will be pursued, as the design modifications now will result in levee repair work within Caltrans right-of-way near State Route 70. CONSULTANT will work with other agencies and affected parties to help secure needed the encroachment permit.

To accommodate an increase in the design water surface elevation along the right Bank of the Bear River between the Feather River and the WPIC, Reclamation Board Permit No. 17782 must be amended. CONSULTANT will notify the Reclamation Board staff in writing to explain the increase in the water surface elevation (due to new hydrology and hydraulics updated by MBK Engineers). CONSULTANT will prepare and submit a brief explanation of the revised hydraulic conditions to the Board to justify raising the levees, inclusive of the set-back levee, that were recently approved for improvements under permit No. 17782. Upon receipt of the explanation of the increase in water surface elevation, the Reclamation Board (at the staff level) will need to be convinced that the incremental increase in levee height will not potentially induce flooding or have an impact on the owners protected by the levees on the opposite bank of the Bear River, nor downstream within the Lower Feather River. CONSULTANT proposes to support TRRIA's efforts in streamlining the process for this minor permit amendment, but acknowledges this issue may need to be discussed at the Board level due to the heightened interests surrounding permit No. 17782. CONSULTANT's scope includes follow-up meetings and discussions with Reclamation Board staff to obtain the permit modification as expeditiously as possible.

7.8. Environmental Permitting Modifications and Additional Work

Refer to the attached memorandum from Jones & Stokes, dated February 23, 2006, regarding current and future work over and above current Phase 2 work.



SCHEDULE FOR PERFORMANCE

Table 2. Schedule of completion

Task Description	Anticipated Completion
Task 7.7 Design Modifications for Bear River Design WSE Modifications	
Task 7.7.1 - Draft Design Modifications	March 24, 2006
Task 7.7.2 – TRLIA and Agency Review	April 7, 2006
Task 7.7.3 – Final Design Modifications	April 14, 2006
Task 7.7.4 – Revise Basis of Design Report	April 1, 2006
Task 7.7.5 – Caltrans and Reclamation Board Permit Modifications	May 1, 2006
Task 7.8 – Environmental Permitting Modifications & Additional Work	Per attached memo



► FEES AND PAYMENTS

Payment for all engineering services performed by CONSULTANT shall be on a time and materials basis as described by the terms of this Scope of Services. Payments made by TRLIA to CONSULTANT for engineering services shall be full compensation for all personnel, materials, supplies, and equipment used by CONSULTANT to complete the work.

CONSULTANT has prepared an amended cost breakdown shown below. The cost for Basic Services (Tasks 1 through 8) is increased by **\$177,649** over the current budget to **\$2,876,642**. Our current price ceiling is **\$2,698,993**. With this amendment, the price ceiling would be increased by **\$177,649** to **\$2,876,642**. We are requesting that the price ceiling be increased to **\$2,876,642**.

Table 3. Not to Exceed Total

Task Description	Fee
Task 7.7 Design Modifications for Bear River Design WSE Modifications	
Task 7.7.1 - Draft Design Modifications	\$20,140
Task 7.7.3 – Final Design Modifications	\$4,325
Task 7.7.4 – Revise Basis of Design Report	\$12,063
Task 7.7.5 – Caltrans and Reclamation Board Permit Modifications	\$7,365
Task 7.8 – Environmental Permitting Modifications & Additional Work	\$133,756
Total - Basic Services (Tasks 7.7 – 7.8)	\$177,649



**HDR, INC.
RATE SCHEDULE**

Classification	Rate
E7	\$ 195.00
E6	\$ 185.00
E5	\$ 155.00
E4	\$ 122.00
E3	\$ 100.00
E2	\$ 90.00
E1	\$ 80.00
T4	\$ 105.00
T3	\$ 91.50
T2	\$ 60.00
T1	\$ 48.00
Financial	\$ 95.00
Web Technician	\$ 81.00
Administrative/Clerical	\$ 61.00

Please Note: Rates include current overhead rate plus profit. Rules subject to change on an annual basis beginning January 1.

EXPENSES

In-House Expenses -

Technology Fee (per labor hour)	\$ 4.10
Vehicle Mileage (per mile)	\$ 0.485
Color Copy (per copy)	\$ 1.65
Photocopies (per copy)	\$ 0.10

Plotting (cost depends on size of plot)

	<i>Black and White</i>	<i>Color</i>
Bond	\$0.80 to \$3.50	\$10.50 to \$20.25
Vellum	\$1.60 to \$9.65	\$12.50 to \$24.75
Mylar	\$2.50 to \$14.85	\$15.00 to \$29.25

Other Expenses

Hired Services - Subconsultants, typing services, etc.
Miscellaneous Supplies - Publications, printing, equipment rental, etc.

Please Note: Outside expenses are charged with a 10 percent markup.



Jones & Stokes

Memorandum

Date: February 23, 2006 (REVISED from January 31, 2006)

To: Ken Myers

cc: Gregg Roy

From: Chris Elliott

Subject: **TRLIA: Contract Status**

The purpose of this memo is to highlight our current and future work relative to contract status. In brief, Jones & Stokes has worked diligently to ensure continued progress toward TRLIA's flood control objectives, aggressive scheduling needs, and environmental compliance. We have been committed as a full partner in this undertaking.

In the course of carrying out this program, we presently find ourselves overextended beyond contract budget. This situation was predicted and brought to your attention in early October 2005. This memo outlines our understanding of current and future work, contract status, and estimated cost implications.

Environmental Compliance Monitoring. Jones & Stokes has been conducting environmental compliance monitoring on a daily basis continuously throughout the authorized construction period. Compliance monitoring was scoped in our original contract dated January 20, 2004; however, this task was not executed and has never been included in our contract value. Construction was initiated the first week of July 2005. Jones & Stokes assisted this effort by conducting preconstruction surveys for special-status species, environmental awareness training, and daily monitoring. Monitoring was provided on a continual basis in anticipation of permit conditions. Jones & Stokes billed this work in good faith under permit-related tasks and surplus budget from preparation of the CEQA document until contract modification no. 3 was received, dated October 10, 2005, which included \$84,313 for compliance monitoring (based on 65 days at 8 hours per day, with a scheduled end-date of November 30 (based on the authorizations in-hand at that time).

The contract overage resulted from construction that was frequently extended to 7 days per week, up to 14 hours per day, through December 17 (instead of November 30, per the permit extension for the South Olivehurst Detention Basin). Although this effort was beyond contract, it was understood that it was imperative to continue construction progress according to the permit conditions. This work is substantially complete except for compiling and transmitting monitoring reports to the resource agencies. The approximate value of the construction

monitoring effort beyond contract is \$25,000 spent to date and an additional \$1,500 projected over the next month to complete the task.

Habitat Mitigation and Monitoring Plan Coordination. On behalf of TRLIA, Jones & Stokes has been coordinating with the resource agencies and consulting team members to prepare a HMMP according to permit conditions. The contract scope and budget assumed that this task would be for the Stage 1 permit actions only and would be carried out jointly with others (namely, Wildlands, Inc.) with roughly equal distribution of effort. In the course of developing this document, the mitigation program was revised to include off-site and on-site elements, with the on-site elements designed by the BE/GEI team. Much of the prior work on the HMMP had to be scrapped and Jones & Stokes assumed the lead role for primary authorship of the on-site document, while supporting inserts and appendices were prepared by the BE/GEI team. An additional key development in preparing the HMMP was agreement by USACE to combine mitigation for the Stage 1 and Stage 2 permits under a comprehensive, consolidated document. The inclusion of this mitigation, as well as the changing mitigation scope, authorship role, and coordination needs, resulted in substantial additional effort by Jones & Stokes. This work is substantially complete, as a draft has been submitted to USACE. However, the extent of revisions from agency comments is speculative. The approximate value of the HMMP coordination beyond contract is \$7,000 spent to date and an additional \$8,000 projected over the next month to complete the task.

Cultural Resources Coordination. Based on the findings of cultural resource artifacts in the project area, Jones & Stokes (in cooperation with EDAW) has been corresponding with landowner representatives, Native American tribe representatives, and engineers on the project team, as well as making presentations at tribal meetings. This work has included recording, handling, and conducting laboratory testing of artifacts. The level of coordination and treatment of the cultural resources is beyond the contract scope of work, which did not anticipate this level of discovery. Future work includes finalizing disposition and determining curatorial responsibilities for the artifacts and responding to comments and document revisions per USACE and SHPO comments on the Stage 2 cultural resources report. Difficulties in coordination with USACE cultural resources staff and developing agreement on a compliance strategy early in the project expended effort beyond the contract budget. The approximate value of the cultural resources coordination beyond contract is \$8,000 spent to date and an additional \$8,000 projected over the next month to complete the task.

Permit Modifications. Jones & Stokes assisted TRLIA in securing permits and authorizations for the Stage I construction actions. Based on actual construction-related impacts, construction progress achieved in 2005 and work deferred for 2006, and expansion of the scope of the improvements under the flood control program, the permits and authorizations must be revised. The various causes for permit modification include:

- formal modification of the USFWS Biological Opinion to extend the work window for

GGs (required, in progress);

- formal modification of the USFWS Biological Opinion to reconcile GGS mitigation (required, in progress);
- formal modification of the USFWS Biological Opinion to reconcile VELB impacts and mitigation (required, in progress);
- formal modification of the CDFG Consistency Determination to extend the work window for GGS (required, in progress);
- formal modification of the CDFG Consistency Determination to reconcile GGS mitigation (required, in progress);
- review and modification of the CDFG Streambed Alteration Agreement, USFWS Biological Opinion, CDFG Consistency Determination, and RWQCB 401 Certification to allow accelerated construction in 2006 to start earlier in the season than presently allowed by these authorizations (pending coordination with HDR);
- review and modification of the above authorizations and USACE 404 permit for the Bear River levee raise (pending coordination with HDR);
- review and modification of the above authorizations for the Feather River Boulevard culvert replacement (pending coordination with MSA Engineering); and
- review and modification of the above authorizations for modification of the Algodon Canal Pump Station 6 outlet channel (pending project description and footprint from HDR).

Due to the inter-related nature of these modifications, a line-item cost for each construction action is difficult to determine and infeasible to distinguish because of the economy of pursuing the modifications as a group and the fact that the modifications should be pursued as a consolidated package. The approximate value of the permit modifications beyond contract is \$50,000 projected over the next three months to complete the task.

Value Relative to Current Contract. Based on the circumstances described above, the total estimated value of work beyond contract is approximately \$116,500, with roughly \$40,000 spent to date plus roughly \$9,000 de-authorized from the Yuba contract and, an additional \$67,500 projected over the next three months to complete these tasks. This information is further detailed below. Note that some values herein have been rounded for simplicity.

As discussed in our meeting on December 20, determining the present contract status is

complicated by the fact that Jones & Stokes and HDR have been tracking and invoicing Yuba and Bear/WPIC Phase 2 work efforts differently. Specifically, Jones & Stokes has tracked work by river system (Yuba vs. Bear/WPIC) whereas HDR has tracked work by phase (Phase 1 vs. Phase 2). We understand that the total authorized value may be problematic to reconcile as HDR has closed out the Yuba Phase 1 contract, while Jones & Stokes has continued to invoice against it (applying modifications for Phase 2 to the initial Yuba contract). So that we don't get bogged down in these phase distinctions, our understanding of our total current contract value is in Table 1 below, including all phases and modifications. For the sake of simplicity, the recent contract for Phase 4 is not included.

Table 1. Summary of Current Contract Value

Initial Bear/WPIC Contract (January 20, 2004)	\$468,728
Modification 1 (December 15, 2004)	\$114,677
Initial Yuba Contract (July 12, 2004)	\$110,552
Modification 2 (April 29, 2005)	\$248,753
Modification 3 (October 10, 2005)	\$186,328
De-authorization from Yuba Initial Contract	-\$9,011
Total Current Contract Value	\$1,120,027

Relative to current billings, as we discussed in our meeting on December 20, a balance of \$12,264 remained in our contract budget as of October 23 (as shown below in Table 2).

Table 2. Contract Balance through October 23, 2005

Current Contract Value (from Table 1)	\$1,120,027
Total Billed through October 23, 2005	\$1,107,763
Contract Balance through October 23, 2005	\$12,264

As of January 1, 2006, the amount spent beyond the contract value (i.e., unbilled charges beyond this invoice) is \$48,906 (as shown below in Table 3). An invoice is enclosed for our current charges.

Table 3. Total Spent to Date over Contract Value

Contract Balance through October 23, 2005 (from Table 2)	\$12,264
Current Charges from October 24, 2005, through January 1, 2006	\$61,170
Total Spent to Date over Contract Value	\$48,906

Based on the estimates described above by task, the additional work effort beyond contract (additive to the total spent to date shown in Table 3) is \$67,500, resulting in a sum of \$116,406 (shown below in Table 4).

Table 4. Total Estimated Effort beyond Current Contract Value

Total Spent to Date over Contract Value (from Table 3)	\$48,906
Additional Amount Estimated to Complete Tasks	\$67,500
Total Estimated Effort beyond Current Contract Value	\$116,406

February 23, 2006
Page 5

Based on the information detailed above, Jones & Stokes requests a contract modification in the amount of \$116,406. Please contact Gregg Roy and me to discuss these circumstances and options for moving forward.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Phase 4 Levee Repair - Yuba River

Continuation of Phase 2 Construction Management FEMA Certification for Contract Work

FEE WORKSHEET - Amendment No. 2

No.	Task Description	Labor										Total Hours	Total Labor (\$)	Expenses	JAS	Sub-Contractors*		Total		
		PM E7	QC E8	St Engr E7	Chair E7	Coat E5	PE E5	CIV E4	CIV E2	CADD T4	Asst T4					Chemical	Chemical		Hours	(\$)
PART A - PHASE 4 LEVEE REPAIRS - UPPER YUBA RIVER																				
1. PROJECT MANAGEMENT																				
1.1	Project Management	240																		
1.2	Project Guide	8																		
1.3	Project Kick Off Meeting	8																		
1.4	Monthly Status Meetings	108																		
1.5	Monthly Progress Reports	54																		
1.8	Quality Control	8																		
1.7	Agency Coordination	40																		
1.7	Subtotal Project Management	486	104	72	80	0	474	24	0	0	0	123	310	1,853	246,743					273,585
2. YUBA RIVER LEVEE PREDESIGN																				
2.1	Basin of Design Report - SPRR to Simpson Lane	24																		
2.4	Check Point Meeting - SPRR to Simpson Lane	4																		
2.5	Finalize Basin of Design Report - SPRR to Simpson Lane	4																		
2.6	Basin of Design Report - Remaining Yuba Repairs	24																		
2.9	Check Point Meeting - Remaining Yuba Repairs	4																		
2.10	Finalize Basin of Design Report - Remaining Yuba Repairs	4																		
2.10	Subtotal Yuba River Levee Pre-design	64	0	0	0	0	82	182	72	24	0	0	40	484	61,607					65,171
3. ENVIRONMENTAL COMPLIANCE AND PERMITS																				
3.1	CEQA Phase I, Initial Study	2																		
3.2	CEQA Phase II, Negative Declaration	6																		
3.3	Public Outreach	4																		
3.4	Permitting	4																		
3.5	Reclamation Board Encroachment Permit for Yuba River Levee Repairs	4																		
3.5	Other Permits	16																		
3.5	Subtotal Environmental Compliance and Permits	28	0	0	0	0	82	88	104	0	0	0	40	362	42,258					26,400
4. PLANS SPECIFICATIONS AND ESTIMATES (PS&E)																				
4.1	30 Percent PS&E - SPRR to Simpson Lane	18																		
4.2	60 Percent PS&E - SPRR to Simpson Lane	18																		
4.3	Final PS&E - SPRR to Simpson Lane	18																		
4.4	30 Percent PS&E - Remaining Yuba Repairs	8																		
4.5	60 Percent PS&E - Remaining Yuba Repairs	8																		
4.6	Final PS&E - Remaining Yuba Repairs	8																		
4.6	Subtotal PS&E	78	0	0	0	0	128	376	576	824	0	0	252	2,610	316,614					10,180
5. RIGHT-OF-WAY, EASEMENT REQUIREMENTS AND UTILITY COORDINATION																				
5.1	Final Easement Requirements - SPRR to Simpson Lane	2																		
5.2	Utility Identification and Coordination - SPRR to Simpson Lane	2																		
5.3	Final Easement Requirements - Remaining Yuba Repairs	2																		
5.4	Utility Identification and Coordination - Remaining Yuba Repairs	2																		
5.4	Subtotal Right-of-Way/Easement and Utility Requirements	8	0	0	0	0	80	80	184	184	0	0	0	48	60,488					58,051
6. PRE-BID ASSISTANCE AND CONSTRUCTION SUPPORT																				
6.1	Bidding Support (Addenda and Clarifications) - SPRR to Simpson Lane	2																		
6.2	Pre-Bid Meetings - SPRR to Simpson Lane	4																		
6.3	Pre-Construction Meeting - SPRR to Simpson Lane	4																		
6.4	Construction Phase Services - Phases 2 and 4 - SPRR to Simpson Lane	32																		
6.5	Bidding Support (Addenda and Clarifications) - Remaining Yuba Repairs	2																		
6.5	Pre-Bid Meetings - Remaining Yuba Repairs	4																		
6.7	Pre-Construction Meeting - Remaining Yuba Repairs	4																		
6.8	Construction Phase Services - Remaining Yuba Repairs	24																		
6.8	Subtotal Pre-Bid Assistance and Construction Support	78	0	0	0	0	178	216	216	0	0	0	128	2,828	352,748					140,120
Subtotal Phase 4 Levee Repairs - Tasks 1-8 (PART A)																				
PART B - CONTINUATION OF PHASE 2 CONSTRUCTION MANAGEMENT																				
2. CONSTRUCTION MANAGEMENT (PHASE 2 BEAR RIVER, WPC AND YUBA RIVER LEVEE REPAIRS (N. 2006))																				
7.1.7.6	Construction Management	172																		
7.1.7.1	Drill Design Modifications	40																		
7.1.7.3	Final Design Modifications	8																		
7.1.7.4	Revise Basin of Design Report	32																		
7.1.7.5	Childrens & Rec Board Permit Mods	4																		
7.8	Subtotal Construction Management (PART B)	4	2	2	2	172	0	328	3,848	88	0	1,216	7,028	8,144						1,438,714
PART C - FEMA CERTIFICATION FOR CONTRACT WORK																				
6 FEMA CERTIFICATION FOR CONTRACT WORK																				
6.1	FEMA Certification for Contract Work	40	24	48	38	0	120	180	240	56	0	40	794	99,100	10,901					31,127
6.1	Subtotal FEMA Certification for Contract Work (PART C)	40	24	48	38	0	120	180	240	56	0	40	794	99,100	10,901					37,127
TOTAL ENGINEERING EFFORT TASKS 1-8 (PARTS A, B & C)		764	130	122	464	128	1,706	2,924	4,872	1,124	123	2,038	14,335	936,993	178,288	555,290	31,900	490,360		2,876,642

*Subcontractors marked up by 10%



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Government Center
915 Eighth Street, Suite 115
Marysville, CA 95901-5273

Telephone: (530) 749-7575 Fax: (530) 749-7312

Date: March 7, 2006
To: Three Rivers Levee Improvement Authority Board
From: Scott Shapiro, Special Counsel
Subject: Reclamation Board Permitting Process

Recommendation: Give staff direction to begin discussions with the Reclamation Board's Ad Hoc Committee and the Reclamation Board consistent with the issue paper to be presented.

Background: On September 23, 2004, TRLIA submitted to the Reclamation Board an application for Permit No. 17782, which would have authorized improvements to the existing Project Levees along portions of the Western Pacific Interceptor Canal and the right bank of the Bear River, and which would also authorize the construction of a new setback levee along portions of the right bank of the Bear River, and other work required for Phases 2 and 3. Through a series of Reclamation Board hearings and meetings it became apparent that the Reclamation Board sought to condition issuance of Permit No. 17782 upon some assurance of ability to finance the improvements and upon some limitation of growth of the Plumas Lake area until certain levee improvements were complete.

The Reclamation Board created an Ad Hoc Committee to develop the details of a plan to address these concerns, and the Committee met with TRLIA staff and Board representatives during seven public sessions. Throughout the two month period during which these sessions took place, TRLIA also held a series of meetings with the Landowners to assure that Landowner interests were represented in any proposals that might be presented to satisfy the Reclamation Board. The meetings with the Ad Hoc Committee also included presentations on the financial support for the project and the source of the approximately \$100,000,000 necessary to fund Phases 1, 2, and 3, with some funds remaining to study the levees based upon the information released regarding the Feather and Yuba River Levees (what is now termed Phase 4).

The Final Plan adopted by TRLIA, Yuba County, RD 784, the Landowners, and the Reclamation Board, required that TRLIA come back to the Reclamation Board to provide information regarding the Phase 4 financing plan. That presentation will be made to the Reclamation Board on March 17th with further discussion expected on April 21. In advance of those meetings, the Reclamation Board created a new Ad Hoc Committee to discuss the status of the TRLIA project, and to review the Phase 4 financing plan. The first Committee meeting is schedule for March 10.

In conjunction with that Committee meeting and the discussions that will be started regarding the financing plan, TRLIA will need to present its overall strategy for Phase 4, including status of each of the conditions imposed by the Reclamation Board. Staff intends to facilitate this discussion through the use of an issue paper. While that issue paper is still being developed, a draft will be available for presentation to the TRLIA Board at its meeting on March 7. At that time, staff will seek direction from the TRLIA Board as to whether the Board wishes for staff to seek to implement the strategy in the issue paper.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

FEBRUARY 7, 2006

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 3:30 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Mary Jane Griego, Dan Logue, and Richard Webb. Also present were Executive Director Kent McClain, Chief Deputy Counsel Angil Morris-Jones, and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

ACTION ITEMS

A. CSAC Excess Insurance Authority Liability Insurance Program: Following presentation by Executive Director Kent McClain, upon motion of Director Logue, seconded by Director Griego, and unanimously carried, the Board adopted Resolution No. 06-03, which is entitled: "RESOLUTION TO APPROVE THE COUNTY OF YUBA EXTENDING CSAC EXCESS INSURANCE AUTHORITY LIABILITY INSURANCE PROGRAM TO THREE RIVERS LEVEE IMPROVEMENT AUTHORITY." ADOPT RESOLUTION NO. 06-03

B. Minutes: Upon motion of Director Logue, seconded by Director Griego, and unanimously carried, the Board approved the minutes of the special meetings of January 17 and 24, 2006 as written. APPROVE MINUTES

C. California Department of Fish and Game/Environmental Mitigation-Restoration: Following presentation by Executive Director Kent McClain regarding an agreement to acquire approximately \$19 million for use in ongoing levee improvement projects, Mr. McClain responded to Board inquiries.

Upon motion of Director Logue, seconded by Director Griego, and unanimously carried, the Board adopted Resolution No. 06-04, which is entitled: "RESOLUTION AGREEING TO ENTER INTO CONTRACT WITH THE CALIFORNIA DEPARTMENT OF FISH AND GAME TO FACILITATE ENVIRONMENTAL MITIGATION AND RESTORATION ACTIVITIES RELATED TO THE THREE RIVERS LEVEE IMPROVEMENT PROJECT," and authorizing the Executive Director to execute contract and related documents. ADOPT RESOLUTION No. 06-04

D. Sale of Excess Property Procedures: Following presentation by Executive Director Kent McClain and Right-of-Way Agent Bob Morrison and Board inquiries, upon motion of Director Griego, seconded by Director Logue, and unanimously carried, the Board approved procedures for sale of excess property acquired during right-of-way acquisitions. APPROVE PROCEDURE

E. Bender-Rosenthal, Incorporated: Upon motion of Director Griego, seconded by Director Logue, and unanimously carried, the Board appointed Bender Rosenthal, Incorporated, the disposal agent for three properties acquired during Phase Three right-of-way acquisitions. APPOINT AGENT

F. Pump Station Number 6 Pumping Capacity: Following presentation from Program Manager Ric Reinhardt and Board inquiries, the matter was continued to February 14, 2006. CONTINUE TO 2/14/06

G. Bookman-Edmonston (GEI)/Amendment Number 4: Following presentation from Program Manager Ric Reinhardt regarding scope of services for design and construction of the Bear River Setback Levee and environmental requirements and Board inquiries, upon motion of Director Logue, seconded by Director Griego, and unanimously carried, the Board approved Contract Amendment Number 4 with Bookman-Edmonston (GEI) in the amount of \$481,214 and authorized the Chairman to execute same. APPROVE AMENDMENT

H. Yuba River Levee Improvements Project Acceleration: Following presentation by Program Manager Rick Reinhardt regarding acceleration of levee improvements along the Yuba River with regards to receiving an A-99 floodplain designation, Mr. Ron Ernie, Cresleigh Homes, recapped recent meetings of the landowners group and encouraged Board support.

Upon motion of Director Logue, seconded by Director Griego, and unanimously carried, the Board approved acceleration of levee improvements on the Yuba River levee between Union Pacific Railroad Bridge and Simpson Lane. APPROVE ACCEL. PROJECT

CORRESPONDENCE

A. Letter from Steven and Jackie Raetz dated February 1, 2006, regarding eminent domain proceedings and property value. REFER TO STAFF

Mr. Raetz recapped his letters and appraisal of the property.

Chairman Webb referred the matter to the Executive Director and right-of-way agent.

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Director Griego:

- Property along south Bear River owned by John Scheibert
- Washington DC delegation meetings regarding flood control projects, funding, and A-99 designation held January 31 through February 2, 2006

PUBLIC COMMUNICATIONS

No one came forward.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 5:02 p.m. by Chairman Webb.

Chairman

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

Approved: _____