



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AGENDA

September 5, 2006

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

Unless otherwise indicated

3:30 P.M. I

CALL TO ORDER

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

III **PUBLIC COMMUNICATIONS**: Any person may speak about any subject of concern provided it is within the jurisdiction of the Levee Improvement Authority and is not already on today's agenda. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes.

IV **CONSENT AGENDA**

A. Approve minutes of the regular meetings of August 8, 15 and special meeting of August 29, 2006.

V **ACTION ITEMS**

A. Approve contract with River Partners for an amount not to exceed \$4,276,800 to perform environmental restoration near the Bear River and setback levee and authorize Executive Director to execute same contingent upon review and approval of Counsel and subject to negotiated terms and funding sources.

B. Approve repayment of 2004 loan from Yuba County Water Agency in the amount of \$331,000 for Phase One Problem Identification Study by May 2007.

VI **BOARD AND STAFF MEMBERS' REPORTS**

VII **ADJOURN**

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

AUGUST 8, 2006

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 2:00 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Mary Jane Griego, and Richard Webb. Director Dan Logue was absent. Also present were Executive Director Paul Brunner, County Counsel Daniel Montgomery, and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

PUBLIC COMMUNICATIONS

No one came forward.

CONSENT AGENDA

Minutes: Upon motion of Director Griego, seconded by Director Brown, and carried with Director Logue being absent, the Board approved the minutes of the regular meeting of July 18, 2006 as revised and August 1, 2006, as written.

DISCUSSION ACTION ITEMS

HDR Engineering Inc./Phase 4 Yuba River Design and Construction Management: Executive Director Paul Brunner recapped the amended agreement and responded to Board inquiries.

Upon motion of Director Griego, seconded by Director Brown, and carried with Director Logue being absent, the Board approved the third amendment to the agreement with HDR Engineering Inc. in the amount of \$661,193 for Phase 4 Yuba River Design and Construction management and authorized the Chairman to execute contingent upon the first capital call of the second funding agreement made by the landowners.

APPROVE:
AGREEMENT

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Executive Director Paul Brunner:

- FEMA preliminary maps
- Schedule of upcoming Director meetings

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 2:14 p.m. by Chairman Webb.

Chairman

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

_____ Approved: _____

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES BOARD OF DIRECTORS

AUGUST 15, 2006

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 2:00 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Mary Jane Griego, Dan Logue, and Richard Webb. Also present were Executive Director Paul Brunner, County Counsel Daniel Montgomery, and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

ACTION ITEM

Second Agreement for Advance Funding Reimbursement of Costs for Levee Improvements/Proposed Changes: Assistant County Administrator Randy Margo advised proposed changes would facilitate funding to complete levee construction.

Three Rivers Levee Improvement Authority (TRILIA) Executive Director Paul Brunner advised with escrow funding still pending there are pending impacts to Phase 4 Yuba project and Phase 2 and 3 change orders.

Community Development Director Kevin Mallen recapped proposed changes referring to capital facility fees, building permits, and process application timeframe.

Seth Merewitz, Plumas Lake Landowners, thanked staff for cooperation to move forward with proposed changes to agreement.

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

APPROVE
CHANGES
TO AGRMNT.

PUBLIC COMMUNICATIONS

No one came forward.

BOARD AND STAFF MEMBERS' REPORTS

No reports were received.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 2:10 p.m. by Chairman Webb.

Chairman

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

Approved: _____

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES - BOARD OF DIRECTORS

AUGUST 29, 2006 - SPECIAL MEETING

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 8:31 a.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 Paul Brunner, Chief Deputy Counsel Angil Morris-Jones, and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

ACTION ITEMS

A. \$10 million Bridge Loan/Term Sheet: Assistant County Administrator Randy Margo recapped cash flow needs for Phase 2, 3, and 4 levee improvements and loan terms. Mr. Margo advised the term sheet under fund availability should be amended to read "funds from the first capital call."

Executive Director Paul Brunner, Three Rivers Levee Improvement Authority, recapped repayment schedule advising repayment to be accomplished no later than January 28, 2007 to ensure no impact to anticipated road projects.

Upon motion of Director Logue, seconded by Director Brown, and unanimously carried, the Board approved the term sheet as amended pledging up to \$10 million from Road Impact Fees to provide temporary cash flow needs pertaining to South Yuba Basin levee improvements, contingent upon all other conditions being met pertaining to the Second Advance Funding Agreement and directed the Auditor-Controller to perform disbursements.

APPROVE
TERM
SHEET

B. \$2 million Gap Loan/Yuba County Water Agency: Special Counsel Scott Shapiro recapped revised terms as approved by the Water Agency and responded to Board inquiries.

Upon motion of Director Griego, seconded by Director Logue, and unanimously carried, the Board accepted a \$2 million Gap Loan from Yuba County Water Agency under revised terms contained in the term sheet and delegated authority to the Executive Director to take all actions necessary in support of loans.

ACCEPT
LOAN

C. Final Environmental Impact Report Addendum/Bear River Western Pacific Interceptor Canal Levee Improvement Project: Program Manager Ric Reinhardt recapped project requirements which required assessment of environmental impacts and responded to Board inquiries.

Upon motion of Director Logue, seconded by Director Brown, and unanimously carried, the Board adopted Resolution No. 06-11, which is entitled: "RESOLUTION TO ADOPT AN ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) FOR THE BEAR RIVER AND WESTERN PACIFIC INTERCEPTOR CANAL LEVEE IMPROVEMENTS PROJECT."

ADOPT
RESOLUTION
NO. 60-11

BOARD AND STAFF MEMBERS' REPORT

Program Manager Ric Reinhardt

- Quality control review of Pump Station Number 3 and effected levee improvements

Paul Brunner

- Feather River Draft EIR scoping meeting on September 6, 2007 at 6:30 p.m. in the Government Center
- Phase Four Yuba River Project issuance process of notice to proceed
- Ribbon Cutting event upon completion of Bear River Setback Levee

Director Logue:

- Suggested audit of financial records

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 9:08 a.m. by Chairman Webb.

Chairman

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

Approved: _____



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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

September 5, 2006

TO: Three Rivers Levee Improvement Authority Board
FROM: Larry Dacus, Design Manager *Larry Dacus*
Paul Brunner, Executive Director
SUBJECT: Proposed River Partners Contract to Perform Environmental Restoration
near the Bear River Setback Levee

Recommended Action

Approve a \$4,276,800 contract with River Partners as contractor for the environmental mitigation and restoration of the floodway and setback area between the new Bear River Setback Levee and the Bear River and delegate authority to Executive Director to sign contract once work phasing details have been resolved so long as the contract is within the negotiated price and funds will come from the designated and dedicated sources identified.

Discussion

River Partners was contracted by TRILIA to create the environmental mitigation and restoration plan between the Bear River Setback Levee and the Bear River. River Partners has created the plan and it has been accepted by the appropriate regulatory agencies and is ready for implementation this September. In order for TRILIA to satisfy some of the terms of its environmental permits, work needs to begin prior to the rainy season this year.

Attached is the proposed contract with River Partners to accomplish this work in phases over the next several years. The contract establishes the overall scope of work and cost; however, the details of the phasing, which are driven by TRILIA cash flow issues, are still being worked out. TRILIA anticipates agreement to be reached with River Partners in the next few days, which would allow the work to begin immediately once the contract is executed.

It is the intent of this environmental plan to comply with the Clean Water Act Section 404 permit for TRILIA's Bear River and WPIC levee improvement projects and to meet the environmental requirements for this project that were derived from:

- U.S. Army Corps of Engineers (Corps) – general habitat restoration and specific mitigation features for affected jurisdictional waters of the United States

- U.S. Fish and Wildlife Service (USFWS) - elderberry shrubs, the host plant of the federally protected valley elderberry longhorn beetle (VELB)
- National Marine Fisheries Service (NOAA Fisheries) – fish-protection features
- California Department of Fish and Game (DFG) – general habitat restoration

The environmental plan encompasses 639 acres of native habitat types (see attached map) River Partners is highly qualified to do this work and has accomplished numerous mitigation/restoration projects along the Sacramento and Feather Rivers. Their experience with the resource agencies and their knowledge of the restoration plan will ensure success of this important feature.

This staff report and requested action was reviewed and accepted by the TRLIA Financial Review Committee on 31 Aug. 2006.

Fiscal Impact

This new contract is for services to restore 639 acres of habitat for an amount not exceeding \$4,276,800 without prior authorization by TRLIA. This is within the budget originally estimated for the Restoration Plan. Funding for this contract will be handled in phases with an initially contemplated authorization of \$1,753,000 for area preparation and plantings. This initial funding will come from an escrow account already established for this purpose and controlled jointly by TRLIA and the Army Corps of Engineers. As this initial funding is paid to River Partners, TRLIA will submit the invoices and proof of payment to Department of Fish and Game (DFG) for reimbursement under the Proposition 13 grant. The cycle of reimbursements will be used to fund additional authorizations of \$950,000 in May 2007, \$850,000 in January 2008, and \$723,800 in January 2009. A sole source of funding clause has been included in the proposed contract that identifies that funds for this contract are only from the Environmental escrow account and DFG Proposition 13 grant.

Figure 4. Management Units of the Bear River Setback Levee Project Site.



**AGREEMENT FOR
PROFESSIONAL SERVICES**

THIS AGREEMENT for Consulting services ("Agreement") is made as of the Agreement Date set forth below by and between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY of Yuba, a political subdivision of the State of California ("the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY"), and RIVER PARTNERS, a California non-profit corporation ("CONTRACTOR").

In consideration of the Services to be rendered, the sums to be paid, and each and every covenant and condition contained herein, the parties hereto agree as follows:

OPERATIVE PROVISIONS

1. SERVICES.

The CONTRACTOR shall provide those services described in Attachment "A", Provision A-1. CONTRACTOR shall provide said services at the time, place and in the manner specified in Attachment "A", Provisions A-2 through A-3.

2. TERM.

Commencement Date: _____

Termination Date: _____

Notwithstanding the term set forth above, and unless this 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 THREE RIVERS LEVEE IMPROVEMENT AUTHORITY time in which to complete a novation or renewal contract for CONTRACTOR and THREE RIVERS LEVEE IMPROVEMENT AUTHORITY 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 THREE RIVERS LEVEE IMPROVEMENT AUTHORITY under a new agreement following expiration or termination of this Agreement, and CONTRACTOR waives all rights or claims to notice or hearing respecting any failure to continue purchase of all or any such services from CONTRACTOR.

3. PAYMENT.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay CONTRACTOR

for services rendered pursuant to this Agreement at the time and in the amount set forth in Attachment "B". The payment specified in Attachment "B" shall be the only payment made to CONTRACTOR for services rendered pursuant to this Agreement. CONTRACTOR shall submit all billings for said services to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY in the manner specified in Attachment "B". Unless otherwise agreed to by the parties through amendment of this Agreement, the maximum amount of payment to be provided by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY TO CONTRACTOR under this Agreement is \$4,276,800.

4. FACILITIES, EQUIPMENT AND OTHER MATERIALS AND OBLIGATIONS OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

CONTRACTOR shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement, unless an exception to this requirement is provided in Attachment "A", Provision A-4.

5. GENERAL PROVISIONS.

The general provisions set forth in Attachment "C" are part of this Agreement. Any inconsistency between said general provisions and any other terms or conditions of this Agreement shall be controlled by the other term or condition insofar as it is inconsistent with the general provisions.

6. DESIGNATED REPRESENTATIVES.

Paul Brunner, Executive Director, is the representative of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and will administer this Agreement for the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. Jon Carlon is the authorized representative for CONTRACTOR. Changes in designated representatives shall occur only by advance written notice to the other party.

7. ATTACHMENTS.

All attachments referred to herein are attached hereto and by this reference incorporated herein. Attachments include:

- Attachment A - Services
- Attachment B - Payment
- Attachment C - General Provisions

8. **TERMINATION.** THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and CONTRACTOR shall each have the right to terminate this Agreement upon 30 days written notice to the other party.

Under State Law, contractors are required by law to be licensed and regulated by the State Contractors License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within 4 years of the date of the alleged violation. California law also provides that a complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, CA 95826.

CONTRACTORS LICENSE #: 858059, C-27

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on _____, _____, 2006.

THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY

RIVER PARTNERS

by: _____

by: John Carlon, President

ATTEST:
DONNA STOTTEMEYER,
SECRETARY

APPROVED AS TO FORM:
SCOTT L. SHAPIRO

THREE RIVERS LEVEE IMPROVEMENT
AUTHORITY SPECIAL COUNSEL



ATTACHMENT A

A.1 SCOPE OF SERVICES AND DUTIES.

The services to be provided by CONTRACTOR and the scope of CONTRACTOR's duties include the following:

See Appendix (Exhibit A.1)

A.2. TIME SERVICES RENDERED.

See Appendix (Exhibit A.2). For Initial Funding Authorization Only.

A.3. MANNER SERVICES ARE TO BE PERFORMED.

As an independent contractor, CONTRACTOR shall be responsible for providing services and fulfilling obligations hereunder in a professional manner: THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall not control the manner of performance but has provided conditions guiding the implementation of the Restoration Plan. See Appendix (Exhibit A.3)

A.4. FACILITIES FURNISHED BY THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

CONTRACTOR shall, at his/her sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.

ATTACHMENT B

PAYMENT

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay CONTRACTOR as follows:

B.1 BASE CONTRACT FEE. Unless otherwise agreed to by the parties through amendment of this Agreement, the maximum amount to be paid by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY to CONTRACTOR under this Agreement is \$4,276,800. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY agrees to an initial payment to CONTRACTOR in an amount of \$1,753,000. This initial amount is for the preparation of the restoration area for planting and installation of the first year of plantings. Remaining work by the CONTRACTOR will be subject to three additional separate authorizations by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY for maintenance and monitoring. The first additional authorization is expected to be on or about May 2007 for \$950,000, the second on or about January 2008 for \$850,000, and the final authorization on or about January 2008 for \$723,800. As to each authorization, CONTRACTOR shall submit requests for payment monthly no later than the tenth (10th) day of the month consistent with the attached payment schedule.

B.2 TRAVEL COSTS. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall not pay CONTRACTOR for meals, lodging or other travel costs not otherwise already included within the price and scope of work provided under this Agreement.

B.3 AUTHORIZATION REQUIRED. Services performed by CONTRACTOR and not authorized in this Agreement shall not be paid for by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. Payment for additional services shall be made to CONTRACTOR by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY if, and only if, this Agreement is amended by both parties in advance of performing additional services.

B.4 SOLE SOURCE OF PAYMENT. The sole source of payment for this contract is funding currently contained within an escrow account established for the purpose of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY mitigation and restoration, and an approved Proposition 13 Grant with the California Department of Fish and Game. Release of funds from the escrow account requires agreement from the Corps of Engineers. Failure of the Corps of Engineers to agree to release the escrowed funds, or failure of the Department of Fish and Game to provide the needed reimbursements during the life cycle of this project could result in a delay in funding authorization, delay in portions of the work, or termination of the contract for convenience by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

ATTACHMENT C

GENERAL PROVISIONS

C.1 INDEPENDENT CONTRACTOR STATUS. At all times during the term of this Agreement, the following apply:

C.1.1 All acts of CONTRACTOR shall be performed as an independent contractor and not as an agent, officer or employee of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. It is understood by both CONTRACTOR and THREE RIVERS LEVEE IMPROVEMENT AUTHORITY that this Agreement is by and between two independent contractors and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association.

C.1.2 CONTRACTOR shall have no claim against THREE RIVERS LEVEE IMPROVEMENT AUTHORITY for employee rights or benefits, including, but not limited to, seniority, vacation time, vacation pay, sick leave, personal time off, overtime, medical, dental or hospital benefits, civil service protection, disability retirement benefits, paid holidays or other paid leaves of absence.

C.1.3 CONTRACTOR is solely obligated to pay all applicable taxes, deductions and other obligations, including, but not limited to, federal and state income taxes, withholding and Social Security taxes, unemployment and disability insurance and Workers' Compensation and Medi-Care payments.

C.1.4 As an independent contractor, CONTRACTOR is not subject to the direction and control of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY except as to the final result contracted for under this Agreement. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may not require CONTRACTOR to change its manner of doing business, but may require it to redirect its efforts to accomplish what it has agreed to do.

C.1.5 CONTRACTOR may provide services to others during the same period service is provided to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY under this Agreement.

C.1.6 If in the performance of this Agreement any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision and control of CONTRACTOR. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the CONTRACTOR.

C.1.7 As an independent contractor, CONTRACTOR hereby indemnifies and holds THREE RIVERS LEVEE IMPROVEMENT AUTHORITY harmless from any and all claims that may be made against THREE RIVERS LEVEE IMPROVEMENT AUTHORITY based on any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

C.2 LICENSES, PERMITS, ETC. CONTRACTOR represents and warrants to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY that it has all licenses, permits, qualifications, and approvals of whatsoever nature which are legally required for CONTRACTOR to practice its profession. CONTRACTOR represents and warrants to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for CONTRACTOR to practice its profession at the time the services are performed. Failure of the CONTRACTOR to comply with this provision shall authorize the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY to immediately terminate this agreement notwithstanding Operative Provision No. 9.

C.3 TIME. CONTRACTOR shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of CONTRACTOR'S obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

C.4 INSURANCE. Prior to rendering services provided by the terms and conditions of this Agreement, CONTRACTOR or its subcontractors shall acquire and maintain during the term of this Agreement, insurance coverage, through and with an insurer acceptable to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, naming the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and any related agency governed by the Board of Supervisors which is letting the contract or for whom the services under the contract are being provided, and THREE RIVERS LEVEE IMPROVEMENT AUTHORITY'S, or related agency's, officials, employees, and volunteers as additional insured, (hereinafter referred to as "the insurance"). The limits of insurance herein shall not limit the liability of the CONTRACTOR hereunder.

C.4.1 TERM. Policies of insurance shall be in effect during the term of this Agreement and shall provide that they may not be canceled without first providing THREE RIVERS LEVEE IMPROVEMENT AUTHORITY with thirty (30) days written notice of such intended cancellation or in the event of cancellation for non payment of premium ten (10) days prior written notice given to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. If CONTRACTOR fails to maintain the insurance provided herein, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may secure such insurance and deduct the cost thereof from any funds owing to CONTRACTOR.

C.4.2 MINIMUM SCOPE OF INSURANCE. CONTRACTOR shall procure insurance covering general liability, automobile liability, and workers' compensation. Coverage shall be at least as broad as:

- (a) Insurance Services Office (ISO) Commercial General Liability Occurrence form number CG0001 10-01 or equivalent ISO form. A non-ISO form must be reviewed and approved by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY Risk Manager prior to acceptance of the Agreement.
- (b) Insurance Services Office Business Auto Coverage form number CA0001 10-01 covering Automobile Liability.
- (c) Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.
- (d) If this Agreement is for the provision of professional services, Professional Errors and Omissions Liability Insurance, with a coverage form subject to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY approval.

C.4.3 OTHER INSURANCE PROVISIONS. The policies are to contain, or be endorsed to contain the following provisions:

- (a) General Liability and Automobile Liability Coverages.
 - (i) The THREE RIVERS LEVEE IMPROVEMENT AUTHORITY and the public entity awarding the contract if other than the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, and their officials, employees and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the CONTRACTOR; products and completed operations of the CONTRACTOR; premises owned, leased, occupied, or used by the CONTRACTOR; or automobiles owned, leased, hired, or borrowed by the CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials, employees or volunteers.
 - (ii) The CONTRACTOR'S insurance coverage

shall be primary insurance as respects the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials, employees and volunteers and any other insureds under this Agreement. Any insurance or self-insurance maintained by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials, employees and volunteers or other insureds shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

(iii) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials, employees and volunteers or other insureds under this Agreement.

(iv) The insurance policy required by this clause shall be endorsed to state that the CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(b) Worker's Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials, employees or other insureds under this Agreement.

(c) All Coverages. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days written notice given to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY or in the event of cancellation for non payment of premium ten (10) days prior written notice given to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY.

C.4.4 ACCEPTABILITY OF INSURERS. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

C.4.5 MINIMUM LIMITS OF INSURANCE. CONTRACTOR shall maintain limits no less than:

(a) **Commercial General Liability:** One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement or the general aggregate limit shall be twice the required occurrence limit.

(b) **Automobile Liability:** \$1,000,000 combined single limit per accident for bodily injury or property damage.

(c) **Workers' Compensation and Employers Liability:** Workers' Compensation limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars (\$1,000,000) per accident.

(d) **Professional Errors and Omissions Liability (if required):** Policy limits of not less than One Million Dollars (\$1,000,000) per incident and One Million Dollars (\$1,000,000) annual aggregate, with deductible or self-insured portion not to exceed Two Thousand Five Hundred Dollars (\$2,500). Coverage may be made on a claims-made basis with a "Retro Date" either prior to the date of the Agreement or the beginning of the Agreement services. If claims-made, coverage must extend to a minimum of twelve-months beyond completion of the services. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a "Retro Date" prior to the Agreement effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of services.

C.4.6 SUBCONTRACTORS. In addition to the above policies, if CONTRACTOR hires a subcontractor under this Agreement CONTRACTOR shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein. If CONTRACTOR requires subcontractors to provide insurance coverage, then CONTRACTOR shall be named as an additional insured under such policy or policies.

C.4.7 DEDUCTIBLES AND SELF-INSURED RETENTIONS. Except as otherwise provided in this Agreement, any deductibles or self-insured retentions must be declared to and approved by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. At the option of the THREE RIVERS LEVEE

IMPROVEMENT AUTHORITY either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, its officials, employees and volunteers; or, the

C.4.8 VERIFICATION OF COVERAGE.

(a) CONTRACTOR shall furnish THREE RIVERS LEVEE IMPROVEMENT AUTHORITY with Certificates of Insurance and with original endorsements effecting coverage required by this clause. The certificate(s) and endorsement(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) and endorsement(s) are to be on forms provided by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY or on forms received and approved by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY before work commences. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY reserves the right to require complete, certified copies of all required insurance policies at any time.

(b) CONTRACTOR shall not render services under the terms and conditions of this Agreement unless each type of insurance coverage and endorsement is in effect and CONTRACTOR has delivered the certificate(s) of insurance and endorsement(s) to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY as previously described. If CONTRACTOR shall fail to procure and maintain said insurance, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may, but shall not be required to, procure and maintain the same, and the premiums of such insurance shall be paid by CONTRACTOR to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY upon demand. The policies of insurance provided herein which are to be provided by CONTRACTOR shall be for a period of time sufficient to cover the term of the Agreement, including THREE RIVERS LEVEE IMPROVEMENT AUTHORITY'S acceptance of CONTRACTOR'S work. It is understood and agreed that thirty (30) days prior to the expiration of any policy of insurance, CONTRACTOR will deliver to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY certificate(s) and endorsement(s) evidencing a renewal or new policy to take the place of the policy expiring.

C.5 INDEMNITY. CONTRACTOR shall defend, indemnify, and hold harmless THREE

RIVERS LEVEE IMPROVEMENT AUTHORITY, its elected and appointed councils, boards, commissions, officers, agents, and employees from any liability for damage or claims for damage for personal injury, including death, as well as for property damage, which may arise from the intentional or negligent acts or omissions of CONTRACTOR in the performance of services rendered under this Agreement by CONTRACTOR, or any of CONTRACTOR'S officers, agents, employees, contractors, or subcontractors.

C.6 CONTRACTOR NOT AGENT. Except as THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may specify in writing, CONTRACTOR shall have no authority, express or implied, to act on behalf of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY in any capacity whatsoever as an agent. CONTRACTOR shall have no authority, express or implied, pursuant to this Agreement to bind THREE RIVERS LEVEE IMPROVEMENT AUTHORITY to any obligation whatsoever.

C.7 ASSIGNMENT PROHIBITED. CONTRACTOR may not assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no legal effect.

C.8 PERSONNEL. CONTRACTOR shall assign only competent personnel to perform services pursuant to this Agreement. In the event that THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by CONTRACTOR to perform services pursuant to this Agreement, CONTRACTOR shall remove any such person immediately upon receiving written notice from THREE RIVERS LEVEE IMPROVEMENT AUTHORITY of its desire for removal of such person or persons.

C.9 STANDARD OF PERFORMANCE. CONTRACTOR shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which CONTRACTOR is engaged. All products of whatsoever nature which CONTRACTOR delivers to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY pursuant to this Agreement shall be prepared in a first class and workmanlike manner and shall conform to the standards or quality normally observed by a person practicing in CONTRACTOR'S profession.

C.10 POSSESSORY INTEREST. The parties to this Agreement recognize that certain rights to property may create a "possessory interest", as those words are used in the California Revenue and Taxation Code, §107. For all purposes of compliance by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY with Section 107.6 of the California Revenue and Taxation Code, this recital shall be deemed full compliance by the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY. All questions of initial determination of possessory interest and valuation of such interest, if any, shall be the responsibility of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY Assessor and the contracting parties hereto. A taxable possessory interest may be created by this contract; and if created, the party in whom such an

interest is vested will be subject to the payment of property taxes levied on such an interest.

C.11 TAXES. CONTRACTOR hereby grants to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY the authority to deduct from any payments to CONTRACTOR any THREE RIVERS LEVEE IMPROVEMENT AUTHORITY imposed taxes, fines, penalties and related charges which are delinquent at the time such payments under this Agreement are due to CONTRACTOR.

C.12 TERMINATION. Upon termination of this Agreement as otherwise provided herein, CONTRACTOR shall immediately cease rendering service upon the termination date and the following shall apply:

C.12.1 CONTRACTOR shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any tangible thing and form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.

C.12.2 THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall have full ownership and control of all such writings or other communications delivered by CONTRACTOR pursuant to this Agreement.

C.12.3 THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall pay CONTRACTOR the reasonable value of services rendered by CONTRACTOR to the date of termination pursuant to this Agreement not to exceed the amount documented by CONTRACTOR and approved by THREE RIVERS LEVEE IMPROVEMENT AUTHORITY as work accomplished to date; provided, however, THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall not in any manner be liable for lost profits which might have been made by CONTRACTOR had CONTRACTOR completed the services required by this Agreement. In this regard, CONTRACTOR shall furnish to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY such financial information as in the judgment of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY is necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY shall be final. The foregoing is cumulative and does not affect any right or remedy which THREE RIVERS LEVEE IMPROVEMENT AUTHORITY may have in law or equity.

CONTRACTOR may terminate its services under this Agreement upon thirty (30) days written notice to the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, without liability for damages, if CONTRACTOR is not compensated according to the provisions of the Agreement or upon any other material breach of the Agreement by THREE

RIVERS LEVEE IMPROVEMENT AUTHORITY.

C.13 NON-DISCRIMINATION. Throughout the duration of this Agreement, CONTRACTOR shall not unlawfully discriminate against any employee of the CONTRACTOR or of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY or applicant for employment or for services or any member of the public because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age, sex or sexual orientation. CONTRACTOR shall ensure that in the provision of services under this Agreement, its employees and applicants for employment and any member of the public are free from such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900, et seq.). The applicable regulations of the Fair Employment Housing Commission implementing Government Code Section 12900, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONTRACTOR shall also abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. CONTRACTOR shall give written notice of its obligations under this clause to any labor agreement. CONTRACTOR shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

C.14 REHABILITATION ACT OF 1973/AMERICANS WITH DISABILITIES ACT OF 1990. In addition to application of the non-discrimination provision of this Agreement, above, CONTRACTOR agrees to comply with all provisions of section 504 et seq. of the Rehabilitation Act of 1973, and with all provisions of the Americans with Disabilities Act of 1990, and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts, pertaining to the prohibition of discrimination against qualified handicapped and disabled persons, in all programs or activities, as to employees or recipients of services.

C.15 OWNERSHIP OF INFORMATION. All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, and CONTRACTOR agrees to deliver reproducible copies of such documents to THREE RIVERS LEVEE IMPROVEMENT AUTHORITY on completion of the services hereunder. The THREE RIVERS LEVEE IMPROVEMENT AUTHORITY agrees to indemnify and hold CONTRACTOR harmless from any claim arising out of reuse of the information for other than this project.

C.16 WAIVER. A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

C.17 COMPLETENESS OF INSTRUMENT. This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied.

C.18 SUPERSEDES PRIOR AGREEMENTS. It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, representations, or agreements, written or oral, between the parties hereto.

C.19 ATTORNEY'S FEES. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fee, which may be set by the Court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such party may be entitled.

C.20 CAPTIONS. The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

C.21 DEFINITIONS. Unless otherwise provided in this Agreement, or unless the context otherwise requires, the following definitions and rules of construction shall apply herein.

C.21.1 NUMBER AND GENDER. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, the word "person" includes corporations, partnerships, firms or associations, wherever the context so requires.

C.21.2 MANDATORY AND PERMISSIVE. "Shall" and "will" and "agrees" are mandatory. "May" is permissive.

C.22 TERM INCLUDES EXTENSIONS. All references to the term of this Agreement or the Agreement Term shall include any extensions of such term.

C.23 SUCCESSORS AND ASSIGNS. All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

C.24 MODIFICATION. No modification or waiver of any provision of this Agreement or its attachments shall be effective unless such waiver or modification shall be in writing, signed by all parties, and then shall be effective only for the period and on the condition, and for the specific instance for which given.

C.25 COUNTERPARTS. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

C.26 OTHER DOCUMENTS. The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

C.27 PARTIAL INVALIDITY. If any term, covenant, condition or provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

C.28 JURISDICTION. It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a Court of competent jurisdiction in the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY of Yuba, State of California.

C.29 CONTROLLING LAW. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

C.30 TIME IS OF THE ESSENCE. Time is of the essence of this Agreement and each covenant and term a condition herein.

C.31 AUTHORITY. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Further, by entering into this Agreement, neither party hereto shall have breached the terms or conditions of any other contract or agreement to which such party is obligated, which such breach would have a material effect hereon.

C.32 CONFLICT OF INTEREST. Neither a THREE RIVERS LEVEE IMPROVEMENT AUTHORITY employee whose position in THREE RIVERS LEVEE IMPROVEMENT AUTHORITY enables such employee to influence the award of this Agreement or any competing Agreement, nor a spouse or economic dependent of such employee, shall be employed in any capacity by CONTRACTOR herein, or have any other direct or indirect financial interest in this Agreement.

CONTRACTOR may be subject to the disclosure requirements of the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY conflict of interest code if in a position to make decisions or

influence decisions that could have an effect on the CONTRACTOR'S financial interest. The THREE RIVERS LEVEE IMPROVEMENT AUTHORITY Administrator shall determine in writing if CONTRACTOR has been hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in the Yuba County Conflict of Interest Code.

C.33 NOTICES. All notices and demands of any kind which either party may require or desire to serve on the other in connection with this Agreement must be served in writing either by personal service or by registered or certified mail, return receipt requested, and shall be deposited in the United States Mail, with postage thereon fully prepaid, and addressed to the party so to be served as follows:

If to "THREE RIVERS LEVEE IMPROVEMENT AUTHORITY":

With a copy to:

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
Charles K. McClain, Executive Director
915 8th Street, Suite 115
Marysville, CA 95901

If to "CONTRACTOR":

RIVER PARTNERS
John Carlon
580 Vallombrosa Avenue
Chico, CA 95926

APPENDIX

EXHIBIT A.1

Scope of Services

River Partners shall furnish all labor, materials, equipment, and services necessary to restore and enhance 639 acres of the Bear River Setback Levee Project located in Yuba County, California, as described in the Riparian Restoration Plan for the Bear River Setback Levee Project dated December 15, 2005. Individual tasks for the initial funding authorization are listed below in summary fashion.

Task 1: Project Management

River Partners will manage and administer this project. This task includes contract preparation and management, coordination with TRIIA, contractors, and subcontractors, budget management and accounting.

Task 2: Plant Propagation

River Partners will collect and supply all necessary hardwood cuttings, valley oak acorns and root crowns required to plant approximately 39,500 woody species. River Partners will also be responsible for purchasing and supplying all native grass seeds and plugs for this project. River Partners agreed to deliver an additional 92,517 woody species under a separate existing contract with Three River Levee Improvement Authority.

Task 3: Site Preparation

The entire project area may be disked, ripped, leveled and/or floated to smooth the surface for irrigation and tractor operations (mowing and spraying). During ground preparation of the cultural resources area (stump grinding and light disking), a qualified cultural resource monitor will be on-site to ensure that the ground disturbing activities do not adversely affect buried resources. Existing native plants will be protected with fencing to minimize potential damage from machine operation. Prior to these activities, operations will be initiated to begin eradication of non-native species. Removing Himalayan blackberry within existing riparian habitat will consist of mowing and spraying. There will be no landscape manipulation (i.e., grading) to prepare the area for planting. Extra caution will be exercised to ensure that native species, especially blue elderberry, are not damaged.

Task 4: Irrigation System Installation

River Partners is obligated to convey, and distribute ample irrigation water to all planted areas. An irrigation system will be installed that utilizes either flood or drip irrigation technology. River Partners will utilize existing wells as water sources.

- Task 5: Woody Species and Native Grass Planting**
River Partners shall survey and layout the fields, flag individual plant communities, stake and label each plant location, plant each woody species, and install and provide every tree with a plant protector. River Partners will also be responsible for preparing the native grass and herbaceous understory areas for planting.
- Task 6: Maintenance during Plant Establishment**
Planted areas will be irrigated from planting until April 30th 2007 as required. In each restored field, non-native plants will be controlled (spraying, mowing) to optimize the conditions for woody riparian species. In areas to be planted with herbaceous species, a strict spraying and mowing regimen will be conducted before planting. All field maintenance activities will end April 30th, 2007.
- Task 7: Reporting**
A draft report for the first year's maintenance shall be prepared and submitted to Three Rivers Levee Improvement Authority for review and approval by April 30th, 2007.

EXHIBIT A.2

TIME SERVICES RENDERED FOR INITIAL FUNDING AUTHORIZATION

Task	2006				2007			
	Win	Spr	Sum	Fal	Win	Spr	Sum	Fal
1. Management				■	■	■		
2. Plant Propagation					■	■		
3. Site Preparation				■	■			
4. Install Irrigation System				■				
5. Woody Species and Native Grass Planting				■	■	■		
6. Maintain Riparian Plantings				■	■	■		
7. Reporting					■	■		

EXHIBIT A.3

Conditions Guiding Implementation of the Mitigation/Riparian Restoration for the Bear River Setback Levee Project

The following items are considered a part of the Scope of Effort to be followed by River Partners during Implementation of the Mitigation/Riparian Restoration (Restoration) for the Bear River Setback Levee Project (Project).

General

1. The Restoration shall comply with the requirements set forth in the Riparian Restoration Plan for the Bear River Setback Levee Project, Bear River Miles 0-3.2 And Feather River Mile 12 L, Yuba and Sutter Counties, California, Issued for Approval on December 15, 2005 (Plan).
2. The Restoration shall comply with all requirements set forth in regulatory compliance permits for the Project, included but not limited to California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA).
3. The Contractor shall perform work according to all applicable laws, codes, and regulations required by federal, state, and local authorities to complete the work specified in the Plan.
4. The Restoration shall be subject to the results of pre-project surveys and required monitoring of project implementation as outlined in the Plan (Section IV.B).
5. Cultural resource sites have been discovered in the restoration implementation area. No stump pulling, heavy earth moving, or deep ripping will occur on the archaeological sites or within a 100 ft buffer zone around the mapped core site areas.
6. The Restoration work shall be conducted according to the Plan and shall include mobilization and demobilization, plant material collection and nursery, site preparation, irrigation, field layout and plant spacing, plant installation (container plantings, plug plantings, and seeding), plant establishment (for 3 years, minimum after initial installation), monitoring and reporting, and restoration implementation management.
7. Planting operations shall be conducted according to the Plan, and as directed by the TRIIA Representative. At all times, the Contractor's operations shall be subject to observation for conformance with the Plan and approval by the TRIIA Representative.
8. The work required under this Contract shall include all labor, transportation, equipment, materials, and incidentals required to complete the Riparian Restoration to

the performance requirements prescribed in the Plan and as directed by the IRLIA Representative.

9. Restoration activities are expected to coincide with the setback levee construction performed by others through November 2006. The Contractor shall be responsible for coordinating all planting and irrigation system access routes, staging areas, and site work with the overall operations for the setback levee construction project.
10. The term "restoration" includes activities addressed in the Plan, including the on-site Corps 404 mitigation area planting.

Performance Standards

11. Plant survivorship shall be monitored by IRLIA and shall meet or exceed the performance requirements detailed in the Plan (Section IV.L Performance Goals).

Materials

12. Materials shall comply with State and local regulations, including but not limited to herbicide.
13. The Contractor shall submit to the IRLIA Representative samples and manufacturer's labels and/or documentation of all Contractor-furnished materials, including seed mixes, test bags from a licensed seed lab showing percent germination and purity for each species.
14. Handling and storage of all plant materials delivered to the site shall be the responsibility of the Contractor until the end of the Contract Period. The Contractor shall provide, at Contractor's expense, a storage site for the plant materials at staging areas located in the restoration area as approved by the IRLIA Representative. The plant materials shall be maintained in optimal health and protected at all times from animal damage, vandalism, sunburn, drought damage, wind damage, frost damage, toxic irrigation water, or any other conditions that would damage or reduce the viability of the plant materials.

Preparation

15. Mobilization shall consist of preparatory work, materials, and costs incurred necessary for the restoration planting and irrigation system installation operations, including, but not limited to, those necessary for the moving of personnel, equipment, supplies, and incidentals to the Project site shown on the Plan; and establishing all offices and other facilities necessary for work on the project before beginning work on the various Contract items on the project site. The Contractor shall confine all

storage of materials, preparatory work, equipment, and vehicle parking to staging areas selected by the Contractor and approved by the TRLIA Representative.

16. Demobilization tasks shall consist of work and operations at the conclusion of the restoration site preparation, planting, and irrigation installation, including, but not limited to, those necessary for the removal of personnel, equipment, supplies, and incidentals from the project site and those necessary for the removal of temporary facilities, as well as all other work and operations that must be performed or costs incurred to conclude work on the various Contract items for the project. As part of the demobilization operations, the Contractor shall leave the Project site in a clean state, free of all extraneous planting materials. This task includes removal from the project site and areas adjacent to the project site of all buildings, debris, and unused materials and equipment belonging to the Contractor or used during implementation. All offsite access roads, project site entrance roads, existing implementation ramps, and temporary access routes used to access the restoration areas damaged by the Contractor as a result of restoration activities shall be graded, wheel tracks shall be removed, and damaged sections of such roads shall be smoothed or otherwise repaired to meet or exceed their pre-project conditions. All repairs shall be approved by the TRLIA Representative before the end of project implementation.
17. The Contractor shall field mark all areas to receive seeding and planting for approval by the TRLIA Representative before the start of any operations.
18. Existing habitat including, but not limited to, riparian vegetation, elderberry shrubs, oak trees, and wetlands shall be preserved during the restoration period.
19. The Contractor shall immediately notify the TRLIA Representative if any existing vegetation to remain is damaged by the Contractor's operations. The extent of damage, value of damaged plants, and suitable replacement requirements shall be determined by the TRLIA Representative. Areas under driplines of existing trees to remain that require restoration may be accessed for said restoration upon approval of the TRLIA Representative; at all times, the Contractor shall minimize the areas to be affected.
20. All existing utility poles, property fences, barricades, or other improvements not specifically designated to be removed, eradicated, or relocated shall remain in their original condition and location undisturbed. However, upon receiving written permission from the TRLIA Representative, fences and other existing improvements may, for the convenience of the Contractor and at the Contractor's expense, be removed and temporarily relocated during restoration. Any fences or other existing improvements temporarily relocated by the Contractor shall be replaced in their original location in as good or better condition as when the Contractor entered the project site.

Irrigation Installation

21. The Contractor is responsible for developing irrigation from existing irrigation and residential wells in the setback and floodway orchard area. The restoration contractor will be responsible for decommissioning, including obtaining required permits, all wells after completion of the restoration activities. The restoration contractor will also be responsible for installing any additional irrigation facilities required for restoration activities and later removing these facilities when they are no longer needed for irrigation of the plants. The Contractor is responsible for providing pumps to wells that do not currently have pumps if those wells are needed for restoration activities.

Plant Installation

22. All plant materials shall be completely irrigated immediately after installation. All plant materials not installed or used on the day of arrival at the project site shall be stored and protected. Outside storage shall be shaded and protected from wind with a covering that allows air circulation and minimizes heat entrapment. Plant materials shall be maintained moist at all times before planting.
23. Backfill shall be soil resulting from planting hole excavation. Backfill soil materials shall be free of weeds, rubbish, and sharp objects larger than 0.05 m (2 inches). At no time shall rocks and cobbles greater than 0.05 m (2 inches) be a part of the backfill soil materials.
24. The Contractor shall complete the installation of plants according to the Plan. If plants are damaged before or during installation, the Contractor shall provide replacement plants and shall replant said materials at no additional cost.

Plant Establishment

25. The Plant Establishment Period shall begin on the first day after acceptance of the plant installation phase and extending until October 31 of the third growing season (April 1- October 31). Should the planting installation be implemented over a period exceeding one season, the Plant Establishment Period shall be phased to coincide with each year of plant installation. In that event, Contractor shall be compensated for the additional cost due to the schedule change.
26. The Contractor shall maintain all plants installed under this Contract, including container plants, plug plantings, and seeding. Monthly Plant Establishment operations shall include, but are not limited to, weed control, removal of exotic root resprouts, irrigation system operation and maintenance, hand watering (if necessary), replacement planting, and plant establishment record keeping. All Plant Establishment activities and observations shall be recorded in monthly and submitted to the TRIA Representative.

27. Water application rates shall be conducted in strict coordination with the TRLIA Representative. The Contractor shall ensure that the plants are watered before, during, and after installation and before Final Acceptance (i.e., end of Plant Establishment Period) of the project. The Contractor shall use the watering methods prescribed in the Plan for watering the plants. The Contractor shall continue to water the plants to maintain the plants in a healthy and vigorous condition throughout the duration of the Contract Period, until Final Acceptance of the project. The frequency and duration of the watering shall depend on current weather patterns and site-specific moisture conditions at each planting area. The Contractor shall water plants in areas when replants or late-planted plants or certain species or individuals which require irrigation after most other plants are weaned, throughout the entire Contract Period.
28. The Contractor shall conduct weekly site evaluations of water application from April 1 to October 31, during the first year of the Plant Establishment Period. These evaluations shall include observing all plants for signs of inappropriate watering, including water stress (caused by overwatering or underwatering), stunted growth, wilting, premature loss of leaves (for deciduous species), and premature yellowing of leaves (for deciduous species).
29. During the rainy season (approximately November 1 to March 31), the Contractor shall examine each planting site at least once each month, or following significant storm events, repair or correct flood related damages, and remove large debris that would impact restoration activities.
30. At no time shall any water be applied in a way that shall cause erosion damage to plants, or excessive runoff. Should the watering application rates need adjustment, the Contractor shall immediately contact the TRLIA Representative for consultation. The Contractor shall assume full responsibility for corrective actions resulting from inappropriate water applications and failure to contact the TRLIA Representative.
31. If the irrigation system is not operational, the Contractor shall provide supplemental watering for all plantings using methods approved by the TRLIA Representative. Supplemental watering shall support the plant performance requirements prescribed in the Plan. Supplemental watering shall consist of application of water in a manner that saturates the root zone without damaging the plant or the surrounding grade. At all times, after each watering, the root zone (a minimum radius of 2-feet) around each plant shall be saturated to a 1-foot depth.
32. The intent of the restoration is to have healthy and vigorous, persistent plants at the end of the Plant Establishment Period that can survive without irrigation or other actions. Wherever possible, these plantings should consist of the original plant materials installed during the Restoration Period. Replacement plantings that may be required during the Plant Establishment Period may require additional Plant Establishment actions beyond the Plant Establishment Period. If it is determined by the TRLIA Representative that a sufficient quantity of the original plantings did not

survive through the Plant Establishment Period because of Contractor negligence, the Contractor shall provide additional Plant Establishment at no additional cost.

33. The Contractor shall be responsible for providing and caring for healthy plants throughout the Plant Establishment Period. Healthy plants shall be those that are free of excessive disease and insect infestation that would impact the long-term health of the restoration area, are robust, and have vigorous foliage and wood. Contractor will check the foliage of each plant for symptoms of excessive disease, size, color, wilting, defoliation, new growth, browsing by wildlife, insect damage, and vandalism and take corrective actions as necessary.
34. As part of the Plant Establishment Period, the Contractor shall be responsible for any replacement planting, as directed by the TRLIA Representative. Replacement plantings shall apply to plug plantings and container plants. The Contractor shall replace dead plants, as identified at the annual observations, in excess of the allowable mortality rate in the fall of each year of the Plant Establishment Period. Plant replacement, if required, shall take place as soon as plant material supplies allow and between October 15 and November 15 of each year, or other times approved by the TRLIA Representative. No measurement and payment will occur for said replacement planting.
35. In the event that plants are lost or severely damaged, as determined by the TRLIA Representative, as a result of a 10-year or greater flood event during the Contract Period, the Contractor shall contact the TRLIA Representative immediately for direction, replace up to 10% of the original number of plants that were originally specified, and ensure irrigation operations to said plants. If plants in excess of 10% of the original number are lost or severely damaged due solely to flooding, for each event described above, TRLIA will supply the excess replacement plants and may request the Contractor to install the excess plants or replace or repair the irrigation system. The Contractor shall be compensated for the additional work, including, but not limited to, providing new plant protectors, in accordance with the Plan. The TRLIA Representative shall determine the magnitude of flooding based on readings from stream gages in the project vicinity.
36. At the end of the Plant Establishment Period, the Contractor shall provide 5 days advance written notice to the TRLIA Representative for the Final Acceptance observation at the end of the Plant Establishment Period. At the time of the Final Acceptance observation, the Contractor shall have maintained the project in its entirety according to the Plan. At the time of the project's Final Acceptance observation, the Contractor shall have planted the project in its entirety according to the Plan, and the TRLIA Representative's direction.
37. The TRLIA Representative shall perform the Final Acceptance observation to evaluate the acceptability of the plant installation and plant establishment activities. As necessary, the TRLIA Representative shall develop a punch list of items to be completed by the Contractor. Punch list requirements shall be completed by the

Contractor within 15 working days of receipt of the punch list, before Final Acceptance of the project. The Contractor shall rework and replant areas determined to be unacceptable by the TRLIA Representative, according to the Plan, and the unacceptable areas shall be reobserved and approved by the TRLIA Representative before Final Acceptance of the project. The Contractor shall be responsible for any resulting extension of the Contract Period and shall do so at no additional cost. Final Acceptance for completion of the project shall be granted by the TRLIA Representative upon satisfactory completion of the punch list items.



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Government Center
915 Eighth Street, Suite 115
Marysville, CA 95901-5273
(530) 749-7841 (530) 749-7884 Fax

September 5, 2006

TO: TRLIA Board
FROM: Paul Brunner, TRLIA Executive Director
SUBJECT: Repayment of 2004 Yuba County Water Agency Loan

Recommended Action

Agree to repay 2004 \$331,000 loan from Yuba County Water Agency to Yuba County for Phase 1 Problem Identification Study by May 2007.

Background

In 2004 the Yuba County Water Agency ("Agency") loaned \$331,000 to the County to fund the Problem Identification Study that resulted in the Phase 1 work on the Yuba River levee being performed that year. Since that time, Three Rivers has taken over the Levee Improvement Program. As a condition to the Agency agreeing to loan Three Rivers the \$2,000,000 require for the initial \$20,000,000 Capital Call, the Agency has sought Board confirmation that it will be repaid for that \$331,000 loan by May of 2007.

Discussion

The Second Funding Agreement provides that the Levee Improvement Program includes all costs associated with Phases 1 through 4. In addition, the Agreement provides that the \$135 million funding from the landowners can be used for the Levee Improvement Program. Therefore, the landowner funding can be properly used to repay this loan to the Agency.

This staff report and requested action was reviewed and accepted by the TRLIA Financial Review Committee on 31 Aug. 2006.

Fiscal Impact

Agreeing to repay this loan by May of 2007 assures Three Rivers access to the \$2,000,000 loan if needed. Such agreement does result in a reduction of \$331,000 of available funding from the next Capital Calls, but also repays an obligation of the Levee Improvement Program which currently rests with both the County and Three Rivers.