

# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AGENDA

NOVEMBER 28, 2006 – SPECIAL MEETING

Yuba County Government Center  
Board Chambers  
915 Eighth Street, Suite 109A  
Marysville, California

Unless otherwise indicated

No other business shall be conducted at this meeting. The public shall have an opportunity to address the Authority only with respect to items set forth in this agenda. Each individual or group will be limited to no more than five minutes. Prior to this time, speakers must fill out a “Request to Speak” card and submit it to the Clerk of the Board of Supervisors.

9:15 A.M. I **CALL TO ORDER**

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

III **ACTION ITEMS**

A. Adopt resolution adopting a new cash flow schedule setting February 28, 2007 as the date for the second capital call.

IV **RECESS TO 2:00 P.M.**

V **ACTION ITEMS CONTINUED**

B. Approve amendment to agreement with Economic and Planning Systems, Inc. (EPS) in the amount of \$70,000 to provide technical support for the administration of the Second Funding Agreement for advanced funding and reimbursement of costs for levee improvements and authorize Executive Director to execute upon review and approval of County Counsel.

VI **CONSENT AGENDA: All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.**

A. Approve minutes of the regular meeting of November 14, 2006.

VI **BOARD AND STAFF MEMBERS' REPORTS**

- A. Monitoring of Bear River Setback levee floodway
- B. Financial Audit and request for proposals
- C. Consulting services with Center for Natural Lands Management
- D. Other Reports and Comments

VII **ADJOURN**



# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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

November 28, 2006

TO: Three Rivers Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director *PB*  
Robert Bendorf, County Administrative Officer *RB*  
SUBJECT: Timing of Second Capital Call and Associated Actions

## Recommended Action

Approve the attached Resolution rescheduling the Second Capital Call to allow sufficient time to pursue funding of the Feather River setback levee with the State of California.

## Background

TRLIA, Yuba County, and RD 784 previously entered into the Second Implementation Agreement and the Second Funding Agreement which establish certain obligations and procedures for completing the Levee Improvement Program. The Second Funding Agreement contained a key term for the Landowners funding the program, that the parties agreed "that the second Capital Call is required for the design of the Phase 4 Feather Work, which is not necessary until the decision is made on the Feather River Setback Levee." Section 6(A)(2)(c). Although dialogue with the State on the funding of the setback levee continues to be positive, TRLIA has not yet obtained a commitment from the State to fund the setback levee. Therefore, TRLIA staff desires to reschedule the decision on whether to construct a strengthen-in-place repair or a setback levee for Feather River segment #2.

## Discussion

The Second Implementation Agreement allows TRLIA to change the timing of the capital call dates. ("The Parties shall operate using the Cash Flow Schedule contained in Exhibit B unless a revised Cash Flow Schedule with new call dates is adopted by TRLIA." Section 4(B)(1).) However, TRLIA would not be in compliance with the Agreement if changing the capital call dates would place TRLIA in potential default. (See, for example, section 1(m), defining Potential Default as including "an inability by TRLIA, the County, and the Landowners to provide funding for the Levee Improvement Program.").

Therefore, for TRLIA to be in compliance with Second Implementation Agreement, TRLIA must demonstrate it has adequate funding and cash flow to maintain the project and obtain completion by 2008. (Any decision to move to the setback levee with a 2009 completion date would require consultation with both the landowners and the State Reclamation Board).

Staff has analyzed TRLIA's obligations and cash flow and has determined that with the use of DWR Proposition 13 reimbursement, DF&G Proposition 13 reimbursement, Mitigation Escrow fund disbursement, and the use of the County cash flow loan of up to \$10 million, TRLIA has adequate funding and cash flow.

### **Fiscal Impact**

This action has both short and long term fiscal impacts.

**Short term:** In the short term, rescheduling of the Second Capital Call coupled with a revision to the cash flow loan allows TRLIA to continue to meet its current and projected obligations until the rescheduled Second Capital Call.

**Long term:** In the long term, this action has the potential for a positive fiscal impact for and TRLIA, as a decision by the State to fund the Setback Levee would bring a tremendous infusion of financial resources into the program, which would make TRLIA and the County less reliant upon Landowner funding.

**BEFORE THE BOARD OF DIRECTORS  
OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY**

**A RESOLUTION BY  
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY  
ADOPTING A NEW CASH FLOW SCHEDULE SETTING  
FEBRUARY 28, 2007 AS THE DATE FOR THE SECOND  
CAPITAL CALL**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, Yuba County ("County"), Three Rivers Levee Improvement Authority ("Three Rivers"), and Reclamation District 784 ("RD 784") have approved the Second Implementation Agreement In Regard To State Reclamation Board Permit No. 17782, dated for convenience May 19, 2006 ("Second Implementation Agreement"); and

**WHEREAS**, the County, Three Rivers, and RD 784 have approved the Second Agreement For Advanced Funding And Reimbursement Of Costs For Levee Improvements, dated for convenience August 29, 2006 ("Second Funding Agreement"); and

**WHEREAS**, the Second Funding Agreement provides that the second Capital Call is required for the design of the Phase 4 Feather Work, which is not necessary until the decision is made on the Feather River setback levee; and

**WHEREAS**, Three Rivers has sought funding from the State under Propositions 1E and 84 for the Feather River setback levee, but has not yet obtained a definitive answer from the State; and

**WHEREAS**, Three Rivers has adequate funding from identified sources, coupled with the cash flow loan from the County, to assure that the levee improvement program may continue without delay; and

**WHEREAS**, Three Rivers desires to continue to advocate for funding from the State for the Feather River setback levee; and

**WHEREAS**, in order to do so, Three Rivers desires to reschedule the Second Capital Call until, at latest, February 28, 2007, to allow further efforts to obtain funding from the State of California.

**NOW, THEREFORE, BE IT RESOLVED** that the Three Rivers Levee Improvement Authority hereby

**PASSED AND ADOPTED** this     day of                   2006, by the Three Rivers Levee Improvement Authority, by the following vote:

AYES:

NOES:

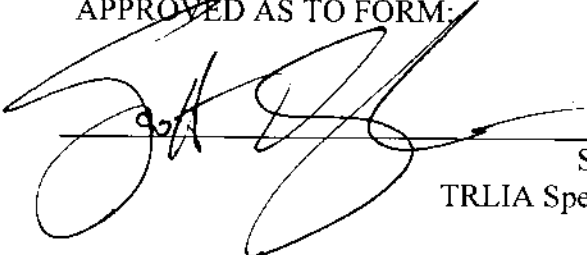
ABSENT:

ABSTAIN:

\_\_\_\_\_  
Chairman

ATTEST:     DONNA STOTTLEMEYER  
SECRETARY

\_\_\_\_\_  
APPROVED AS TO FORM:

  
\_\_\_\_\_  
Scott Shapiro  
TRLIA Special Counsel



# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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

November 28, 2006

TO: Three Rivers Levee Improvement Authority Board & Board of Supervisors  
FROM: Paul Brunner, Executive Director, TRLIA *PAB 20 NOV 06*  
Randy Margo, Assistant County Administrator, Yuba County *RM*  
SUBJECT: EPS Second Funding Agreement Administration Contract

## Recommended Action for TRLIA:

Approve the attached contract (**Attachment A**) with Economic & Planning Systems, Inc., (EPS) to provide technical support for the administration of the "Second Funding Agreement for Advanced Funding and Reimbursement of Costs for Levee Improvements" (Second Funding Agreement) and authorize the TRLIA Executive Director to sign once Counsel has reviewed. This proposed action was developed jointly by Yuba County and TRLIA staff.

## Discussion

Previously, through work performed under TRLIA approved contracts, EPS helped develop and implement the Second Funding Agreement between Reclamation District 784, County, TRLIA, and certain landowners with lands in the Plumas Lake Specific Plan. The terms of this Second Funding agreement define the roles of the various parties to the agreement, as well as the responsibilities of those parties for the implementation of the agreement. The fulfillment of the terms outlined in the Second Funding Agreement is a joint responsibility of many stakeholders (see attached Matrix, **Attachment B**); however, since the establishment of this second funding agreement was accomplished by TRLIA funding and contracts, TRLIA has been identified as the lead organization to ensure the terms of the Second Funding Agreement are performed. Attached to this staff report (as **Attachment C**) is a chart outlining the working relationships of the parties to the agreement and showing the entities that will be performing the tasks associated with the administration of the agreement.

EPS will perform several roles as indicated on the organization chart. The ultimate goal of the Executive Director of TRLIA is to have a manager that will coordinate all of the fiscal efforts of the agency. Until this role can be filled by a permanent FTE, EPS will perform the functions of this role on a contract basis. Once this role is filled, EPS will provide support to this manager by providing detailed analysis and reports on an as-

needed basis. This work will support the implementation of the Phase IV Funding Agreement and ensure that the responsibilities of TRLIA, as dictated by the Agreement, Community Facilities District (CFD) Administrator with respect to the CFD's that will be formed as contemplated in the Agreement.

The tasks that EPS will be performing to meet the needs of the agency as described above can be broken into 4 major groups. They are as follows:

1. Capital Call Administration and Participant Administration;
2. Building Permit Administration and Impact Fee Program;
3. Impact Fee Bond and CFD/Builder Bond Administration; and
4. Miscellaneous/Levee Improvement Project Cash Flow/Insurance Requirement Administration.

In each of these tasks, certain responsibilities will be fulfilled by EPS on behalf of the agency. The responsibilities include such things as notification of information to various parties, calculations and analysis determining funding amounts or reimbursements amounts due, and review and approval of information provided by other parties. EPS also will provide ad hoc technical support related to the funding programs.

In addition, EPS may subcontract services with outside consultants on behalf of the agency to complete certain tasks. These include the independent market review of home sales pricing in the Plumas Lake Specific Plan for the purpose of CFD Bond issuance. Generally, the services associated with activities included in the scope of work outlined in Exhibit A of the contract include the following activities:

- Participate in and organize conference calls;
- Prepare materials for presentation to the County, TRLIA, and the landowners;
- Assist with reviewing documents;
- Prepare and review spreadsheet analyses;
- Prepare tax roll amounts for the levy of CFD taxes;
- Subcontract market assessment services for issuing CFD Bonds;
- Prepare studies and reports as required; and
- Provide ad hoc technical support as requested.

### **Fiscal Impact**

The cost of proposed contract for the remainder of Fiscal Year 06-07 is \$70,000. The annual cost for this service is estimated to be \$100,000. The contract will be amended on an annual basis. The scope of services provided by this contract would be funded by:

- The administrative component of the Levee Impact Fee Program
- Phase IV Funding Agreement Capital Calls
- The administrative components of special taxes levied thru the proposed CFD's 2006-1 (South County Area) & 2006-2 (South County Area-Overlay).

3 Attachments:

- A. Proposed Contract
- B. Stakeholder Responsibility Matrix
- C. Working Relationships Chart



Economic &  
Planning Systems

*Public Finance  
Real Estate Economics  
Regional Economics  
Land Use Policy*

November 21, 2006

Paul Brunner  
Three Rivers Levee Improvement Authority  
915 8th Street  
Marysville, CA 95901

**Subject: Three Rivers Levee Improvement Authority Second Funding Administration  
Contract; EPS #16497**

Dear Mr. Brunner:

Economic & Planning Systems, Inc., (EPS) appreciates having worked with the Three Rivers Levee Improvement Authority (TRLIA) over the past several years providing and implementing an overall financing strategy for levee improvements being constructed by TRLIA. This financing strategy work has included providing a Tax Formula Strategy, two Rate and Method of Apportionments, a Levee Improvement Development Impact Fee, ad hoc Technical Support for the development of the Flood Control Funding Options, as well as assisting in the review, preparation and initial administration of two Advance Funding Agreements. As requested, EPS is providing this letter, a contract and scope of work for the ongoing administration of the Second Agreement for Advanced Funding and Reimbursement of Costs for Levee Improvements (Second Funding Agreement).

The scope of work under this proposal has been attached to the contract as **Exhibit A**. This scope reflects EPS's understanding of the work required to assist TRLIA in the administration of the Second Funding Agreement. The proposed budget is EPS's best guess estimate of the level of effort required to perform the described scope of work. There is a level of uncertainty associated with providing the proposed scope that could cause the proposed budget to be in excess of or lack the funds required to perform the requested work. It is EPS's opinion that the budget associated with this scope of work will allow EPS to provide the associated services for the remainder of fiscal year 2006-07. The proposed budget amount for the remainder of fiscal year 2006-07 is **\$70,000**. It is EPS's expectation that if this contract is approved, and TRLIA desires to extend the contract at the completion of fiscal year 2006-07 and subsequent years, this contract could be extended on an annual basis for additional years with revised budgets and contract amendments.

The goal of the scope of services is to provide a comprehensive approach in assisting TRLIA with the administration of all of the provisions contemplated by the Second Funding Agreement which was executed by the TRLIA Board, the County of Yuba (County) and landowners in Southern Yuba County in August, 2006. In developing this proposal, EPS has

**SACRAMENTO**

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Sacramento, CA 95833  
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phone 916-649-8010  
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phone 510-841-9190  
fax 510-841-9208

**DENVER**

phone 303-623-3557  
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worked with TRLIA, the landowners and their representatives, as well as County representatives to develop a matrix outlining the provisions of the agreement and the responsibilities those provisions impart on the parties involved in the agreement. This matrix has been provided to you as an attachment to **Exhibit A**. Where TRLIA is expected to perform a task, provide information or review a specific item, and EPS has been requested to perform this task, the matrix indicates what will happen and when it will happen. Generally, the matrix is broken up into 4 major categories which are these:

1. Capital Call Administration & Participant Administration;
2. Building Permit Administration & Impact Fee Program;
3. Impact Fee Bond & CFD/Builder Bond Administration; and
4. Miscellaneous / Levee Improvement Project Cash Flow / Insurance Requirement Administration.

The scope of work outlined in **Exhibit A** has been organized in this same categories.

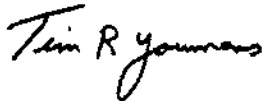
Generally, the services associated with activities included within the scope of work include the following:

1. Participate in and organize conference calls;
2. Prepare materials for presentation to the County, TRLIA, and the landowners;
3. Assist with reviewing documents;
4. Preparing and reviewing spreadsheet analyses;
5. Preparing tax roll amounts for the levy of CFD taxes;
6. Preparing Studies and reports as required;
7. Providing adhoc technical support as requested.

Again, EPS appreciates the opportunity to continue working with TRLIA on the levee improvement program. Please call Seth Wurzel, the project manager, at (916) 649-8010 if you have questions or if you require changes to this proposal.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.



Tim R. Youmans  
Managing Principal

/ms  
Enclosures



Economic & Planning Systems

Public Finance  
Real Estate Economics  
Regional Economics  
Land Use Policy

AGREEMENT FOR CONSULTING SERVICES  
EPS # 16497

1. PARTIES. The parties to this Agreement are:

CLIENT: Three Rivers Levee Improvement Authority  
CONSULTANT: Economic & Planning Systems, Inc.

2. SCOPE OF SERVICE. CONSULTANT shall assist CLIENT in the administration of the Three Rivers Levee Improvement Authority Phase IV Funding Agreement in conformance with the Scope of Services attached as Exhibit A.

3. BUDGET. CONSULTANT shall be entitled to fees and expenses set forth in Exhibit A provided that CONSULTANT shall complete its work for an amount not to exceed that amount indicated in Exhibit A. CLIENT agrees that in the event of a delay or work stoppage of 90 days or more, EPS, in its sole discretion, may submit a revised budget to CLIENT for its approval and that the parties shall negotiate the terms of any such revised budget in good faith.

4. PAYMENT. CONSULTANT shall be compensated in the manner indicated in Exhibit A. Invoices are due and payable upon receipt.

5. TIME FOR PERFORMANCE. CONSULTANT shall commence work upon mutual approval of this agreement. Thereafter the work shall be completed as specified in Exhibit A unless the time is extended by mutual agreement.

6. STANDARD TERMS AND CONDITIONS. Exhibit B is the Standard Terms and Conditions that are incorporated by reference as though set out in full.

7. APPROVAL. Dated this \_\_\_\_ day of November, 2006.

Accepted:

Three Rivers Levee Improvement Authority

\_\_\_\_\_  
\_\_\_\_\_

Economic & Planning Systems  
A California Corporation

Managing Principal

Managing Principal

Attach A

## EXHIBIT A

### SCOPE OF SERVICES AND BUDGET

#### 1. PROJECT UNDERSTANDING

Economic & Planning Systems, Inc., (EPS) has been requested to provide financial consulting services and support to the Three Rivers Levee Improvement Authority (TRLIA) for the purpose of administering a funding program for Levee Improvements. These services are required to assist TRLIA in meeting its contractual obligations under the "Second Agreement for Advanced Funding and Reimbursement of Costs for Levee Improvements" (Second Funding Agreement).

#### 2. SCOPE OF SERVICES

TRLIA's contractual obligations with respect to the Second Funding Agreement have been outlined in a responsibility matrix that included as **Attachment 1** to this **Exhibit A**. In general terms, the responsibility matrix outlines the tasks and activities that need to be performed as indicated in the Second Funding Agreement. The matrix also, in general terms, outlines the roles and responsibilities of parties to the agreement associated with each item and/or activity. Where EPS plays a role in assisting with these obligations, the matrix indicates a brief description of the role EPS will play in meeting the obligation. The general scope of the administration of the Agreement has been broken into 4 major categories. Each category is listed below with a more comprehensive description of the role EPS will play.

##### **Task 1: Capital Call Administration & Participant Administration**

This portion of the administration program deals with the participants obligations to deposit funds into an escrow account to advance fund levee improvements. The Agreement contemplates that based upon a funding proforma developed by the participating landowners, each individual landowner will deposit funds into the escrow account based upon the amounts indicated in the proforma. EPS will review this proforma for its accuracy and consistency with the original methodology under which the proforma was developed. The proforma will be periodically updated as additional funds for levee improvements are received from outside sources and new participants are added to the program. Based upon the amount of funds each participant deposits into escrow, they will be authorized to pull permits based upon a building permit authorization plan that links back to the funding proforma. EPS will also review this plan to ensure its accuracy and consistency with the methodology under which it was originally developed.

## **Task 2: Building Permit Administration & Impact Fee Program**

The funding agreement contemplates that Public Works Department and Community Development Department of the County will limit the number of building permits that can be issued based upon certain terms in the agreement. EPS will work with TRLIA and its staff to help provide Public Works and Community Development the proper information so that building permit issuances do not exceed authorizations for the entities participating in the Second Funding Agreement. In addition, per the Agreement, further limitations are placed on building permit issuance for those entities not a party to the agreement. EPS will work with TRLIA and County staff to ensure that these limitations are upheld by providing support on an as needed basis.

EPS helped develop a Development Impact Fee program which was adopted by the County in May of 2006. Since the Fee was adopted, EPS has help the County administer the fee on an as needed basis. EPS will continue to provide this support which includes providing semi-annual updates to the fee as contemplated per the nexus study, and determining applicable fee amounts for project subject to the fee.

## **Task 3: Impact Fee Bond & CFD/Builder Bond Administration**

The funding program contemplated in the Second Funding Agreement includes the formation of two CFD's to issue Builder Bonds and the issuance Impact Fee Bonds secured by impact fee revenues. The implementation of the funding programs will require various tasks be completed.

### Task 3.1: CFD Administration, Initial Setup

Part of the administration of the CFDs will require the assignment of taxes to parcels owned by homeowners based upon the bonding capacity of homes proposed by the land owner. The bonding capacity analysis will require review by TRLIA. Part of this includes the independent analysis of the proposed average home prices by a third party. EPS will contract with the Gregory Group to perform this review and they will provide the information directly to the JPA. In addition, EPS will review the overall methodology and accuracy of the bonding capacity analysis provided by the landowners.

### Task 3.2: CFD Administration, Ongoing Annual Tax Roll Preparation

The ongoing administration of the CFDs will require the maintenance of the attachments to Rate & Method of Apportionments and the annual preparation of the list of taxes to be levied on an ongoing basis. This scope will applicable be for one year's administration/preparation of the annual tax roll. Subsequent years tax roll preparation will be in addition to this scope of work.

This scope of work, as it pertains to CFD Administration, does not include work related to the technical support associated with Conventional Bond Issuance. Any analysis required by a special tax consultant as it relates to the preparation of an Official Statement for the issuance of Conventional Bonds would take place under a separate or amended contract.

#### **Task 4: Miscellaneous / Levee Improvement Project Cash Flow / Insurance Requirement Administration**

The Second Funding Agreement has numerous additional provisions that outline the responsibilities of TRLIA, the County and the land owners. This portion of the scope encompasses those additional responsibilities. The following subtasks address each individual portion of the work that will be performed by EPS.

##### Task 4.1: Development of Levee Maintenance Funding Plan

EPS has been, and will continue to assist with development of a permanent funding plan for ongoing levee maintenance. The scope Second Funding Agreement contemplates that money generating through the agreement can be used to fund maintenance for an interim period of time until a more permanent financing plan is put into place. The Agreement also indicates that the the permanent financing plan will work to incorporate the financial support of the existing population benefiting from the levee improvements. This notion lends itself to the implementation of an Assessment District. EPS will work with TRLIA, the County and the landowners to aid in the development of a plan that incorporates the financial support of the current population in Southern Yuba County.

##### Task 4.2: TRLIA Accounting Support

EPS will work with TRLIA staff to help implement and maintain accounting systems to track levee improvement and administrative costs along with revenues received from various funding sources. As contemplated in the Second Funding Agreement, TRLIA is to contract with an outside consulting firm to assist in the preparation of monthly reports. EPS will work with TRLIA staff to help set these systems up provide technical support in meeting this contractual requirement.

##### Task 4.3: Reimbursements & Fair Share Funding Study

The Second Funding Agreement contemplates that a study will be produced that ultimately indicates how the participants in the agreement will be reimbursed the difference between their fair allocated share of levee improvements and the amounts they funded through the agreement. EPS will work with the landowner's financial consultants to prepare and review this study.

Task 4.4: Communications with Development Community

EPS will work with the County and TRLIA to provide information to the development community on an as needed basis. EPS will assist TRLIA in preparing pertinent development related information that can be disseminated electronically.

3. PROPOSED SCHEDULE

EPS understands the critical nature of the work involved and is prepared to begin work on all components of this assignment immediately. The performance period of this contract is from the date of execution of this contract through June 30, 2007 (the remainder of Fiscal Year 2006-07).

4. PROPOSED BUDGET AND PAYMENT

The work defined in the scope of this proposal will be performed on a time and materials basis up to a specific maximum amount for the remainder of Fiscal Year 2006-07 until June 31, 2007.

The initial budget to provide the the above listed scope of work for the contract period is **\$70,000**. This is EPS's estimate, based upon previously completed work, of the amount of budget that may be required to perform the above listed scope of work. Inherently, with this type of work, there is a moderate level of uncertainty and this uncertainty is reflected within this budget. As such, the estimated budget may be in excess of or lack the funds required to perform the requested work. EPS charges for its services on a direct cost (hourly billing rates and direct expenses) not-to-exceed basis; therefore, EPS will only bill for the work completed up to the authorized budget amount. If additional work is required and/or requested, EPS will request authorization for additional budget with the understanding that terms would be negotiated in good faith. It is expected that this budget may be increased on an as needed basis through a contract amendment process.

The following is a break down of the budget for each component of the proposed scope of work and an allocation of the budget into the various funding sources available to TRLIA. The allocation of the various task budgets has been provided to help assist TRLIA in accounting for these consultant costs.

**Proposed Budget & Allocation to Funding Mechanisms**

	Budgeted Amount Remainder of FY 06-07	Allocation to Funding Mechanisms		
		Agreement Payments	CFD's	Impact Fee Program
<b>Task 1:</b> Capital Call Administration & Participant Administration	\$24,500	100%		
<b>Task 2:</b> Building Permit Administration & Impact Fee Program	\$17,500	60%		40%
<b>Task 3:</b> Impact Fee Bond & CFD/Builder Bond Administration	\$10,500	20%	80%	
<b>Task 4:</b> Miscellaneous / Levee Improvement Project Cash Flow / Insurance Requirement Administration	\$17,500	100%		
<b>Total Budget for Remainder of FY 06-07</b>	<b>\$70,000</b>			

EPS will send request for payment to TRLIA on a monthly basis after the completion of services. EPS will request payment for services by the Tasks indicated above.

Request for payment will be sent to the following address;

Three Rivers Levee Improvement Authority  
 915 8<sup>th</sup> Street, Suite 125  
 Marysville, CA 95901  
 Attn: Accounts Payable



Economic &  
Planning Systems

*Public Finance  
Development Economics  
Regional Economics  
and Statistics*

EXHIBIT <sup>B</sup>~~A~~ – ATTACHMENT 1

RESPONSIBILITY MATRIX

Table 1      Responsibility Matrix for Second Funding Agreement



Table 1

**Responsibility Matrix for Second Funding Agreement  
16497 Three Rivers Levee Improvement Authority - Proposal for Phase IV Funding Administration**

Revision Date: 11/3/2006

Items to Track	Primary [1]	Responsibilities			Technical Assistance [5]
		Notification [2]	Review [3]	Audit [4]	
<b>Task 1 CAPITAL CALL ADMINISTRATION / PARTICIPANT ADMINISTRATION</b>					
<b>1-A Maintenance of Participant List</b> Task: - Per Agreement, maintain list of all projects and classify the projects as either participants, deferred participants & future participants.	YC - PW	By: YC - PW To: TRLIA PEC	PEC	YC-PW	PEC
<b>1-B Receive/Disburse Escrow Deposits per Agreement</b> Task: - Account for Funds & Report Transactions	PEC	By: PEC To: TRLIA DTA	TRLIA	YC-PW	PEC
<b>1-C Capital Call Amounts / Funding Proforma Maintenance</b> Task: - Report Capital Call Amounts - Update Proforma with Levee Obligation vs. Deferred Participant Obligation based upon revenue entering into program through Advance Funded Capital Calls, Impact Fee Revenue, Additional Outside Funding, etc.	PEC / DTA	By: DTA To: TRLIA PEC	EPS Review Funding Proforma Accuracy & Consistency	EPS / PEC In the event there are issues, determine sources of errors and provide guidance for correction.	DTA

**Legend:**  
 FATCO = First American Title Company  
 FISC = Fiscal Agent  
 PEC = Participant Escrow Committee  
 TRLIA = Three Rivers Levee Improvement Authority  
 YUBA = Yuba County Administrator's Office  
 YC - PW = Yuba County Public Works  
 YC - TREAS = Yuba County Treasurer/Tax Collector  
 DTA = David Taussig & Associates

Prepared by EPS

Attach B

**Table 1**

**Responsibility Matrix for Second Funding Agreement  
16497 Three Rivers Levee Improvement Authority - Proposal for Phase IV Funding Administration**

Revision Date: 11/3/2006

Items to Track	Primary [1]	Responsibilities			Technical Assistance [5]
		Notification [2]	Review [3]	Audit [4]	
<b>1-D Catch Up Capital Calls / Update Funding Proforma</b> Task: - Compute Catch-up Capital Call Amounts for new participants or participants that miss capital calls.	DTA	By: DTA To: TRLIA PEC	EPS Review for Proforma Accuracy & Consistency	EPS In the event there are issues, determine sources of errors and provide guidance for correction.	DTA
<b>1-E Building Permits Authorizations</b> Task: - Track number of Building Permits Authorizations allowed based on Capital Call Funding	PEC / DTA	By: PEC To: YC - PW EPS DTA	TRLIA	EPS * Check DTA Analysis and provide corrections in the event of errors.	DTA

Legend:  
 FATCO = First American Title Company  
 FISC = Fiscal Agent  
 PEC = Participant Escrow Committee  
 TRLIA = Three Rivers Levee Improvement Authority  
 YUBA = Yuba County Administrator's Office  
 YC - PW = Yuba County Public Works  
 YC - TREAS = Yuba County Treasurer/Tax Collector  
 DTA = David Taussig & Associates  
 Prepared by EPS

Table 1

**Responsibility Matrix for Second Funding Agreement  
16497 Three Rivers Levee Improvement Authority - Proposal for Phase IV Funding Administration**

Revision Date: 11/3/2006

Items to Track	Responsibilities				Technical Assistance [5]
	Primary [1]	Notification [2]	Review [3]	Audit [4]	
<b>Task 2 BUILDING PERMIT ADMINISTRATION &amp; IMPACT FEE PROGRAM</b>					
<b>2-A Building Permit Issuance</b>	YC - PW	By: YC - PW To: PEC DTA EPS	PEC	DTA / EPS	DTA / EPS
Task: - Tracking the Number of Building Permits Issued to date and ensuring that Issuances do not exceed Authorizations					* Provide assistance and review of the amount of permits issued and the amount of fee revenue recorded in the
<b>2-B Impact Fee Revenue Collection</b>	YC - PW	By: YC - PW To: TRLIA PEC DTA EPS	PEC / DTA	EPS	YC - PW
Task: - Collect Impact Fee Revenue - Maintain Accounting of Fee Payees - Account for Impact Revenue not collected through waivers.					* Check and verify the amount of Levee Impact Fees in the event there are issues regarding fee amounts.
<b>2-C Impact Fee Program Administration &amp; Implementation</b>	YC - PW / EPS	By: YC - PW To: TRLIA PEC DTA	PEC / DTA	EPS	YC - PW
Task: - Continuously Update the Impact Fee Amounts Bi-Annually per the Nexus Study - Produce Statutory required Accounting of Program per study & AB1600 - Ensure use of funds is only for levee related costs & improvements.		*Provide assistance to YC-PW to produce a semi-annual Memo updating the Levee Impact Fees.			* Provide Ad-Hoc Support to PW regarding the use of Levee Impact Fees.

Legend:  
 FATCO = First American Title Company  
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 PEC = Participant Escrow Committee  
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 YUBA = Yuba County Administrator's Office  
 YC - PW = Yuba County Public Works  
 YC - TREAS = Yuba County Treasurer/Tax Collector  
 DTA = David Taussig & Associates

Table 1

Responsibility Matrix for Second Funding Agreement  
16497 Three Rivers Levee Improvement Authority - Proposal for Phase IV Funding Administration

Revision Date: 11/3/2006

Items to Track	Responsibilities				Technical Assistance [5]
	Primary [1]	Notification [2]	Review [3]	Audit [4]	
<b>Task 3 IMPACT FEE BOND &amp; CFD/BUILDER BOND ADMINISTRATION</b>					
<b>3-A Bonding Capacity Analysis</b> Task: - Provide an analysis of the project Bonding Capacity or Bonding Capacity Utilization of a project within the allowable tax rate or levee obligation for Participants in either CFD.	DTA	By: DTA To: EPS PEC FISC	EPS * * Includes market review of base home prices with The Gregory Group	EPS * Check DTA Analysis and provide corrections in the event of errors.	DTA
<b>3-B Builder Bond Issuance</b> Task: - Issue Builder Bonds - Prepare Agreements and Disclosure documents, etc...	TRLIA / FISC	By: TRLIA / FISC To: PEC DTA EPS	PEC	PEC / DTA	EPS * Provide Ad Hoc support to TRLIA/PEC for Builder Bond Issuance
<b>3-C Builder Bonds Outstanding</b> Task: - Track Amount of Builder Bonds Issued - Track Accreted Value to Date - Track Prepayments either through prepayment by Builder or Prepayment from proceeds of other issuances of debt.	FISC	By: FISC To: PEC DTA EPS	PEC	PEC / DTA	EPS * Provide Ad Hoc Support for Builder Bonds and answer questions regarding the tracking of Builder Bonds amounts.

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Revision Date: 11/3/2006

Items to Track	Responsibilities					Technical Assistance [5]
	Primary [1]	Notification [2]	Review [3]	Audit [4]		
<b>3-D Impact Fee Bond Issuance</b> Task: - Issue Impact Fee Bonds - Agreements - Disclosures	YC - TREAS / FISC	By: YC - TREAS / FISC To: TRLIA EPS PEC DTA	PEC	PEC / DTA		DTA
<b>3-E Impact Fee Bonds Outstanding</b> Task: - Track Amount of Impact Fee Bonds Issued - Track Accreted Value to Date - Track Prepayments either through entrance of Deferred Participants and Impact Fee Revenue Collected	FISC	By: FISC To: YC - TREAS PEC DTA EPS	YC - TREAS	PEC / DTA		DTA
<b>3-F CFD Administration - Base CFD (TRLIA CFD 2006-1)</b> Task: - Update of attachments to RMA including setting of initial maximum annual taxes, tracking of restricted parcels.	EPS	By: EPS To: YC - TREAS PEC DTA	YC - TREAS	PEC / DTA		DTA
<b>3-G CFD Administration - Overlay CFD (YUBA CFD 2006-1)</b> Task: - Update of attachments to RMA including setting of initial maximum annual taxes, tracking of restricted parcels.	EPS	By: EPS To: YC - TREAS PEC DTA	YC - TREAS	PEC / DTA		DTA

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Revision Date: 11/3/2006

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	Primary [1]	Notification [2]	Review [3]	Audit [4]		
<b>3-H Conventional/Private Placement Bond Issuance</b> Task: - Issue Conventional CFD or Private Placement Debt	TRLIA / FISC	By: TRLIA / FISC To: PEC DTA EPS YC-TREAS	TRLIA / PEC	PEC / DTA		YC-TREAS
<b>3-I Conventional/Private Placement Debt Outstanding</b> Task: - Track Amount of Debt Issued - Track Prepayments	FISC	By: FISC To: YC - TREAS PEC DTA EPS	DTA	PEC / DTA / EPS		EPS * Provide Ad Hoc support regarding requests for information for prepayment amounts and debt outstanding.

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	Primary [1]	Notification [2]	Review [3]	Audit [4]		
<b>Tsk 4 MISC. / LEVEE IMPROVEMENT PROJECT CASH FLOW / INSURANCE REQUIREMENT ADMINISTRATION</b>						
<b>4-A Develop &amp; Implement Levee Maintenance Funding Plan (Including Interim Levee Maintenance Until Levee Certification)</b>	TRLIA / YUBA	By: YUBA / TRLIA To: State Reclamation Board PEC	EPS  * Provide Ad Hoc support regarding funding plan	N/A	N/A	
Task: - Maintain Improved Levees Until Implementation of Permanent Levee Maintenance Program - Formulate Permanent Levee Maintenance Financing Plan - Coordinate Efforts to Implement Plan Financing Mechanisms (IE Assessment District)						
<b>4-B Condition New Project Submissions to Fund Levee Improvements</b>	YUBA	By: YUBA To: PEC	PEC	N/A	N/A	
Task: - Ensure that all new tentative maps or extended or amended tentative maps have appropriate conditions regarding required levee funding participation						
<b>4-C Maintenance of Project Cash Flow &amp; TRLIA Books</b>	TRLIA	By: TRLIA To: PEC	PEC	Independent Firm	TRLIA	
Task: - Maintain Levee Improvement Program Project Cash Flow spreadsheet - Update the Project Cash Flow projections with actual expenses as they occur - Maintenance of TRLIA Financial Books & Records - Preparation of Monthly Reports by outside Accounting Firm - Preparation of Independent Annual Audit by Auditor	* Monthly Reports would be prepared by Consulting Firm (Accountant) * Annual Audit would be prepared by independent Auditing Firm (report prepared for PEC/Participants)					

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Revision Date: 11/3/2006

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		Notification [2]	Review [3]	Audit [4]	
<p><b>4-D Preparation of a Development Agreement w/ Participants</b>                      Task:                      - Prepare &amp; Execute a Development Agreement between County, TRLIA &amp; Participants</p>	YUBA	By: YUBA To: PEC	PEC	N/A	N/A
<p><b>4-E Reimbursements / Fair Share Funding Study</b>                      Task:                      - Track the paydown of Impact Fee Bonds by Builder.                      - Track Reimbursements of out of pocket expenses by Builders when no debt is issued.                      - Determine applicable reimbursements.</p>	DTA / EPS	By: DTA To: PEC EPS TRLIA	EPS * Review reimbursement amounts prepared by DTA	PEC / TRLIA	EPS * Provide Ad Hoc support regarding reimbursement amounts.
<p><b>4-F Track Flood Insurance Requirements</b>                      Task:                      - Track the payment of flood insurance by Builder's on behalf of the Homeowner's on an annual basis per the terms of the funding agreement.</p>	TRLIA / YC - Comm Dev	By: TRLIA To: State Reclamation Board PEC	PEC	N/A	N/A
<p><b>4-G Develop &amp; Maintain Communications Plan w/ Development Community</b>                      Task:                      - Prepare development community information regarding the requirements for the funding flood control improvements                      (This could include the development of a website content, a development information packet / guideline, etc...)                      - Purpose would be to encourage participation in funding program and compile all relevant information regarding development requirements with respect to flood control funding.</p>	TRLIA		EPS * Review communications material prepared by TRLIA for the development community, assist in its preparation.	N/A	

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		Notification [2]	Review [3]	Audit [4]	
<b>4-H Additional Revenue Collection</b> Task: - Pursue and account for additional non-funding agreement sources of revenue. - Report additional revenue to interested parties	TRLIA/YUBA	By: TRLIA / YUBA To: PEC EPS DTA	PEC	N/A	N/A
<b>4-I Evacuation &amp; Pre-Hazard Mitigation Plan</b> Task: - Improve County Plans for Evacuation and Pre-Hazard Mitigation, Continue to inform residents in affected area of flood risk. - Prepare and distribute time inundation maps to support evacuation plans.	TRLIA/YUBA	By: TRLIA / YUBA To: PEC	PEC	N/A	N/A

\*responsibility\*

Source: Second Funding Agreement, RMA & Economic & Planning Systems

- [1] Primary responsibility indicates this is the entity responsible for performing the Tasks associated with item as indicated.
- [2] Notification responsibility indicates who the primary responsible party will notify with information regarding the tasks completed. Timing of notification is indicated in Table 2.
- [3] Review responsibility indicates the party responsible for verifying the information prepared by the primary responsible party in order for the acceptance of the information. The review should include a check for errors and conformance with agreed upon methodologies.
- [4] Audit responsibility is the responsible party in charge of reviewing or obtaining information in the event there is non conformance or information not properly distributed.
- [5] Technical Assistance responsibility is the party responsible for providing Ad Hoc information when information is needed beyond the required notification times outlined.

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Prepared by EPS

**EXHIBIT B**

**TERMS AND CONDITIONS, EPS PROJECT #16497**

**1. AUTHORITY.**

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each has been properly authorized and empowered to enter into this contract. Each party further acknowledges that it has read this agreement, understands it, and agrees to be bound by it.

**2. INDEPENDENT CONTRACTOR.**

It is specifically understood and agreed that in the creation and performance of this Agreement, CONSULTANT is an independent contractor, and is not and shall not be construed to be an employee or agent of the CLIENT.

**3. INSURANCE.**

CONSULTANT shall maintain the following insurance:

- Workers Compensation as required by law;
- General Liability insurance policy of \$1,000,000 for personal injury and property damage;
- Auto Liability insurance of \$1,000,000, combined single limit for bodily injury and property damage covering all vehicles including hired cars, owned and non-owned vehicles;
- Errors and Omissions/Professional Services Liability insurance in the amount of \$1,000,000.

**4. PERSONNEL.**

The CONSULTANT represents that it is an equal opportunity employer and has, or will secure at its expense, all personnel required in performing the services under this Agreement. All personnel engaged in the work shall be authorized or permitted under State and Local law to perform such services.

**5. INTEREST OF CONSULTANT.**

Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

**6. PUBLICATION, REPRODUCTION, AND USE OF MATERIAL.**

CLIENT may publish, distribute or otherwise use any data, information, reports, or other materials prepared under this Agreement by EPS ("EPS work product"), in whole or in part, for purposes of this Project (as described in an attached Work Order). This authority does not apply to any computer models or software used or developed as a result of this contract, unless a separate agreement is signed concerning the disposition of such materials. CLIENT acknowledges that EPS work product was prepared by EPS solely for contemporaneous use by CLIENT for this Project and that it is not intended for use at any other time, location, purpose or by any other party. Accordingly, CLIENT shall not, without the prior written consent of EPS (which EPS may withhold in its sole discretion), (i) use EPS work product for purposes unrelated to the Project, (ii) modify EPS work product, or (iii) disclose or distribute any EPS work product to any other person, firm or entity. EPS shall be entitled to indemnification by CLIENT, pursuant to paragraph 13 hereof, if CLIENT breaches this provision, in addition to all other available remedies at law or in equity.

**7. CONFIDENTIALITY.**

Any reports, information or data given to or prepared or assembled by the CONSULTANT under this Agreement which the CLIENT requests in writing to be kept confidential shall not be made available to any individual or organization by the CONSULTANT without the prior written approval of the CLIENT. CONSULTANT is entitled to retain copies of all data, working papers, interim documents, memoranda, and reports produced under this Agreement. However, nothing contained herein shall prevent the disclosure of such information if compelled by legal process, and in the event thereof, only after notice to CLIENT.

**8. AMENDMENTS TO THE CONTRACT.**

No amendment to this agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

**9. DISPUTED INVOICES.**

In the event that CLIENT disputes any item on an invoice, CLIENT shall notify the CONSULTANT of this disputed item within five working days of receipt of the invoice. CLIENT will approve payment of items on an invoice that are not in dispute and CLIENT and CONSULTANT will proceed to negotiate or arbitrate the disputed items as specified elsewhere in this Agreement.

**10. AUDITS AND INSPECTIONS.**

Upon reasonable notice, CLIENT may inspect any books, records or other materials that pertain directly to this Agreement.

**11. COMPENSATION FOR TESTIMONY AND PREPARATION THEREOF.**

If any legal action is brought in connection with the Agreement, other than an action that is solely the result of the incompetence or malfeasance by CONSULTANT, by or against a third party, and CLIENT requests that Consultant or a Subconsultant, (or if CONSULTANT or a Subconsultant is otherwise required) to testify, provide information, produce materials or otherwise spend time on such action, then CLIENT shall pay CONSULTANT or Subconsultant for time expended at their standard rates then in effect, plus advance all related expenses and costs, including, but not limited to, reasonable attorneys' fees. Such compensation shall be in addition to the maximum charge for services defined in the Agreement.

**12. TERMINATION OF AGREEMENT.**

The CLIENT may, at its option, elect to cancel the contract at any time, by notice to CONSULTANT, upon completion of any task described in the scope of services. In such event the CLIENT will pay to the CONSULTANT the amount due by virtue of completion of the products therefore delivered. If such cancellation is not based upon any claim of CONSULTANT default such payment shall include any sums withheld pursuant to this Agreement. In addition, the CONSULTANT shall be reimbursed (in addition to the payment) for that portion of the actual out-of-pocket costs not otherwise reimbursed under this Agreement incurred by the CONSULTANT during the period of the Agreement which are directly attributable to the incomplete portion of the services covered by this Agreement.

**13. INDEMNIFICATION/LIMITATION OF LIABILITY.**

CONSULTANT shall defend, indemnify, and hold harmless the CLIENT, 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 CONSULTANT in the performance of services rendered under this Agreement by CONSULTANT, or any of CONSULTANT'S officers, agents, employees, contractors or subcontractors.

**14. STANDARD OF PERFORMANCE.**

All work performed by CONSULTANT for CLIENT pursuant to this Agreement shall be performed by qualified persons, and shall be performed in accordance with standards of performance generally applicable to the work in the community in which the work is performed.

As in all projects of this type, the estimated results are based upon the continued competent and efficient management by CLIENT. In addition, the conclusions reached by EPS assume that no significant changes in Project conditions will occur beyond those expressly discussed in EPS work product. EPS shall be able to rely on information provided to it by the CLIENT and EPS shall have no responsibility to audit or otherwise verify such information.

**15. FORCE MAJEURE.**

Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, power failures, earthquakes or other disasters.

**16. ARBITRATION AND ATTORNEYS FEES.**

In the event of a dispute in any manner relating to or arising out of this Agreement, the parties shall meet, confer and negotiate in good faith in an attempt to resolve the dispute. In the event the parties are unable to resolve the dispute themselves, the dispute shall be resolved through binding arbitration in the County of Sacramento, State of California, under the Construction Industry Arbitration Rules of the Judicial Arbitration and Mediation Services, Inc. ("JAMS"). In Arbitrating any issue arising under this Agreement, the power and authority of the arbitrator shall include the power and authority to grant such equitable relief (including injunctive relief) as may be appropriate under the circumstances, in accordance with applicable law. The decision or ward of the arbitrator shall be binding upon the parties and shall be enforceable by judgment entered in a court having jurisdiction. In the event the arbitrator determines there is a prevailing party in the arbitration, the prevailing party shall recover from the losing party all costs of arbitration, including all fees of the arbitrator and all attorneys' fees reasonably incurred by the prevailing party. The arbitrator shall have authority to order such limited discovery as the arbitrator shall deem relevant and appropriate.

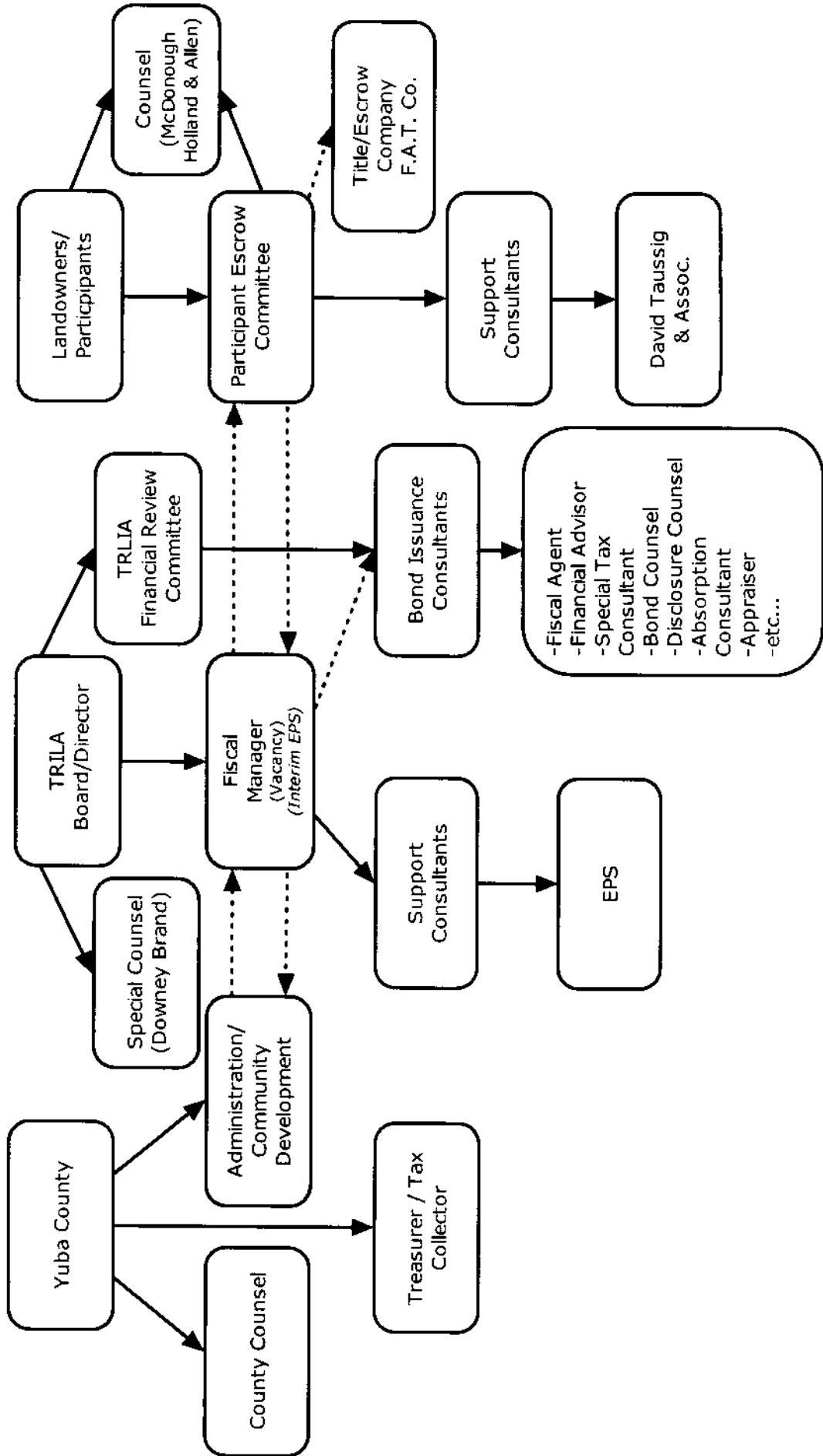
**17. GOVERNING LAW.**

This contract will be governed by and construed in accordance with the laws of the State of California.

**18. NOTICE.**

Notice given under the terms of this Agreement shall be in writing and shall be effective the day it is mailed, properly addressed, to the party to receive such notice. Notice delivered other than by mail shall be effective when received. Any change of address of either of the parties shall be effective upon receipt of notice of such change by the opposite party.

### Three Rivers Levee Improvement Second Funding Agreement Working Relationships



Attach C

YUBA COUNTY, CALIFORNIA

BOARD OF DIRECTORS

NOVEMBER 14, 2006

The Honorable Board of Director of the Three Rivers Levee Improvement Authority met in regular session on the above date, commencing at 2:06 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, and Deputy Clerk of the Board of Supervisors Ellen DeLemos. Chairman Webb presided.

PUBLIC COMMUNICATIONS

No one came forward.

CONSENT AGENDA

Upon motion of Director Logue, seconded by Director Brown, and unanimously carried the Board took the following actions:

- |    |  |                    |
|----|--|--------------------|
| A. | Approved the minutes of the special meetings of October 17 and 31, 2006 as written.  | APPROVE<br>MINUTES |
| B. | Approved a Memorandum of Understanding with County of Yuba for support services and authorized the Chairman to execute same. | APPROVE<br>MOU     |

ACTION/DISCUSSION ITEMS

- |    |  |                          |
|----|--|--------------------------|
| A. | <u>Feather River Levee Repair Project/Final Environmental Impact Report:</u> Vice Chairman Logue advised the matter was pulled from consideration.   | PULLED<br>FROM<br>AGENDA |
| B. | <u>Fifth Board Director:</u> Following a brief recap from Director Webb, Advisory Committee member, upon motion of Director Logue, seconded by Director Brown and unanimously carried, the Board nominated Jerry Crippen for appointment as the at-large Board Director. | NOMINATE<br>DIRECTOR     |



C. Wildlands Inc./Mitigation Right Purchase Agreement: Special Counsel Scott Shapiro and Mr. Brian Boxer, EIP Associates, briefly recapped the amendment to the Mitigation Rights Purchase Agreement and responded to Board inquiries. Upon motion of Director Logue, seconded by Director Brown and unanimously carried the Board approved the first amendment to the Mitigation Rights Purchase Agreement with Wildlands Inc. and authorized the Chairman to execute same. APPROVE AMENDMENT

### BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Special Counsel Scott Shapiro:

- Proposition 1E funding categories for levee improvement projects

Executive Director Paul Brunner:

- Phase Two and Yuba River Phase Four project status
- Pump Station No. 6 testing
- Meeting with SCI Consulting regarding assessment district area and formation
- Reimbursement from Department of Fish and Game

Program Manager Ric Reinhardt:

- Levee certification process and inundation mapping

### CLOSED SESSION

The Board retired into closed session at 2:47 p.m. to discuss the following:

A. Conference with Real Property Negotiator pursuant to Government Code §54956.8 – Property : 619 Ninth Street, Suite D, Marysville Negotiating Parties: Coldwell Banker Commercial Bosanek and Flores and County of Yuba/Negotiation: Lease and Terms

B. Personnel pursuant to Government Code §54957 – Executive Director Evaluation

Director Griego left the meeting at 2:47 p.m. and did not return.

Director Logue left closed session at 2:57 p.m. and returned at 3:09 p.m. and again at 3:18 p.m. and returned at 3:25 p.m.

The Board returned from Closed Session at 3:53 p.m. with all Board and staff members present as indicated above, except Director Griego. There were no announcements.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:53 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

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

November 28, 2006

**TO:** Three Rivers Levee Improvement Authority Board  
**FROM:** Paul Brunner, Executive Director *PAB 20Nov06*  
**SUBJECT:** Agreement with PWA, Ltd. For Monument Establishment and Base Line Surveying

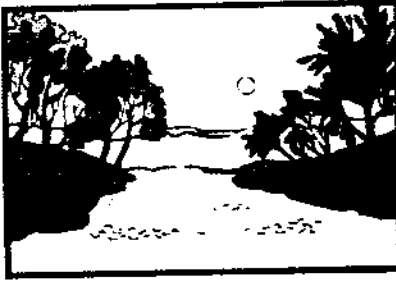
**Purpose of Memo:** The purpose of this memo is to update the TRLIA Board on services being acquired by TRLIA from PWA, Ltd. For required monitoring of the Bear River expanded floodway. The cost of these services is \$21,636, which is within the TRLIA Executive Director's authority level to approve.

**Background:** Construction of the Bear Setback levee expanded the Bear River floodway. TRLIA is required to monitor this expanded floodway to determine if excessive sedimentation or erosion is occurring. This commitment was made to the Corps of Engineers during their review of our design documents for the Bear Setback levee. The monitoring will be done by surveying a set of five established cross sections in the floodway area after significant flood events to determine what, if any, changes occurred. An initial survey must be done to establish the base condition for comparison with future surveys.

**Discussion:** This agreement has been reviewed by General Counsel. This agreement with PWA, Ltd. establishes permanent monuments in the floodway to identify the location of the cross sections and to make the initial survey of the cross sections.

**Fiscal Impact:** The agreement with PWA, Ltd. is for an amount not to exceed \$21,636 without further authorization from TRLIA. No Board action is required. This action is consistent with the Bear River Phase 3 project's budget and funding capability.

*Paul*  
Paul Brunner  
Executive Director, TRLIA



# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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

November 28, 2006

**TO:** Three Rivers Levee Improvement Authority Board  
**FROM:** Paul Brunner, Executive Director *hpb 20 Nov 06*  
**SUBJECT:** Financial Statement Contract Results

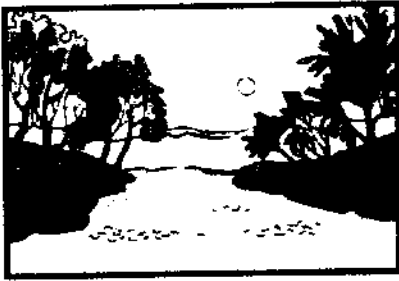
**Purpose of Memo:** The purpose of this memo is to update the TRLIA Board on actions taken to obtain the services of an accounting firm to prepare TRLIA financial statements.

**Background:** As part of a recent agreement on financing, TRLIA is required to accomplish a financial audit. One of the first steps in preparing for this audit is to develop financial statements and balance sheets for TRLIA financial transactions since its inception on April 1, 2004. TRLIA is seeking the services of an accountant to accomplish this effort and on October 17, 2006 issued a Request for Proposal to six accounting firms in the Yuba City – Marysville area.

**Update:** As of November 16, 2006, no proposals have been received. Deadline for submitting proposals was November 10. It is not clear why no proposals were submitted. Perhaps the amount of work envisioned by the candidate firms did not appear to justify the effort of preparing a formal proposal. These services are still required and TRLIA staff recommends that coordination occur with the County Auditor and Treasurer to determine which of the six candidate firms could best accomplish this task successfully. Then TRLIA would negotiate a price with the recommended firm to develop the needed financial statements and balance sheets.

**Fiscal Impact:** Final price for this effort will not be known until after negotiations have occurred. The price is expected to be within the Executive Director's authority for contract authorization. No Board action is required.

Paul Brunner  
Executive Director, TRLIA



# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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

TO: Three Rivers Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director *PJB 20 Nov 06*  
Brian Boxer, Environmental Manager  
SUBJECT: Center for Natural Lands Management, Consulting Services Agreement  
DATE: November 28, 2006

**Purpose of Memo:** The purpose of this memo is to update the TRLIA Board on services the TRLIA Executive Director has acquired from the Center for Natural Lands Management (CNLM). The cost of these services is \$10,000 which is within the TRLIA Executive Director's contract authority level to execute.

**Background:** Pursuant to permits from the US Army Corps of Engineers, the US Fish and Wildlife Service, and the Department of Fish and Game, TRLIA is required to establish a third-party conservation-oriented manager for long-term management and maintenance of the Bear River Setback Levee Restoration and Mitigation Area. The TRLIA has expressed interest in granting a conservation easement over the 649-acre property to the CNLM and this initial consulting services agreement serves to meet that interest in matters associated with the potential for the CNLM to manage and monitor habitat in the area in perpetuity.

**Discussion:** This agreement has been reviewed by General Counsel. The agreement is a "not-to-exceed without permission, time and materials," and is intended to cover the CNLM's expenses and overhead while it (a) reviews any additional documents and updates the Property Analysis Record done previously by the CNLM, if necessary, (b) completes it due diligence on the property habitat analysis, (c) consults with appropriate wildlife agencies and local governments, (d) negotiates the terms and conditions of the above-described transactions, (e) prepares a final management and funding agreement and recordable conservation easement, and (f) initiates matters relating to escrow and its closing such as drafting instructions, side letters, and conducting final site walks through the property.

**Fiscal Impact:** This action is within TRLIA's Budget for FY 06/07 for environmental restoration efforts.