

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

MAY 15, 2007 – 2:00 P.M.

I CALL TO ORDER

II ROLL CALL – Directors Rick Brown, Jerry Crippen, 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: All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.

A. Approve minutes of the meetings of April 6 and 17, 2007.

V ACTION ITEMS

- A. Approve Amendment One to agreement with SCI in the amount of \$35,000 for assessment engineering and planning and authorize Chairman to execute upon review and approval of Special Counsel.
- B. Approve Second Capital Call in an amount of \$9.1 million, set date of May 29, and delegate staff to prepare details for disbursement of funds from landowners.

VI BOARD AND STAFF MEMBERS' REPORTS

VII CLOSED SESSION

A. Conference with Real Property Negotiator pursuant to Government Code §54956.8 – Property and Negotiating Parties: See attached Exhibit A and TRLIA/Bob Morrison/Negotiation: Price and Terms of Payment

Add to Conference with Real Property Negotiator - Property: APN 020-030-050 (Nor-Cal/Cemex), APN 013-010-013 (Mann), APN 013-010-014 (Davit), APN 014-250-027 & 28 (Naumes)

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

VIII ADJOURN

TRIA PHASE 4 FEATHER RIVER OWNERSHIP AND ACCESS LIST

#	LAND AGENT	2004 ROE RCVD	2004 VERB. OK	2007 ROE RCVD	AP NUMBER	ACRES	OWNER/SITE ADDRESS	MAILING ADDRESS	LAND OWNER CONTACT	ACCESS RESTRICTIONS
					016-030-001		JTS Communities, Inc. E. Platter & Sons, Inc. 2587 Feather River Blvd. Marysville, CA	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 E Platter and Sons Inc. 1233 Country Club Road Marysville, CA 95901	JTS Communities Rob Aragon 916/487.3434 Tenant: Marilyn Waltz 530/633-2908	
					016-040-022		JTS Communities, Inc. E. Platter & Sons, Inc. 2587 Feather River Blvd. Marysville, CA	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 E. Platter and Sons Inc. 1233 Country Club Road Marysville, CA 95901	JTS Communities Rob Aragon 916/487.3434 Tenant: Marilyn Waltz 530/633-2908	
					014-038-015		JTS Communities, Inc. Foster Ranch Ltd Partnership	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 Greg Foster 2160 Feather River Boulevard Marysville, CA 95901	JTS Communities Rob Aragon 916/487.3434 Greg Foster 530.755.7062	
					014-380-020		JTS Communities, Inc. E. Platter & Sons, Inc.	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 E. Platter and Sons Inc 1233 Country Club Road Marysville, CA 95901	JTS Communities Rob Aragon 916/487.3434 Tenant: Marilyn Waltz 530/633-2908	
					014-380-009		JTS Communities, Inc	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864	JTS Communities Rob Aragon 916/487.3434	

TRLIA PHASE 4 FEATHER RIVER OWNERSHIP AND ACCESS LIST

#	LAND AGENT	2008 ROE RCVD	2006 VERB. OK	2007 ROE RCVD	AP NUMBER	ACRES	OWNER/SITE ADDRESS	MAILING ADDRESS	LAND OWNER CONTACT	ACCESS RESTRICTIONS
					014-380-010		JTS Communities, Inc. Dean H. Cummings 1152 Country Club Road Marysville, CA 95901	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 Dean Cummings 1167 Williams Way Yuba City, CA 95991	JTS Communities Rob Aragon 916/487.3434	
					014-380-011		JTS Communities, Inc. Verna Capps, Trustee 1122 Country Club Road Marysville, CA 95901	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 Verna Capps 1122 Country Club Road Marysville, CA 95901	JTS Communities Rob Aragon 916/487.3434	
					014-380-014		JTS Communities, Inc. Lloyd R. & Patricia A. Nieschulz 2667 Feather River Blvd. Marysville, CA 95901	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 Lloyd R. & Patricia A. Nieschulz 2667 Feather River Blvd. Marysville, CA 95901	JTS Communities Rob Aragon 916/487.3434	
					014-380-012		Bryte Gardens Associates LTD (JTS) 1080 Country Club Road Marysville, CA 95901	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864	JTS Communities Rob Aragon 916/487.3434	
					014-380-013		Bryte Gardens Associates LTD (JTS) 1080 Country Club Road Marysville, CA 95901	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864	JTS Communities Rob Aragon 916/487.3434	
					016-030-011		JTS Communities, Inc. Alta B Fleming, Trustee 2501 Feather River Blvd. Marysville, CA 95901	JTS Communities, Inc. 401 Watt Avenue Sacramento, CA 95864 Alta B Fleming, Trustee 2501 Feather River Blvd. Marysville, CA 95901	JTS Communities Rob Aragon 916/487.3434	

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

APRIL 3, 2007

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 3:30 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Jerry Crippen, 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.

A. Community Facilities District 2006-1 (South County Area): Executive Director Paul Brunner recapped the formation, purpose and proposed finances of two Districts to be formed and responded to Board inquiries.

Director Logue left the meeting at 3:35 p.m. and returned at 3:37 p.m.

Bond Counsel Paul Thimmig recapped interest and bond funding aspects, landowner negotiations, advising actions are in furtherance of the Second Funding Agreement and responded to Board inquiries.

Treasurer James Kennedy felt conditions of the Second Funding Agreement regarding the second capital call were not met by developers, and to move forward with issuance of bonds would be inappropriate at this time. Mr. Kennedy responded to Board inquiries.

Developer John Barnhart, KB Home, urged the Board to move forward with formation advising current lots with homes were not included within the District and would be affected.

Following further Board discussion regarding bond schedule, the Board recessed at 3:59 p.m. and reconvened at 4:10 p.m. with all Board and staff members present as indicated.

Chairman Webb opened the public hearing. No one came forward. Chairman Webb closed the public hearing.

Upon motion of Director Logue, seconded by Director Brown, and unanimously carried, the Board adopted Resolution No. 07-09, which is entitled: "RESOLUTION OF FORMATION OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA).

ADOPT
RESOLUTION
NO. 07-09

AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT, PRELIMINARILY ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT, AND SUBMITTING LEVY OF THE SPECIAL TAX AND THE ESTABLISHMENT OF THE APPROPRIATIONS LIMIT TO THE QUALIFIED ELECTORS OF THE DISTRICT."

Upon motion of Director Griego, seconded by Director Logue, and unanimously carried, the Board adopted Resolution No. 07-10, which is entitled: "RESOLUTION DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA) AND SUBMITTING PROPOSITION TO THE QUALIFIED ELECTORS OF THE DISTRICT." ADOPT RESOLUTION NO. 07-10

Upon motion of Director Crippen, seconded by Director Logue, and unanimously carried, the Board adopted Resolution No. 07-11, which is entitled: "RESOLUTION CALLING A SPECIAL ELECTION WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA)." ADOPT RESOLUTION NO. 07-11

Following opening and counting of the ballots, upon motion of Director Griego, seconded by Director Logue, and unanimously carried, the Board adopted Resolution No. 07-12, which is entitled: "RESOLUTION DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN." ADOPT RESOLUTION NO. 07-12

Upon motion of Director Crippen, seconded by Director Logue, and unanimously carried, the Board adopted Resolution No. 07-13, which is entitled: "RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA), APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS." ADOPT RESOLUTION NO. 07-13

Upon motion of Director Crippen, seconded by Director Griego, and unanimously carried, the reading was waived and the Board introduced an ordinance levying special taxes within Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area). WAIVE READING

B. Community Facilities District 2006-2 (South County Area - Overlay District): Executive Director Paul Brunner provided a brief recap and Bond Counsel Paul Thimmig provided new exhibits to the formation resolution advising one developer would not participate.

Chairman Webb opened the public hearing. No one came forward. Chairman Webb closed the public hearing.

Upon motion of Director Crippen, seconded by Director Griego, and unanimously carried, the Board adopted Resolution No. 07-14, which is entitled: "ADOPT RESOLUTION OF FORMATION OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA - OVERLAY DISTRICT), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT, PRELIMINARILY ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT, AND SUBMITTING LEVY OF THE SPECIAL TAX AND THE ESTABLISHMENT OF THE APPROPRIATIONS LIMIT TO THE QUALIFIED ELECTORS OF THE DISTRICT."

ADOPT
RESOLUTION
NO. 07-14

Upon motion of Director Griego, seconded by Director Crippen, and unanimously carried, the Board adopted Resolution No. 07-15, which is entitled: "RESOLUTION DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA - OVERLAY DISTRICT) AND SUBMITTING PROPOSITION TO THE QUALIFIED ELECTORS OF THE DISTRICT."

ADOPT
RESOLUTION
NO. 07-15

Upon motion of Director Griego, seconded by Director Crippen, and unanimously carried, the Board adopted Resolution No. 07-16, which is entitled: "RESOLUTION CALLING A SPECIAL ELECTION WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA - OVERLAY DISTRICT)."

ADOPT
RESOLUTION
NO. 07-16

Following opening and counting of the ballots, upon motion of Director Crippen, seconded by Director Griego, and unanimously carried, the Board adopted Resolution No. 07-17, which is entitled: "RESOLUTION DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN."

ADOPT
RESOLUTION
NO. 07-17

Upon motion of Director Crippen, seconded by Director Brown, and unanimously carried, the Board adopted Resolution No. 07-18, which is entitled: "RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA - OVERLAY DISTRICT), APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS."

ADOPT
RESOLUTION
NO. 07-18

Upon motion of Director Crippen, seconded by Director Griego, and unanimously carried, the public hearing was closed and the Board introduced an ordinance levying special taxes within Three Rivers Levee Improvement Authority Community Facilities District No. 2006-2 (South County Area – Overlay District). WAIVE
READING

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Executive Director Paul Brunner

- Issuing Bid Request for Phase 4 Segments 1 and 3 this week
- Proposition 1 E funding submittal due by May 1, 2007

Director Griego:

- Plumas Lake Community Meeting on flood control held March 28, 2007

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 4:57 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

APRIL 17, 2007

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 2:02 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Jerry Crippen, Mary Jane Griego, and Richard Webb. Directors Jerry Crippen and Dan Logue were absent. Also present were Executive Director Paul Brunner and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

PUBLIC COMMUNICATIONS

Ms. Mary Anderson, Anderson Avenue, expressed concern regarding the loss a portion of yard and oak trees which hold a sentimental value and suggested another alignment for the road.

Chairman Webb and Right of way Agent Bob Morrison advised the matter is being reviewed for an alternative.

CONSENT AGENDA

Upon motion of Director Griego, seconded by Director Brown, and carried with Directors Crippen and Logue being absent, the Board took the following actions:

- | | |
|--|----------------------------------|
| 1) Approved the minutes of the special meeting of March 27, 2007, as written. | APPROVE
MINUTES |
| 2) Adopted Resolution No. 07-19, which is entitled: "A RESOLUTION BY THE BOARD OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY IN REGARD TO GRANT FUNDS UNDER PROPOSITIONS 1E AND 84," and authorizing the Executive Director to execute and submit grant application. | ADOPT
RESOLUTION
NO. 07-19 |
| 3) Approved a revised loan agreement with Yuba County Water Agency and authorized the Chairman to execute upon review and approval of County Counsel. | APPROVE
AGRMNT. |

CLOSED SESSION

The Board retired into closed session at 2:11 p.m. to discuss two cases of threatened litigation pursuant to Government Code §54956.9(b).

Director Logue joined closed session at 2:57 p.m.

The Board returned from closed session at 3:09 p.m. with all Board and staff members present as indicated above, including Director Logue.

There was no announcement from closed session.

ACTION ITEMS

1) Ordinance/Levying Special Taxes within Community Facilities District No. 2006-1 (South County Area)/Second Reading: Chairman Webb opened the public hearing.

Mr. Rex Archer, Linda, questioned the authority to perform levee construction and maintenance by this body rather than the Reclamation District.

Chairman Webb advised the Joint Powers Agreement provided the authority.

Mr. Archer opposed the taxing and taking of property for improvements which in his opinion are falsely represented and felt improvements would fail in the event of a flood.

Chairman Webb advised the Corps of Engineers and other experts have evaluated concerns raised and upheld the work performed.

Upon motion of Director Griego, seconded by Director Brown, and carried with Director Crippen being absent, the public hearing was closed, the reading was waived, and the Board adopted Ordinance No. 2, which is entitled: "AN ORDINANCE LEVYING SPECIAL TAXES WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA)."

ADOPT
ORDINANCE
NO. 2

2) Ordinance/Levying Special Taxes within Community Facilities District No. 2006-2 (South County Area – Overlay District)/Second Reading: Chairman Webb opened the public hearing.

Mr. Rex Archer, Linda, urged counsel review of the Mello Roos law regarding supplanting the Reclamation District.

Chief Deputy Counsel Angil Morris-Jones advised the actions are within the legal authority of the Board.

Upon motion of Director Griego, seconded by Director Brown, and carried with Director Crippen being absent, the public hearing was closed, the reading was waived, and the Board adopted Ordinance No. 3, which is entitled: "AN ORDINANCE LEVYING SPECIAL TAXES WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA – OVERLAY DISTRICT)." ADOPT ORDINANCE NO. 3

3) Public Necessity/Feather River Levee: Right-of-way Manager Bob Morrison provided a power point presentation recapping the proposed resolutions and necessity for segment 3 construction and responded to Board inquiries.

Upon motion of Director Logue, seconded by Director Griego, and carried with Director Crippen being absent, the Board adopted Resolution No. 07-20, which is entitled: "A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT (CODE CIV. PROC. §1245.230; CODE CIV. PROC §1240.610)" as it relates to APN 020-330-008 (California State Department of Transportation). ADOPT RESOLUTION NO. 07-20

Upon motion of Director Griego, seconded by Director Brown, and carried with Director Crippen being absent, the Board adopted Resolution No. 07-21, which is entitled: "A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT (CODE CIV. PROC. §1245.230)" as it relates to APN 020-360-002 (Jourbee Khang and True Y. Kyang). ADOPT RESOLUTION NO. 07-21

Upon motion of Director Logue, seconded by Director Brown, and carried with Director Crippen being absent, the Board adopted Resolution No. 07-22, which is entitled: "A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT (CODE CIV. PROC. §1245.230)" as it relates to APN 020-360-047, 020-360-050, and 020-360-053 (Trumon G. Cooper, as Truman G. Cooper Family Trust). ADOPT RESOLUTION NO. 07-22

BOARD AND STAFF MEMBERS' REPORTS

No reports were received.

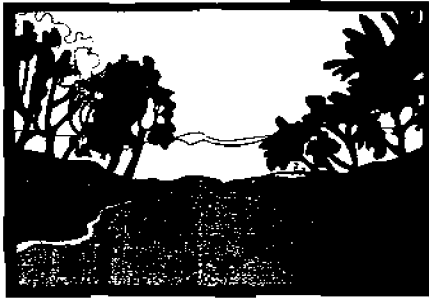
ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:37 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

1114 Yuba Street, Suite 218
Marysville, CA 95901
(530) 749-7841 Fax (530) 749-6990

May 15, 2007

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director *Paul Brunner*
SUBJECT: Proposed Amendment to existing SCI Contract for TRLIA Assessment
Engineering and Planning

Recommended Action: Approve Amendment #1 to the existing contract with SCI Consulting Group for performing services leading up to the preparation of an Engineer's Report and the subsequent Ballot coordination and associated Project Administration. These efforts will be instrumental in establishing the benefit assessment within the TRLIA area to fund ongoing levee maintenance in the future. Authorize the Chairman to sign the agreement once General Counsel has reviewed and approved.

Discussion: Last fall, TRLIA issued a contract to the firm of SCI Consulting Group for Assessment Engineering services. The contract included various phases from Initial Analysis, Assessment Engineering and Planning, to the preparation of a survey to test the response of interest in the establishment of the maintenance assessment; the preparation of the Engineers Report; and subsequent follow on services. Currently, we have proceeded up to, but short of, preparation of the Engineers Report and the initial coordination is ongoing. This initial Phase 1 of the contract (to be paid for on an hourly basis for initial analysis, assessment engineering and planning) has become more extensive than originally perceived and is expected to exceed the \$10,000 limitation set up for this phase. The firm has already reached an expenditure of approximately \$30,000 and it is expected that an additional sum of money perhaps reaching a level of an additional \$15,000 will be needed before the services are completed. The remaining phases of the contract at this point in time appear to be in tact and represent levels appropriate for the services to be accomplished.

Fiscal Impact:

The contract amendment would increase the existing contract \$35,000 to a maximum amount of \$129,050 not exceeding without prior authorization from the TRLIA Board. Funding for the Amendment is available in the TRLIA budget and cash flow.

FIRST AMENDMENT
TO
AGREEMENT BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
AND
SCI Consulting Group

THIS FIRST AMENDATORY AGREEMENT is made and entered into this ____ day of May, 2007, by and between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY, a Joint Powers Authority, ("TRLIA") and SCI Consulting Group. ("CONSULTANT").

RECITALS:

WHEREAS, TRLIA and CONSULTANT entered into an agreement to provide Professional Services dated September 25, 2006 ("AGREEMENT");

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

WHEREAS, TRLIA and CONSULTANT desire to amend the AGREEMENT;

NOW, THEREFORE, TRLIA and CONSULTANT agree as follows:

1. Exhibit B – Fee Schedule Phase 1 (Initial Analysis, Assessment Engineering and Planning) of the AGREEMENT shall be revised to read "not to exceed \$45,000 without..."
2. Exhibit B – Fee Schedule of the AGREEMENT – the language following Phase IV (Levy Submittal and Administration shall be revised to read "Total All Phases \$129,050" in lieu of \$94,050
3. Article B.1 of the AGREEMENT shall be revised to increase the maximum contract fee from \$94,050 to \$129,050

All other terms and conditions contained in the Agreement shall remain in full force and effect.

This AMENDED AGREEMENT is hereby executed on this ____ day of ____ 2007.

TRLIA

BY: _____
"THREE RIVERS LEVEE
IMPROVEMENT AUTHORITY"

ATTEST:
DONNA STOTTEMEYER, CLERK OF
THE BOARD OF SUPERVISORS

CONSULTANT

BY: 
"SCI Consulting Group"

APPROVED AS TO FORM:
SCOTT L. SHAPIRO
THREE RIVERS LEVEE IMPROVEMENT
AUTHORITY SPECIAL COUNSEL



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

1114 Yuba Street, Suite 218
Marysville, CA 95901
(530) 749-7841 Fax (530) 749-6990

May 15, 2007

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director *PB 7 May 2007*
Scott Shapiro, Special Counsel

SUBJECT: Recommendation for Second Capital Call

Recommended Action: Approve a Second Capital Call in the amount of \$9.1 million for May 29 and delegate to staff to work out the details for disbursement of funds from landowners.

Background: Three Rivers Levee Improvement Authority has previously executed a Second Funding Agreement with the landowners to provide funding for the Three Rivers' program. Under the Agreement the landowners provided funding in August of 2006 that allowed Three Rivers to complete improvements on the Yuba River levees leading to levee certification and protection for Linda from deep flooding. Subsequent to that funding, Three Rivers elected to certify the EIR and select the Feather River Setback Levee. While the Second Funding Agreement contains relatively clear guidance for the conduct of the parties once Three Rivers obtains a commitment of funding from the State for the setback, during this interim period where funding is unsure for the setback levee the Second Funding Agreement simply requires that we work cooperatively with the landowners to determine the amounts, timing, and conditions of capital calls.

Discussion: The Three Rivers cash flow spreadsheet shows that additional funding will be required from the landowners, in conjunction with a State commitment, to continue progress on levee improvements. Staff has determined that a Second Capital Call of \$9.1 million (including pending payments from KB Home and D.R. Horton), deposited into the escrow account by May 29, will provide the cash flow to continue progress of the program, specifically the award of Feather Segment 3. The TRLIA Financial Review committee has recommended that this 2nd capital call also include the funding for Feather Segment 1; however, the cost of the Feather Segment 1 has recently increased due to TRLIA needing to assume the work previously presumed to be accomplished by the Corps using federal funding, which we now believe to be unavailable from federal

sources. This would increase the 2nd Capital Call to an amount that likely could not be raised in such a short period of time. (This additional cost has been incorporated into the recent Prop 1E early implementation funding application submitted by TRLIA to DWR.)

Staff expects that an amendment of the Second Funding Agreement will be accomplished within the next couple of months that will include a new Capital Call Schedule and Capital Call amounts. It is anticipated that a third Capital Call would be scheduled following a State commitment of funding from Propositions 84 and 1E (in late summer or early fall) that could include the local share of the funds required for Segment 1.

Because the Second Funding Agreement is silent on the procedures for calling for an disbursing of funds from a capital call made prior to the commitment of funds from the State, staff recommends that the Board delegate to staff to work out the details of how funds will be disbursed (amount, timing, and conditions which must be met for disbursement).

Fiscal Impact: This Second Capital Call does not result in any financial obligations on the part of Three Rivers, but will generate funds which will become available to Three Rivers to use in contracting for work to be performed this summer (award of Feather Segment 3).

Attachments: Cash flow spreadsheet summary.