

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

**AUGUST 28, 2007 – SPECIAL MEETING**  
**2:00 P.M.**

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.

**I CALL TO ORDER**

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

**III ACTION ITEMS**

- A. Approving forming the Displaced Person Appeals Board and appoint the Executive Director, General Counsel, and Program Manager as representatives.
- B. Approve agreement with Wildlands, Inc. in the amount of \$1,371,000 for purchase of vernal pool crustaceans credits at Best Slough and authorize Chairman to execute same upon review and approval of General Counsel.
- C. Approve minutes of the meetings of August 7 and 14, 2007.

**IV BOARD AND STAFF MEMBERS’ REPORTS**

**V CLOSED SESSION**

- A. Threatened litigation pursuant to Government Code §54956.9(b) – One Case
- B. Conference with Real Property Negotiator pursuant to Government Code §54956.8 - Property: APN 020-020-081, and 082 (Auburn Manor Holding Corp.)/Negotiating Parties: TRLIA/Kathy Ormsby/Rich Brown Negotiation: Price and Terms of Payment
- C. Conference with Real Property Negotiator pursuant to Government Code §54956.8 - Property: APN 020-020-054 (Harmon)/Negotiating Parties: TRLIA/Kathy Ormsby/Rich Brown Negotiation: Price and Terms of Payment

**VI ADJOURN**



# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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

August 28, 2007

TO: Three River Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director *PJB*  
Bob Morrison, Right of Way Manager  
SUBJECT: Displaced Person Appeals Board Formation and Appointments

## **Recommendation**

Approve formation of a displaced person Appeals Board to hear appeals regarding the adequacy of relocation assistance that consists of:

1. TRLIA Executive Director
2. TRLIA General Counsel
3. TRLIA Program Manager

## **Discussion:**

In anticipation of possible displaced person appeals, TRLIA Executive Director requests the formation of an appeals board. If a displaced person is not satisfied with the conclusions from the appeals board, the displaced person will be entitled to forward their appeals to the TRLIA Board of Directors.

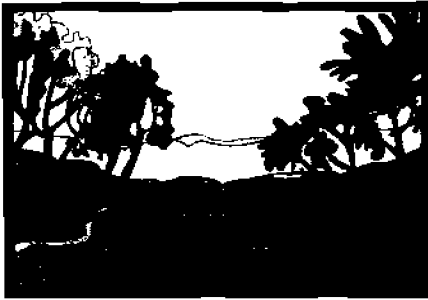
On February 6, 2007, the TRLIA board passed Resolution 07-01 delegating certain administrative functions related to the acquisition of real property and the relocation of displaced persons to the Executive Director. Paragraph I of the resolution delegates the following administrative authority to the Executive Director:

”To recommend, if the Executive Director deems it necessary, to the Board of Directors the creation of an Appeals Board to be appointed by the Board of Directors to hear appeals from displaced persons regarding the adequacy of relocation assistance and to recommend persons to be appointed to such a board.”

The proposed setback levee will require the displacement of 2 owner occupied households, and 3 tenant occupied households. For each relocation a detailed Replacement Housing Valuation (RHV) report is completed by a relocation specialist. This report determines the displacee's entitlement per Government Code 7260 et seq. and is approved by the TRLIA Executive Director prior to presentation to the displacee. A separate relocation specialist works with the displacee to acquire replacement housing. If a displaced person does not agree with the Replacement Housing Valuation, per Government Code 7266, they are entitled to appeal the RHV to a Relocation Appeals Board. To date, that board has not been required, but staff believes it might be needed and best to establish the Appeals Board now.

## **Fiscal Impact**

There are no additional costs anticipated by establishing the relocation appeals board.



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August 28, 2007

TO: Three Rivers Levee Improvement Authority Board  
FROM: Paul Brunner, Executive Director *P.B.*  
Brian Boxer, Environmental Manager  
Anja Kelsey, Asst. Environmental Manager  
SUBJECT: Environmental Escrow Accounts – Vernal Pool Crustaceans Creation (VPC)  
Acres

**Recommended Action:** Approve contract with Wildlands, Inc. in the amount of \$1,371,000 to buy vernal pool crustaceans credits at Best Slough and authorize the Chairman to execute same upon General Counsel review and approval of contract.

**Discussion:** To mitigate for certain impacts to VPC caused by the Bear and WPIC levee work, TRLIA funded a “VPC Mitigation Escrow Account” pursuant to certain Irrevocable Escrow Instructions dated September 14, 2005 to U.S Bank. The purpose of the VPC Mitigation Escrow Account, among other things, is to finance the acquisition of VPC habitat as required by the Corps and USFWS. In 2005 \$5,484,000 was placed into this VPC escrow account to pay for 27.42 preservation acres and 9.14 creation acres. Last November 2006 the TRLIA Board approved \$4,113,000 to be used from this escrow account for VPC mitigation of the 27.12 preservation acres at Daley Ranch. This leaves a total of \$1,371,000.00 in the account for the 9.14 creation acres.

The release of funds from this escrow is controlled equally by the US Army Corps of Engineers and the US Fish and Wildlife Service. TRLIA contracted with Wildlands, Inc. to achieve the preservation mitigation at the vernal pool preserve on the Daley Ranch. Staff now submits this contract for TRLIA Board consideration with Wildlands Inc. to meet its obligation for vernal pool creation at a sight called Best Slough, along Ostrom Road in Yuba County.

The proposed contract specifies that Wildlands will be paid at set increments, per the irrevocable escrow instructions as the development of the creation acres meets critical path points of completion.

**Fiscal Impact:** None - The funding for this contract already deposited in the existing escrow account.

MITIGATION PURCHASE AGREEMENT

By and Between

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

AND

WILDLANDS, INC.

Dated: \_\_\_\_\_, 2007

## MITIGATION PURCHASE AGREEMENT (TRLIA)

This Mitigation Purchase Agreement ("**Agreement**") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2007, ("**Effective Date**") by and between the Three Rivers Levee Improvement Authority ("**Authority**") and Wildlands, Inc.. ("**Wildlands**"). who agree as follows:

1. Background and General.

1.1. The Authority. Authority is a joint powers authority created by the County of Yuba and Reclamation District 784.

1.2. The Project. Authority is in the process of constructing and improving levees in South Yuba County (the "**Project**"). To mitigate for certain impacts to vernal pool crustaceans ("**VPC**") caused by the Project, Authority funded a "VPC Mitigation Escrow Account" pursuant to those certain Irrevocable Escrow Instructions dated September 14, 2005 to U.S. Bank by Authority, the United States Army Corps of Engineers ("**Corps**"), the United States Fish and Wildlife Service ("**USFWS**") and the California Department of Fish and Game ("**CDFG**"). The Corps and USFWS are collectively referred to as the "**Applicable Agencies**." The purpose of the VPC Mitigation Escrow Account, among other things, is to finance the acquisition of VPC habitat as required by the Corps and USFWS.

1.3. Wildlands' Business. Wildlands is the operator of compensatory mitigation projects for impacts to wetlands, protected species and/or protected habitat, and is in the business of locating properties suitable for mitigating such impacts (each, a "**Mitigation Site**").

1.4. Best Slough Preserve. Wildlands is in the process of establishing mitigation values ("**Mitigation Values**") at the Best Slough preserve (the "**Best Slough Preserve**" or sometimes simply, the "**Preserve**") located near Ostrom Road in Yuba County. The Preserve contains vernal pool wetlands ("**Vernal Pools**") which provide habitat for endangered and threatened species and are suitable for Vernal Pool preservation ("**VPP**") and also contains suitable ground for the restoration/creation of Vernal Pools ("**Vernal Pool Creation**").

1.5. Mitigation Activities To Date. As of the Effective Date:

1.5.1. Preserve. Wildlands is in the process of establishing the Preserve for mitigating impacts to wetlands and associated threatened or endangered species through the creation/restoration of wetlands and Vernal Pools. A description of the Preserve is attached hereto as Exhibit A.

A. Habitat Restoration Activities. Wildlands has undertaken substantial activities towards determining the feasibility of the development, preservation and restoration of the habitat values at the Preserve. These include, for example, such activities as

performing wildlife surveys and resource mapping, soils reconnaissance to explore habitat preservation and restoration potential, and other activities.

B. Development Narrative. Wildlands has prepared a written description of the development objectives for the Preserve (the "**Development Narrative**") which includes design goals and objectives, descriptions of targeted compensatory habitats, generalized mapping of habitats, water management strategies and long-term vegetation management techniques and funding mechanisms.

(1) Based on the Development Narrative, the Preserve is anticipated to yield at least 9.14 Vernal Pool Creation Mitigation Values and it may be applicable to the amounts necessary to comply with the terms and conditions of the USFWS Biological Opinion for the Project (Reference Number 1-1-05-F-0106), Yuba County, California (the "**Biological Opinion**"), which was prepared for the Corps as a formal consultation on the Project permit application under Section 404 (the "**404 Permit**") of the Clean Water Act (Corps File Number 200400685):

(2) Wildlands has submitted or will be submitting the Development Narrative and a habitat mitigation and monitoring plan (the "**HMMP**") for approval by the Applicable Agencies in order to allow development of the Preserve for wetlands and threatened or endangered species habitat.

1.6. Purpose. The purpose of this Agreement is to provide purchase and sale of Mitigation Values to from the Preserve.

2. Allocation; Purchase Price.

2.1. Allocation of Mitigation Values. Upon payment to Wildlands as defined in Section 3, Wildlands shall set aside, for the exclusive use of Authority the Mitigation Values from the Preserve equal to the following (collectively, the "**Allocated Mitigation**"):

<u>Preserve</u>	<u>Impacts Mitigated</u>	<u>Amount of Mitigation Values</u>	<u>Cost per Mitigation Value</u>	<u>Total Cost</u>
Best Slough Preserve	Vernal Pool Creation	9.14 acres	\$150,000	\$1,371,000
<b>Purchase Price</b>				<b>\$1,371,000</b>

3. Purchase Price; Payment. The "**Purchase Price**" for the Allocated Mitigation shall be determined by multiplying the Amount of Mitigation Values by the Cost per Mitigation Value in accordance with Section 2.1. The \$1,371,000 Purchase Price shall be paid as follows:

3.1. HMMP Approval. No later than fifteen (15) days after the Applicable Agencies approve the HMMP, Authority shall request from the agencies disbursement from the aforementioned escrow account an amount equal to seventy percent (70%) of the Purchase Price.

which the parties agree is \$959,700, to be disbursed to Wildlands from the VPC Mitigation Escrow Account. If \$959,700 is not disbursed to Wildlands on or before 45 days from the date the Applicable Agencies approve the HMMP then Wildlands may elect to either: (i) extend the term to receive \$959,700 by up to 3 additional 30-day periods; or (ii) terminate the Agreement.

3.2. Initiation of Mass Grading. No later than fifteen (15) days after the initiation of mass grading on the Preserve, Authority shall request from the agencies disbursement from the aforementioned escrow account an amount equal to twenty percent (20%) of the Purchase Price, which the parties agree is \$274,200, to be disbursed to Wildlands from the VPC Mitigation Escrow Account.

3.3. Submittal of As-Builts. No later than fifteen (15) days after the submittal of as built construction drawings evidencing the completion of construction of the Allocated Mitigation, Authority shall request from the agencies disbursement from the aforementioned escrow account an amount equal to ten percent (10%) of the Purchase Price, which the parties agree is \$137,100, to be disbursed to Wildlands from the VPC Mitigation Escrow Account.

#### 4. Termination.

4.1. Wildlands Right to Terminate. Wildlands has the right to acquire the Mitigation Values and as of the Effective Date is still conducting its own due diligence review of acquiring the same. Wildlands shall continue to use its commercially reasonable efforts to conduct its due diligence review of acquiring the Mitigation Values and developing the HMMP. Wildlands shall make monthly reports to Project Proponent on its review throughout the term of this Agreement and Wildlands may determine in its sole discretion whether to acquire the Mitigation Values or not. Accordingly, Wildlands may elect to not acquire the Mitigation Values, in which case, this Agreement will terminate and the parties shall have no further rights or obligations to each other with respect to this Agreement.

4.2. Authority's Right to Terminate. If the Corps has not approved the HMMP by February 15, 2008 then Authority will have the right to either: (i) mutually agree with Wildlands to extend the approval term; or (ii) terminate the Agreement.

#### 5. Preserve Activities.

5.1. Qualification, Continued Qualification of Preserve. Wildlands shall qualify and shall maintain the qualification of the Preserve by performing the following:

5.1.1. Analysis and Verification. To the extent they have not already done so, Wildlands' specialists will review, analyze and verify the biological attributes, soil types and conditions, hydrological resources and other factors to the degree required to submit the Preserve to the Applicable Agencies as a suitable location for the Allocated Mitigation described above.

5.1.2. Mitigation Site Documentation. To the extent not otherwise available or previously prepared and submitted with respect to the Preserve, Wildlands will prepare and submit the following documentation to the Applicable Agencies:

(A) The Development Narrative

(B) The HMMP

(C) The various legal and administrative documents which are necessary to enable the Preserve to be endorsed by the Applicable Agencies, which may include, by way of example, a conservation easement affecting the Mitigation Site.

(D) Permits and surveys required by the Applicable Agencies in order to approve the documents described above, including, without limitation, those required to implement such documents.

5.1.3. Development Arrangements. To the extent Wildlands has not already done so, Wildlands will enter into such arrangements as may be necessary or convenient to enable Wildlands to develop the Allocated Mitigation on the Preserve.

5.2. Development of Preserve. To the extent Wildlands has not already done so, Wildlands will cause the Preserve to be developed in the manner described in the HMMP for that Preserve. In that regard, Wildlands shall be responsible for:

5.2.1. Permits, Etc. Obtaining permits, performing surveys or studies, or preparation of other documents which are required for implementation of the HMMP.

5.2.2. Construction and Other Work. Construction or other work on the Preserve required by the HMMP.

5.3. Maintenance of the Preserve. Wildlands shall provide for the long-term maintenance of the Preserve, as required by the HMMP for that Preserve. Wildlands shall monitor and make reports to the appropriate agency or agencies on the status of the Preserve; and Wildlands shall be fully and completely responsible for satisfying any and all conditions placed on the Preserve by the Applicable Agencies.

## 6. Limitation of Obligations, Rights of Authority.

6.1. Limitation of Obligations. Authority's obligations shall be limited to the payments described above. Authority shall have no obligation whatsoever by reason of the use of the Preserve for the Allocated Mitigation, to support, pay for, monitor, report on, sustain, continue in perpetuity or otherwise be obligated or liable for the success or continued expense or maintenance in perpetuity of the Preserve. As set forth above, Wildlands shall be fully and completely responsible therefore and for satisfying any and all conditions placed on the Preserve by the Applicable Agencies.



6.2. Limitation of Rights to Preserve. Nothing in this Agreement shall result in Authority having any right, title or interest in any one or more of the Preserve greater than that specifically granted by this Agreement. Authority's sole right shall be to have Wildlands' obligations with respect to the Preserve serve as the required mitigation for the Project if and when the Allocated Mitigation or the appropriate portion thereof, is approved for sole use by the Applicable Agencies.

6.3. Joint Use. At the time specified in Section 2 above, Wildlands shall reserve the Allocated Mitigation for the sole use of Authority or its successors or assigns. This reservation shall in no way restrain Wildlands from selling to others mitigation values at the Preserve in addition to the Allocated Mitigation, so long as the additional mitigation values have been authorized for sale by the Applicable Agencies, and so long as the aggregate number of mitigation values sold to all parties, including Authority, from a particular Preserve, does not exceed the aggregate number of mitigation values authorized for sale by the Applicable Agencies from that particular Preserve.

6.4. Project Approvals. Authority alone shall be responsible for obtaining the approval of the Applicable Agencies to mitigate the impacts of the Project with the Allocated Mitigation. In that regard, Wildlands has made and makes no representation, warranty or guaranty that the Applicable Agencies will approve the Preserve as suitable mitigation for the Project. Notwithstanding the foregoing, Wildlands shall reasonably cooperate with Authority's efforts to obtain the Applicable Agencies' approval for use of the Allocated Mitigation in connection with by providing information required by the Applicable Agencies and executing documents required by the Applicable Agencies.

6.5. Limitations on Assignment; Transfer. Authority acknowledges that Wildlands is not willing to sell the Allocated Mitigation which could be resold in competition with the remaining the Mitigation Values available for sale from the Preserve. Accordingly, Authority shall be prohibited from transferring any Mitigation Values to a third party without the consent and approval of Wildlands, which Wildlands may withhold in its sole discretion.

7. Wildlands' Right To Create a Conservation Bank; Mitigation Bank. Wildlands specifically reserves the right to create a Mitigation or Conservation Bank on the Preserve. Should Wildlands elect to do so, in Wildlands' sole discretion: (a) the Allocated Mitigation shall be provided in the form of Conservation Bank Credits or Mitigation Bank Credits; (b) Authority shall have no obligations with respect to the Conservation Bank or Mitigation Bank; (c) Authority shall have no rights to any proceeds or excess credits of the Conservation Bank or Mitigation Bank.

## 8. Miscellaneous Provisions.

8.1. Ownership of Documents. All work papers, drawings, internal memoranda of any kind, photographs, and any written or graphic material, however produced, prepared by Wildlands in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of Wildlands and may be used by Wildlands for any purpose whatsoever. Wildlands agrees to return to Authority upon

termination of this Agreement all documents, drawings, photographs and other written or graphic material, however produced, received from Authority and used by Wildlands in the performance of its services hereunder.

8.2. Notices. Any notices, requests, demands or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally (FedEx and similar services shall be considered to be personal service) or by telephone facsimile or other electronic transmission (provided that the sender of a telephone facsimile or other electronic transmission has received a return receipt signed by the party so notified, or has other written evidence of receipt), and upon the second business day after mailing, if mailed to the party to whom notice is to be given, by first-class mail, registered or certified, postage prepaid, return receipt requested, and properly addressed as follows:

Wildlands, Inc.  
3855 Atherton Road  
Rocklin, CA 95765  
Attn: Mark Heintz, VP General Counsel  
Phone: (916) 435-3555  
Fax: (916) 435-3556  
Email: mheintz@wildlandsinc.com

Three Rivers Levee Improvement Authority  
Government Center  
914 Eighth Street, Suite 115  
Marysville, CA 95901  
Attn: Paul Brunner, Executive Director  
Phone: 530-749-5679  
Mobile: 530-765-4981  
Email: pbrunner@co.yuba.ca.us

With a copy to: Scott Shapiro, Esq  
Downey Brand  
555 Capitol Mall, Tenth Floor  
Sacramento, CA 95814  
Phone: (916) 444-1000  
Fax: (916) 444-2100  
Email: sshapiro@downeybrand.com

Any party may change its address for purposes of this section by giving the other party written notice of the new address in the manner set forth above.

8.3. Modification. No waiver, alteration, modification or termination of this Agreement shall be valid unless made in writing.

8.4. Choice of Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of Sacramento, California.

8.5. Interpretation; Entire Agreement. The headings or captions to the sections of this Agreement are not a part of the Agreement and shall have no effect upon the construction or interpretation of any part thereof. This Agreement sets forth the entire understanding between the parties as to the subject matter of the Agreement and merges all prior discussions, negotiations, letters of understanding or other promises, whether oral or in writing.

8.6. Resolution of Disputes; Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement, including any dispute relating to interpretation of or performance under the Agreement ("**Dispute**"), shall be resolved in the manner set forth in this Section 8.6, which shall be in lieu of litigation in any court, and the parties specifically waive any right to a jury trial of any Dispute between them.

8.6.1. Negotiation. The parties will attempt in good faith to resolve the Dispute promptly by negotiations between senior representatives of the parties who have Authority to settle the Dispute (each a "**Representative**").

8.6.2. Arbitration. In the event the Representatives are not able to resolve the Dispute within 30 days following the date one party first notifies the other party of the Dispute in writing, the Dispute shall be resolved by binding arbitration before a retired judge of the Superior Court, Appellate Court or Supreme Court of the State of California (the "**Arbitrator**") in accordance with the following provisions:

A. The parties stipulate and agree that any and all necessary parties may be joined in the arbitration, but the parties agree to proceed with arbitration of all Disputes between themselves even if other parties refuse to participate. The parties specifically waive any objection to arbitration based on the failure or refusal of any other party to be joined.

B. The arbitration shall be initiated by written notice (the "**Arbitration Notice**") of a demand to arbitrate by registered or certified mail sent by one party to the other party. The Arbitration Notice shall include a plain statement of the Dispute and the relief requested. It shall attach the documents the party demanding arbitration relies upon and a detailed statement of the expected testimony of witnesses, including expert witnesses. Within 30 days of receipt of the Arbitration Notice, the responding party shall provide its own plain statement of the Dispute, together with documents it intends to rely upon and the expected testimony of witnesses, including expert witnesses. The parties shall each advance one-half of the Arbitrator's fee, as fixed and required by the Arbitrator in order to initiate the arbitration, although they shall ultimately bear responsibility for such fee as determined by the Arbitrator.

C. The parties shall attempt to agree on an Arbitrator. If they are unable to agree, either party may petition the presiding judge of the Superior Court for the County of Sacramento to appoint the Arbitrator.

D. The Arbitrator shall have the power to grant all legal and equitable remedies, including, but not limited to, injunction, specific performance, reformation, cancellation, accounting and compensatory damages, except only that punitive damages shall not be awarded. The Arbitrator shall issue a binding decision within 30 days of the conclusion of the arbitration. The Arbitrator's decision shall be conclusive and binding, and it may be confirmed thereafter as a judgment by the Superior Court of the State of California, subject only to challenge on the grounds set forth in California Code of Civil Procedure Section 1286.2. The validity and enforceability of the Arbitrator's decision is to be determined exclusively by the California courts pursuant to the provisions of this Section 8.6.

E. The Arbitrator shall award reasonable attorneys' fees and costs, including the Arbitrator's fees and expert fees, to the "Prevailing Party." For purposes of this section, the "**Prevailing Party**" shall be the party which obtains a net monetary recovery, exclusive of attorneys' fees and costs UNLESS the net monetary recovery is equal to or less than the amount of a written offer from the opposing party made after the negotiations described in Section 8.6.1. The Arbitrator shall have exclusive and binding Authority to determine entitlement to attorneys' fees and costs, including Arbitrator's and experts' fees, under this section.

F. The arbitration shall be conducted in Sacramento County, California. Any party may be represented by counsel or other authorized representative.

8.7. Attorneys' Fees. In the event any of the parties shall commence legal proceedings for the purpose of enforcing any provision or condition hereof, or by reason of any breach arising under the provisions hereof, then the successful party in such proceeding shall be entitled to court costs and reasonable attorneys' fees to be determined by the Court or Arbitrator. Without limiting the generality of the foregoing, the prevailing party shall be entitled to recover its attorneys' fees and other legal expenses incurred in connection with a bankruptcy or other insolvency-related proceeding of the other party (and including such fees and expenses incurred in efforts, whether successful or not, to obtain adequate protection, annulment, modification or termination of the automatic stay).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Three Rivers Levee Improvement Authority

By: \_\_\_\_\_ Dated: \_\_\_\_\_ 2007  
Name:  
Title

WILDLANDS, INC.

By: \_\_\_\_\_ Dated: \_\_\_\_\_ 2007  
Name:  
Its:

APPROVED AS TO FORM

\_\_\_\_\_  
Scott L. Shapiro  
General Counsel, TRLIA

Exhibit A  
Best Slough Preserve

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

BOARD OF DIRECTORS - MINUTES

AUGUST 7, 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, Special Counsel Rich Brown, and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

CONSENT AGENDA

Minutes: Upon motion of Director Griego, seconded by Director Crippen, and unanimously carried, the Board approved the minutes of the regular meeting and budget hearings of July 17, 2007, as written. APPROVE MINUTES

ACTION ITEMS

A. Lucy and Company/Public Outreach Services/\$124,935: Executive Director Paul Brunner and Client Services Manager Kim Floyd, Lucy and Company, recapped the proposed agreement and services and responded to Board inquiries.

Upon motion of Director Logue, seconded by Director Crippen, and unanimously carried, the Board approved an agreement with Lucy and Company in the amount of \$124,935 for public outreach services and authorized the Chairman to execute same. APPROVE AGRMNT.

Chairman Webb left the meeting at 3:59 p.m. Vice-chairman Logue presided.

B. Resolution of Necessity/APN 014-250-029 (Rice)/Phase 4 Levee Repair Project: Project Manager Ric Reinhardt provided a Power Point presentation recapping the proposed property and necessity and responded to Board inquiries.

Mr. Brian Manning, Counsel for property owners, recapped current levee funding issues, felt there had not been proper negotiations and there was lack of necessity at this time to proceed with the proposed resolution.

Mr. Manning requested the matter be continued until October to allow further negotiations regarding location of the setback levee and the use of their property and responded to Board inquiries.

Special Counsel Rich Brown responded to Board inquiries regarding the process for eminent domain and negotiations.

Following Board discussion, upon motion of Director Crippen, seconded by Director Griego, and following a roll call vote with Directors Brown, Crippen, Griego, and Logue voting in support, the Board adopted Resolution No. 07-25, 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." as it relates to APN 014-250-029 (Rice).

ADOPT  
RESOLUTION  
NO. 07-25

Upon motion of Director Griego, seconded by Director Crippen, and following a roll call vote with Directors Brown, Crippen, Griego, and Logue voting in support, the Board directed staff to proceed to initiate eminent domain action to acquire necessary property.

DIRECT  
ACTION

Chairman Webb rejoined the meeting at 5:08 p.m.

C. Feather River Levee Repair Project Segment 3/Award of Contract/Nordic Industries, Inc.: Executive Director Paul Brunner provided a Power Point presentation recapping the proposed project, costs and funding, conditions of award, and responded to Board inquiries.

Construction and Invoice Manager Doug Handen recapped the bid process which included phased work, award of contracts, and advised completion of work for other segments would not be completed until 2008.

Following Board discussion, upon motion of Director Crippen, seconded by Director Logue, and unanimously carried, the Board delegated authority to the Executive Director to award a contract to Nordic Industries, Inc. for all/or portion(s) of Feather River Levee Repair Project, Segment 3, in an amount not to exceed \$6,183,057 with a notice to proceed subject to funding, authorized the Executive Director to execute same upon submittal and review of Counsel, and directed staff to agendize segments 1 and site 7 for the upcoming Board meeting.

Mr. Rex Archer, Linda, felt Director Logue had a conflict of interest on this matter.



D. Land Owner Funding Proposal/Feather River Levee: Executive Director Paul Brunner updated the Board on Yuba County Board of Supervisors' consideration regarding a guarantee for funding of the Segments 1, 3 and Site 7 and responded to Board inquiries. *INFO ONLY*

Following Board discussion, no action was taken.

Mr. Rex Archer, Linda, felt the citizens should not be responsible for the cost of levee repairs and construction should wait for funding from Proposition 1E.

#### BOARD AND STAFF MEMBERS' REPORTS

No reports were received.

#### CLOSED SESSION

The Board retired into closed session at 6:15 p.m. to discuss the following:

Conference with Real Property Negotiator pursuant to Government Code §54956.8 - Property: APN 020-360-047, 050, and 053 (Cooper)/Negotiating Parties: TRIA/Kathy Ormsby/Rich Brown Negotiation: Price and Terms of Payment

The Board returned from closed session at 6:18 p.m. with all Board and staff members present as indicated above.

There was no announcement from closed session.

#### ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 6:18 p.m. by Chairman Webb.

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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 14, 2007

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, Jerry Crippen, Dan Logue, Mary Jane Griego, and Richard Webb. Also present were Executive Director Paul Brunner and Clerk of the Board of Supervisors/Secretary Donna Stottlemeyer. Chairman Webb presided.

ACTION ITEMS

1) Feather River Levee Repair Project/Phase 4 Segment 1 and Site 7: Executive Director Paul Brunner and Program Manager Ric Reinhardt provided a Power Point presentation recapping the proposed project and award of contract. Mr. Brunner and Mr. Reinhardt responded to Board inquiries.

Following Board discussion, upon motion of Director Crippen, seconded by Director Logue, and carried with Director Griego voting in opposition, the Board delegated authority to the Executive Director to award contracts to Nordic Industries, Inc. for Segment 1 in an amount not to exceed \$6,123,581 and Site 7 in an amount not to exceed \$1,977,670 for all/or portion of Feather River Levee Repair Project with Notices to Proceed subject to funding; authorized the Executive Director to execute contracts upon submittal, review, and approval of Counsel; and directed that the contract not be awarded until State Proposition 1E grant letter is received.

APPROVE  
AWARD

Chairman Webb left the meeting at 2:43 p.m. Vice-chairman Logue presided.

2) Feather River Set Back Levee Project/Phase 4 Segment 2 (Set Back Levee): Executive Director Paul Brunner provided a Power Point presentation recapping the proposed project and request for bids.

Mr. Rex Archer, Linda, felt a bid schedule for levee work was inappropriate, and that the Yuba and Feather River levees were venerable to failure during the next heavy rain season.

Following Board discussion, upon motion of Director Crippen, seconded by Director Brown, and carried with Director Webb being absent, the Board authorized a request for bids document for the Feather River Set Back Levee Project Segment 2 and authorized the Executive Director to issue bid documents upon review and approval of Counsel.

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Executive Director Paul Brunner:

- Mailing of Summer Newsletter
- State Reclamation Board Meeting on August 17, 2007
- Segment 1 construction meeting held August 10, 2007

Program Manager Ric Reinhardt:

- Celebration of completion of Yuba and Bear River and Western Pacific Interceptor Canal project at Peach Tree Country Club on August 23, 2007 at 6 p.m.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:00 p.m. by Vice-chairman Logue.

\_\_\_\_\_  
Chairman

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

\_\_\_\_\_  
Approved: \_\_\_\_\_