



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

OCTOBER 21, 2008 – 2:00 P.M.

I CALL TO ORDER

II ROLL CALL – Directors Rick Brown, Jerry Crippen, Don Graham, Mary Jane Griego, Dan Logue

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 ACTION ITEMS

- A. Approve minutes of the meetings of September 9 and 16, 2008.
- B. Approve escrow agreement with Teichert Construction and Bank of the West on Phase 4 Feather River Setback Levee Project Contract No. PH\$-2007/08-02 as a substitute for retention earnings; authorize Executive Director to execute same and execute future escrow agreement for PH4-2007/08-02 retention earnings for remainder of Phase 4 work to be completed next year upon review and approval of Counsel.

V BOARD AND STAFF MEMBERS' REPORTS

VI CLOSED SESSION

- A. Pending litigation pursuant to Government Code §54956.9(a) – TRLIA vs. Satinder N. Davit et al, Yuba County Superior Court Case No. YVSC CVED 07-0000437
- B. Pending litigation pursuant to Government Code §54956.9(a) – TRLIA vs. Naumes et al, Yuba County Superior Court Case No. YVSC CVED 08-000036

VII ADJOURN

The complete agenda, including backup material, is available at the Yuba County Government Center, 915 8th Street, Suite 109, and the County Library at 303 Second Street, Marysville. Any disclosable public record related to an open session item on the agenda and distributed to all or a majority of the Board of Directors less than 72 hours prior to the meeting are available for public inspection at Suite 109 during normal business hours.

In compliance with the American with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made one full business day before the start of the meeting.

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

SEPTEMBER 9, 2008 – SPECIAL MEETING

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 Riek Brown, Jerry Crippen and Mary Jane Griego. Directors Don L. Graham and Dan Logue were absent. Also present were Executive Director Paul Brunner, Counsel Andrea Clark, and Deputy Clerk of the Board of Supervisors Rachel Ferris. Chair Griego presided.

CONSENT AGENDA

HDR Engineering/Amendment No. 6/Extend contract date to December 31, 2009: Upon motion of Director Crippen, seconded by Director Brown, and carried with Directors Graham and Logue being absent, the Board approved Amendment No. 6 with HDR Engineering to extend the contract date to December 31, 2009, for Phase 4 engineering and construction management and authorized the Executive Director to execute same.

APPROVE
AMNDMNT.

ACTION ITEMS

A. Ella Basin Borrow Site/Smith and Foothill Partners: Following a brief recap from Executive Director Paul Brunner regarding the borrow site, project cost, and Director inquires, upon motion of Director Crippen, seconded by Director Brown, and carried with Directors Graham and Logue being absent, the Board approved agreement with John Michael and Marilee Smith, and Foothill Partners Company, LLC; and adopted Resolution No. 08-33, which is entitled: "A RESOLUTION BY THE BOARD OF DIRECTORS OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY IN REGARD TO ACQUISITION OF FILL FROM THE ELLA BASIN PROPERTY," and authorizing Executive Director to execute agreement.

ADOPT
RESOLUTION
NO. 08-33

B. Teichert/Addendum No. 2/Feather River Setback levee: Following a brief recap from Executive Director Paul Brunner and Director inquires, upon motion of Director Crippen, seconded by Director Brown, and carried with Directors Graham and Logue being absent, the Board approved Addendum No. 2 to the agreement with Teichert Construction in the amount of \$3,058,000 for the haul and placement of levee embankment from the Ella Basin site, authorized the Executive Director to execute same and issue a Notice to Proceed.

APPROVE
ADDENDUM

C. Pacific Gas and Electric/Relocation of Power Lines: Following a brief recap from Executive Director Paul Brunner and Director inquiries, upon motion of Director Crippen, seconded by Director Brown, and carried with Directors Graham and Logue being absent, the Board approved an agreement with Pacific Gas and Electric for relocation of additional distribution lines in the setback area in the amount of \$113,054 and authorized the Executive Director to execute same and issue payments for invoices. APPROVE AGREEMENT

D. Lucy and Company/Amendment No. 1/Public Outreach Service: Executive Director Paul Brunner recapped public outreach activities, the Feather River Web Site, 24 hour project hotline, and responded to Director inquiries.

Client Services Manager Kim Floyd, Lucy and Company, provided a Power Point virtual tour of the Feather River Levee Improvement Project website.

Upon motion of Director Crippen, seconded by Director Brown, and carried with Directors Graham and Logue being absent, the Board approved Amendment No. 1 to the agreement with Lucy and Company in the amount of \$98,815 for public outreach services and authorized the Executive Director to execute same. APPROVE AMNDMNT.

E. GEI Consultants/Amendment No. 9/ Additional Environmental Requirements for the Setback Levee: Following Executive Director Paul Brunner recapping the additional environmental requirements for the setback levee and Director inquiries, upon motion of Director Brown, seconded by Director Crippen, and carried with Directors Graham and Logue being absent, the Board approved Amendment No. 9 with Bookman-Edmonston/GEI Consulting for Feather River Levee Repair Project Phase 4 in the amount of \$358,200 and authorized the Executive Director to execute same. APPROVE AMNDMNT.

BOARD MEMBERS AND STAFF REPORT:

Reports were received on the following:

Executive Director Paul Brunner:

- Feather River Levee Repair Project bar chart depicting total cost breakdown and received Board direction to provide to Ms. Frances Hofman REFER TO STAFF
- Central Valley Flood Protection Board working with Nordic Industries to locate a culvert on the Hofman property and repairing levee damage from cattle and beavers
- Public comments regarding Environment Impact Statement which closed on August 25th, 2008
- Meeting with Corp of Engineers regarding 404 and 408 permits

- Sacramento Valley Flood Control Action Work Group and received Board Consensus to contribute \$3,000 toward preparing a white paper for the Department of Water Resources that will outline needed Flood Protection principles and projects for the Northern California area

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 2:55 p.m. by Chair Griego.



_____ Chair

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

SEPTEMBER 16, 2008 – SPECIAL MEETING

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, Don L. Graham, Mary Jane Griego and Dan Logue. Director Jerry Crippen was absent. Also present were Executive Director Paul Brunner, Counsel Scott Shapiro, and Deputy Clerk of the Board of Supervisors Rachel Ferris. Chair Griego presided.

CONSENT AGENDA

Minutes: Upon motion of Director Logue, seconded by Director Brown and carried with Director Crippen being absent the Board approved the minutes of the special meeting of September 9, 2008, as written. APPROVE MINUTES

ACTION ITEMS

A. North Star Construction and Engineering/Lease Agreement: Following Executive Director Paul Brunner providing a brief recap, Mr. Bob Morrison, Real Estate Manager, recapped the Right of Way Plan and responded to Board inquiries.

Mr. Sarb Basrai, North Star Construction and Engineering, recapped crop varieties to be farmed and the development of a detailed farming plan.

Ms. Cynthia Cairnes, Sunrise Orchards, provided a letter concerning the Naumes property agriculture lease, which is identified as Exhibit "A" and attached to and made a part of the minutes. EXHIBIT A

Following Board discussion, upon motion of Director Logue, Seconded by Director Brown, and carried with Director Crippen being absent, the Board approved a five year term lease agreement with North Star Construction and Engineering and authorized the Executive Director to negotiate final terms and execute agreement upon review and approval of Counsel. APPROVE AGRMNT.

B. Survey for Levee and Flood Control Assessment District: Executive Director Paul Brunner and Mr. Thomas Brightbill, SCI Consulting Group, recapped the pending survey and responded to Board inquiries.

Following Board discussion, upon motion of Director Logue, seconded by Director Brown, and carried with Director Crippen being absent, the Board approved a survey as amended for a Levee and Flood Control Assessment District, and authorized the Executive Director to finalize and issue survey. AUTHORIZE SURVEY

BOARD MEMBERS AND STAFF REPORT:

Reports were received on the following:

Director Griego:

- USA Today article commending Yuba County on \$78 million savings on the financing of the levee project

Executive Director Paul Brunner:

- Various upcoming meetings and construction tours
- Finalizing of Environmental Impact Statement
- Hydraulic analysis review by Corp of Engineers

Counsel Scott Shapiro:

- Central Valley Flood Protection Board meeting in October
- Central Valley Flood Control Association meeting Wednesday, September 17, 2008 at 1:00 p.m.

CLOSED SESSION

The Board retired into closed session at 2:52 p.m. to discuss the following:

Conference with Counsel and Real Property Negotiator pursuant to Government Code 54956.9 – Property: APN 013-010-014/Parties: Davit, TRLIA, Stacey Sheston, Bob Morrison/Negotiation: Price and Terms of Payment

The Board returned from closed session at 3:20 p.m. will all Board and staff members present as included above.

There was no reportable action from closed session.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:21 p.m. by Chair Griego.

Chair

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

By: Rachel Ferris, Deputy Clerk

Approved: _____



Sunrise Orchards

Raj Kumar Sharma

Phone (530) 633-2057

Fax (530) 633-2058

PO Box 1107
Wheatland, Ca. 95692

Email Address rajsunrise@hotmail.com

September 16, 2008

Three Rivers Levee Improvement Authority
Yuba County Government Center
915 Eighth Street, Suit 109A
Marysville, Ca 95901

RE: Naumes Property Agricultural Lease

Dear Directors,

I presently have a 20-year lease with DWR on farmland surrounded by the Naumes Property. I have invested over a million dollars to plant that property into peach and walnut orchards. As you are negotiating a 5-year agriculture lease on the Naumes property, I would like to remind you of the need to respect the farming being done around that piece of property. There are four different options being considered for that lease. There are different concerns to consider for each option, whichever one is chosen.

If option one is chosen, there must be a deadline at which time the pears will be removed if they do not get a contract. All cultural practices must be performed in the meantime, including but not limited to insect sprays, weed sprays, etc. I would like to get copies of the spray reports that show the timing and chemicals applied. I do not want to see abandoned orchards next to me that are going to be a host for pest infestation and could ruin my crops.

If option three is selected and they chose to grow row crop, I want to let you know that it takes over \$1,500.00 per acre to install a solid set sprinkler system that the majority of this orchard has. If the contract to market pears is not available, and they have to go into row crop farming for a rent of about 50,000 for the next 5 years, we do not want to get over \$300,000 worth of sprinkler system ruined when removing the trees. It should be part of the agreement that all irrigation systems should be in the same working order at the end of the lease period as they are today.

EXHIBIT "A" / 9-16-08 MINUTES

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If option two is approved, our offer was better. We offered to pay \$25.00 per acre even at the development stage when the walnut trees were young and would not produce any income. They did not offer any income for the first seven years.

Option four was not even a part of the RFP.

Please take careful consideration of the above concerns when you are constructing the lease. If normal farming practices are not performed and sprays are not done in a timely fashion that could ruin the crops and can constitute a big liability for TRUA other involved agencies in this transaction and a huge wastage and misuse of public funds.

Sincerely,


Raj Kumar Sharma



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

1114 Yuba Street, Suite 218

Marysville, CA 95901

Office (530) 749-7841 Fax (530) 749-6990

October 21, 2008

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul G. Brunner, Executive Director *POB/bw*
James S. Kennedy, Treasurer *[Signature]*
SUBJECT: Request for Escrow Agreement

Recommended Action

Consider Escrow Agreement with Teichert Construction and BANK OF THE WEST on Phase 4 Feather River Setback Levee Project Contract No. PH4-2007/08-02 as a substitute for retention earnings, and authorize Executive Director to sign and execute this escrow agreement and future escrow agreement for PH4-2007/08-02 retention earnings for remainder of Phase 4 work to be completed next year.

Discussion

The Three Rivers Levee Improvement Authority currently has a contract with Teichert Construction Industries for levee repair. This contract No. Ph4-2007/08 dated May 20, 2008 is for \$47,771,605.00 which includes Addendums No 1 and 2. The contractor (Teichert Construction) would like to exercise their option to use Section 22300 of the Public Contract Code which allows the contractor to deposit securities with an Escrow Agent (Bank of the West in Sacramento) as a substitute for retention earnings. Yuba County/TRLIA contracts allow this escrow account to be established.

Fiscal Impact

None as all costs of the Escrow Agreement are borne by the Contractor.

ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION

This Escrow Agreement is made and entered into this ____ day of _____, 2008, by and between Three Rivers Levee Improvement Authority (TRLIA), whose address is 1114 Yuba Street, Suite 218, Marysville, CA 95901 hereinafter called "Owner", ~~TEICHERT CONSTRUCTION~~ whose address is 3580 American River Drive, Sacramento, CA 95864; P.O. Box 15002, Sacramento, CA 95851-1002 hereinafter called "Contractor", and BANK OF THE WEST whose address is 601 J Street, Suite 203, Sacramento, CA 95814 hereinafter called "Escrow Agent".

For the consideration hereinafter set forth, the Owner, Contractor, and Escrow Agent agree as follows:

1. Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to the Construction Contract entered into between the Owner and Contractor Phase 4 Feather River Sulfack Levee Project in the amount of \$47,771,005.00 dated May 20, 2008 (hereinafter referred to as the "Contract"). Alternatively, on written request of Contractor, the Owner shall make payments of the retention earnings directly to the Escrow Agent. When Contractor deposits the securities as a substitute for Contract earnings, the Escrow Agent shall notify the Owner within ten (10) days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the Owner and Contractor. Securities shall be held in the name of Escrow Agent, and shall designate the Contractor as the beneficial owner.
2. The Owner shall make progress payments to the Contractor for those funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent hold securities in the form and amount specified above.
3. When the Owner makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until the time that the escrow created under this contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the Owner pays the Escrow Agent directly.
4. Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the escrow account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, Contractor and Escrow Agent.
5. The interest earned on the securities or the money market accounts held in escrow and all interest earned on that interest shall be for the sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to the Owner.
6. Contractor shall have the right to withdraw all or any part of the principal in the escrow account only by written notice to Escrow Agent accompanied by written authorization from Owner to the Escrow Agent that Owner consents to the withdrawal of the amount sought to be withdrawn by Contractor.
7. The Owner shall have a right to draw upon the securities in the event of default by the Contractor. Upon seven days' written notice to the Escrow Agent from the Owner of the default, the Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the Owner.
8. Upon receipt of written notification from the Owner certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.
9. Escrow Agent shall rely on the written notifications from the Owner and the Contractor pursuant to Sections (5) to (8), inclusive, of this agreement and the Owner and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.

10. The names of the persons who are authorized to give written notice or to receive written notice on behalf of the Owner and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

On behalf of Owner:

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Executive Director

Title

Paul G. Byrner

Name

Signature

1114 Yuba Street, Suite 218, Marysville, CA 95901

Address

On behalf of Contractor:

TEICHERT CONSTRUCTION

Assistant Secretary

Title

Kenneth J. McCurdy

Name

Signature

P.O. Box 15002, Sacramento, CA 95851

Address

On behalf of Escrow Agent:

BANK OF THE WEST

Vice President

Title

Edward Unwin

Name

Signature

601 J Street, Suite 203, Sacramento, CA 95814

Address

On behalf of Contractor:

TEICHERT CONSTRUCTION

Office Services Supervisor

Title

Stephanie Fowler

Name

Signature

P.O. Box 15002, Sacramento, CA 95851

Address

On behalf of Escrow Agent:

BANK OF THE WEST

Assistant Vice President

Title

Faraz Khan

Name

Signature

601 J Street, Suite 203, Sacramento, CA 95814

Address

APPROVED AS TO FORM:

Scott L. Shapiro

General Counsel

Three Rivers Levee Improvement Authority

Andrew P. Check for Scott Shapiro

At the time the Escrow Account is opened, the Owner and Contractor shall deliver to the Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

Owner:

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

Executive Director

Title

Paul G. Byrner

Name

Signature

1114 Yuba Street, Suite 218, Marysville, CA 95901

Address

Contractor:

TEICHERT CONSTRUCTION

Assistant Secretary

Title

Kenneth J. McCurdy

Name

Signature

P.O. Box 15002, Sacramento, CA 95851

Address