



# THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

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March 10, 2014

Kelly Fucciolo  
Early Implementation Program  
Department of Water Resources  
3464 El Camino Ave., Room 200  
Sacramento, CA 95821-6340

Re: TRLIA Feather River Levee Improvement Project 23<sup>rd</sup> Quarterly Progress Report (QPR) and financial report, dated March 10, 2014 and Statement of Costs, dated February 23, 2014.

Attached is the 23<sup>rd</sup> QPR with Financial Report for the time period of October 1, 2013 to December 31, 2013, dated March 10, 2014. Also included for your review is a Final Statement of Costs and detailed listing of invoices for the 23<sup>rd</sup> Quarter, dated February 23, 2014. The electronic versions of these documents are posted on the TRLIA FTP site along with electronic copies of the statement of costs paid for the quarter.

This Report identifies several key items that need your immediate attention:

- **Item 1:** There are multiple distinct planned projects in the setback area that are anticipated to lead to different land transfer dates for the properties. The various land uses and probable land transfer dates are shown in Attachment 2. The anticipated land transfer dates for the various land uses extend beyond the current Feather River EIP funding agreement date of June 30, 2014. Recommend the funding agreement date needs to be extended to June 30, 2016.
- **Item 2:** During the 18<sup>th</sup> quarter TRLIA requested DWR allow TRLIA to extend orchard leases for a long term (20 to 30 years) to provide farmers the ability to plan future maintenance and replacement investments for the leased orchards. Late in the 23<sup>rd</sup> quarter DWR granted the leases to be extended for an interim period (3 years) so that the farmers could continue to maintain the leased orchards. The issue of long term leases for the orchards still needs to be resolved. Recommend DWR agree to extend the leases for an extended time period; preferably at least 10 to 15 years or if possible even longer so that the farmers can make long term investments into the leased orchards.
- **Item 3:** On January 3, 2013, TRLIA requested an Additional Release of Retention held by DWR on the State Cost Share for the Project. The State has not responded to this request. The January 2013 additional partial retention release has become critical to TRLIA's ability to maintain cash flow needs. Over the past year the retention amount has

grown, which has placed additional financial burden on TRLIA. Now that the Project Element 5 Levee Landside Access Corridor project is completed, the remaining work under the funding agreement is mainly non construction items (mostly real estate work, such as Final Accounting Packages, and accomplishing Land Transfer actions). The remaining work represents less than \$5 million. The remaining retention is nearly \$5 million. It is not reasonable for DWR to hold on money that is over 100% of the remaining work projected cost. Request DWR release the January 2013 requested partial release.

Please feel free to contact me, if you have questions or comments. My phone numbers are: 530-749-5679 (office), and 916-765-4981 (cell).

Sincerely,

A handwritten signature in blue ink that reads "Paul G. Brunner". The signature is fluid and cursive, with the first name "Paul" being the most prominent.

Paul G. Brunner, P.E.  
Executive Director

Attachments: 23<sup>rd</sup> QPR and financial report, dated March 10, 2014  
Final Statement of Costs for 23<sup>rd</sup> Quarter, dated February 23, 2014

cc: Michael Sabbaghian/DWR  
Liz Bryson/DWR  
Seth Wurzel/TRLIA  
Ric Reinhardt – Larry Dacus/TRLIA