



THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

1114 Yuba Street, Suite 218

Marysville, CA 95901

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

December 23, 2013

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 24th Quarterly Work Plan (QWP), Dated December 23, 2013

Dear Ms Kelly Fucciolo:

Attached is the TRLIA 24th QWP (original and 2 copies) covering the time period January, February, and March 2014. The electronic version of this document is posted on the TRLIA FTP site.

There are three key issues identified in this Quarterly Work Plan:

- Issue 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 anticipated land transfer dates for the various land uses extend beyond the current Feather River EIP funding agreement date of June 30, 2014.

Recommended Resolution: The funding agreement date needs to be extended to June 30, 2016.

- Issue 2: During the 18th quarter TRLIA requested DWR allow TRLIA to extend leases 1 to 7 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 23rd 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 interim extensions need to be reviewed and approved by DWR. The issue of longer term leases for the orchards is still being considered.

Recommended Resolution: 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.

- Issue 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 State continues to withhold in excess of \$3,000,000 of State cost sharing on expenses incurred through the 18th Quarter (September 30, 2012). TRLIA continues to incur costs on the project adding to the amount of retention held. TRLIA expects that there is less than \$5,000,000 of costs remaining to complete the project. Given this fact, the State is effectively withholding well over 50% of the remaining costs of the project which is in excess of any reasonable amount of retention needed to ensure the completion of the project.

Recommended Resolution: DWR should process the requested retention release requested by TRLIA as soon as possible.

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 written in a cursive style with a large initial "P".

Paul G. Brunner, P.E.
Executive Director

Attachments: 24th Quarterly Work Plan, dated December 23, 2013

cc: Michael Sabbaghian/DWR w/o attachment
Liz Bryson/DWR w/o attachment
Seth Wurzel/TRLIA w/o attachment
Ric Reinhardt & Larry Dacus/TRLIA w/o attachment