

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES - BOARD OF DIRECTORS

JULY 18, 2006 - SPECIAL MEETING

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 1:30 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, 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.

ACTION ITEMS

A. Second Advanced Funding Agreement: Assistant County Administrator Randy Margo recapped the first funding agreement approved for Phase 2 and 3 levee improvement projects and further recapped additional studies to determine associated costs for Phase 4 improvements along the Feather and Yuba Rivers. Mr. Margo highlighted financing and funding obligations which included developer provided flood insurance, policy issues, and recommended Board approval. Mr. Margo responded to Board inquiries.

Executive Director Paul Brunner, Three Rivers Levee Improvement Authority, commended all parties involved with development of the agreement and stated without approval of the Board of Supervisors, Reclamation District 784 and TRLIA, Phase 4 construction projects will not move forward and urged approval.

Following Board discussion, Chairman Webb opened the floor for public comment.

Mr. Seth Merewitz, Landowners Group Counsel, thanked various individuals involved, stated all issues had been resolved, and recommended approval.

Mr. Stan Keasling, Mercy Housing Affordable Housing Program Developer, expressed concern regarding implementation of the agreement and potential levee fees compromising affordability and other federal funding sources.

Consultant Tim Youmans responded to specific inquiries from Mr. Rex Archer, Linda, regarding assessment district boundary and the voting process.

Upon motion Director Logue, seconded by Director Griego, and unanimously carried, the Board approved the Second Advance Funding Agreement as required by the Second Implementation Agreement subject to clarifying and conforming changes agreed to by parties and authorized the Chairman to execute upon review and approval of County Counsel.

APPROVE
AGREEMENT

B. Yuba River Levee Repair Project Initial Study Mitigated Negative Declaration: Program Manager Ric Reinhardt recapped noise mitigation measures and responded to Board inquiries.

Upon motion of Director Logue, seconded by Director Brown, and unanimously carried the Board adopted Resolution No. 06-10, which is entitled: RESOLUTION TO ADOPT THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (9S/MND) FOR THE YUBA RIVER LEVEE REPAIR PROJECT (PHASE 4)."

ADOPT
RESOLUTION
NO. 06-10

C. Phase 4 Yuba River Levee Repair Project/Construction Contract: Program Manager Ric Reinhardt recapped the bid process advising Nordic Industries was the sole bidder.

Mr. Rex Archer, Linda, felt Director Logue had a conflict of interest on this matter due to receiving a campaign donation from Nordic Industries.

Following Board discussion, upon motion of Director Brown, seconded by Director Griego, and carried with Director Logue abstaining, the Board awarded the contract to Nordic Industries in the amount of \$12,915,610.44 for construction of the Phase 4 Yuba River Levee Repair Project and authorized the Chairman to execute upon review and approval of Counsel.

AWARD
CONTRACT

BOARD AND STAFF MEMBERS REPORT

Reports were received on the following:

Program Manager Ric Reinhardt:

- Methodology of repair of Yuba River levee breakage in 1986 and recent installation of seepage berm from Highway 70 to UPRR to address under-seepage and Corp of Engineer certification review process

PUBLIC COMMUNICATIONS

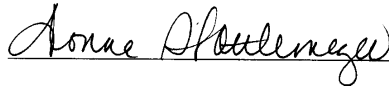
Mr. Rex Archer, Linda, took exception to staff comments regarding certification and engineer recommendations regarding the Linda levee.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:10 p.m. by Chairman Webb.


Chairman

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


Approved: August 8, 2006