YUBA COUNTY, CALIFORNIA

BOARD OF SUPERVISORS – SPECIAL MEETING

MARCH 27, 2008

The Honorable Board of Supervisors of the County of Yuba met in regular session on the above date, commencing at 1:30 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Supervisors Dan Logue, John Nicoletti, Mary Jane Griego, Donald Schrader, and Hal Stocker. Also present were County Administrator Robert Bendorf, County Counsel Daniel Montgomery, and Clerk of the Board of Supervisors Donna Stottlemeyer. Chairman Logue presided.

BOARD OF SUPERVISORS

Proposition IE Early Implementation Program/Local Match $53.3 million: County Administrator Robert Bendorf recapped the following with regard to funding options for the local match required to obtain $138.5 million in Early Implementation Program funding for the Feather River Levee Setback project:

- $13.1 million from participating landowner
  - Options considered and analyzed for funding gap
    - Use of county fee revenue and/or case assets
    - Increase borrowing from county's initial obligation of $23.3 million
    - Separate agreement with previous participant for advanced funding
    - Partner with Yuba County Water Agency to secure local match funding

Mr. Bendorf recommended option 2 and responded to Board inquiries.

Mr. Paul Brunner, Three Rivers Levee Improvement Authority (TRLIA) Executive Director, responded to Board inquiries and stated his preference for option two.

Mr. Ric Reinhardt, MBK Engineering, responded to specific inquiries regarding project certification and the FEMA remapping process

Following Board discussion and in response to Board inquiries, Treasurer-Tax Collector James Kennedy recommended moving forward with Option 2.
Mr. Tom Eres, representing Hofman Ranch, felt more precise due diligence was required from the County regarding financing and the Water Agency should be part of the joint powers authority with TRLIA.

In response to an inquiry from Mr. Tom Foley, Marysville, Mr. Bendorf advised levee impact fees are in place and have been collected.

Mr. Ron Emry, Axel Karlshoej Properties, recapped funding commitments and agreement and advised execution on March 31, 2008 by Mr. Karlshoej.

Mr. Brent Hastey, Reclamation District 784 Chairman, commended the Board and the Water Agency regarding funding program of the levees and supported option two.

Following Board discussion, upon motion of Supervisor Griego, seconded by Supervisor Stocker, and unanimously carried following a roll call vote, the Board added to the agenda a resolution regarding a revised levee improvement financing plan as the need to take action arose subsequent to the agenda being posted.

Upon motion of Supervisor Griego, seconded by Supervisor Stocker, and unanimously carried following a roll call vote, the Board Resolution No. 2008-36, which is on file in Yuba County Resolution Book No. 39, which is entitled: "RESOLUTION DIRECTING ASSISTANCE TO THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY IN CONNECTION WITH REVISED LEVEE IMPROVEMENT FINANCING PLAN, INCLUDING COUNTY CERTIFICATES OF PARTICIPATION FINANCING, AND RELATED ACTIONS."

Upon motion of Supervisor Griego, seconded by Supervisor Nicoletti, and unanimously carried following a roll call vote, the Board approved Option 2 as outlined:
- Agreed to fund the entire "local match" of $53.3 million, less the following revenues:
  1. Approved an agreement with Axel Karlshoej for $5.3 million and authorized the Chairman to execute same.
  2. Approved $1.4 million from Reclamation District 784 associated with Phase 4 levee improvements which was not part of the funding identified to the State for the Proposition 1E TRLIA Feather River levee improvement project which is additional funding already received by TRLIA;
- The County and the Yuba County Water Agency (YCWA) partner in the borrowing of $46.6 million to satisfy the remaining share of the local match and YCWA agrees to participate in the annual debt service repayment to assist the County;
• The First Amendment remains of no force and effect due to the lack of full funding by the participants;
• The County could consider individual agreements with landowners to advance fund levee impact fees to the County;
• County provides a short term borrowing for cash flow to TRLIA in an amount not to exceed $7 million.

ADJOURNMENT

There being no further business to come before the Yuba County Board of Supervisors, the meeting was adjourned at 2:43 p.m. by Chairman Logue.

[Signature]
Chairman

ATTEST: DONNA STOTTMAYER
CLERK OF THE BOARD OF SUPERVISORS

[Signature]  Approved: April 15, 2008