

## AMENDMENT NO. 3

### To the YUBA COUNTY WATER AGENCY AND THREE RIVERS LEVEE IMPROVEMENT AUTHORITY LOAN AGREEMENT

THIS AMENDMENT TO AGREEMENT is made this 27th day of July, 2022, between Yuba County Water Agency, a local government agency (“Agency”), and Three Rivers Levee Improvement Authority (“Borrower”), who agree as follows:

**1. Recitals.** This Amendment is made with reference to the following background recitals:

1.1. On August 7, 2019, the parties entered into a Grant and Loan Agreement to fund right-of-way land acquisitions related to the 200-Year Goldfields Project under the Urban Flood Risk Reduction program (the “Agreement”), which is on file in the Agency office.

1.2. On October 9, 2009, TRLIA entered into a Funding Agreement with the Department of Water Resources under the Early Implementation Program (“EIP”) for the Upper Yuba Levee Improvement Project, and is awaiting reimbursement under that funding agreement.

1.3. On May 15, 2020, the parties approved Amendment No. 1 to the Agreement that extended the interest-free repayment date from May 15, 2020 to December 15, 2020.

1.4. On October 31, 2020, Borrower issued a \$2,000,000.00 payment to Agency to repay the outstanding loan balance in full. However, Borrower subsequently has recently determined that \$2,000,000 is needed because of the Department of Water Resources process of holding retention on grant funds until the grant-funded project is closed out, which has created a cash flow hardship on the Borrower. Borrower therefore has requested to further amend the Agreement so Borrower can utilize the loan funds for general agency purposes until it receives the retention payments.

1.5. On May 18, 2021, the parties approved Amendment No. 2 to the Agreement that returned the loan payment and extended the interest-free repayment date from December 15, 2020 to August 1, 2022.

1.6. The parties now desire to amend the Agreement in order to extend the interest-free repayment date to June 30, 2024 to allow for the grant close out process to be completed.

**2. Amendments to Agreement.** The parties amend the Agreement as follows:

2.1. **Agreement section 2.3 is changed to read as follows:** “If Borrower fully repays the principal sum by June 30, 2024, then there shall be no interest owed on the borrowed money. The parties anticipate that the Loan will be repaid in full by Borrower within 36 months and so will be interest free. However, if Borrower does not repay the principal and interest in full by June 30, 2024 due to the State’s delay or failure to disburse the expected grant proceeds, then the parties shall meet and confer in good faith to discuss extending the 36-month interest-free payback period or the conversion of the Loan into a grant. If after meeting and conferring in good faith the parties are unable to agree on

terms of an interest-free Loan period extension or grant, or if Borrower nonpayment is not due to the State's delay or failure to disburse the expected grant proceeds, then interest will accrue on the unpaid balance from the date of first Loan disbursement and thereafter over a Loan repayment term not to exceed the final disbursement date of grant funds from the State of California. Borrower shall pay the Loan principal and interest balance in full no later than the date of the final disbursement of funds by the State or June 30, 2025."


**3. No Effect on Other Provisions.** Except for the amendments in section 2.3, the remaining provisions of the Agreement are unaffected and remain in full force and effect.

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YUBA COUNTY WATER AGENCY

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

By:   
Nicholas Whittlesey, Jr.,  
General Manager

By:   
[Kevin Mallen \(Jul 27, 2022 11:36 PDT\)](#)  
Kevin Mallen, Executive Director

Date: Aug 11, 2022

Date: Jul 27, 2022











# TRLIA Cash Flow Loan Agreement Amendment 3

Final Audit Report

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