

Yuba to save big dollars on levee bond payments

By Andrea Koskey/Appeal-Democrat
September 14, 2008 - 11:02PM

Yuba County's improved bond rating will save taxpayers \$70 million over the life of paying for the final phase of levee improvements along the Feather River.

County Administrator Robert Bendorf was excited when he announced the savings after the sale of the bonds last week.

"They sold in an hour and a half," he said. "We're excited. The lowered credit rating allowed us to reduce our overall cost by \$70 million."

When the Board of Supervisors first approved plans in August 2007, officials estimated the county would need to borrow \$85.9 million to be repaid over a 35-year period. The total cost was an estimated \$236 million.

With the new bond rating, the county will only have to borrow \$78.3 million to be repaid over a 30-year period. Overall, the county will be paying \$166 million.

These figures include interest and a deferred payment until 2015. Officials hope this deferment will allow time for the housing market to bounce back and additional development fees to be collected.

The debt is shared with the Yuba County Water Agency, which agreed to fund 50 percent of the project

The county's bond rating was reviewed and improved from a triple "B minus" to an "A minus." A triple "A" is the best rating an organization can receive.

The rating is based on the county's fiscal health, including its reserves policy and budget debt management.

Construction of the 6 miles of new levee began in May after nearly four years of improvements to levees in south Yuba County. The setback is expected to protect the communities of Olivehurst and Plumas Lake.

Paul Brunner, executive director of the Three Rivers Levee Improvement Authority, said work is progressing on the levee and officials are doing all they can to get it completed before the next rainy season.

"TRLIA remains committed to getting as much done as we can," he said. "Flood protection is important to us and we are pushing hard to do it."

The holdup, Brunner said, is approval of federal permits to tie the new levee in with the existing levee at Star Bend and Shanghai Bend.

If permits are not obtained, Brunner said, project completion will be pushed back until next

year's construction season, which begins April 15. That change should not affect flood maps from the Federal Emergency Management Agency, Brunner said.

Those maps are being worked on and are expected to be released this fall.

"The longer it takes to release those, the better for us," Brunner said. "But I think we'll still have an opportunity to change the maps for Yuba County before the maps are finalized next fall."

Contact Appeal-Democrat re-porter Andrea Koskey at 749-4709 or akoskey@appealdemocrat.com