

**COMMENTS AND QUESTIONS**  
**FLOOD PROTECTION CORRIDOR PROGRAM**  
**MIDDLE CREEK FLOOD DAMAGE REDUCTION AND**  
**ECOSYSTEM RESTORATION PROJECT**  
**Lake County Board of Supervisors Chambers, Lakeport**  
**11:30 AM, Tuesday, September 23, 2003**

1. If we get our own appraisal and it does not agree with the County's appraisal, how will that be handled?

The offer to purchase will be based on fair market value as determined by an appraisal prepared by the acquiring agency in accordance with State criteria and subject to State review and approval. If the property owner submits an appraisal before the acquiring agency has prepared an appraisal, the acquiring agency may consider the property owner's appraisal and even use parts of it in preparing its appraisal, but the property value independently determined in the acquiring agency's appraisal will be used as the appraised market value for purposes of a State-funded purchase. If a property owner has an appraisal prepared after the acquiring agency has completed its appraisal and obtained State approval, the acquiring agency's appraisal would still be used for purposes of a State-funded purchase, although the property owner's appraisal may provide a basis for reconsideration of the conclusions presented in the acquiring agency's appraisal. The acquiring agency at its discretion, subject to State review and concurrence, might alter its conclusion of appraised value as a result of the property owner's new information, or the acquiring agency and the State may stand by its earlier determination.

2. If all the flood prone houses are purchased, will that affect if the levee gets repaired in the event of a levee failure?

In the event of a levee failure, there is no guaranteed funding source to repair the levee. It has been problematic obtaining funding for levee repairs within the Reclamation area.

After a partial levee failure near the Reclamation District pumps during the 1983 flood, the U.S. Army Corps of Engineers (Corps) stated in a letter dated February 18, 1987 "...that the Corps cannot perform remedial work on the Middle Creek levee under existing authorities." The Lake County Flood Control and Water Conservation District (District) repaired the levee in 1983 with its own funds. After two levee failures during the February 1998 flood, the Corps they would not participate in levee repairs on the levees south of the confluence of Scotts and Middle Creeks. The District obtained funding from the Natural Resources Conservation Service (NRCS) to repair the levee damage later that year. There is no guarantee NRCS will fund repairs of flood damage at a future date.

Current State and Federal funding sources for levee repair require that the funded projects have long term benefits (deferred flood damage over a given period of time, usually 50-years) that exceed the long term costs (capital costs spread over the same period of time, plus the annual operation and maintenance costs). If a repair project does not meet these requirements, the repair may not be funded. As the area is largely agricultural, it is difficult

to meet these criteria. In 1998, the presence of infrastructure, including the PG&E transmission lines, State Highway 20 and the Nice-Lucerne Cutoff were instrumental in obtaining levee repair funding from NRCS. The impact of the removal of flood damage to houses to the analysis, at an undetermined future date, is unknown.

3. Is there assistance available to property owners to obtain and/or qualify for a mortgage loan?

The State does not provide this type of assistance. Some assistance is available through the Federal Relocation Assistance Program, see Question No. 7.

4. What happens if the “trust fund” (maintenance money) runs out and the levees still have to be maintained?

The maintenance costs, including Maintenance Area No. 17 and Reclamation District No. 2070, will be paid by the Lake County Flood Control and Water Conservation District fund

5. Will the appraisals take into account the cost of Maintenance Area No. 17 assessments?

Yes, this is one of the factors that influence the present market value of the properties.

6. Can houses be moved to the new property, instead of being demolished? How will this affect the appraisal?

Yes, houses can be moved. This determination will be made during property purchase negotiations, on a case by case basis. Appraisals will...set a fair market value for the property with the residence in place. That value plus relocation assistance plus demolition costs or less salvage value will be the limit of what the State will pay for the property. Whether demolition costs are allowed or salvage value deducted will depend on whether the house is deemed salvageable. In cases where a house is salvageable, the salvage value assigned to the house would be the market value for just the house the State would receive if it sold the building to someone who would move it. So if a house has salvage value, the State would pay fair market value, plus allowable family relocation expenses, less salvage value. The cost of moving the house would be the responsibility of the homeowner.

7. Where is detailed information on the relocation procedures?

A pamphlet with Federal requirements for relocation assistance, the Federal Relocation Assistance Program, is available on the following website:

<http://www.fhwa.dot.gov/realestate/>

Click on the link “Relocation Assistance” on the right hand side of the page.

8. Can the property owner take parts of the house with them after selling to the Lake County Flood Control and Water Conservation District?

This can be negotiated in the purchase agreement. The property owner may also buy back the house after purchase for “salvage value”, and will be responsible for removing the

structure. Or the salvage value can be deducted from the purchase payment, again subject to the owner agreeing to remove the structure.

9. Will a long term lessee, whose business depends on the land leased, receive any compensation when the property is purchased?

Any purchase will be subject to the terms of any existing leases on the property. The purchase does not terminate the lease, unless that is provided for in the language of the lease. Depending on how the lease is written, the County as purchaser could allow the lease to run its course. The County could alternatively exercise an owner's prerogative and terminate the lease in accordance with the termination provisions of the lease, and would be subject to any penalties or costs specified in the termination provisions.