



PLACER COUNTY DEPARTMENT OF PUBLIC WORKS

Ken Grehm, Director
Robert Blaser, Assistant Director
Peter Kraatz, Deputy Director

May 19, 2008

Mr. David Zweig
AES
1801 7th Street, Suite 100
Sacramento, CA 95811

To All Parties:

This letter summarizes a meeting held at the Placer County offices on May 6, 2008, with representatives from the Union Pacific Railroad, Thunder Valley Casino/United Auburn Indian Community, and Placer County to discuss the grade separation of Athens Avenue from the railroad and to agree on an approach to develop and fund the proposed project. At the conclusion of the meeting, all parties agreed to the desire to construct a grade separation and the mutual benefits it would bring to the parties. Meeting participants discussed the steps that need to occur and the level of participation that will be needed from each party. Although the intent of this letter is not to bind the parties, all participants understood that the following would need to occur to advance the project:

- The County would sponsor and take the lead in developing the project, including:
 - Hiring a consultant and overseeing environmental and design work. Work could begin as soon as the parties have a common understanding on project goals and the County obtains adequate "seed money" required to retain consultants.
 - Applying for CPUC 190 Program Funds. The 190 Program is assumed to be solely State funds and only California Environmental Quality Act (CEQA) analysis would be required. As no federal funds would be involved, a National Environmental Policy Act (NEPA) analysis would not be needed.
 - Advertise, bid, award and administer a construction contract
- The Tribe would implement an aggressive traffic management program during special events until the grade separation is complete and investigate other traffic management strategies that may be useful in the period of time between completion of the proposed Casino expansion and construction of the grade separation.

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- The Tribe will pay their fair share of the ultimate grade separation cost based on the fair-share percentage and preliminary cost identified in the Draft Tribal Environmental Impact Report (DTEIR), which fair share at current cost estimates is approximately \$15 million.
- The Tribe would advance a portion of the \$15 million to the County in the near future to allow environmental review and engineering design for the grade separation to move forward, with the remainder due at construction.
- The Union Pacific Railroad would contribute their portion of the funding needed to qualify for the 190 Program, which constitutes 10% of the cost of a theoretical structure based on the current roadway configuration. A rough estimate of this initial UPRR contribution is between 2.5 to 4 million dollars.
- The Union Pacific Railroad would actively support the County's application for \$20 million from the 190 Program.
- The County would contribute the remaining project funding through the modification of its Traffic Fee Program or some other local funding source. This amount is estimated to be approximately five to seven million dollars.

The group mutually agreed and understood the following:

- No interim physical improvements identified in the DTEIR for existing plus project conditions at this intersection would be required or are desired while the grade separation is being planned and constructed.
- All parties agree and understand that all funding sources are needed for this project to materialize.

Hopefully, the above highlights the discussion we had on May 6th. Please let me or Rich Moorehead of my staff know by May 31, 2008, of any additions or comments that you may have. Although the County does not expect a binding agreement at this time, I would like to have the parties' concurrence on the proposed plan.

Sincerely,



Ken Grehm, Director
Department of Public Works

Cc: David M. Pickett
Terrel A. Anderson
Scott Garawitz
John McCormick