I CALL TO ORDER

II ROLL CALL – Directors Rick Brown, Jerry Crippen, Mary Jane Griego, Dan Logue, Richard Webb

III PUBLIC COMMUNICATIONS: Any person may speak about any subject of concern provided it is within the jurisdiction of the Levee Improvement Authority and is not already on today’s agenda. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes.

IV CONSENT AGENDA: All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.

A. Approve minutes of the special meeting of March 27, 2007.
B. Adopt resolution authorizing to apply for grant fund under Propositions 1E and 84 and authorize Executive Director to execute necessary documents upon review and approval of County Counsel.
C. Approve revised loan agreement with Yuba County Water Agency and authorize the Chairman to execute upon review and approval of County Counsel.

V CLOSED SESSION

Threatened litigation pursuant to Government Code §54956.9(b) – Two Cases

VI ACTION ITEMS

A. Hold public hearing, waive reading and adopt ordinance levying special taxes with Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area). (Second Reading/First reading held April 3, 2007).

B. Hold public hearing, waive reading and adopt ordinance levying special taxes with Three Rivers Levee Improvement Authority Community Facilities District No. 2006-2 (South County Area – Overlay District). (Second Reading/First reading held April 3, 2007).

C. Adopt the following resolutions declaring the public necessity for the taking of certain property for repair, construction, installation and maintenance of the Feather River Levee as it relates to;

i) APN 020-330-008 (California State Department of Transportation)

ii) APN 020-360-002 (Jourbee Khang and True Y. Kyang)

iii) APN 020-360-047, 020-360-050, and 020-360-053 (Truman G. Cooper, as Truman G. Cooper Family Trust)

VII BOARD AND STAFF MEMBERS’ REPORTS

VIII ADJOURN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

MARCH 27, 2007 – SPECIAL MEETING

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 2:03 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Mary Jane Griego, Dan Logue, and Richard Webb. Director Jerry Crippen was absent. Also present were Executive Director Paul Brunner, County Counsel Daniel Montgomery, and Clerk of the Board of Supervisors/Secretary Donna Stottlemyer. Chairman Webb presided.

ACTION ITEMS

A. Downey Brand Attorneys LLP Advertisement: Following a brief recap from Mr. Scott Shapiro, Downey Brand Attorneys, and Board inquiries, upon motion of Director Logue, seconded by Director Griego, and carried with Director Crippen being absent, the Board authorized the inclusion of Three Rivers Improvement Authority in the Downey Brand Attorneys LLP advertisement.

Director Webb left the meeting at 2:08 p.m.

B. Bender Rosenthal Inc./Amendment No. 6/$957,710: Following a brief recap from Executive Director Paul Brunner and Board inquiries, upon motion of Director Griego, seconded by Director Brown, and carried with Directors Crippen and Webb being absent, the Board approved Amendment No. 6 to an agreement with Bender Rosenthal Inc. in the amount of $957,710 for right-of-way services for the Phase 4 Feather River Setback Levee for a term through May 30, 2008; and authorized the Vice-chairman to execute upon review and approval of County Counsel.

Director Webb returned at 2:11 p.m.

C. Request for Bids: Following a brief recap from Executive Director Paul Brunner and Board inquiries, upon motion of Director Logue, seconded by Director Griego, and carried with Director Crippen being absent, the Board approved Contract No. PH4-2007/08-01 Phase 4 Feather River Levee Repair Project Request for Bids and authorized the Executive Director to issue Segments 1 and 3 improvement work upon review and approval of County Counsel.
D. Minutes: Upon motion of Director Griego, seconded by Director Logue, and carried with Director Crippen being absent, the Board approved the minutes of the regular meeting of March 6, 2007, as written.

APPROVE MINUTES

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Consultant Thomas Brightbill, SCI Consulting Group:
- Flood control maintenance opinion survey and assessment district formation

Executive Director Paul Brunner:
- Installation of monitoring wells
- California Reclamation Board meeting held of March 16, 2007
- Reclamation Board Subcommittee meeting held March 22, 2007
- Application process for Proposition 1E funds

Director Logue left the meeting at 2:51 p.m. and did not return.

Program Manager Ric Reinhardt:
- Status of FEMA certification of Yuba River Levee

CLOSED SESSION

The Board retired into closed session at 3:00 p.m. to discuss the following:


B. Conference with Real Property negotiator Pursuant to Government Code 54956.8 – Property and Negotiating Parties: APN 020-020-053 CalTrans and TRLIA /Bob Morrison Negotiations: Price and Terms of Payment

The Board returned from closed session at 3:26 p.m. with all Board and staff members present as indicated above except Director Logue.
Right of way Agent Bob Morrison made the following announcement:

"With respect to item B, the board has directed staff and has amended delegation to the Executive Director to execute an agreement with CalTrans including the updated financing plan."

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:27 p.m. by Chairman Webb.

__________________________
Chairman

ATTEST: DONNA STOTTMeyer
CLERK OF THE BOARD OF SUPERVISORS
AND SECRETARY OF THE PUBLIC AUTHORITY

______________________________
Approved: ____________________
April 17, 2007

TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
Scott Shapiro, Special Counsel

SUBJECT: Propositions 1E and 84 Grants

Recommended Action: Approve the attached Resolution that will authorize Three Rivers to apply for grant funding and will designate the Executive Director as the authorized signatory for the application.

Background: Three Rivers' funding strategy for Phase 4 Feather River Improvements including the Setback Levee is dependant upon receiving funding from the Department of Water Resources (DWR) from Proposition 1E or 84 grants. For several months Three Rivers staff has been discussing the needed grants with high-level management at DWR. DWR has now published the application packet and as part of the packet is requiring that all applicants approve a resolution as attached.

Discussion: The resolution will formally authorize Three Rivers to apply for grant funds and will designate the Executive Director as the proper signatory for that application.

Fiscal Impact: None

Attachments: Resolution.
RESOLUTION NO. 2007-__

A RESOLUTION BY THE BOARD OF
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
IN REGARD TO GRANT FUNDS UNDER PROPOSITIONS 1E AND 84

WHEREAS, Three Rivers Levee Improvement Authority ("Three Rivers") has completed the first three phases of its Levee Improvement Program and a portion of the fourth phase of its program; and

WHEREAS, in November of 2006 the California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, and the Disaster Preparedness and Flood Prevention Bond Act of 2006 (collectively "Propositions 1E and 84"); and

WHEREAS, funding from Propositions 1E and 84 may be available to fund Segments 1, 2, and 3 of the Feather River levee improvements, including the Feather River Setback Levee, work for which sufficient funding to complete the setback levee does not otherwise exist; and

WHEREAS, the Department of Water Resources has published criteria and an application for grants from Propositions 1E and 84 and is soliciting grant applications for funds from the two propositions; and

WHEREAS, The Board of Three Rivers desires for its staff to seek funding from Propositions 1E and 84 to allow completion of the Levee Improvement Program including the Feather River Setback Levee.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Pursuant and subject to all of the terms and provisions of the Propositions 1E and 84, application by Three Rivers shall be made to the California Department of Water Resources to obtain a grant for the State-Federal Flood Control System Modification Program designated as Phase 4 Feather River Improvements (Segments 1, 2, and 3 including the Feather River Setback Levee).

2. The Executive Director of Three Rivers is hereby authorized and directed to prepare the necessary data, make investigations, sign, and file such application with the California Department of Water Resources.
PASSED AND ADOPTED this day of 2007, by the Three Rivers Levee Improvement
Authority, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: DONNA STOTTEMEYER
Clerk of the Board of Supervisors

By ___________________________

______________________________
Chairperson

APPROVED AS TO FORM

______________________________
DANIEL G. MONTGOMERY
County Counsel
TO: Three Rivers Levee Improvement Authority Board

FROM: Paul Brunner, Executive Director

DATE: April 17, 2007

SUBJECT: Resigning of Yuba County Water Agency (YCWA) Feather River Setback Loan To Three Rivers Levee Improvement Authority

Recommendation:

Accept $225,000 revised loan from YCWA under terms contained on term sheet (Attach 1) and proposed Loan Agreement (Attach 2); sign proposed Promissory Note (Attach 3), and delegate authority to Executive Director to take all actions necessary in support of loan.

Background/Discussion:

On 16 January 2007 TRLIA approved and signed the attached YCWA loan and term sheet; however, the loan documents were not fully executed both parties. At this time, YCWA has requested one revision to the loan. This revision is to item 3 where shall was replaced to may:

3. CONTINGENT LOAN; CONVERSION TO GRANT. If, by June 30, 2010, the Authority has not successfully implemented a Flood Project Financing and proceeds from a Flood Project Financing are not available to repay the loan balance under this Agreement, then, upon that date, the loan shall may be converted to a grant with YCWA Board approval.

This loan is still necessary to cover cash flow needs for the Feather River Setback Alternative.

Fiscal Impact

All Work that TRLIA desires to be funded by this Agreement must be completed and loan disbursement request made to Agency by April 30, 2007. No loan disbursement requests shall be accepted by YCWA after that date, unless the date is extended by the Agency. If, by June 30, 2010, TRLIA has not successfully implemented the Feather River Setback alternative and funding (e.g. Prop 1E) is not available to repay the loan balance remaining under this Agreement, then, upon that date, the loan may be converted to a grant and the Authority would have no obligation to repay the loan to YCWA.
Term Sheet for YCWA Feather River Setback loan to Three Rivers Levee Improvement Authority

**Purpose:** To cover potential cash flow needs for the Feather River Setback Alternative. To allow the Phase 4 Feather River Setback schedule to be viable TRLIA needs immediate funding from an outside source. Currently, TRLIA funds are encumbered by the funding agreements with landowners and can only be used for the Feather Setback option if the landowners agree, which is a tough sell right now. Currently the schedule for the Feather River setback alternative shows a completion by the end of 2008. The schedule was built with the goal of starting construction on the setback by September 1, 2007. This is extremely aggressive with little margin for error, which is why TRLIA is asking for funding to start work on Real Estate actions and the 404 application as soon as possible.

**Principal Loan amount:** $225,000

**Interest Rate:** Pool Rate as established by Yuba County, but not less than 4% (YCWA’s current loan policy) to accrue only as to funds actually drawn by TRLIA. YCWA will add 4% administrative fee to each disbursement, but will not accrue any additional interest for the life of the loan.

**Value of Loan with Interest:** Authority promises to pay to Agency, or order, the principal loan amount which will equal cost item disbursements plus the 4% administrative fee. The principal may be fully repaid at any time by Authority, without prepayment penalty. Agency and Authority anticipate that the entire $225,000 may be disbursed and that the ending principal of the loan may be $234,000.

**Fund availability:** Funds to be placed in a segregated account under YCWA’s control that may be called upon by TRLIA. TRLIA will submit invoices to YCWA immediate payment.

**Term of Loan:** All Work that Authority desires to be funded by this Agreement must be completed and loan disbursement request made to Agency by April 30, 2007. No loan disbursement requests shall be accepted by Agency after that date, unless the date is extended by the Agency. If, by June 30, 2010, the Authority has not successfully implemented the Feather River Setback alternative and funding (e.g. Prop 1E) is not available to repay the loan balance under this Agreement, then, upon that date, the loan shall be converted to a grant and the Authority shall have no obligation to repay the loan to the Agency.

**Fund repayment:** Reimbursement of the YCWA funding would most likely come from State Prop 1E funding.

**Repayment timing:** Reimbursement of the YCWA funding would occur once State funds from Prop 1E are obtained, which is anticipated to be in October 2007.

Attachment #1
YUBA COUNTY WATER AGENCY
LOAN AGREEMENT
WITH THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

This Agreement is entered into this 17th day of April, 2007, by and between Yuba County Water Agency, a public agency organized under the Yuba County Water Agency Act ("Agency") and Three Rivers Levee Improvement Authority, a joint powers authority ("Authority"), who agree as follows:

1. RECITALS. This Agreement is made with reference to the following background recitals:

a. Authority has requested an Agency loan of $225,000 for engineering and administrative services relating to the "real estate actions" and the "404 application" portions of the Phase 4 Feather River Setback Project (the "Work").

b. Agency finds that the Work will significantly benefit residents and property owners within the Yuba County Water Agency, and that the Work furthers Agency's own flood control goals and purposes. Agency therefore agrees to loan the money to Authority on and subject to the terms of this Agreement, with the understanding that this loan may convert to a grant pursuant to section 3.

c. The Work is an integral part of the Yuba River Basin Project authorized by Congress in section 101(a)(10) of the Water Resources Development Act of 1999 (113 Stat. 275) and by the California Legislature in California Water Code section 12670.7. The parties intend that the expenditures on the Work funded by this Agreement shall be local agency and non-federal interest in-kind contributions toward the Yuba River Basin Project and credited toward the local agency and non-federal share of the cost of that project for purposes of federal and state flood control project cost-sharing requirements. The Work also is part of a broader flood control project that is being studied by the Agency pursuant to the Yuba-Feather Supplemental Flood Control Project under California Water Code sections 79068-79068.20 and the parties intend that expenditures on the Work funded by this Agreement shall be local agency contributions toward the Yuba-Feather Supplemental Flood Control Project and credited toward the local agency share of the cost of that project for purposes of Water Code section 79068.8.

d. The Authority is undertaking proceedings for the issuance of bonds or certificates of participation to finance flood control improvements in south Yuba County. The Authority (through the County of Yuba) also is undertaking negotiations with developers in south Yuba County for alternative developer funding (e.g., direct developer contributions) of flood control improvements in south Yuba County. The bond/certificates of participation proceeding and negotiations for alternative developer funding shall be referred to collectively as the "Flood Project Financing."

2. LOAN AND DISBURSEMENT OF FUNDS.

a. Agency agrees to loan to Authority, and Authority agrees to borrow from Agency, up to the sum of $225,000, subject to the terms and conditions of this Agreement. The loan proceeds shall be used solely to pay for the costs of the Work as described in section 1(a).

b. Upon request by Authority, Agency shall pay all invoices, bills, statements, and other expenses for the Work. Payment requests shall not be submitted more frequently than semi-monthly. Payment requests by Authority shall include satisfactory copies of subject invoice(s),
bill(s), statement(s), and/or other proof of cost item. If Agency determines that the payment request is for eligible costs, and if Authority is otherwise in compliance with this Agreement, then Agency shall pay the item directly to the vendor, contractor, supplier, etc. within 30 days of receipt of the request. Agency shall add to the loan principal balance a 4% administrative fee calculated on the amount of each cost item paid. This administrative fee will be assessed one time per item. Total disbursements for cost items shall not exceed the total loan amount of $225,000.

c. Agency shall account for the cumulative principal loan amount owed by Authority as disbursements are approved and paid by Agency. The principal loan amount under this Agreement shall be determined and adjusted periodically based on the approved and paid disbursements, plus the 4% administrative fee.

d. Subject to section 3, Authority promises to pay to Agency, or order, the principal loan amount which will equal cost item disbursements plus the 4% administrative fee. The principal may be fully repaid at any time by Authority, without prepayment penalty. Agency and Authority anticipate that the entire $225,000 may be disbursed and that the ending principal of the loan may be $234,000. To the extent permitted by law, the Authority shall structure the Flood Project Financing documents to authorize and provide for payment of $234,000.

e. Authority shall include the Work as an eligible project cost within the scope of the Flood Project Financing and diligently pursue the completion of the Flood Project Financing in an effect to secure funding for the Work. If the Authority successfully implements the Flood Project Financing and secures funding for the Work, then Authority shall repay the loan balance in full to Agency, including principal and administrative fees, within 30 days after (i) the closing on the issuance of the bonds or certificates of participation financing, or (ii) the closing or securing of the financing/funding pursuant to an alternative developer funding approach.

f. All Work that Authority desires to be funded by this Agreement must be completed and loan disbursement request made to Agency by April 30, 2007. No loan disbursement requests shall be accepted by Agency after that date, unless the date is extended by the Agency.

3. CONTINGENT LOAN; CONVERSION TO GRANT. If, by June 30, 2010, the Authority has not successfully implemented a Flood Project Financing and proceeds from a Flood Project Financing are not available to repay the loan balance under this Agreement, then, upon that date, the loan may be converted to a grant with YCWA Board approval.

4. COMPLIANCE WITH LAWS. Authority shall perform the Work in compliance with all applicable federal, state and local laws, regulations and codes, including the acquisition of all required permits, licenses, entitlements, and authorizations. The parties acknowledge that the Work constitutes "public works" as defined at Labor Code sections 1720 to 1720.4, and Authority and its contractors and subcontractors shall comply with California statutes and regulations applicable to public works projects, including, but not limited to, the following requirements: payment of prevailing wage rates; employment of apprentices; hours of labor limitations and overtime; payroll records; workers’ compensation insurance; payment/labor and materials bond; non-discrimination laws; contractors’ state license requirements; and California Environmental Quality Act environmental review.

5. RECORD KEEPING. Authority shall keep and maintain bookkeeping records, accounts, and documentation pertaining to the receipt, disbursement, and use of the loan proceeds to pay for
Work, including invoices, receipts, cancelled checks, and contracts. These records shall be retained for a period of not less than three years from the completion of the Work. These records shall be accessible and available for inspection or audit by Agency, or by its employees, accountants, attorneys or agents, at reasonable times and upon reasonable notice.

6. STATE AUDIT CONTINGENCY. As required by California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under this Agreement, are subject to examination and audit by the State Auditor General for three years following final payment under this Agreement.

7. REPRESENTATION AND WARRANTIES. Authority makes the following representations and warranties:

   a. There are no legal actions, suits, or proceedings pending or, to the knowledge of Authority, threatened against Authority.

   b. Authority is not in default of any obligation, judgment, bond, debenture, note or other evidence of indebtedness.

   c. No outstanding tax liability has been asserted against Authority by the IRS, California Franchise Tax Board or any other taxing authority.

8. DEFAULT. At the option of the Agency, the occurrence of any of the following events shall constitute a default:

   a. Any material representation or warranty made by Authority is breached, false or misleading in any material respect.

   b. Any material provision of this Agreement ceases to be valid and binding, or Authority contests any such provision, or Authority, or any agent or trustee on behalf of Authority, wrongfully denies that it has any or further liability under this Agreement.

   c. Authority fails to perform any covenant, condition, or agreement set forth herein, and such failure shall continue for a period of 30 days after notice thereof (which notice shall specify in reasonable detail the nature of such failure) from Agency.

   d. Authority becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of creditors, or there shall occur a material adverse change in the financial condition of Authority.

   e. Authority files or there is filed against Authority a petition to have Authority adjudicated a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed against Authority, the same is dismissed or stayed within 60 days.

   f. Authority applies for or consents to the appointment of a receiver, trustee or conservator for any portion of Authority's property, or such appointment is made without Authority's consent and is not vacated within 60 days.
In the event of default, Agency may immediately call the loan due and payable in full and enforce its remedies as provided by law. This provision shall not apply if the loan has been converted to a grant pursuant to section 3.

9. LIMITATIONS. Authority shall not, without prior consent of Agency (a) pledge, mortgage or otherwise encumber in any manner whatsoever any of Authority's present or after acquired property or assets, (b) borrow money or obtain a loan (other than the proposed Flood Project Financing) from any person, corporation, or any other source, (c) make or guarantee any advances or loans made to others, or (d) sell or distribute a substantial part, or all of its assets.

10. GENERAL PROVISIONS.

a. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

b. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

c. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

d. Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors, assigns, heirs, devisees and personal representatives of the parties.

e. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties.

f. Governing Law and Venue. Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

g. Attorney's Fees. In the event any collection action or lawsuit is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees, costs of collection, expert witness and consulting fees, litigation costs and costs of suit.

h. Notices. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

Agency: Authority:
General Manager
Yuba County Water Agency
1402 D Street
Marysville, CA 95901

Three Rivers Levee Improvement Authority
c/o County of Yuba
915 8th Street, Ste. 115
Marysville, CA 95901

Any party may change its address by notifying the other party in writing of the change of address.

YUBA COUNTY WATER AGENCY

By: ________________________________
Chair

Attest: ______________________________
Secretary

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

By: ________________________________
Chair

Attest: ______________________________
Secretary
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

TO: Board of Directors
FROM: Paul Brunner, Executive Director
DATE: April 3, 2007
SUBJECT: Actions Relating to Formation of Three Rivers Levee Improvement Authority Community Facilities District for No. 2006-1 (South County Area)

RECOMMENDATION:

That the Board of Directors hold a public hearing regarding the formation of Community Facilities District No. 2006-1, the levy of special taxes in Community Facilities District No. 2006-1 and the incurrence of bonded indebtedness for Community Facilities District No. 2006-1.

That, following the close of the public hearing, the Board of Directors adopt the resolutions entitled:

RESOLUTION NO.

RESOLUTION OF FORMATION OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE DISTRICT, PRELIMINARILY ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT, AND SUBMITTING LEVY OF THE SPECIAL TAX AND THE ESTABLISHMENT OF THE APPROPRIATIONS LIMIT TO THE QUALIFIED ELECTORS OF THE DISTRICT

RESOLUTION NO.

RESOLUTION DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA) AND SUBMITTING PROPOSITION TO THE QUALIFIED ELECTORS OF THE DISTRICT

RESOLUTION NO.

RESOLUTION CALLING SPECIAL ELECTION WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA)

That the Board of Directors hold a special tax and bond election for Community Facilities District No. 2006-1 and, following the canvass of the election, the Board of Directors adopt the resolutions entitled:

4/3/07:BRD:Adopted Resolutions 07-09 thru 07-13/Waived reading/ds
RESOLUTION NO.

RESOLUTION DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN

RESOLUTION NO.

RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY FOR COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA), APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS

And that the Board of Directors have the first reading of an ordinance entitled:

ORDINANCE NO.

AN ORDINANCE LEVYING SPECIAL TAXES WITHIN THREE RIVER LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SOUTH COUNTY AREA)

BACKGROUND: Several property owners in the southern portion of Yuba County (the "County") have entered into a Second Agreement For Advanced Funding And Reimbursement Of Costs For Levee Improvements, dated as of August 29, 2006 (the "Second Funding Agreement") with the County, Reclamation District 784 and the Three Rivers Levee Improvement Authority (the "Authority") with respect to the funding of levee improvements as described in the Second Funding Agreement. Section 7 of the Second Funding Agreement contemplates the establishment of a community facilities district to be known as the Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) (the "CFD") in connection with the financing program. After extensive discussions and meetings with property owners, a number of the property owners have requested that their property be included in the CFD, and a rate and method of apportionment of special taxes to be levied on property to be included in the proposed CFD has been prepared.

The Board of Directors began the process of formation of the community facilities district (the "CFD") on February 27, 2007 when it adopted two Resolutions of Intention relative to the proposed community facilities district. Those resolutions called for public hearings on April 3, 2007 on the formation of the CFD and the issuance of bonds, and otherwise specify the boundaries of the CFD (by reference to a map on file with the Secretary of the Authority), the rate and method of apportionment of special taxes to be levied solely on land in the CFD to repay the bonds, the maximum principal amount of the bonds (being $250,000,000), and describe in general terms the levee improvements to be financed by the CFD. Notices of the public hearings were published in the Appeal-Democrat.

The Board of Directors is now requested to hold the public hearings regarding the formation of the CFD and the incidence of bonded indebtedness of the CFD concurrently. At the hearing, the testimony of all interested persons or taxpayers for or against the establishment of the CFD, the extent of the CFD and the flood control improvements to be financed by the CFD and the issuance of bonds for the CFD must be heard. Any person interested is authorized to file a protest in writing. As there are less than twelve registered voters residing in the proposed CFD, only the owners of land in the CFD have legal standing to formally protest the formation or any particular aspect of the CFD.

A report has been filed by the Executive Director of the Authority with the Secretary of the Authority, as required by the Resolutions of Intention, indicating the proposed boundaries of the CFD, the facilities to be
financed by the CFD, and the estimated costs thereof. Attached to this staff report is a Technical Memorandum that has been prepared by the Authority's Special Tax Consultant, Economic & Planning Systems, Inc. (EPS), that describes in greater detail how the facilities are financed by this CFD and the structure of the Rate and Method of Apportionment of Special Tax.

Following the closing of the public hearings, Staff recommends that the Board of Directors take the actions necessary to officially form the CFD, to authorize the levy of special taxes in the CFD and to authorize the incurrence of bonded indebtedness by the CFD. To that end, Staff recommends that the Board of Directors adopt resolutions of formation and of necessity to incur bonded indebtedness, and the resolution calling a special election for the CFD.

The Resolution Calling Election calls for a special election to occur immediately following the adoption of the foregoing resolutions. The owners of land in the CFD as of the close of the public hearing are the only entities entitled to vote in the election, with each landowner having one vote for each acre or portion of an acre of land it owns in the CFD.

Each of the owners of property in the CFD has previously submitted to the Authority a Petition which waives the time to election and the need for ballot analysis and arguments. Ballots were sent to the property owners on March 25, 2007 with instructions that they be returned to the Secretary of the Authority by April 3rd. Only ballots returned by the time the election has been called will be eligible to be counted in the election.

Immediately following the opening of the ballot return envelopes by the Secretary and the canvass of the election, the Board of Directors is requested to consider adoption of a resolution declaring the results of the election, as tabulated by the Secretary of the Authority and, assuming that two-thirds of the votes cast in the election are in favor of the ballot proposition, directing that a Notice of Special Tax Lien be recorded against the property in the CFD. The Notice, when recorded with the County Recorder, places a lien on property in the CFD to secure the payment of special taxes authorized to be levied by the Authority in the CFD. The Board of Directors is also being requested to have the first reading of the ordinance levying the special taxes in the CFD. It is expected that the Board of Directors will have the second reading of and adopt the Ordinance at its next meeting.

Various documents have been prepared relative to the issuance of the bonds by the Authority for the CFD, including (i) a Fiscal Agent Agreement which provides the terms of the bonds to be issued and establishes the funds and accounts from which the CFD bond program will be administered; and (ii) a Purchase Contract, whereby the bonds will be sold by the Authority to the various owners of land in the CFD.

As a final action with respect to the CFD on April 3rd, the Board of Directors is requested to adopt a resolution authorizing the issuance of the bonds and approving the aforementioned documents. If the Board of Directors adopts the Resolution authorizing the issuance of the bonds, it is expected that the bonds will be issued later this month. As provided in the Second Funding Agreement, the bonds are being sold to the owners of land in the CFD.

**FISCAL IMPACT:** The bonds will not be general obligations of the Authority or the CFD, but will be limited obligations of the Authority for the CFD secured solely by and payable solely from the special taxes levied on property in the CFD and amounts held in certain funds and accounts established under the Fiscal Agent Agreements for the bonds. All costs of issuance of the bonds will be paid from the proceeds of the bonds. All administrative costs of the CFD and the bond program will be paid from proceeds of the special taxes levied in the CFD. The CFD will only be authorized to levy the special taxes on land included within the boundaries of the CFD.
Costs of issuance of the proposed bond issue are expected to be paid from funds of the Authority derived from the levee improvement program. All annual costs of administering the bonds will be paid by special taxes levied on the properties in the CFD.

Any CFD bonds will not be general obligations of the Authority, but will be limited obligations of the Authority for the CFD, payable solely from special taxes levied on land in the CFD.

<table>
<thead>
<tr>
<th>Attachments:</th>
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<tbody>
<tr>
<td>CFD Report prepared by TRLIA Executive Director</td>
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<tr>
<td>Technical Memorandum prepared by EPS</td>
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<td>Resolutions (5)</td>
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<td>Ordinance</td>
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<td>Bond Purchase Contract</td>
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BEFORE THE BOARD OF DIRECTORS
OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

In Re:

AN ORDINANCE LEVYING SPECIAL TAXES
WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES
DISTRICT NO. 2006-1 (SOUTH COUNTY AREA)

Ordinance No. ___

WHEREAS, on February 27, 2007, this Board of Directors of the Three Rivers Levee Improvement Authority (the “Authority”) adopted a resolution entitled “Resolution Declaring Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein – South County Area Additional Financing” (the “Resolution of Intention”), stating its intention to establish the Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the “Law”), to finance the costs of certain flood control improvements (the “Facilities”):

WHEREAS, notice was published as required by the Law of the public hearing called pursuant to the Resolution of Intention relative to the intention of this Board of Directors to form the District and to provide for the costs of the Facilities;

WHEREAS, the Resolution of Intention called for a public hearing on the District to be held on April 3, 2007 and on such date this Board of Directors held the public hearing relative to the determination to proceed with the formation of the District; and

WHEREAS, at the public hearing all persons desiring to be heard on all matters pertaining to the formation of the District and the levy of special taxes in the District were heard, substantial evidence was presented and considered by this Board of Directors and a full and fair hearing was held;

WHEREAS, subsequent to said hearing, this Board of Directors adopted resolutions entitled “Resolution of Formation of Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area), Authorizing the Levy of a Special Tax Within the District, Preliminarily Establishing an Appropriations Limit for the District, and Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors of the District” (the “Resolution of Formation”), “Resolution Determining the Necessity to Incur Bonded Indebtedness Within Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) and Submitting Proposition to the Qualified Electors of the District” (the “Resolution of Necessity”) and “Resolution Calling Special Election Within Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area)”, which resolutions established the District, authorized the levy of a special tax with the District, and called an election within the District on
the proposition of incurring indebtedness, levying a special tax and establishing an appropriations limit for the District, respectively; and

WHEREAS, on April 3, 2007 an election was held within the District in which the eligible landowner electors approved said propositions by more than a two-thirds vote.

NOW, THEREFORE, the Board of Directors of the Three Rivers Levee Improvement Authority DOES HEREBY ORDAIN as follows:

Section 1. By the passage of this Ordinance this Board of Directors hereby authorizes and levies special taxes within the District, pursuant to the Law, at the rate and in accordance with the rate and method of apportionment of special taxes for the District approved by the Resolution of Formation (the "Rate and Method") which Resolution of Formation is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2007-2008 and in each fiscal year thereafter until payment in full of any bonds issued by the Authority for the District (the "Bonds") as contemplated by the Resolution of Formation and the Resolution of Necessity and payment in full all costs of administering the District have been paid.

Section 2. The Treasurer of the Authority is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for each parcel of real property within the District, in the manner and as provided in the Resolution of Formation.

Section 3. Properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes, to the extent set forth in the Rate and Method. In no event shall the special taxes be levied on any parcel within the District in excess of the maximum tax specified in the Rate and Method.

Section 4. All of the collections of the special tax shall be used as provided for in the Law and in the Resolution of Formation including the payment of the Bonds, the replenishment of the reserves for the Bonds, the payment of costs of flood control improvements, the payment of the costs of the Authority and the County of Yuba in administering the District and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected from time to time as necessary to meet the financial obligations of the District at the times and in the manner set forth in the Rate and Method. The special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of Section 53356.1 of the California Government Code shall apply to delinquent special tax payments. The Treasurer of the Authority is hereby authorized and directed to take all actions necessary in order to effect proper billing and collection of the special tax, so that the special tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of the District in each fiscal year until the Bonds are paid in full and provision has been made for payment of all of the administrative costs of the District.

Notwithstanding the foregoing, the Treasurer of the Authority may collect any of the special taxes on any one or more parcels in the District by means of direct billing by the Authority of the property owners within the District, if, in the judgment of the Treasurer, such means of collection will reduce the administrative burden on the Authority in administering the District or is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the applicable property owners.
Section 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the District, by a Court of competent jurisdiction, the balance of this Ordinance, and the application of the special tax to the remaining parcels within the District shall not be affected.

* * * * * *

INTRODUCED and first read on April 3, 2007, and PASSED AND ADOPTED this ____ day of April, 2007, by the Board of Directors of the Three Rivers Levee Improvement Authority, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson

ATTEST: DONNA STOTTMeyer.
SECRETARY

APPROVED AS TO FORM: COUNSEL TO THE AUTHORITY, DANIEL MONTGOMERY

2007-02-39251
3-23-07

-3-
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

TO: Board of Directors
FROM: Paul Brunner, Executive Director
DATE: April 3, 2007
SUBJECT: Actions Relating to Formation of Three Rivers Levee Improvement Authority Community Facilities District for No. 2006-2 (South County Area – Overlay District)

RECOMMENDATION:
That the Board of Directors hold a public hearing regarding the formation of Community Facilities District No. 2006-2, the levy of special taxes in Community Facilities District No. 2006-2 and the incurrence of bonded indebtedness for Community Facilities District No. 2006-2.

That, following the close of the public hearing, the Board of Directors adopt the resolutions entitled:

RESOLUTION NO.


RESOLUTION NO.

RESOLUTION DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA – OVERLAY DISTRICT) AND SUBMITTING PROPOSITION TO THE QUALIFIED ELECTORS OF THE DISTRICT

RESOLUTION NO.

RESOLUTION CALLING SPECIAL ELECTION WITHIN THREE RIVERS LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA – OVERLAY DISTRICT)

That the Board of Directors hold a special tax and bond election for Community Facilities District No. 2006-2 and, following the canvass of the election, the Board of Directors adopt the resolutions entitled:

4/3/07:BRD:Adopted Resolutions No. 07-14 thru 07-18/Waived reading of ordinance/ds
RESOLUTION NO.

RESOLUTION DECLARING RESULTS OF SPECIAL ELECTION AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN

RESOLUTION NO.

RESOLUTION AUTHORIZING THE ISSUANCE OF SPECIAL TAX BONDS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY FOR COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA – OVERLAY DISTRICT), APPROVING AND DIRECTING THE EXECUTION OF A FISCAL AGENT AGREEMENT AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS

And that the Board of Directors have the first reading of an ordinance entitled:

ORDINANCE NO.

AN ORDINANCE LEVYING SPECIAL TAXES WITHIN THREE RIVER LEVEE IMPROVEMENT AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SOUTH COUNTY AREA – OVERLAY DISTRICT)

BACKGROUND: Several property owners in the southern portion of Yuba County (the “County”) have entered into a Second Agreement For Advanced Funding And Reimbursement Of Costs For Levee Improvements, dated as of August 29, 2006 (the “Second Funding Agreement”) with the County, Reclamation District 784 and the Three Rivers Levee Improvement Authority (the “Authority”) with respect to the funding of levee improvements as described in the Second Funding Agreement. Section 7A(1)c. of the Second Funding Agreement contemplates the establishment of a community facilities district to be known as the Three Rivers Levee Improvement Authority Community Facilities District No. 2006-2 (South County Area – Overlay District) (the “CFD”) in connection with the original financing program that predated the Second Funding Agreement. After extensive discussions and meetings with property owners, a number of the property owners have requested that their property be included in the CFD, and a rate and method of apportionment of special taxes to be levied on property to be included in the proposed CFD has been prepared.

The Board of Directors began the process of formation of the community facilities district (the “CFD”) on February 27, 2007 when it adopted two Resolutions of Intention relative to the proposed community facilities district. Those resolutions called for public hearings on April 3, 2007 on the formation of the CFD and the issuance of bonds, and otherwise specify the boundaries of the CFD (by reference to a map on file with the Secretary of the Authority), the rate and method of apportionment of special taxes to be levied solely on land in the CFD to repay the bonds, the maximum principal amount of the bonds (being $25,000,000), and describe in general terms the improvements to be financed by the CFD. Notices of the public hearings were published in the Appeal-Democrat.

The Board of Directors is now requested to hold the public hearings regarding the formation of the CFD and the incurrence of bonded indebtedness of the CFD concurrently. At the hearing, the testimony of all interested persons or taxpayers for or against the establishment of the CFD, the extent of the CFD and the improvements to be financed by the CFD and the issuance of bonds for the CFD must be heard. Any person interested is authorized to file a protest in writing. As there are less than twelve registered voters residing in the proposed CFD, only the owners of land in the CFD have legal standing to formally protest the formation or any particular aspect of the CFD.
A report has been filed by the Executive Director of the Authority with the Secretary of the Authority, as required by the Resolutions of Intention, indicating the proposed boundaries of the CFD, the facilities to be financed by the CFD, and the estimated costs thereof. Attached to this staff report is a Technical Memorandum that has been prepared by the Authority's Special Tax Consultant, Economic & Planning Systems, Inc. (EPS), that describes in greater detail how the facilities are financed by this CFD and the structure of the Rate and Method of Apportionment of Special Tax.

Following the closing of the public hearings, Staff recommends that the Board of Directors take the actions necessary to officially form the CFD, to authorize the levy of special taxes in the CFD and to authorize the incurrence of bonded indebtedness by the CFD. To that end, Staff recommends that the Board of Directors adopt resolutions of formation and of necessity to incur bonded indebtedness, and the resolution calling a special election for the CFD.

The Resolution Calling Election calls for a special election to occur immediately following the adoption of the foregoing resolutions. The owners of land in the CFD as of the close of the public hearing are the only entities entitled to vote in the election, with each landowner having one vote for each acre or portion of an acre of land it owns in the CFD.

Each of the owners of property in the CFD has previously submitted to the Authority a Petition which waives the time to election and the need for ballot analysis and arguments. Ballots were sent to the property owners on March 28, 2007 with instructions that they be returned to the Secretary of the Authority by April 3rd. Only ballots returned by the time the election has been called will be eligible to be counted in the election.

Immediately following the opening of the ballot return envelopes by the Secretary and the canvass of the election, the Board of Directors is requested to consider adoption of a resolution declaring the results of the election, as tabulated by the Secretary of the Authority and, assuming that two-thirds of the votes cast in the election are in favor of the ballot proposition, directing that a Notice of Special Tax Lien be recorded against the property in the CFD. The Notice, when recorded with the County Recorder, places a lien on property in the CFD to secure the payment of special taxes authorized to be levied by the Authority in the CFD. The Board of Directors is also being requested to have the first reading of the ordinance levying the special taxes in the CFD. It is expected that the Board of Directors will have the second reading of and adopt the Ordinance at its next meeting.

Various documents have been prepared relative to the issuance of the bonds by the Authority for the CFD, including (i) a Fiscal Agent Agreement which provides the terms of the bonds to be issued and establishes the funds and accounts from which the CFD bond program will be administered; and (ii) a Purchase Contract, whereby the bonds will be sold by the Authority to the various owners of land in the CFD.

As a final action with respect to the CFD on April 3rd, the Board of Directors is requested to adopt a resolution authorizing the issuance of the bonds and approving the aforementioned documents. If the Board of Directors adopts the Resolution authorizing the issuance of the bonds, it is expected that the bonds will be issued later this month. As provided in the Second Funding Agreement, the bonds are being sold to the owners of land in the CFD.

**FISCAL IMPACT:** The bonds will not be general obligations of the Authority or the CFD, but will be limited obligations of the Authority for the CFD secured solely by and payable solely from the special taxes levied on property in the CFD and amounts held in certain funds and accounts established under the Fiscal Agent Agreements for the bonds. All costs of issuance of the bonds will be paid from the proceeds of the bonds. All administrative costs of the CFD and the bond program will be paid from proceeds of the special taxes levied in the CFD. The CFD will only be authorized to levy the special taxes on land included within the boundaries of the CFD.
Costs of issuance of the proposed bond issue will be paid from amounts advanced by the owners of land in the tax zones for which the bonds are being issued. All annual costs of administering the bonds will be paid by special taxes levied on the properties in the CFD.

Any CFD bonds will not be general obligations of the Authority, but will be limited obligations of the Authority for the CFD, payable solely from special taxes levied on land in the CFD.

Attachments:
- CFD Report prepared by TRLIA Executive Director
- Technical Memorandum prepared by EPS
- Resolutions (5)
- Ordinance
- Fiscal Agent Agreement
- Bond Purchase Contract
BEFORE THE BOARD OF DIRECTORS
OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

In Re:

AN ORDINANCE LEVYING SPECIAL TAXES )
WITHIN THREE RIVERS LEVEE IMPROVEMENT )
AUTHORITY COMMUNITY FACILITIES ) Ordinance No. ___
DISTRICT NO. 2006-2 (SOUTH COUNTY AREA - )
OVERLAY DISTRICT)

WHEREAS, on February 27, 2007, this Board of Directors of the Three Rivers Levee Improvement Authority (the “Authority”) adopted a resolution entitled “Resolution Declaring Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein – South County Area Overlay District” (the “Resolution of Intention”), stating its intention to establish the Three Rivers Levee Improvement Authority Community Facilities District No. 2006-2 (South County Area - Overlay District) pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the “Law”), to finance the costs of certain flood control improvements (the “Facilities”);

WHEREAS, notice was published as required by the Law of the public hearing called pursuant to the Resolution of Intention relative to the intention of this Board of Directors to form the District and to provide for the costs of the Facilities;

WHEREAS, the Resolution of Intention called for a public hearing on the District to be held on April 3, 2007 and on such date this Board of Directors held the public hearing relative to the determination to proceed with the formation of the District; and

WHEREAS, at the public hearing all persons desiring to be heard on all matters pertaining to the formation of the District and the levy of special taxes in the District were heard, substantial evidence was presented and considered by this Board of Directors and a full and fair hearing was held;

WHEREAS, subsequent to said hearing, this Board of Directors adopted resolutions entitled “Resolution of Formation of Three Rivers Levee Improvement Authority Community Facilities District No. 2006-2 (South County Area - Overlay District), Authorizing the Levy of a Special Tax Within the District, Preliminarily Establishing an Appropriations Limit for the District, and Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors of the District” (the “Resolution of Formation”), “Resolution Determining the Necessity to Incur Bonded Indebtedness Within Three Rivers Levee Improvement Authority Community Facilities District No. 2006-2 (South County Area - Overlay District) and Submitting Proposition to the Qualified Electors of the District” (the “Resolution of Necessity”) and “Resolution Calling Special Election Within Three Rivers Levee Improvement Authority Community Facilities District No. 2006-2 (South County Area - Overlay District)”, which resolutions established the District, authorized the levy of a special tax with the District,
and called an election within the District on the proposition of incurring indebtedness, levying a special tax and establishing an appropriations limit for the District, respectively; and

WHEREAS, on April 3, 2007 an election was held within the District in which the eligible landowner electors approved said propositions by more than a two-thirds vote.

NOW, THEREFORE, the Board of Directors of the Three Rivers Levee Improvement Authority DOES HEREBY ORDAIN as follows:

Section 1. By the passage of this Ordinance this Board of Directors hereby authorizes and levies special taxes within the District, pursuant to the Law, at the rate and in accordance with the rate and method of apportionment of special taxes for the District approved by the Resolution of Formation (the "Rate and Method") which Resolution of Formation is by this reference incorporated herein. The special taxes are hereby levied commencing in fiscal year 2007-2008 and in each fiscal year thereafter until payment in full of any bonds issued by the Authority for the District (the "Bonds") as contemplated by the Resolution of Formation and the Resolution of Necessity and payment in full all costs of administering the District have been paid.

Section 2. The Treasurer of the Authority is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for each parcel of real property within the District, in the manner and as provided in the Resolution of Formation.

Section 3. Properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes, to the extent set forth in the Rate and Method. In no event shall the special taxes be levied on any parcel within the District in excess of the maximum tax specified in the Rate and Method.

Section 4. All of the collections of the special tax shall be used as provided for in the Law and in the Resolution of Formation including the payment of the Bonds, the replenishment of the reserves for the Bonds, the payment of costs of flood control improvements, the payment of the costs of the Authority and the County of Yuba in administering the District and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected from time to time as necessary to meet the financial obligations of the District at the times and in the manner set forth in the Rate and Method. The special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of Section 53356.1 of the California Government Code shall apply to delinquent special tax payments. The Treasurer of the Authority is hereby authorized and directed to take all actions necessary in order to effect proper billing and collection of the special tax, so that the special tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of the District in each fiscal year until the Bonds are paid in full and provision has been made for payment of all of the administrative costs of the District.

Notwithstanding the foregoing, the Treasurer of the Authority may collect any of the special taxes on any one or more parcels in the District by means of direct billing by the Authority of the property owners within the District, if, in the judgment of the Treasurer, such means of collection will reduce the administrative burden on the Authority in administering the District or is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the applicable property owners.
Section 6. If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the District, by a Court of competent jurisdiction, the balance of this Ordinance, and the application of the special tax to the remaining parcels within the District shall not be affected.

* * * * * *

INTRODUCED and first read on April 3, 2007, and PASSED AND ADOPTED this 3rd day of April, 2007, by the Board of Directors of the Three Rivers Levee Improvement Authority, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

[Signature]
Chairperson

ATTEST: DONNA STOTLEMEYER,
SECRETARY

APPROVED AS TO FORM: COUNSEL TO
THE AUTHORITY, DANIEL MONTGOMERY

2007-03-19J9262
3/23/07
TO: Three Rivers Levee Improvement Authority Board

FROM: Paul Brunner, Executive Director
       Bob Morrison, Right of Way Acquisition Agent

DATE: April 17, 2007

SUBJECT: Consider Adopting Resolutions of Necessity for Acquisition of Three Properties along the Feather River (segment 3) Phase IV Levee Repair Project

Recommendation:

That the Board of Directors adopt the attached Resolutions of Necessity for the acquisition of certain portions of the properties bearing the following Assessor’s Parcel Numbers: 020-360-002 (Khang); 020-360-047, 050, 053 (Cooper Trust); and 020-330-008 (CalTrans) for the Phase IV Levee Repair Project (the “Project”).

Background/Discussion:

The Three Rivers Levee Improvement Authority (TRLIA) is preparing to carry out the construction, improvement and repair work along certain sections of the flood control levees along the Feather River in Yuba County. The overall work is referred to as the TRLIA Phase IV Levee Repair Project and the Project is located in southern Yuba County, California, within the boundaries of Reclamation District 784. The work will consist of raising and reworking existing levees sections, constructing earth berms alongside levees at certain sections, installing erosion-protection measures where deemed necessary based on the civil engineer’s design, constructing slurry cutoff walls, and other related tasks including site preparation, temporary access roads, traffic control, safety and security, site cleanup, etc. The Project, as approved, will correct deficiencies in the left bank levees of the Feather and lower Yuba Rivers. The project extends northward from approximately Pump Station No. 2 on the Feather River to near the State Route 70 crossing of the Yuba River. The southern and northern levee segments will be strengthened in place, and the middle levee segment will be set back from approximately Algodon Road to just southwest of the Yuba County Airport. A CEQA analysis was done for this project and on February 6, 2007, the TRLIA Board approved an Environmental Impact Report and adopted Mitigation Measures.
Undertaking the proposed construction work along the Feather and Yuba River bank levee will necessitate the acquisition of portions of the three properties illustrated below:

<table>
<thead>
<tr>
<th>Assessor's Parcel No.</th>
<th>Owner</th>
<th>Area to be acquired (Acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>020-360-047, 050, 053</td>
<td>Trumon G. Cooper, as Trustee for the Trumon G. Cooper Family Trust dated November 12, 1998</td>
<td>0.12 acres in fee title as to parcel 1 and 0.23 acres in fee title as to parcel 2</td>
</tr>
<tr>
<td>020-360-002</td>
<td>Jourbee Khang and True Y., Khang</td>
<td>0.67 acres in fee title and 0.04 acres in temporary construction easement</td>
</tr>
<tr>
<td>020-330-008</td>
<td>State of California, Department of Transportation</td>
<td>1.87 acres in permanent easement</td>
</tr>
</tbody>
</table>

Owners of the three properties were offered the appraised value for their property. TRLIA has not yet negotiated a successful purchase agreement with the owners. In case TRLIA is unable to reach an amicable agreement and to protect the schedule of the Project, we are recommending moving forward with the eminent domain proceedings. The first step in these proceedings is to adopt a Resolution of Necessity for acquiring the property.

Fiscal Impact

The appraised values for these three parcels are within the TRLIA Board approved (Feb 6, 2007) land acquisition plan for Feather River Segment 3. The funding to acquire these three parcels is in the TRIJA cash flow and is available to be deposited to the State eminent domain escrow account.
NOTICE OF INTENT TO ADOPT A RESOLUTION OF NECESSITY

TO THE CALIFORNIA STATE DEPARTMENT OF TRANSPORTATION, a political subdivision of the STATE OF CALIFORNIA, owner of certain real property located in the County of Yuba, California, identified as a portion of Assessor Parcel No. 020-330-008 in the County of Yuba:

Pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure, State of California,

NOTICE IS HEREBY GIVEN that on April 17, 2007 at the hour of 2:00 p.m. in the chambers of the Yuba County Board of Supervisors, 915 Eighth Street, Marysville, California, the Board of Directors of the Three Rivers Levee Improvement Authority ("TRLIA") will consider the acquisition by TRLIA of a portion of the real property identified as Assessor's Parcel Number 020-330-008, Yuba County, California (the "Property"), as set forth in the legal description attached hereto as Exhibit A and as shown on Exhibit B and incorporated herein by reference, for repairing, constructing, installing and maintaining the Three Rivers Levee Improvement Project (the "Project").

THE BOARD OF DIRECTORS OF TRLIA will consider a resolution which will establish that:

(a) The public interest and necessity require the proposed Project;

(b) The proposed Project is planned and will be located in the manner that will be most compatible with the greatest public good and the least private injury;

(c) The Property is necessary for the proposed Project; and

(d) The offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record.

You have a right to be heard on the matters set forth in (a), (b), (c), and (d) above. Failure to appear and be heard on the date set forth above will result in a waiver of said right.

If you have any questions about this matter, you may contact Paul Brunner, Executive Director at (530) 701-7361.

DATED: April 2, 2007

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

By: Donna Stottlemyer
Secretary

3/30/2007
Exhibit 'A'

APN 020-330-008
LEGAL DESCRIPTION
PERMANENT EASEMENT

All that real property situated in the County of Yuba, State of California, being a portion of real property conveyed by deed to the State of California, hereinafter referred to as "State property", recorded in Document No. 030209 in the Official Records of said County, situated in the Northeast Quarter of Section 36, Township 15 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

A strip of land 40.00 feet in width, described as follows:

Beginning at the Southwest Corner of said State property; thence along the Westerly line of said State property; the following courses, North 08°14'46" West 77.46 feet; thence North 06°33'20" West 347.97 feet; thence North 01°09'55" West 122.10 feet; thence North 10°05'51" East 159.54 feet; thence North 15°43'47" East 283.95 feet; thence North 26°31'29" East 610.75 feet; thence North 25°39'21" East 427.89 feet to the Northwesterly corner of said State property; thence along the Northwesterly line of said State property North 89°07'00" East 44.70 feet to a point which is 40.00 feet Easterly of when measured at right angles to the Northwesterly projection of the Westerly line of said State property; thence 40.00 feet Easterly of and parallel with said Westerly line, the following courses, South 25°39'21" West 448.16 feet; thence South 26°31'29" West 607.28 feet; thence South 15°43'47" West 278.22 feet; thence South 10°05'51" West 153.73 feet; thence South 01°09'55" East 117.27 feet; thence South 06°33'20" East 345.30 feet; thence South 08°14'46" East 82.04 feet to a point on the Southerly line of said State property; thence along said Southerly line South 89°07'00" West 40.33 feet to the Point of Beginning, containing an area of 81,259 Square Feet or 1.87 Acres, more or less.

End of description

The Basis of Bearings for this description is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

[Signature]

Kevin A. Heaton, P.L.S. 3914
PROOF OF SERVICE

I am employed in the County of Yuba; my business address is 915 Eighth Street, Marysville, California. I am over the age of 18 years and not a party to the foregoing action.

On April 2, 2005, I served the following document:

NOTICE OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY’S INTENT TO ADOPT RESOLUTION OF NECESSITY TO ACQUIRE CERTAIN REAL PROPERTY BY EMINENT DOMAIN TO THE CALIFORNIA STATE DEPARTMENT OF TRANSPORTATION, a political subdivision of the STATE OF CALIFORNIA

☑ by certified mail, return receipt requested on the following party(ies) in said action, by placing a true copy thereof enclosed in a scaled envelope in a designated area for outgoing mail, addressed as set forth below. In the ordinary course of business at the County of Yuba, mail placed in that designated area is given the correct amount of postage and is deposited that same day in a United States mailbox in the City of Marysville, California.

Department of Transportation
District 3 – Right of Way
Attn: Janet Tarczy
720 Yuba Street
Marysville, CA 95901

Department of Transportation
District 3 – Right of Way
Attn: Jaymi Brown
720 Yuba Street
Marysville, CA 95901

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this document was executed on April 2, 2007.

[Signature]
DONNA STOTTLEMEYER

<table>
<thead>
<tr>
<th>SENDER: COMPLETE THIS SECTION</th>
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<tbody>
<tr>
<td>☐ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</td>
</tr>
<tr>
<td>☐ Print your name and address on the reverse so that we can return the card to you.</td>
</tr>
<tr>
<td>☐ Attach this card to the back of the mailpiece, or on the front if space permits.</td>
</tr>
</tbody>
</table>

1. Article Addressed to:

   Dept. of Transportation
   District 3 – Right of Way
   Attn: Jaymi Brown
   720 Yuba Street
   Marysville, CA 95901

<table>
<thead>
<tr>
<th>COMPLETE THIS SECTION ON DELIVERY</th>
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<tbody>
<tr>
<td>A. Signature</td>
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<tr>
<td>☐ Agent</td>
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<tr>
<td>☐ Addressee</td>
</tr>
</tbody>
</table>

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
   ☐ No
   ☒ No

3. Service Type

☐ Certified Mail
☐ Express Mail
☐ Registered
☐ Return Receipt for Merchandise
☐ Insured Mail
☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
   (Transfer from service is)
   7001 1140 0000 5333 1207

PS Form 3811, February 2004
Domestic Return Receipt
102595-02-M-1540
RESOLUTION NO. __________

A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT
(CODE CIV. PROC. § 1245.230; CODE CIV. PROC. § 1240.610)

WHEREAS, Three Rivers Levee Improvement Authority ("TRLIA") proposes to repair, construct, install, and maintain the Three Rivers Levee Repair Project (the "Project") affecting a portion of Assessor's Parcel No. 020-330-008, in the County of Yuba, California (the "Property"); and

WHEREAS, TRLIA has advised the owners of the Property of the need for the Project and offered said owners an opportunity for a hearing before the TRLIA Board on April 17, 2007 pursuant to section 1245.235 of the Code of Civil Procedure, State of California; and

WHEREAS, the Board of Directors of TRLIA adopts this resolution in compliance with Section 1245.230 of the Code of Civil Procedure.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Property to be acquired is for the repair, construction, installation and maintenance of the Three Rivers Levee Improvement Project.

TRLIA is authorized to acquire property for the Project pursuant to, among others, the following statutes: Government Code section 25350.5; Code of Civil Procedure section 1250.140 and section 1240.610; and Water Code section 50930.

SECTION 2. The general location and extent of the Property to be acquired is as set forth in the legal description attached hereto as Exhibit A and accompanying map attached hereto as Exhibit B, and incorporated herein by reference.

SECTION 3. The Board of Directors declares that it has found and determined as follows:

a. The public interest and necessity require the proposed Project.

b. The proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury.

c. The Property described in Exhibits A and B is necessary for the proposed Project.

d. The offer of just compensation required by Government Code Section 7267.2 has been made to the owners of record of the Property.

e. The use to which the Property will be put by TRLIA is a more necessary, higher and better public use than the use to which it is currently put by the State of California, Department of Transportation ("CalTrans") for the following reasons, among others:
1. The Property is currently vacant and not being put to use by CalTrans.

2. The need for flood protection is of greater importance to public safety than retaining the Property in its current vacant condition.

PASSED AND ADOPTED by the Board of Directors of the Three Rivers Levee Improvement Authority this 17th day of April, 2007 by a two-thirds (2/3) or greater vote as follows:

AYES:
NOES:
ABSTAIN:
ABSENT:

______________________________
CHAIRPERSON

ATTEST:

______________________________
Donna Stottlemyer, Secretary

APPROVED AS TO FORM
DANIEL G. MONTGOMERY
COUNTY COUNSEL

BY: ___________________________

4/9/2007
APN 020-330-008
LEGAL DESCRIPTION
PERMANENT EASEMENT

All that Real property situated in the County of Yuba, State of California, being a portion of Real property conveyed by deed to the State of California, hereinafter referred to as "State property," recorded in Document No. 93-03205 in the Official Records of said County, Situated in the Northeast Quarter of Section 36, Township 15 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

A strip of land 40.00 feet in width, described as follows:

Beginning at the Southwest Corner of said State property; thence along the Westerly line of said State property, the following courses, North 08°14'46" West 77.46 feet; thence North 06°33'20" West 347.07 feet; thence North 01°09'56" West 123.10 feet; thence North 10°05'51" East 159.64 feet; thence North 15°43'47" East 283.96 feet; thence North 26°31'28" East 610.75 feet; thence North 25°30'21" East 427.89 feet to the Northwesterly corner of said State property; thence along the Northerly line of said State property North 89°07'00" East 44.70 feet to a point which is 90.00 feet Easterly of the line measured at right angles to the Northerly projection of the Westerly line of said State property; thence 40.00 feet Easterly of and parallel with said Westerly line, the following courses, South 25°38'21" West 448.16 feet; thence South 26°31'28" West 607.26 feet; thence South 15°43'47" West 278.22 feet; thence South 10°05'51" West 153.73 feet; thence South 01°09'56" East 117.27 feet; thence South 06°33'20" East 345.50 feet; thence South 08°14'46" East 82.04 feet to point on the Southerly line of said State property; thence along said Southerly line South 89°07'00" West 40.33 feet to the Point of Beginning, containing an area of 81,259 Square Feet or 1.87 Acres, more or less.

End of description

The Basis of Bearings for this description is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

[Signature]

Kevin A. Harley, P.E.

Page 1 of 1
M:\06-008-002\LEGAL\020-330-008-PE.doc
NOTICE OF INTENT TO ADOPT A RESOLUTION OF NECESSITY

TO JOURBEE KHANG AND TRUE Y. KHANG, owners of certain real property located in the County of Yuba, California, identified as a portion of Assessor Parcel No. 020-360-002 in the County of Yuba:

Pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure, State of California,

NOTICE IS HEREBY GIVEN that on April 17, 2007 at the hour of 2:00 p.m. in the chambers of the Yuba County Board of Supervisors, 915 Eighth Street, Marysville, California, the Board of Directors of the Three Rivers Levee Improvement Authority ("TRLIA") will consider the acquisition by TRLIA of a portion of the real property identified as Assessor's Parcel Number 020-360-002, Yuba County, California (the "Property"), for repairing, constructing, installing and maintaining the Three Rivers Levee Improvement Project (the "Project"). The portions of property proposed to be acquired are as follows: fee title as set forth in the legal description attached hereto as Exhibit A and a temporary construction easement as set forth in the legal description attached hereto as Exhibit B, both fee and temporary construction easements are as shown on Exhibit C (all exhibits incorporated herein by reference).

THE BOARD OF DIRECTORS OF TRLIA will consider a resolution which will establish that:

(a) The public interest and necessity require the proposed Project;

(b) The proposed Project is planned and will be located in the manner that will be most compatible with the greatest public good and the least private injury;

(c) The Property is necessary for the proposed Project; and

(d) The offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record.

You have a right to be heard on the matters set forth in (a), (b), (c), and (d) above. Failure to appear and be heard on the date set forth above will result in a waiver of said right.

If you have any questions about this matter, you may contact Paul Brunner, Executive Director at (530) 701-7361.

DATED: April 2, 2007

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

By

Donna Stottlemyer
Secretary
EXHIBIT A

APN 020-360-002
LEGAL DESCRIPTION
FEE TITLE ACQUISITION

All that Real property situated in the County of Yuba, State of California, being a portion of Real property conveyed by deed to Jourbee Khang and True Y. Khang, hereinafter referred to as "Khang property", recorded in Document No. 2004R-005237 in the Official Records of said County, lying within a portion of Lot 10, Block 36, as shown upon that certain map entitled "Farm Land Colony No. 1", filed in the Office of the Recorder in said County and State in Book 1 of maps at Page 23, situated in the Southeast Quarter of Section 36, Township 15 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

Beginning at the Southwest Corner of said Khang property; thence along the Westerly line of said Khang property, the following courses, North 00°57'46" East 267.87 feet; thence North 07°16'44" West 128.75 feet; thence North 01°29'01" West 45.92 feet; thence North 08°14'46" West 284.23 feet to the Northwest corner of said Khang property; thence along the Northerly line of said Khang property North 89°07'00" East 40.33 feet to a point which is 40.00 feet Easterly of when measured at right angles to the Westerly line of said Khang property; thence 40.00 feet Easterly of and parallel with said Westerly line the following courses, South 08°14'46" East 281.42 feet; thence South 01°29'01" East 46.26 feet; thence South 07°16'44" East 129.60 feet; thence South 00°57'46" West 270.53 feet to a point on the Southerly line of said Khang property; thence along said Southerly line North 89°12'44" west 40.00 feet to the point of Beginning, containing an area of 29,093 square feet, more or less.

See Exhibit B attached hereto and made a part of this description.

End of description

The Basis of Bearings for this description is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

[Signature]

Kevin A. Heeney, P.L.S. 5914

State of California
LICENSED LAND SURVEYOR
NO.5914
Exp.12-31-2008
EXHIBIT B

APN 020-360-002
LEGAL DESCRIPTION
TEMPORARY CONSTRUCTION EASEMENT

All that Real property situated in the County of Yuba, State of California, being a portion of Real property conveyed by deed to Jourbee Khang and True Y. Khang, hereinafter referred to as "Khang property", recorded in Document No. 2004R-005237 in the Official Records of said County, lying within a portion of Lot 10, Block 36, as shown upon that certain map entitled "Farm Land Colony No. 1", filed in the Office of the Recorder in said County and State in Book 1 of maps at Page 23, situated in the Southeast Quarter of Section 36, Township 15 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

Beginning at the Southwest Corner of said Khang property; thence along the South line of said Khang property, South 89°12'44" East, 40.00 feet to the Point of Beginning; thence leaving said South line, North 00°57'46" East, 90.00 feet; thence South 89°02'14" East, 20.00 feet; thence South 00°57'46" West, 90.00 feet to a point on said South line; thence along said South line, North 89°02'14" West, 20.00 feet to the Point of Beginning, containing 1,800 square feet, more or less.

See Exhibit B attached hereto and made a part of this description.

End of description

The Basis of Bearings for this description is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

Kevin A. Heeney, P.L.S. 5914

Page 1 of 1
M:\06-008-002\LEGA020-360-002-TCE.doc
3/30/2007
PROOF OF SERVICE

I am employed in the County of Yuba; my business address is 915 Eighth Street, Marysville, California. I am over the age of 18 years and not a party to the foregoing action.

On April 2, 2005, I served the following document:

NOTICE OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY'S INTENT TO ADOPT RESOLUTION OF NECESSITY TO ACQUIRE CERTAIN REAL PROPERTY BY EMINENT DOMAIN TO JOURBEE KHANG AND TRUE Y. KHANG

☐ by certified mail, return receipt requested on the following party(ies) in said action, by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. In the ordinary course of business at the County of Yuba, mail placed in that designated area is given the correct amount of postage and is deposited that same day in a United States mailbox in the City of Marysville, California.

Jourbee & True Khang
3110 37th Avenue
Sacramento, CA 95824

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this document was executed on April 2, 2007.

SENDERS: COMPLETE THIS SECTION

☐ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
☐ Print your name and address on the reverse so that we can return the card to you.
☐ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Jourbee and True Khang
3110 37th Avenue
Sacramento, CA 95824

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent

☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

E. Restricted Delivery? (Extra Fee) ☐ Yes

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3811, February 2004 Domestic Return Receipt

105595-02-WF-1540
RESOLUTION NO. __________

A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT
(CODE CIV. PROC. § 1245.230)

WHEREAS, Three Rivers Levee Improvement Authority ("TRLIA") proposes to repair, construct, install, and maintain the Three Rivers Phase IV Levee Repair Project (the "Project") affecting a portion of Assessor's Parcel No. 020-360-002, in the County of Yuba, California (the "Property"); and

WHEREAS, TRLIA has advised the owners of the Property of the need for the Project and offered said owners an opportunity for a hearing before the TRLIA Board on April 17, 2007 pursuant to section 1245.235 of the Code of Civil Procedure, State of California; and

WHEREAS, the Board of Directors of TRLIA adopts this resolution in compliance with Section 1245.230 of the Code of Civil Procedure.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Property to be acquired is for the repair, construction, installation and maintenance of the Project.

TRLIA is authorized to acquire property for the Project pursuant to, among others, the following statutes: Government Code section 25350.5; Code of Civil Procedure section 1250.140; and Water Code section 50950.

SECTION 2. The general location and extent of the Property to be acquired is as set forth in the legal descriptions attached hereto as Exhibits A and B and accompanying map attached hereto as Exhibit C, and incorporated herein by reference.

SECTION 3. The Board of Directors declares that it has found and determined as follows:

a. The public interest and necessity require the proposed Project.

b. The proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury.

c. The Property described in Exhibits A and B is necessary for the proposed Project.

d. The offer of just compensation required by Government Code Section 7267.2 has been made to the owners of record of the Property.

TRLIA/Khang
(004202v) 35662/0001    4/9/2007
PASSED AND ADOPTED by the Board of Directors of the Three Rivers Levee Improvement Authority this 17th day of April, 2007 by a two-thirds (2/3) or greater vote as follows:

AYES:
NOES:
ABSTAIN:
ABSENT:

__________________________  CHAIRPERSON

ATTEST:

__________________________

Donna Stottlemyer, Secretary

APPROVED AS TO FORM

DANIEL G. MONTGOMERY
COUNTY COUNSEL

BY: ________________________

"Daniel G. Montgomery"
EXHIBIT A

APN 020-360-002
LEGAL DESCRIPTION
FEE TITLE ACQUISITION

All that real property situated in the County of Yuba, State of California, being a portion of real property conveyed by deed to Journee Khang and True Y. Khang, hereinafter referred to as "Khang property", recorded in Document No. 2004R-005237 in the Official Records of said County, lying within a portion of Lot 10, Block 36, as shown upon that certain map entitled "Farm Land Colony No. 1", filed in the Office of the Recorder in said County and State in Book 1 of maps at Page 23, situated in the Southeast Quarter of Section 36, Township 15 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

Beginning at the Southwest Corner of said Khang property; thence along the Westerly line of said Khang property, the following courses, North 00°57'46" East 267.87 feet; thence North 07°16'14" West 128.75 feet; thence North 01°29'01" West 45.92 feet; thence North 06°14'46" West 284.23 feet to the Northwest corner of said Khang property; thence along the Northerly line of said Khang property North 89°07'00" East 40.33 feet to a point which is 40.00 feet Easterly of when measured at right angles to the Westerly line of said Khang property; thence 40.00 feet Easterly of and parallel with said Westerly line the following courses, South 06°14'46" East 281.42 feet; thence South 01°29'01" East 45.25 feet; thence south 07°16'14" east 129.60 feet; thence South 00°57'46" West 270.63 feet to a point on the Southerly line of said Khang property; thence along said Southerly line North 89°12'44" west 40.00 feet to the point of Beginning, containing an area of 29,393 square feet, more or less.

See Exhibit B attached hereto and made a part of this description.

End of description.

The Basis of Bearings for this description is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

[Signature]
Kevin A. Heeney, P.L.S. 5914

[Stamp] LUCAS LAND SURVEYOR
STATE OF CALIFORNIA
No. 5914
Exp. 12-31-2006

Page 1 of 1
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3/30/2007
EXHIBIT B:

APN 020-360-002
LEGAL DESCRIPTION
TEMPORARY CONSTRUCTION EASEMENT

All that Real property situated in the County of Yuba, State of California, being a portion of Real property conveyed by deed to Journee Khang and True Y. Khang, hereinafter referred to as "Khang property", recorded in Document No. 2004R-005237 in the Official Records of said County, lying within a portion of Lot 10, Block 36, as shown upon that certain map entitled "Farm Land Colony No. 1", filed in the Office of the Recorder in said County and State in Book 1 of maps at Page 23, situated in the Southeast Quarter of Section 36, Township 15 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

Beginning at the Southwest Corner of said Khang property; thence along the South line of said Khang property, South 89°12'44" East, 40.08 feet to the Point of Beginning; thence leaving said South line, North 00°57'46" East, 90.00 feet; thence South 89°02'14" East, 20.00 feet; thence South 00°57'46" West, 90.00 feet to a point on said South line; thence along said South line, North 89°02'14" West, 20.00 feet to the Point of Beginning, containing 1,800 square feet, more or less.

See Exhibit B attached hereto and made a part of this description.

End of description

The Basis of Bearings for this description is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

[Signature]
Kevin A. Heaney, P.L.S. 5914

[Stamp]
CALIFORNIA LAND SURVEYOR
LIC NO. 5914
Ex. 12-31-2008

Page 1 of 1
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3/30/2007
NOTICE OF INTENT TO ADOPT A RESOLUTION OF NECESSITY

TO TRUMON G. COOPER, as Trustee for the Trumon G. Cooper Family Trust dated November 12, 1998, owner of certain real property located in the County of Yuba, California, identified as a portion of Assessor Parcel Nos. 020-360-047, 020-360-050 and 020-360-053 in the County of Yuba:

Pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure, State of California,

NOTICE IS HEREBY GIVEN that on April 17, 2007 at the hour of 2:00 p.m. in the chambers of the Yuba County Board of Supervisors, 915 Eighth Street, Marysville, California, the Board of Directors of the Three Rivers Levee Improvement Authority ("TRLIA") will consider the acquisition by TRLIA of a portion of the real property identified as Assessor's Parcel Numbers 020-360-047, 020-360-050 and 020-360-053, Yuba County, California (the "Property"), as described in the legal description attached hereto as Exhibit A and as shown on Exhibit B and incorporated herein by reference, for repairing, constructing, installing and maintaining the Three Rivers Levee Improvement Project (the "Project").

THE BOARD OF DIRECTORS OF TRLIA will consider a resolution which will establish that:

(a) The public interest and necessity require the proposed Project;

(b) The proposed Project is planned and will be located in the manner that will be most compatible with the greatest public good and the least private injury;

(c) The Property is necessary for the proposed Project; and

(d) The offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record.

You have a right to be heard on the matters set forth in (a), (b), (c), and (d) above. Failure to appear and be heard on the date set forth above will result in a waiver of said right.

If you have any questions about this matter, you may contact Paul Brunner, Executive Director at (530) 701-7361.

DATED: April 2, 2007

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

By Donna Stottlemeyer
Secretary
Exhibit 'A'

APN 020-360-047, 050&053
LEGAL DESCRIPTION
FEE TITLE ACQUISITION

All that Real property situated in the County of Yuba, State of California, being a portion of Real property conveyed to Trumon G. Cooper Family Trust Dated November 13, 1998, hereinafter referred to as "Cooper property", lying within a portion of Parcels 1 & 4 of Parcel Map No. 6.35 filed in the Office of the County Recorder, Yuba County County California in Book 21 of Maps at Page 37, also lying within a portion of Lot 15 Block 35 and Lot 2 Block 1 as shown upon that certain map entitled "Farmland Colony No. 1", filed in the Office of the Recorder in said County and State. In Book 1 of maps at Page 23, situated in the Northeast Quarter of Section 36, Township 15 North, range 3 East and the Northeast Quarter of Section 1, Township 14 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

A 20.00 foot wide strip of land described as follows;

Parcel "A"
Beginning at the Northwest corner of the aforementioned Parcel 1, thence along the Northerly line of said Parcel 1 South 89°12'44" East 20.00 feet; thence leaving said Northerly line South 00°57'46" West 274.62 feet to a point on the Northerly line of a 60.00 foot wide easement as shown on said Parcel Map; thence along the Northerly line of said easement South 89°43'46" West 20.00 feet to a point on the Westerly line of said Parcel 1, hereinafter referred to as "Point A"; thence along the Westerly line of said Parcel 1 North 00°18'20" East 275.00 feet to the Point of Beginning, containing an area of 5,496 square Feet or 0.12 acres, more or less.

Parcel "B"
Commencing at said 'Point A'; thence South 00°18'07" West 60.00 feet to the Point of Beginning, being the intersection of the Northerly line of the aforementioned Parcel 4 with the Southerly line of said 60.00 foot wide easement; thence along the Southerly line of said easement North 89°43'46" East 20.00 feet; thence leaving said Southerly line South 00°21'33" East 271.44 feet; thence South 05°13'49" East 140.32 feet; thence South 08°58'50" West 36.45 feet; thence South 18°16'50" West 55.55 feet to a point on the southerly line of said Cooper property; thence along said Southerly line South 89°44'04" West 20.07 feet to the Southwest corner thereof; thence along the Westerly line of said Cooper property North 04°46'04" West 67.66 feet; thence North 63°58'50" East 36.35 feet; thence North 06°13'49" West 127.28 feet; thence North 00°21'33" West 271.43 feet to the Point of Beginning, containing an area of 13,039 square Feet or 0.23 acres, more or less.

See Exhibit B attached hereto and made a part of this description.

End of description

The Basis of Bearings for this description Is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

Kevin A. Heeney, P.L.S. 5914

Page 1 of 1
M:\06-008-002\LEGAL\S020-360-047-COOPER.FEE.doc
3/30/2007
I am employed in the County of Yuba; my business address is 915 Eighth Street, Marysville, California. I am over the age of 18 years and not a party to the foregoing action.

On April 2, 2005, I served the following document:

NOTICE OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY'S INTENT TO ADOPT RESOLUTION OF NECESSITY TO ACQUIRE CERTAIN REAL PROPERTY BY EMINENT DOMAIN TO TRUMON G. COOPER, as Trustee of the Trumon G. Cooper Family Trust dated November 12, 1998

☐ by certified mail, return receipt requested on the following party(ies) in said action, by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. In the ordinary course of business at the County of Yuba, mail placed in that designated area is given the correct amount of postage and is deposited that same day in a United States mailbox in the City of Marysville, California.

Trumon G. Cooper
Trustee of the Trumon G. Cooper
Family Trust
768 Crestmont Court
Yuba City, CA 95991

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this document was executed on April 2, 2007.

DONNA STOTTLEMEIER
Secretary

**PROOF OF SERVICE**

<table>
<thead>
<tr>
<th>SENDER: COMPLETE THIS SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</td>
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</tr>
<tr>
<td>Attach this card to the back of the mailpiece, or on the front if space permits.</td>
</tr>
</tbody>
</table>

1. Article Addressed to:

Trumon G. Cooper
Trustee of the Trumon G. Cooper
Family Trust
768 Crestmont Court
Yuba City, CA 95991

<table>
<thead>
<tr>
<th>COMPLETE THIS SECTION ON DELIVERY</th>
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<tbody>
<tr>
<td>A. Signature</td>
</tr>
<tr>
<td>X</td>
</tr>
<tr>
<td>B. Received by (Printed Name)</td>
</tr>
<tr>
<td>C. Date of Delivery</td>
</tr>
<tr>
<td>D. Is delivery address different from item 1?</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

2. Article Number (Transfer from service label): 7001 1140 0000 5333 1221

3. Service Type:
- [ ] Certified Mail
- [ ] Express Mail
- [ ] Registered
- [ ] Return Receipt for Merchandise
- [ ] Insured Mail
- [ ] C.O.D.

4. Restricted Delivery? (Extra Fee): [ ] Yes
RESOLUTION NO. ________

A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
DECLARING THE PUBLIC NECESSITY FOR THE TAKING OF CERTAIN PROPERTY
FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE
RIVERS LEVEE IMPROVEMENT PROJECT
(CODE CIV. PROC. § 1245.230)

WHEREAS, Three Rivers Levee Improvement Authority ("TRLIA") proposes to repair, construct, install, and maintain the Three Rivers Phase IV Levee Repair Project (the "Project") affecting a portion of Assessor's Parcel Nos. 020-360-047, 020-360-050, and 020-360-053, in the County of Yuba, California (the "Property"); and

WHEREAS, TRLIA has advised the owners of the Property of the need for the Project and offered said owners an opportunity for a hearing before the TRLIA Board on April 17, 2007 pursuant to section 1245.235 of the Code of Civil Procedure, State of California; and

WHEREAS, the Board of Directors of TRLIA adopts this resolution in compliance with Section 1245.230 of the Code of Civil Procedure.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Property to be acquired is for the repair, construction, installation and maintenance of the Project.

TRLIA is authorized to acquire property for the Project pursuant to, among others, the following statutes: Government Code section 25350.5; Code of Civil Procedure section 1250.140; and Water Code section 50930.

SECTION 2. The general location and extent of the Property to be acquired is as set forth in the legal description attached hereto as Exhibit A and accompanying map attached hereto as Exhibit B, and incorporated herein by reference.

SECTION 3. The Board of Directors declares that it has found and determined as follows:

a. The public interest and necessity require the proposed Project.

b. The proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury.

c. The Property described in Exhibits A and B is necessary for the proposed Project.

d. The offer of just compensation required by Government Code Section 7267.2 has been made to the owners of record of the Property.

TRLIA/Cooper Trust
1004294v1 35662/0001

4/9/2007
PASSED AND ADOPTED by the Board of Directors of the Three Rivers Levee Improvement Authority this 17th day of April, 2007 by a two-thirds (2/3) or greater vote as follows:

AYES:
NOES:
ABSTAIN:
ABSENT:

______________________________
CHAIRPERSON

ATTEST:

______________________________
Donna Stottlemeyer, Secretary

APPROVED AS TO FORM
DANIEL G. MONTGOMERY
COUNTY COUNSEL

BY: __________________________

4/9/2007
Exhibit ‘A’

APN 020-360-047, 050&053

LEGAL DESCRIPTION
FEE TITLE ACQUISITION

All that Real property situated in the County of Yuba, State of California, being a portion of Real property conveyed to Trumon G. Cooper Family Trust Dated November 13, 1958, hereinafter referred to as “Cooper property”, lying within a portion of Parcels 1 & 4 of Parcel Map No. 6.35 filed in the Office of the County Recorder, Yuba County, County California, in Book 21 of Maps at Page 37, also lying within a portion of Lot 15 Block 36 and Lot 2 Block 1 as shown upon a certain map entitled “Farmand Colony No. 1”, filed in the Office of the Recorder in said County and State. In Book 1 of maps at Page 23, situated in the Northeast Quarter of Section 36, Township 15 North, Range 3 East and the Northeast Quarter of Section 1, Township 14 North, Range 3 East of the Mount Diablo Base and Meridian, being more particularly described as follows:

A 20.00 foot wide strip of land described as follows;

Parcel "A"
Beginning at the Northwest corner of the aforementioned Parcel 1, thence along the Northerly line of said Parcel 1 South 89°12'44" East 20.00 feet; thence leaving said Northerly line South 00°57'46" West 274.62 feet to a point on the Northerly line of a 60.00 foot wide easement as shown on said Parcel Map; thence along the Northerly line of said easement South 89°43'46" West 20.00 feet to a point on the Westerly line of said Parcel 1, hereinafter referred to as "Point A"; thence along the Westerly line of said Parcel 1 North 00°18'20" East 275.00 feet to the Point of Beginning, containing an area of 5,496 square Feet or 0.12 acres, more or less.

Parcel "B"
Commencing at said "Point A"; thence South 00°18'07" West 60.00 feet to the Point of Beginning, being the intersection of the Northerly line of the aforementioned Parcel 4 with the Southerly line of said 60.00 foot wide easement; thence along the Southerly line of said easement North 89°43'46" East 20.00 feet; thence leaving said Southerly line South 00°21'53" East 271.44 feet; thence South 06°13'49" East 140.32 feet; thence South 63°58'50" West 36.45 feet; thence South 18°16'50" West 55.55 feet to a point on the southerly line of said Cooper property; thence along said Southerly line South 89°44'04" West 20.07 feet to the Southwest corner thereof; thence along the Westerly line of said Cooper property North 04°46'04" West 67.66 feet; thence North 63°58'50" East 36.35 feet; thence North 06°13'49" West 127.28 feet; thence North 00°21'33" West 271.43 feet to the Point of Beginning, containing an area of 10,639 square Feet or 0.23 acres, more or less.

See Exhibit B attached hereto and made a part of this description.

End of description

The Basis of Bearings for this description is the California Coordinate System Zone 2.

This description has been prepared by me or under my direct supervision.

[Signature]

Kev H. Heeney, P.L.S. 5914

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3/30/2007