



Memorandum

To: Wheatland Fire Authority Board of Directors
From: Adele Karoum (Best Best & Krieger)
Josh Nelson (Best Best & Krieger)
Date: May 27, 2026
Re: Litigation Update and Request for Settlement Approval of Eminent Domain Matters (Garcia and Royal Lands LLC Cases)

BACKGROUND

On January, 30, 2026, the City of Wheatland ("City") filed two eminent domain complaints in Yuba County Superior Court:

1. Case No. CVED26-00172 against four defendants, Jerry J. Garcia and Marlene A. Garcia (the property owners), Wheatland Fire Authority, and Level 3 Communications, LLC.
2. Case No. CVED26-00298 against six defendants: Royal Lands, LLC (the property owner); Treynor State Bank (a lienholder), Wheatland Fire Authority, the Heirs and Devisees of Francis Herbert, deceased, Pacific Gas and Electric Company, and Level 3 Communications, LLC (collectively, hereinafter "Complaints").

Wheatland Fire Authority was named as a defendant in these two eminent domain cases because the City is acquiring permanent and temporary construction easements on these two properties to place new pipelines, valves, fittings, and facilities for wastewater, as part of a public project known as the Wheatland Regional Sewer Pipeline Project ("Project"). As an eminent domain case, the City is required to name any person or entity with potential interest on the properties affected by the taking/condemnation. The City will be paying just compensation to acquire the properties (either through a judgment at the end of a trial, or through a settlement with the owners and all parties). Wheatland Fire Authority came up on a title search performed by the City and was included in the lawsuit as a result of the Fire Authority's recorded interest, identified as "special tax and/or special assessment liens levied for fire protection and related services and collected on the County secured property tax roll."¹

Wheatland Fire Authority filed answers to the Complaints by the relevant deadline to preserve its rights and to not be in default. Upon further investigation and communications with

¹ The Fire Chief has informed us that this property is located in the Plumas Brophy Fire District. However, because the liens were recorded by Wheatland Fire Authority, and Wheatland Fire Authority was named in this lawsuit based on its status as the lienholder of record (as identified by a title report on the property that is the subject of the eminent domain case), the analysis in this memo is not affected by the fact that the property falls under the Plumas Brophy Fire District's protection area.

counsel for the City, and after reviewing the materials provided by the City from the title searches, the Fire Authority was named only due to these unpaid fees for fire protection services: The Garcia property has \$15.20 of unpaid fees, and the Royal Lands property has \$774.32 in unpaid fees.

LITIGATION UPDATE AND PROPOSED STIPULATION

The City has prepared draft stipulations to settle these case as to the Fire Authority. These documents are attached as exhibits to this memo. The stipulations, as drafted, would allow the Fire Authority to maintain the liens on the property with no impact caused by the eminent domain action, and it would release the Fire Authority from this case with no further obligation to attend hearings or respond to filings.

DISCUSSION AND RECOMMENDATION

We believe the Fire Authority has a legal basis to request the City pay off all of the liens/assessments on these two properties (\$15.42 and \$774.32, respectively) from any compensation that is offered to the property owners for the easements. However, at this point, given the legal fees involved in litigation and the size of the liens, my recommendation is to just settle this as soon as possible, and keep the liens on the property to be paid off later.

There remains an option to go back to the City's attorneys and request they incorporate paying off the liens as a condition of the settlements. We believe this may require revising the stipulations and also possibly entering into a separate agreement with all parties to release of a portion of funds on deposit with the State Treasurer, to extinguish the liens. Because of the costs and time associated with doing this, it is our recommendation to just move forward with the settlement as it was provided by the City. However, we want you to be aware of all options as you determine authorization to enter into the stipulations as currently prepared.

CONCLUSION

It is our recommendation that the Board provide authorization to sign the attached stipulations and enter into these agreements to be released from the case, with no effect on the Fire Authority's liens. Please do not hesitate to contact us for more information or with any questions.

JOSH NELSON
ANDREW SAGHIAN
ADELE KAROUM

AK

Exhibits: Stipulation to Judgment (Garcia); Stipulation to Judgment (Royal Lands)

Stipulation - Garcia

1 Jennifer T. Buckman, SBN 179143
2 Holly J. Jacobson, SBN 281839
3 Zachary C. Castagnola-Johnson, SBN 360139
4 BKS Law Firm, PC
5 1600 K Street, Suite 4A
6 Sacramento, California 95814
7 Telephone: (916) 446-4254
8 jtb@bkslawfirm.com
9 hjj@bkslawfirm.com
10 zel@bkslawfirm.com

11 Attorneys for Plaintiff
12 CITY OF WHEATLAND

***Exempt from Filing Fees
Gov. Code, § 6103

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF YUBA

CITY OF WHEATLAND,

Plaintiffs,

v.

JERRY J. GARCIA, an individual;
MARLENE A. GARCIA, an individual;
WHEATLAND FIRE AUTHORITY, a
California Joint Powers Authority; LEVEL 3
COMMUNICATIONS LLC, an out of state
corporation; AND DOES 1-10,

Defendants.

Case No.: CVED26-00172

Assessor Parcel No.: 015-520-002

**STIPULATION FOR ENTRY OF
JUDGMENT SUBMITTED BY
PLAINTIFF CITY OF WHEATLAND
AND DEFENDANT WHEATLAND
FIRE AUTHORITY**

(Code Civ. Proc., §§ 405.20, 1250.150.)

STIPULATION FOR ENTRY OF JUDGMENT SUBMITTED BY PLAINTIFF CITY OF WHEATLAND AND
DEFENDANT WHEATLAND FIRE AUTHORITY

1 WHEREAS the Plaintiff, City of Wheatland (the "City"), filed the complaint in eminent
2 domain regarding Yuba County Assessors Parcel No. 015-520-002 (the "Property") on January 30,
3 2026. The complaint named all parties with an identifiable interest in the subject property as stated
4 in County records including Wheatland Fire Authority.

5 WHEREAS Defendant Wheatland Fire Authority (the "Authority") claims an interest in the
6 subject Property by virtue of special tax and/or special assessment liens levied for fire protection and
7 related services and collected on the County secured property tax roll that are not ad valorem taxes.

8 WHEREAS the City, by way of this action, seeks to attain a permanent pipeline easement (the
9 "Easement") over a portion of the Property in furtherance of the Wheatland Regional Sewer Pipeline
10 Project (the "Project").

11 WHEREAS the City and the Authority hereby agree and stipulate as follows:

12 1. By this Stipulation, the Authority agrees to be bound by any Judgment, Order, or
13 easements obtained by the City's acquisition of the Easement over the Property that is subject of the
14 complaint in this matter, so long as such Judgment, Order or easements are not in contravention of
15 this Stipulation.

16 2. The Authority does not object to the City's proposed Project or taking as described in
17 this Action.

18 3. Any Judgment, Order, or easements obtained by the City in this proceeding shall not
19 terminate, vacate, impair, modify or alter the existing validity and priority of the Authority's liens,
20 rights and/or interests in and on the Property. The Authority's liens, rights and/or interests in and on
21 the Property shall survive the taking of the subject Easement over the Property in this Action as
22 provided by law.

23 4. This Stipulation is not a subordination of the Authority's rights or title to or interest in
24 any of its liens, rights and/or interests on the Property nor should the Stipulation be construed as a
25 waiver of any provisions contained in said liens, rights and/or interests.

26 5. The City and the Authority agree that both parties will jointly use the Property pursuant
27 to the terms and conditions of this stipulation including the City's use under Code of Civil Procedure
28 section 1240.510.

1 6. The City and the Authority agree that there would be no unreasonable interference with
2 each party's free access to its own facilities or use of their respective easements.

3 7. Except as provided in this Stipulation, each party to this Stipulation agrees to bear its
4 own attorney's fees and costs incurred in this matter.

5 8. Except as expressly provided in this Stipulation, the Authority agrees it is not entitled
6 to any compensation to be awarded in this proceeding and makes no claim on any deposit for the
7 benefit of the property owner(s) or any judgment awarding damages to the defendants.

8 9. The parties agree that this Stipulation for Entry of Judgment may be executed in
9 counterparts, each of which shall be deemed an original instrument, and all when taken together, shall
10 constitute the Stipulation for Entry of Judgment. The City and the Authority agree that faxed or
11 electronic signatures are acceptable.

12 **IT IS SO STIPULATED.**
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WHEATLAND FIRE AUTHORITY

Dated: _____

[NAME]

Attorney for Wheatland Fire Authority

Dated: 7-9-2026

Bert E. Johnson

[NAME]

[TITLE] for Wheatland Fire Authority

CITY OF WHEATLAND

Dated: _____

HOLLY J. JACOBSON
ZACHARY C. CASTAGNOLA-JOHNSON
Attorneys for City of Wheatland

Dated: _____

LISA MCINTOSH
Mayor of City of Wheatland

Stipulation - Royal

Jennifer T. Buckman, SBN 179143
 Holly J. Jacobson, SBN 281839
 Zachary C. Castagnola-Johnson, SBN 360139
 BKS Law Firm, PC
 1600 K Street, Suite 4A
 Sacramento, California 95814
 Telephone: (916) 446-4254
jtb@bkslawfirm.com
hjj@bkslawfirm.com
zcl@bkslawfirm.com

Attorneys for Plaintiff
 CITY OF WHEATLAND

*****Exempt from Filing Fees**
Gov. Code, § 6103

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF YUBA**

CITY OF WHEATLAND,

Plaintiffs,

v.

ROYAL LANDS LLC, a California Limited Liability Company; TREYNOR STATE BANK, an out of state banking corporation, as Lienholder; WHEATLAND FIRE AUTHORITY, a California joint powers authority; THE HEIRS AND DEVISEES OF FRANCIS HERBERT, DECEASED, AND ALL PERSONS CLAIMING BY, THROUGH, OR UNDER SAID DECEDENT; PACIFIC GAS AND ELECTRIC COMPANY, a California corporation; LEVEL 3 COMMUNICATIONS LLC, an out of state corporation; AND DOES 1-10,

Defendants.

Case No.: CVED26-00298

Assessor Parcel Nos.: 015-100-052, 015-110-001, and 015-150-045.

STIPULATION FOR ENTRY OF JUDGMENT SUBMITTED BY PLAINTIFF CITY OF WHEATLAND AND DEFENDANT WHEATLAND FIRE AUTHORITY

(Code Civ. Proc., §§ 405.20, 1250.150.)

1 WHEREAS the Plaintiff, City of Wheatland (the "City"), filed the complaint in eminent
2 domain regarding Yuba County Assessors Parcel Nos. 015-100-052, 015-110-001, and 015-150-045
3 (the "Properties") on February 18, 2026. The complaint named all parties with an identifiable interest
4 in the subject property as stated in County records including Wheatland Fire Authority.

5 WHEREAS Defendant Wheatland Fire Authority (the "Authority") claims an interest in one
6 of the subject Properties by virtue of special tax and/or special assessment liens levied for fire
7 protection and related services and collected on the County secured property tax roll that are not ad
8 valorem taxes.

9 WHEREAS the City, by way of this action, seeks to attain a permanent pipeline easement and
10 a temporary construction easement (the "Easements") over portions of the Properties in furtherance
11 of the Wheatland Regional Sewer Pipeline Project (the "Project").

12 WHEREAS the City and the Authority hereby agree and stipulate as follows:

13 1. By this Stipulation, the Authority agrees to be bound by any Judgment, Order, or
14 easements obtained by the City's acquisition of the Easements over the Properties that are subject of
15 the complaint in this matter, so long as such Judgment, Order or easements are not in contravention
16 of this Stipulation.

17 2. The Authority does not object to the City's proposed Project or taking as described in
18 this Action.

19 3. Any Judgment, Order, or easements obtained by the City in this proceeding shall not
20 terminate, vacate, impair, modify or alter the existing validity and priority of the Authority's liens,
21 rights and/or interests in and on the Properties. The Authority's liens, rights and/or interests in and
22 on the Properties shall survive the taking of the subject Easements over the Properties in this Action
23 as provided by law.

24 4. This Stipulation is not a subordination of the Authority's rights or title to or interest in
25 any of its liens, rights and/or interests on the Properties nor should the Stipulation be construed as a
26 waiver of any provisions contained in said liens, rights and/or interests.

1 5. The City and the Authority agree that both parties will jointly use the Property pursuant
2 to the terms and conditions of this stipulation including the City's use under Code of Civil Procedure
3 section 1240.510.

4 6. The City and the Authority agree that there would be no unreasonable interference with
5 each party's free access to its own facilities or use of their respective easements.

6 7. Except as provided in this Stipulation, each party to this Stipulation agrees to bear its
7 own attorney's fees and costs incurred in this matter.

8 8. Except as expressly provided in this Stipulation, the Authority agrees it is not entitled
9 to any compensation to be awarded in this proceeding and makes no claim on any deposit for the
10 benefit of the property owner(s) or any judgment awarding damages to the defendants.

11 9. The parties agree that this Stipulation for Entry of Judgment may be executed in
12 counterparts, each of which shall be deemed an original instrument, and all when taken together, shall
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WHEATLAND FIRE AUTHORITY

Dated: _____

[NAME]

Attorney for Wheatland Fire Authority

Dated: 7-9-2026


[NAME]

[TITLE] for Wheatland Fire Authority

CITY OF WHEATLAND

Dated: _____

HOLLY J. JACOBSON
ZACHARY C. CASTAGNOLA-JOHNSON
Attorneys for City of Wheatland

Dated: _____

LISA MCINTOSH
Mayor of City of Wheatland