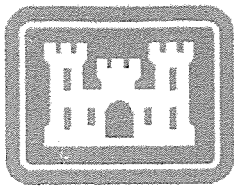


EXHIBIT “2”



U.S. Army Corps
of Engineers
Los Angeles District

Los Angeles County Drainage Area (LACDA)



Willow Street Bridge Over the Los Angeles River

Success Story - Sixty years after the U.S. Army Corps of Engineers cast the first concrete, 15 years after it finished the flood-protection study, five years after it began to build improvements and—maybe most important—five years *ahead of schedule*—the Corps' Los Angeles District and the County of Los Angeles Department of Public Works completed one of their biggest projects ever.

The payoff will be huge for a half million Angelenos:

- The level of flood protection of the river system has been tripled.
- 82 square miles of land - home to 500,000 people - has been protected from the 100-year flood.
- Property owners in the affected area will no longer require FEMA-mandated flood insurance.

What's more, besides easily beating a deadline, the \$216 million project came in under budget—nearly \$150 million in savings.

Background - LACDA — an acronym for Los Angeles County Drainage Area — was originally designed by the Corps in the late 1930s and early '40s. The project controlled flooding on the Los Angeles River and its tributaries through a system of channel modifications and flood control reservoirs. Today the system consists of six dams and 517 miles of channels.

By the 1980s, as the basin along the river became more and more urbanized, storm run-off began flowing into the river at significantly higher rates. The capacity of some channels had been reduced so that they could only withstand what meteorologists call "a 25-year storm event" - a flood that could occur every quarter-century. In partnership with the County of Los Angeles, the Corps began crafting solutions to increase the capacity of the system. The goal: Protect the people who live near the river from a flood so devastating that it might occur only once *each century*.

Making It Work - Corps planners and engineers devised a blueprint to provide maximum safety for flood-plain residents, and in 1995 reached a funding agreement with the County of Los Angeles that the federal government would pay 75%, local interests would pay 25%. The first phase of construction began the following year. Ultimately, some 500,000 people, 177,000 structures and 82 square miles of urban area stretching across parts of five congressional districts would be affected.

Creative Solution to a Tough Problem - The river crosses the 405, 101, 134, 2, 110, 5, 10, 105, 710 and 91 freeways and numerous surface streets. Initial plans called for engineers to raise 23 bridges that cross the channel. This would have required the removal and replacement of the bridges, which would have increased

project costs significantly, lengthened the schedule and created untold disruptions in the lives of those who cross the bridges to get to and from work and to accomplish tasks associated with daily life.

The Corps turned the challenge over to its Coastal and Hydraulic Laboratory (CHL), part of its internationally famous Engineering Research and Development Command (formerly the Waterways Experiment Station – WES). The CHL developed an innovative engineering solution that caused the water to “duck” as it went under the bridges. By modifying the “noses” of the bridge’s piers, engineers found they could accelerate the water’s flow, causing it to duck under certain bridges (see photo). That single innovation eliminated the need to raise many bridges, significantly reduced the cost of the overall project budget, reduced the duration of the project by several years, and eliminated major disruptions to traffic and the lives of people in the area.

Flood Insurance – In July 1998, due to the potentially devastating overflow of the LA River system, FEMA mandated that property owners with federally-backed loans living within the overflow area purchase flood insurance.

The LACDA Project improvements have relieved these property owners of this requirement, thus saving \$33 million in flood insurance premiums annually.

- First phase of insurance relief received in February 2000.
- Second phase of insurance relief received in May 2001.
- Final phase of insurance relief received in January 2002.

The Completed Project – The completed flood protection project included raising the height of 21 miles of existing levees by building up earthen levee embankments or constructing parapet walls on top of the levee, armoring the backside of some levees, and modifying bridges. Other features of the project included landscaping, improving equestrian and bike trails and constructing rest stops.

For more information, contact the U.S. Army Corps of Engineers Los Angeles District Public Affairs Office at 213-452-3908 or 213-452-3921 or visit the website at www.spl.usace.army.mil or visit the County of Los Angeles Department of Public Works website at www.ladpw.org/wmd/lacda.

LACDA Project Summary

Purpose	Reduce flood damage	Customer	County of Los Angeles Department of Public Works
Authorized Cost	\$374 million	Start Construction	February 1996
Actual Cost	\$216 million	Estimated Completion	December 2006
Source of Funds	75% federal, 25% local	Actual Completion	December 2001 (five years ahead of schedule)
Summary	The project drainage area covers 1,459 square miles within LA County and includes parts of metro LA. The LACDA Project upgraded the existing system, raised 21 miles of the Rio Hondo Channel, lower Los Angeles River and Compton Creek and modified bridges.	Affected Area	500,000 residents in 14 communities 177,000 structures 82 square miles \$2.3 billion estimated damage from a "100-year flood"
Affected Channels	Rio Hondo Channel from Whittier Narrows Dam to Los Angeles River LA River from Rio Hondo Channel to the Pacific Ocean Compton Creek Artesia Freeway to LA River	Dedication	Mike Parker, Assistant Secretary of the Army for Civil Works, represents the U.S. Army at the February 6, 2002, ceremony, Ralph C. Dills Park, Paramount, Calif.
		Project Managers	Nino J. Issakhan (U.S. Army Corps of Engineers) Christopher J. Stone (County of Los Angeles)



Instrumental in acquiring the funds to underwrite the project were local congressional representatives: Stephen Horn, Juanita Millender-McDonald, Grace Napolitano, Lucille Roybal-Allard and Maxine Waters. They successfully shepherded bills through Congress that funded both the construction costs and the insurance rebates for their constituents.



Federal Emergency Management Agency

Washington, D.C. 20472

JAN 09 2002

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

IN REPLY REFER TO:
Case No.: 02-09-034P

The Honorable Zev Yaroslavsky
Chairman, Los Angeles County
Board of Supervisors
821 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Community: Los Angeles County, CA
Community No.: 065043
Panels Affected: 0940 C, 0945 C, 1030 D, and
1035 D

Effective Date of **JAN 11 2002**
This Revision:

102-D

Dear Mr. Yaroslavsky:

This responds to a request that the Federal Emergency Management Agency (FEMA) revise the effective Flood Insurance Rate Map (FIRM) for your community in accordance with Part 65 of the National Flood Insurance Program (NFIP) regulations. In a letter dated December 20, 2001, Mr. Rod H. Kubomoto, Assistant Deputy Director, Watershed Management Division, Department of Public Works, County of Los Angeles, requested that FEMA revise the FIRM to show the effects of completion and certification of the Los Angeles County Drainage Area (LACDA) Project, a federally sponsored flood-control project, along the Los Angeles River from the Southern Pacific Railroad to the confluence of Rio Hondo Channel and along Rio Hondo Channel from the confluence with the Los Angeles River to just downstream of the Whittier Narrows Dam. With a letter dated December 20, 2001, Col. Richard G. Thompson, District Commander, U.S. Army Corps of Engineers, Los Angeles District, certified that the LACDA Project was designed and constructed to provide protection from the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood).

All data required to complete our review of this request were submitted with letters from Mr. Kubomoto and Col. Thompson. Because this Letter of Map Revision (LOMR) shows the effects of a federally sponsored flood-control project where 50 percent or more of the project's costs are federally funded, fees were not assessed for the review.

We have completed our review of the submitted data and the flood data shown on the effective FIRM. We have revised the FIRM to modify the floodplain boundary delineations and zone designations of the base flood along the right overbank (looking downstream) of the Los Angeles River from the Del Amo Boulevard bridge to approximately 670 feet downstream of the Imperial Highway bridge; along the left overbank (looking downstream) of the Los Angeles River in the vicinity of the intersection of Harco Street and Carfax Avenue and in the vicinity of the Atlantic Avenue bridge; and along the left overbank (looking downstream) of Rio Hondo Channel in the area approximately bounded by Imperial Highway, Garfield Avenue, Fernwood Avenue, and the Los Angeles River. As a result of the modifications, the widths of the Special Flood Hazard Areas (SFHAs), the areas that would be inundated by the base flood, for the Los Angeles River and Rio Hondo Channel decreased. The base flood is contained within the LACDA Project. Areas previously designated Zone A99, an SFHA to be protected from the base flood by a Federal flood-protection system under construction, with no Base Flood Elevations determined, were redesignated Zone X (shaded), an area protected from the base flood by a credited flood-protection system.

The modifications are shown on the enclosed annotated copies of FIRM Panels 0940 C, 0945 C, 1030 D, and 1035 D. This LOMR hereby revises the above-referenced panels of the effective FIRM dated July 6, 1998.

Because this revision request also affects the Cities of Bellflower, Carson, Compton, Downey, Lakewood, Long Beach, Lynwood, Montebello, Paramount, Pico Rivera, and South Gate, separate LOMRs for those communities were issued on the same date as this LOMR.

The modifications are effective as of the date shown above. The map panels as listed above and as modified by this letter will be used for all flood insurance policies and renewals issued for your community.

A review of the determination made by this LOMR and any requests to alter this determination should be made within 30 days. Any request to alter the determination must be based on scientific or technical data.

We will physically revise and republish the previously cited FIRM panels and the Flood Insurance Study (FIS) report to reflect the modifications made by this LOMR, and issue Preliminary copies for community review. So that we may provide your community with the most up-to-date information possible, we request that your community review the effective FIRM panels referenced above and the effective FIS report to determine if any additional changes are warranted. Examples of possible changes include updates to corporate limits, new streets within or adjacent to designated SFHAs, and revised floodway boundary delineations.

To assist us in processing the revised FIRM and FIS report in a timely manner, we request that your community submit changes within 30 days of the date of this letter. We will review all information received during this 30-day period and incorporate it as appropriate into the Preliminary copies of the revised FIRM and FIS report. The Preliminary copies are scheduled to be delivered for review in June 2002.

This LOMR is based on minimum floodplain management criteria established under the NFIP. Your community is responsible for approving all floodplain development and for ensuring all necessary permits required by Federal or State law have been received. State, county, and community officials, based on knowledge of local conditions and in the interest of safety, may set higher standards for construction in the SFHA. If the State, county, or community has adopted more restrictive or comprehensive floodplain management criteria, these criteria take precedence over the minimum NFIP criteria.

Because this LOMR will not be printed and distributed to primary users, such as local insurance agents and mortgage lenders, your community will serve as a repository for these new data. We encourage you to disseminate the information reflected by this LOMR throughout the community, so that interested persons, such as property owners, local insurance agents, and mortgage lenders, may benefit from the information. We also encourage you to prepare an article for publication in your community's local newspaper. This article should describe the changes that have been made and the assistance that officials of your community will give to interested persons by providing these data and interpreting the NFIP maps.

Interested persons and lenders who wish to obtain a copy of this LOMR may contact the FEMA Map Assistance Center, toll free, at 1-877-FEMA MAP (1-877-336-2627) or may visit our website at

www.fema.gov/mit/tsd/st_order.htm. Persons who wish to obtain copies of all Letters of Map Change (LOMCs) as they are issued may subscribe to the LOMC Distribution Service. Information regarding this subscription service is available through the FEMA Map Service Center by calling, toll free, 1-800-358-9616.

This determination has been made pursuant to Section 206 of the Flood Disaster Protection Act of 1973 (Public Law 93-234) and is in accordance with the National Flood Insurance Act of 1968, as amended (Title XIII of the Housing and Urban Development Act of 1968, Public Law 90-448), 42 U.S.C. 4001-4128, and 44 CFR Part 65. Pursuant to Section 1361 of the National Flood Insurance Act of 1968, as amended, communities participating in the NFIP are required to adopt and enforce floodplain management regulations that meet or exceed NFIP criteria. These criteria are the minimum requirements and do not supersede any State or local requirements of a more stringent nature. This includes adoption of the effective FIRM and FIS report to which the regulations apply and the modifications described in this LOMR.

If you have any questions regarding floodplain management regulations for your community or the NFIP in general, please contact the Consultation Coordination Officer (CCO) for your community. Information on the CCO for your community may be obtained by calling the Chief, Community Mitigation Programs Branch, Mitigation Division of FEMA in San Francisco, California, at (415) 923-7184. If you have any questions regarding this LOMR, please call our Map Assistance Center, toll free, at 1-877-FEMA MAP (1-877-336-2627).

Sincerely,



Matthew B. Miller, P.E., Chief
Hazards Study Branch
Federal Insurance and
Mitigation Administration




Enclosures

cc: (See attached list.)



LACDA PROJECT IMPROVEMENTS

LEGEND

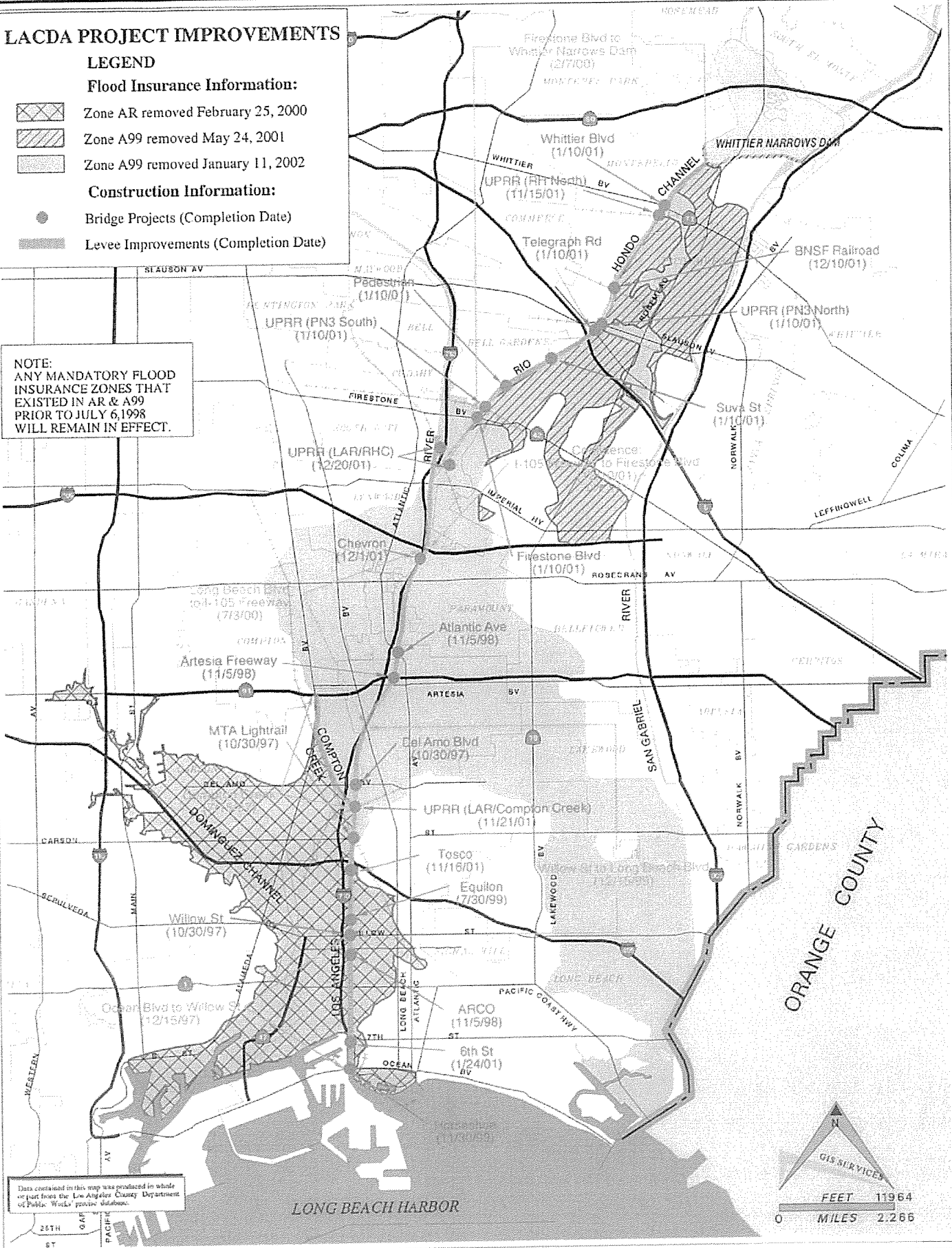
Flood Insurance Information:

-  Zone AR removed February 25, 2000
-  Zone A99 removed May 24, 2001
-  Zone A99 removed January 11, 2002

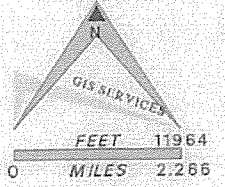
Construction Information:

-  Bridge Projects (Completion Date)
-  Levee Improvements (Completion Date)

NOTE:
ANY MANDATORY FLOOD
INSURANCE ZONES THAT
EXISTED IN AR & A99
PRIOR TO JULY 6, 1998
WILL REMAIN IN EFFECT.



Data contained in this map was produced in whole or part from the Los Angeles County Department of Public Works' private databases.



AKL:arcspacenvk plm1faml dirmup briv sty633r.cml

NEWS

FROM

DON KNABE

Supervisor, Fourth District

822 Kenneth Hahn Hall of Administration

Los Angeles 90012

FOR IMMEDIATE RELEASE

Contact: John Musella
Press Deputy
(213) 974-1095

Judy Hammond
(213) 974-1363

**SUPERVISOR KNABE AND U.S. SECRETARY PARKER
DEDICATE LACDA PROJECT**

LOS ANGELES, February 6, 2002 – Los Angeles County Supervisor Don Knabe was joined today by Assistant Secretary of the Army for Civil Works to announce the completion of the Los Angeles County Drainage Area (LACDA) project five years ahead of schedule.

"The bottom line is that residents in the affected areas are unlikely to be victimized by what we call a 100-year flood, which can result from the kind of storms our area might experience about once every century," explained Supervisor Knabe. "Now, 500,000 residents in fourteen communities will no longer be required to purchase flood insurance, and we brought that change about five years early and \$150 million under budget."

The flood control system in the affected areas can now handle more water as a result of extensive work, including work to raise the height on twenty-one miles of existing levees and modify twenty-three bridges over the Los Angeles River and Rio Hondo Channel.

The LACDA project was undertaken in response to studies that indicated that additional flood protection was needed in some areas of Los Angeles County, due to recent

-- more --

development. The County Department of Public Works and the U.S. Army Corps of Engineers collaborated to enhance the flood control system in order to protect people and property.

Background

The LACDA Project is a flood control project which increases the flood-carrying capacity of the Rio Hondo Channel and Lower L.A. River. The Project was originally estimated to cost \$364 million. The current project cost is estimated at \$210 million. The LACDA Project overflow area was 82 square miles. 47 square miles are impacted by this final LOMR. The Project included raising the height of 21 miles of levees and modifications to 23 bridges. It was originally expected to take 10 years to construct. However, increased federal funding allowed the project to be completed in only 5 years. Construction started in 1996 and was completed at the end of 2001.

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Note to Editors: For press inquires the day of the event, please contact Judy Hammond, Director of LA County Public Information Office at (213) 974-1363.