ADDENDUM TO AGENDA

I CALL TO ORDER

II ROLL CALL – Directors Rick Brown, Jerry Crippen, Don Graham, Mary Jane Griego, Dan Logue

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 by one motion.

V ACTION ITEMS

V A. Approve Amendment No. 5 with HDR Engineering in the amount of $954,524 for Phase 4 Yuba River Levee Work and authorize Executive Director to execute same.

VI BOARD AND STAFF MEMBERS’ REPORTS

VII CLOSED SESSION


VIII ADJOURN

The complete agenda, including backup material, is available at the Yuba County Government Center, 915 8th Street, Suite 109, and the County Library at 303 Second Street, Marysville. Any disclosable public record related to an open session item on the agenda and distributed to all or a majority of the Board of Directors less than 72 hours prior to the meeting are available for public inspection at Suite 109 during normal business hours.

In compliance with the American with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made one full business day before the start of the meeting.
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES - BOARD OF DIRECTORS

JULY 15, 2008

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

PUBLIC COMMUNICATIONS

No one came forward.

CONSENT AGENDA

Upon motion of Director Crippen, seconded by Director Graham, and carried with Directors Brown and Logue being absent, the Board took the following actions:

A. Minutes: Approved the minutes of the regular meeting from June 17, 2008, as written.

B. Easements: Approved grant easements to Danna and Danna Inc. for an irrigation line and authorized the Executive Director to execute same.

ACTION ITEMS

A) Resolution of Necessities: Chair Griego continued the matter to July 22, 2008 at 1:00 p.m. due to a 4/5 vote requirement and further continued to August 5, 2008, if needed.

B) Wildlands Inc.'s Sacramento River Ranch LLC/Valley Elderberry Beetle: Following a brief recap Consultant Anja Kelsy, upon motion of Director Crippen, seconded by Director Graham, and carried with Directors Brown and Logue being absent, the Board approved a contract with Wildlands Inc.'s Sacramento River Ranch LLC for the purchase of Valley Elderberry Beetle mitigation credits at River Ranch Conservation Bank in the amount of $31,500 and authorized the Executive Director to execute same.
C. Wildlands Inc./Daley Ranch Vernal Pool Crustaceans: Following a brief recap from Consultant Anja Kelsy, upon motion of Director Crippen, seconded by Director Graham, and carried with Directors Brown and Logue being absent, the Board approved contract with Wildlands Inc. for the purchase of Vernal Pool Crustaceans Preservation at Daley Ranch Preserve in the amount of $212,500 and authorized the Executive Director to execute same.

D. Prehistoric Archaeological Site/Memorandum of Agreement: Following a brief recap from Consultant Anja Kelsy, upon motion of Director Graham, seconded by MOA Director Crippen, and carried with Directors Brown and Logue being absent, the Board approved a Memorandum of Agreement between United States Army Corps of Engineers, California State Historic Preservation Office, and Three Rivers Levee Improvement Authority regarding segment two of the Feather River Levee Repair Project prehistoric archaeological site and authorized the Executive Director to execute upon review and approval of counsel.

E. HR 6285 National Flood Insurance Act/A99 FEMA Designation: Following a recap from Director Griego regarding proposed legislation, upon motion of Director Graham, seconded by Director Crippen, and carried with Directors Brown and Logue being absent, the Board approved a letter of support for HR 6285 amending the National Flood Insurance Act regarding A99 FEMA designation to allow locally-funded levee repairs to qualify and authorized the Chair to execute same.

BOARD AND STAFF MEMBERS' REPORTS

Reports were received on the following:

Executive Director Paul Brunner:
- Formation of benefit assessment district regarding levee maintenance and fees
- Farming operation impacts on water flow within the Feather River floodway
- Costs associated with the creation of offsite Giant Garter Snake habitat
- Up-coming scheduled visits from Corps of Engineers and Federal Emergency Management Agency (FEMA) representatives
- FEMA provisionally accredited levee determination for a portion of the Yuba River Levee
- Construction status of Segment 1 and 2 on the Feather River levee
- Reclamation Board/Central Valley Flood Protection meeting on July 18, 2008
- Continued flood insurance coverage to be provided by Beazer Homes
The Board recessed at 3:01 p.m. and reconvened at 3:25 p.m. with all Board and staff members present as indicated above.

CLOSED SESSION

The Board retired into closed session at 3:27 p.m. to discuss the following:


B. Pending litigation pursuant to Government Code §54956.9(a) – In Re: Nordic Industries

The Board returned from closed session at 4:17 p.m. with all Board and staff members present as indicated above.

There was no announcement from closed session.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 4:21 p.m. by Chair Griego.

______________________________
Chair

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

______________________________ Approved: __________________
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY

MINUTES – BOARD OF DIRECTORS

JULY 15, 2008 – BUDGET HEARINGS

A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 3:10 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Jerry Crippen, Don L. Graham, and Mary Jane Griego. Directors Rick Brown and Dan Logue were absent. Also present were Executive Director Paul Brunner, Counsel Scott Shapiro, and Clerk of the Board of Supervisors/Secretary Donna Stottlemyer. Chair Griego presided.

FINAL BUDGET FISCAL YEAR 2008/2009

Executive Director Paul Brunner recapped estimated revenue and professional services expenditures. Mr. Brunner further recapped funding set aside for levee maintenance to support Reclamation District 784 activities if needed. Mr. Brunner responded to Board inquiries.

Chair Griego opened the floor for public comments. No one came forward.

Following Board discussion, upon motion of Director Graham, seconded by Director Crippen, and carried with Directors Brown and Logue being absent, the Board adopted the Budget in the total amount of $123,807,094 for Fiscal Year 2008/2009.

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 3:25 p.m. by Chair Griego.

______________________________
Chair

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

______________________________
Approved:
A meeting of the Board of Directors of the Three Rivers Levee Improvement Authority was held on the above date, commencing at 1:03 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Rick Brown, Jerry Crippen, Don L. Graham, and Dan Logue. Director Mary Jane Griego was absent. Also present were Executive Director Paul Brunner, and Deputy Clerk of the Board of Supervisors Rachel Ferris. Vice Chairman Brown presided.

**ACTION ITEM**

**Resolutions of Necessity:** Vice Chairman Brown advised all parties waived noticing requirements. Executive Director Paul Brunner provided a recap on the properties involved and responded to Board inquiries.

Director Griego joined the meeting at 1:06 p.m.

Upon motion of Director Crippen, seconded by Director Logue, and unanimously carried, the Board adopted the following resolutions:

- Resolution No. 08-28, which is entitled: "A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT (CODE CIV. PROC §1245.230)," as it relates to Assessor's Parcel Numbers 014-250-028 (Yuba County), 023-180-007 and 028-180-009 (Sutter County) – Naumes Inc;

- Resolution No. 08-29, which is entitled: "A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY DECLARING THE PUBLIC NECESITY FOR THE TAKING OF CERTAIN PROPERTY FOR REPAIR, CONSTRUCTION, INSTALLATION AND MAINTENANCE OF THE THREE RIVERS LEVEE IMPROVEMENT PROJECT (CODE CIV. PROC §1245.230)," as it relates to Assessor's Parcel Numbers 013-010-013 and 013-010-016 – Mann;
• Resolution No. 08-30, which is entitled: “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),” as it as relates to Assessor’s Parcel Number 013-010-014 – Davis; and

• Resolution No. 08-31, which is entitled: “A RESOLUTION OF THE THREE RIVERS LEVEE IMPROVEMENT AUTHORITY AMENDING RESOLUTION NO. 2007-25, 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),” as it as relates to Assessor’s Parcel Number 014-250-029 – Rice.

ADOPT
RESOLUTION
NO. 08-30

ADOPT
RESOLUTION
NO. 08-29

ADJOURNMENT

There being no further business to come before the Three Rivers Levee Improvement Authority the meeting was adjourned at 1:08 p.m. by Vice Chairman Brown.

______________________________
Chair

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

______________________________  Approved: __________________
TO: Three Rivers Levee Improvement Authority Board
FROM: Paul Brunner, Executive Director
Ric Reinhardt, Program Manager
SUBJECT: Consider Approval of fifth contract amendment to HDR Phase 4 engineering and construction management services contract

Recommended Action

Approve a fifth contract amendment (Attached) to the basic HDR contract for engineering services and authorize the TRLIA Executive Director to sign the amendment and execute once General Counsel has reviewed and approved. This amendment would increase the contract by $954,524 for services on a time-and-expenses basis, to a maximum amount not exceeding $4,772,359.

Discussion

TRLIA’s program has always included a final evaluation of the South Yuba Levee east of Simpson Lane and design work on a known erosion problem at the very end of the South Yuba Levee. The evaluation is needed in order to certify this remaining part of the Yuba Levee to FEMA. The 1997 flood illustrated the need for erosion protection at the end of the levee. The last HDR amendment suspended these design tasks until the hydraulics along the Upper Yuba River had been agreed upon with the Corps of Engineers. Coordination with the Corps is nearing completion and it is now time to continue with design efforts on the Upper Yuba South Levee.

This fifth amendment to HDR’s contract provides the engineering services needed to accomplish the next design tasks on the Yuba Levee. The scope of work covers seven central tasks:

TASK 1 - Project Management
This task covers HDR’s project management efforts for Tasks 2 through 5 to ensure that a quality product is delivered according to the scope and within the time and budget agreements. HDR’s project manager will manage the scope, schedule and budget for all project activities, being performed by HDR staff and sub-consultants.

TASK 2 - Develop Erosion Protection Project
HDR will analyze alternative methods to prevent future erosion damage such as occurred during the January 1997 floods along the upper 1,500 feet of the South Yuba River Levee. Using information from this alternatives analysis, a solution will be selected and HDR will prepare the plans and specifications needed for bidding and constructing the selected erosion protection project.
TASK 3 - Levee Geotechnical Investigations and Problem Identification Report
HDR with its sub-consultant Kleinfelder will acquire adequate geotechnical information to evaluate this reach of levee with respect to the FEMA 100-year Base Flood and TRLIA’s 200-year design water surface profile. The levee will be evaluated for through and under seepage and slope stability. If the evaluation identifies any problems with the levee, recommendations will be made as to possible remediation actions. All information will be provided to TRLIA in a Problem Identification Report. Enough information will be gathered and evaluations done so that TRLIA can certify this levee to FEMA if no problems are identified.

TASK 4 - Confirmatory Surveys
Detailed surveys are required on this reach of levee to assist in the geotechnical evaluation and eventual levee certification. These surveys will also be needed for the development of the plans for the erosion protection project at the end of the levee.

TASK 5 - SR 70 to UPRR Flatten Water Side Levee Slope
A remaining task for TRLIA was to evaluate the need for flattening the waterside slope from Highway 70 to the UPRR. Some portions of the levee in this reach have waterside slopes slightly steeper than the standard 3:1. The levee is stable for the 100-year Base Flood with these slopes, but the Corps expressed some doubt as to their adequacy for the 200-year design water surface elevation. Under this task HDR will identify the exact sub reaches where the steeper than 3:1 slopes are located and develop a preliminary construction cost estimate for correcting these slopes.

TASK 6 - FEMA Certification Report, Simpson Lane to the end of the South Yuba Levee
HDR will prepare a report to be submitted to FEMA for levee certification purposes. This report will provide appropriate information required by Federal regulations to demonstrate that the levee can safely pass the FEMA Base Flood. This information will assist TRLIA in certifying this levee reach and allow FEMA to accredit this levee for Base Flood protection. This report will be prepared at the end of Task 3 if no problems are identified or at the end of any repairs required for this reach of levee.

TASK 7 - Finalize DWR EIP Project Documents
TRLIA is preparing an additional EIP Grant Application. This task will be used to make any final revisions to the Yuba portion of the application if required.

TRLIA staff has reviewed the proposal and found it complete and the proposed budget reflects prices for similar type of work in the past in this area. See attached scope of work for additional detail.

Fiscal Impact

This amendment would increase the contract by $954,524 for services on a time-and-expenses basis, to a maximum amount not exceeding $4,772,359. This amount is within the remaining budget for design of the Phase 4 Yuba work.
FIFTH AMENDMENT
TO
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
AND
HDR ENGINEERING, INC.

THIS FIFTH AMENDATORY AGREEMENT is made and entered into this ___ day of August 2008, by and between the Three Rivers Levee Improvement Authority, ("TRLIA"), a California Joint Powers Authority, and HDR Engineering, Inc. ("CONSULTANT").

WHEREAS, TRLIA and CONSULTANT entered into an agreement on December 13, 2005 to provide professional services for Engineering Design and Environmental Studies for Phase 4 Levee Repairs - Upper Yuba River, Continuation of Phase 2 Construction Management (2006), and FEMA Certification of Contract Work ("Agreement");

WHEREAS, a FIRST AMENDATORY AGREEMENT, executed February 14, 2006, increased the maximum not to exceed contract fee from $2,580,038 by $118,955 to $2,698,993; and

WHEREAS, a SECOND AMENDATORY AGREEMENT, executed March 7, 2006, increased the maximum not to exceed contract fee from $2,698,993 by $117,649 to $2,876,642; and

WHEREAS, a THIRD AMENDATORY AGREEMENT, executed August 8, 2006, increased the maximum not to exceed contract fee from $2,876,642 by $661,193 to $3,537,835; and

WHEREAS, a FOURTH AMENDATORY AGREEMENT, executed October 16, 2007, increased the maximum not to exceed contract fee from $3,537,835 by $280,000 to $3,817,835; and

WHEREAS, TRLIA and CONSULTANT desire to amend Agreement;

NOW, THEREFORE, TRLIA and CONSULTANT agree as follows:

1. Exhibit A of AGREEMENT shall be amended to perform those additional services as described in Exhibit A to this FIFTH AMENDMENT.

2. Attachment B, Provision B.1 of the Agreement shall be revised to increase the maximum not to exceed contract fee by $954,524 from $3,817,835 to $4,772,359

$4,772,359
All other terms and conditions contained in AGREEMENT shall remain in full force and effect.

This Amended agreement is hereby executed on this ___ day of August, 2008.

"TRLIA"

Paul G. Brunner
Executive Director

"CONSULTANT"

Randy P. Olsen
Vice President

ATTEST:
DONNA STOTTLEMEYER
CLERK OF THE BOARD

APPROVED AS TO FORM:

ANDREA P. CLARK for Scott Shapiro
SCOTT L. SHAPIRO
GENERAL COUNSEL
Scope of Work

Phase 4 Levee Improvements – Upper Yuba River, South Levee Erosion Protection and Slope flattening, Geotechnical Investigations and Surveys

July 29, 2008

Three Rivers Levee Improvement Authority (TRLIA)
Marysville, California
TABLE OF CONTENTS

PROJECT OVERVIEW

Task 1 - Project Management
  1.1. Project Management
  1.2. Project Guide
  1.3. Project Kick-Off Meeting
  1.4. Monthly Status Meetings
  1.5. Monthly Progress Reports
  1.6. Quality Control
  1.7. Agency Coordination

Task 2 - Upper 1,500 ft. of Patrol Road (Develop Erosion Protection Project)
  2.1. Alternatives Analysis
    2.1.1. Alternatives
      a. Install Rock Erosion Protection Along Toe of Levee
      b. Install Diversion Berm and Channel
    2.1.2. Supporting Activities
      2.1.2.1. Update Existing Survey Data
      2.1.2.2. Develop Geotechnical Information from Existing Data
      2.1.2.3. Develop Supporting Environmental Information
    2.1.3. Prepare Alternatives Report
    2.1.4. Quality Control
    2.1.5. Coordination with USACE, DWR, RD784, TRLIA, Yuba Gold Fields
  2.2 Prepare PS&E for Protection from Erosion Damage Along Toe of Patrol Road Levee
    (based on recommended plan from alternatives study)
    2.2.1. Prepare 30% PS&E
    2.2.2. Prepare 100% PS&E
    2.2.3. Acquire Geotechnical Data
    2.2.4. Prepare Environmental Documents
    2.2.5. Acquire Real Estate Easements
    2.2.6. Prepare Construction Permit Packages
    2.2.7. Contract Advertisement and Construction Inspection Support
    2.2.8. Quality Control
    2.2.9. Coordination with USACE, DWR, RD784, TRLIA, Yuba Gold Fields

Task 3 - Simpson Lane to End of Patrol Road (Levee Geotechnical Investigations and Problem Identification Report)
  3.1. Geotechnical Explorations
  3.2. Geotechnical Lab Testing
  3.3. Levee Seepage and Stability Analysis
  3.4. Identify Modifications by Sub Reach Required for FEMA Certification
  3.5. Prepare Problem Identification Report (PIR)
  3.6. Quality Control
  3.7. Coordination with USACE, DWR, RD784, TRLIA
Task 4 - Simpson Lane to End of Patrol Road (Confirmatory Surveys)
  4.1. Acquire Centerline Profile of Levee Crown
  4.2. Acquire Levee Cross Sections
  4.3. Prepare Technical Memorandum (TM) Comparing new Profile and Cross Sections to Existing Comprehensive Study Survey Data
     a. Narrative
     b. Centerline Profile and Sections
     c. Comparative Profile and Cross Section Plates
  4.4. Quality Control
  4.5. New Survey; if required *(mod to this contract)*

Task 5 - SR 70 to UPRR (Flatten Water Side Levee Slope)
  5.1. Research and Acquire Existing Levee Topographic Data
  5.2. Identify Levee Sub Reaches with WS Slopes steeper than 3 on 1
  5.3. Develop Technical Memo Addressing Findings and Recommendations
  5.4. Quality Control
  5.5. Acquire Detailed Surveys of Levee Sub Reaches Identified in 5.2. *(mod to this contract)*
  5.6. Acquire Detailed Geotechnical Data for Levee Sub Reaches Identified in 5.2. *(mod to this contract)*
  5.7. Develop PS&E to Provide 3 on 1 WS Levee Slopes *(mod to this contract)*

Task 6 - Simpson Lane to End of Patrol Road (FEMA Levee Certification Package; if no problems are identified in Task 3)
  6.1. Review Problem identification Report (PIR) findings; acquire any additional analyses required to support FEMA certification package.
  6.2. Prepare FEMA Levee Certification Documents
  6.3. Coordination with FEMA, USACE, RD784, TRLIA
  6.4. Quality Assurance

Task 7 - SR 70 to End of Patrol Road (Finalize DWR EIP Project Documents)
  7.1. Finalize DWR EIP Project Proposals
  7.2. Quality Control

SCHEDULE OF PERFORMANCE

PROPOSED FEE
PROJECT OVERVIEW

Engineering analyses and design, geotechnical investigations and analyses, topographic data acquisition, supporting environmental services, definition of DWR EIP Projects and FEMA Levee Certification documentation (as appropriate) have been requested for a portion of the south Yuba River levee, which protects a portion of Reclamation District No. 784 (RD 784). The reach of the Yuba River South Levee to be addressed under this contract extends from SR70 to its terminus at the Yuba Gold Fields (reach includes the “Patrol Road” section of the south levee). The requested work represents a portion of the total work identified to be accomplished under Phase 4 of the levee repair program being implemented by Three Rivers Levee Improvement Authority (TRLIA). This effort is in addition to the levee repair work HDR (CONSULTANT) has previously accomplished for levee repairs to the Bear River, Western Pacific Interceptor Canal (WPIC) and Yuba River levees (Phase 2 work).

The services to be provided to the TRLIA under this contract include: geotechnical investigations and lab testing, topographic data acquisition, preliminary engineering and alternatives analyses, preparation of Technical Memos, preparation of a Problem Identification Report, development of final construction documents (plans, specifications, and construction cost estimate); preparation of Basis of Design documents, construction permit application preparation, environmental analyses and documentation, preparation of DWR EIP project documentation, and preparation of FEMA Levee Certification documents (as required).

The objective of the project is to identify problems and provide corrective information and documents (PIRs, TMs, PS&E and environmental documentation) to support repair of the levee in this reach in order to achieve FEMA certification. This project in and of itself will not achieve FEMA certification for the entire RD 784 area, but is a component of the total FEMA certification effort.
PROJECT TASKS

Task 1- Project Management

1.1. Project Management
Project management is the application of knowledge, skills, tools, and techniques to project activities in order to meet or exceed client needs and expectations from a project. Meeting or exceeding client needs and expectations invariably involves balancing competing demands among:

- Scope, time, cost, and quality.
- Stakeholders with differing needs and expectations.
- Identified requirements and unidentified expectations.

HDR's project manager will manage the scope, schedule and budget for all project activities, being performed by HDR staff and subconsultants. In addition, the project manager will coordinate with the client, program manager, agencies and other stakeholders throughout the duration of the project.

Assumption:
- Project duration: July 2008 to June 2009.

1.2. Project Guide
CONSULTANT will develop a Project Guide that includes objectives, organization, scope of services, schedule, budget, QA/QC program, design criteria, communications, document control, cost controls, invoicing and reporting.

Deliverables:
- Project Guide (2 copies).
- Project Schedule (2 copies).

1.3. Project Kick-Off Meeting
CONSULTANT will attend a project kick off meeting with TRLIA, MBK and other interested organizations (e.g., USACE, RD 784, etc.). At the meeting, the purpose, goals, timeline, design criteria, deliverables schedule and defined objectives of Scope of Work will be discussed. Consensus will be reached on the technical aspects of the project. Environmental documentation and construction permitting will be discussed.

Deliverables:
- Meeting notes (2 copies).

Assumptions:
- One four-hour meeting.

1.4. Monthly Status Meetings
CONSULTANT will coordinate monthly teleconferences with TRLIA to discuss project progress and issues that may affect project efforts or schedule. Appropriate CONSULTANT team members in addition to the PM will participate as needed.
Deliverables:
  - Meeting notes (2 copies).

Assumptions:
  - One 2 hour meeting will be required each month.

1.5. Monthly Progress Reports
CONSULTANT will prepare monthly progress reports that document project activities and update the project schedule and budget.

Deliverables:
  - Progress reports (2 copies).

1.6. Quality Control
CONSULTANT will prepare a Quality Control Plan (QCP) which will provide the policies and specific actions that will be taken to ensure that high quality products are on time and within the specified budget. The QCP will define CONSULTANT's management philosophy, approach and process for providing TRLIA with deliverables and supporting documents that are complete, conform to established standards and meet or exceed the expectations of CONSULTANT and TRLIA. The Quality Control team will review technical approach as well as all deliverables submitted to TRLIA.

Deliverables:
  - QC Plan (included in Project Guide).

Assumptions:
  - QC reviews will be completed for all major deliverables; QC documentation available upon request.

1.7. Agency Coordination
CONSULTANT will facilitate coordination between TRLIA, USACE, DWR, RD 784, CVFPB and other involved agencies as required during the duration of the project.

Deliverables:
  - Meeting notes, telephone conversation records and correspondence will be provided as requested (2 copies).

Task 2 - Upper 1,500 ft. of Patrol Road (Develop Erosion Protection Project)

2.1. Alternatives Analysis - CONSULTANT to analyze alternative methods to prevent future erosion damage that occurred during the January 1997 floods along the upper 1.500 feet of the South Yuba River Levee Patrol Road. Feasibility level alignments, plans, environmental mitigation requirements and preliminary cost estimates to developed for each practicable alternative identified. A comparative analysis to be performed and the preferred alternative to be identified.

  2.1.1. Alternatives - CONSULTANT to analyze the following alternative solutions, as a minimum. Any additional alternatives identified during the analysis process that may be deemed worthy of consideration shall be coordinated with /approved by the TRLIA before including in the analysis effort.
    a. Install Rock Erosion Protection Along Toe of Levee
    b. Install Diversion Berm and Channel
2.1.2. Supporting Activities - CONSULTANT shall acquire all supporting information required to effectively support the alternatives analysis process. As a minimum, the following information shall be obtained:

2.1.2.1. Update Existing Survey Data - CONSULTANT [SURVEY SUBCONSULTANT] shall obtain a survey of the area to the East and North of the upper end of the Patrol Road. Area to be surveyed shall include approximately a 1,500 foot long by 300 foot wide corridor along the Yuba Gold Fields South Western property boundary. Survey to also include a small portion of the walnut orchard North of the Patrol Road and the natural Yuba River distributary dry channel that lies immediately North of and adjacent to the walnut orchard. The specific location / boundary of the survey shall be identified during a site visit. The survey shall produce a 1 foot contour interval map of the area defined.

2.1.2.2. Develop Geotechnical Information from Existing Data - To support the alternatives analysis, CONSULTANT to review geotechnical data currently existing for the area and develop geotechnical parameters required for the study.

2.1.2.3. Develop Supporting Environmental Information - CONSULTANT to accomplish environmental investigations to a level of effort required to support the alternatives analysis.

2.1.3. Prepare Alternatives Report - CONSULTANT to prepare a report that clearly defines each alternative considered and presents the rationale for the recommended alternative. Information shall include: feasibility level alignments, plans, environmental mitigation requirements and preliminary cost estimates for each practicable alternative identified. A comparative analysis shall be presented that clearly identifies the rationale for the recommended alternative.

2.1.4. Quality Control - The Alternatives Analysis Report submittal will undergo an internal quality assurance/quality control review conducted by the CONSULTANT, per the project Quality Control Plan (QCP), prior to submittal.

2.1.5. Coordination with USACE, DWR, RD784, TRLIA, and Yuba Gold Fields - CONSULTANT to coordinate with listed organizations, as required, during the Alternatives Analysis effort.

2.2 Prepare PS&E for Protection from Erosion Damage Along Toe of Patrol Road Levee (based on recommended plan from alternatives study) - CONSULTANT to design an erosion protection plan and develop PS&E documents to support bidding and award of a construction contract to provide erosion protection for the patrol road levee.

2.2.1. Prepare 30% PS&E - CONSULTANT to analyze the existing condition, determine the most appropriate technical approach to implement the recommended erosion protection plan, identify environmental mitigation requirements and prepare preliminary PS&E documentation to submit to the TRLIA, USACE and DWR for review and comment.

2.2.2. Prepare 100% PS&E - Considering review comments received from the 30% PS&E submission, CONSULTANT to develop the 100% (final) PS&E documents and the bid package set for advertising the construction contract.
2.2.3. Acquire Geotechnical Data - CONSULTANT to accomplish two (2) geotechnical exploration foundation borings in locations to be specified during a site visit. Each boring hole shall be 20 feet in depth. CONSULTANT to record near continuous SPT blow count information for each boring, and accomplish geotechnical lab testing on the materials encountered in this exploration effort. Information to be developed includes: Boring logs that include the SPT blow count information and lab test data (gradation analyses, index properties, atterberg limits, and hydrometer tests).

2.2.4. Prepare Environmental Documents - CONSULTANT to perform an environmental survey / inventory of the erosion protection project site. Specific attention to be given to the Elderberry Bush population in the area. An environmental mitigation plan addressing Elderberry Bush impacts and any other environmental impacts shall be developed and fully coordinated with the USFWS and DFG; appropriate NEPA/CEQA documents to be developed.

2.2.5. Acquire Real Estate Easements - CONSULTANT will coordinate acquisition of temporary and/or permanent easements / ROW to support construction of the erosion protection project. Required documentation supplied to TRLIA to support acquisition of easements.

2.2.6. Prepare Construction Permit Packages - CONSULTANT will determine and prepare required construction permit application packages for TRLIA to submit to appropriate agencies.

2.2.7. Contract Advertisement and Construction Inspection Support - CONSULTANT to provide TRLIA support during contract advertisement and on-site construction management / inspection services.

2.2.8. Quality Control - The 30% and 100% PS&E documents will undergo an internal quality assurance/quality control review conducted by the CONSULTANT, per the project Quality Control Plan (QCP), prior to submittal.

2.2.9. Coordination with USACE, DWR, RD784, TRLIA, and Yuba Gold Fields - CONSULTANT to coordinate with listed organizations, as required, during preparation of the 30% and 100% PS&E documents.

**Deliverables:**
- 30% PS&E documents (6 copies)
- 100% PS&E documents (6 copies)
- NEPA/CEQA Documents and Environmental Mitigation Plan (6 copies)
- Real Estate Easements, Acquisition Documents (3 copies)
- Construction Permit Packages (3 copies for each permit)

**Assumptions:**
- Survey elevation and location data to be based on NGVD 29 and NAD 83 datum, respectively.
- Follow USACE Sacramento District technical criteria and CAD standards for all PS&E documents developed.
- Utilize services of geotechnical testing laboratory that is acceptable (certified) by USACE and DWR.
Real estate efforts required to secure Rights of Entry for geotechnical and environmental activities to be performed by others. ROE documentation to be developed by others and provided to the CONSULTANT at the start of the project.

Task 3 - Simpson Lane to End of Patrol Road (Levee Geotechnical Investigations and Problem Identification Report)

3.1. Geotechnical Explorations - CONSULTANT to accomplish a geotechnical exploration program along the south levee of the Yuba River from Simpson Lane to the end of the "Patrol Road"; a reach approximately 3.8 miles (20,000 feet) long.
   a. Borings to be located every 1,000 feet within the reach; including end points
   b. Two holes to be drilled at each location (20 locations; 40 holes)
      1) One hole at centerline of levee - minimum depth of 4 times height of levee.
      2) One hole at land side toe of levee - minimum depth of 3 times height of levee.
      3) Every 5,000 feet, boring to be extended sufficiently to determine level of cutoff stratum below the levee.
   c. Near continuous SPT blow count data to be taken and recorded for each hole.
   d. Drill logs to be developed for each hole: SPT data to be displayed.

3.2. Geotechnical Lab Testing - CONSULTANT to provide, as a minimum, the following lab testing and documentation:
   a. Gradation analyses of the soil types encountered
   b. Index properties of the soil types encountered
   c. Atterberg limits of the soil types encountered
   d. Hydrometer tests of the soil types encountered
   e. Drained and undrained Triaxial Shear tests (Two sets of tests for the reach).

3.3. Levee Seepage and Stability Analysis - CONSULTANT to perform levee through and under seepage analyses and levee stability analyses for the reach. Analyses to follow governing USACE, DWR and FEMA criteria and guidelines required to support levee certification by FEMA for a 100 year level of protection. Analyses also to evaluate the performance characteristics of the levee during a 200 year event.

All required hydrologic and hydraulic information necessary to support the levee seepage and stability analyses, including the determination of the 100-year and 200-year water surface elevations, will be performed by others and provided to CONSULTANT. This information to be provided to the CONSULTANT by the start date of this project.

3.4. Identify Modifications by Sub Reach Required for FEMA Certification - For sub reaches identified as not meeting performance standards to allow FEMA certification, corrective actions to be identified, analyzed and specific recommendations made by the CONSULTANT to bring these sub reaches into a FEMA certifiable condition. Similarly, the levee is also to be evaluated by the CONSULTANT for its ability to safely pass a 200 year event. If deficient areas are identified, CONSULTANT is to identify, analyze and make specific recommendations for corrective actions required to allow safe passage of a 200 year event.

3.5. Prepare Problem Identification Report (PIR) - CONSULTANT to prepare a comprehensive levee Problem Identification Report (PIR) fully addressing the levee exploration and lab testing program implemented as well as the analyses, findings and recommendations. This PIR effort will be an update to the PIR developed by Kleinfelder for this area in February 2006. A boring log map of the levee reach showing locations and coordinates of all boring holes.
is to be developed and presented in the PIR. Additionally, a map of the levee reach showing where corrective actions are required shall also be developed and presented in the PIR; supported with cross sections depicting recommended corrective actions by sub reach. All boring logs, lab testing data, and technical calculations to be presented in appendices to the PIR.

3.6. Quality Control - The PIR submittal will undergo an internal quality assurance/quality control review conducted by the CONSULTANT, per the project Quality Control Plan (QCP), prior to submittal.

3.7. Coordination with USACE, DWR, RD784, TRLIA - CONSULTANT to coordinate with listed organizations, as required, during the exploration and lab testing and during development of the PIR.

Deliverables:
- Problem Identification report (10 copies)

Assumptions:
- CONSULTANT to utilize services of testing laboratory that is acceptable (certified) by USACE and DWR.
- Real estate efforts required to secure Rights of Entry for boring activities to be performed by others. ROE documentation to be developed by others and provided to the CONSULTANT at the start of the project.

Task 4 - Simpson Lane to End of Patrol Road (Confirmatory Surveys)

4.1. Acquire Centerline Profile of Levee Crown - CONSULTANT [SURVEY SUBCONSULTANT] to perform a profile survey of the crown of the levee along its centerline. A sufficient number of survey shots shall be taken to allow for a profile accuracy of plus or minus 3 inches.

4.2. Acquire Levee Cross Sections - CONSULTANT [SURVEY SUBCONSULTANT] to obtain levee cross sections at 500 foot intervals along the levee and stability berms (to include a cross section at the beginning and end of the reach). Additional cross sections shall also be taken at locations where there is a noticeable change in the normal levee section (e.g., locations of road access ramps, locations where either land side or water side slopes of the levee section have been significantly altered by natural or human activities, where fill material has been placed adjacent to levee for homes and/or out buildings, or where utilities penetrate the levee). A sufficient number of the additional sections shall be taken to effectively define the nature and extent of each levee anomaly.

Each cross section to be taken perpendicular to the levee centerline and extend 200 feet out from the land side toe and 200 feet out from the water side toe of the levee. The number of shots taken to establish each section shall be consistent with the level of effort required for 1 foot contour interval surveys / mapping. Accuracy of each point shot shall be plus or minus 3 inches. If a drainage ditch is encountered in any section, the invert elevation shall be obtained.

4.3. Prepare Technical Memorandum (TM) Comparing new Profile and Cross Sections to Existing Comprehensive Study Survey Data
   a. Narrative - CONSULTANT to develop a comprehensive TM narrative addressing the survey process, procedures, controls and findings.
b. Levee Centerline Profile and Cross Sections - CONSULTANT (SURVEY SUBCONSULTANT) to develop a sufficient number of plates to accurately define / depict the centerline profile and cross sections of the levee reach cited. Final plates to be presented as an appendix to the TM. Plates to be electronically developed and comply with USACE Sacramento District CAD standards. Survey Subconsultant to provide full size (22"x34") stamped original and two (2) copies of each plate developed. All plates shall be easily read when plates are reduced to 11x17 size. Survey Subconsultant to provide CD containing survey data obtained and electronic file for each plate developed.

c. Comparative Profile and Cross Section Plates - CONSULTANT to develop and present, in an appendix to the TM, plates which show the comparison between the new survey data acquired under this contract and the prior Comprehensive Study survey data for this reach. Plates to be electronically developed and comply with USACE Sacramento District CAD standards. All material presented shall be easily read when plates are reduced to 11x17 size.

4.4. Quality Control - The Survey TM submittal will undergo an internal quality assurance/quality control review conducted by the CONSULTANT and SURVEY SUBCONSULTANT, per the project Quality Control Plan (QCP), prior to submittal.

4.5. New Survey; if required (mod to this contract) - If the Survey TM indicates important / significant differences in the new profile and cross section data obtained under this contract from the survey data acquired for the Comprehensive Study developed by the USACE Sacramento District, a new detailed survey of the levee reach will be conducted and a new 1 foot CI map will be developed for the levee reach. If this effort is required, a modification to this contract will be affected to accomplish the survey and mapping.

Deliverables:
- Technical Memo (TM) (6 copies)
- Full size (22"x34") plates of new centerline profile and cross sections (stamped by survey subconsultant) and plates comparing new data to Comprehensive Study survey data (3 copies of each plate)
- CD containing new survey data obtained and electronic file for each plate developed.

Assumptions:
- Survey elevation and location data to be based on NGVD 29 and NAD 83 datum, respectively.
- Follow USACE Sacramento District CAD standards for all plates developed.
- Real estate efforts required to secure Rights of Entry for survey activities to be performed by others. ROE documentation to be developed by others and provided to the CONSULTANT at the start of the project.

Task 5 - SR 70 to UPRR (Flatten Water Side Levee Slope)

5.1. Research and Acquire Existing Levee Topographic Data - CONSULTANT research availability of and acquire existing levee topographic data for subject levee reach (potential sources: USACE Comprehensive Study and project O&M files; DWR / CVFPB project files; RD 784 files; County files).

5.2. Identify Levee Sub Reaches with WS Slopes steeper than 3 on 1 - CONSULTANT to review topographic data acquired to determine sub reaches that have water side levee slopes steeper than 3 on 1.
5.3. Develop Technical Memo Addressing Findings and Recommendations - CONSULTANT to develop a TM citing topographic data found, specifically identify areas that require slope flattening in narrative format and on a plan view of the levee reach, recommended approach to flatten levee slope, parametric cost estimate to accomplish the flattening, and any follow on actions required to support development of PS&E for a levee flattening contract.

5.4. Quality Control - The Slope Flattening TM submittal will undergo an internal quality assurance/quality control review, per the project Quality Control Plan (QCP), prior to submittal.

5.5. Acquire Detailed Surveys of Levee Sub Reaches Identified in 6.2. (mod to this contract) - If required, CONSULTANT to acquire detailed surveys of the areas in which levee water side slope flattening is required.

5.6. Acquire Detailed Geotechnical data of Levee Sub Reaches Identified in 6.2. (mod to this contract) - If required, CONSULTANT to acquire geotechnical data for the areas in which levee water side slope flattening is required.

5.7. Develop PS&E to Provide 3 on 1 WS Levee Slopes (mod to this contract) - If required, CONSULTANT to develop PS&E for a construction contract to accomplish any levee water side slope flattening.

Deliverables:
- Technical Memo (TM) (6 copies)

Assumptions:
- Sufficient existing topographic data is available upon which to base the required evaluation.

Task 6 - Simpson Lane to End of Patrol Road (FEMA Levee Certification Package; if no problems are identified in Task 3)

6.1. Review Problem Identification Report (PIR) findings; acquire any additional analyses required to support FEMA certification package - CONSULTANT to review all information developed under Task 3 and integrate with any additional analyses/data required to prepare a complete levee certification package acceptable to FEMA. All required Geotechnical information, associated QA/QC and certification shall be obtained from Kleinfelder (PIR Report and any required additional analyses). All required Hydrologic and Hydraulic information, associated QA/QC and certification shall be obtained from studies developed by MBK Engineering. It is assumed that all required levee Operation & Maintenance information and As-Built construction documentation and certification will be available through RD784, USACE Sacramento or DWR.

6.2. Prepare FEMA Levee Certification Documents - CONSULTANT to compile a levee certification package that is compliant with all FEMA certification requirements and procedures. The FEMA Levee Certification package shall be developed in accordance with CFR 44 Section 65.10 requirements. The package shall be developed using the FEMA MT-2 form as a template. Final product delivered to TRLIA shall be ready for direct submission to FEMA. The Geotechnical information to be professionally sealed by Kleinfelder. The H&H information to be professionally sealed by MBK. TRLIA or its representative shall professionally seal the overall levee certification package.
6.3. Coordination with FEMA, USACE, RD784, TRLIA - CONSULTANT to coordinate with listed organizations, as required, during development of the FEMA Levee Certification package to ensure a viable/approvable document.

6.4. Quality Assurance - The FEMA Levee Certification package will undergo an internal quality assurance/quality control review, including an Independent Technical Review by senior HDR personnel experienced in levee analysis, design and FEMA certification documentation, for quality assurance purposes prior to submittal to TRLIA. The QA/QC review shall include a compliance review to validate that the FEMA MT-2 forms have been appropriately completed and adequately address required technical information developed by Kleinfelder and MBK, and O&M and As-Built information received from RD784. USACE or DWR. Kleinfelder and MBK to provide documentation validating accomplishment of their own QA/QC efforts.

Deliverables:
FEMA Levee Certification Package (6 copies)

Assumptions:
Sufficient information will be obtained during the PIR evaluation conducted in Task 3 to supply essentially all technical information required to support development of the FEMA levee certification documents.

Task 7 - SR 70 to End of Patrol Road (Finalize DWR EIP Project Documents)

7.1. Finalize DWR EIP Project Proposals - CONSULTANT to finalize draft EIP project proposals developed under the separate EIP Project contract tasking.

7.2. Quality Control - The EIP project documents will undergo an internal quality assurance/quality control review, per the project Quality Control Plan (QCP), prior to submittal.

Deliverables:
EIP Project Proposals (6 copies of each proposal)

Assumptions:
EIP project documentation will be based on currently existing information augmented by data developed under this contract. The proposals will not be based on detailed designs. The plans and costs presented will be of a preliminary nature, but will reflect a sufficient amount of conservatism that is intended to bound the likely configuration and cost of the fully designed projects.
## SCHEDULE OF PERFORMANCE

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 - Project Management</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Task 2 – Develop Erosion Protection Project</td>
<td>210 days after Kickoff Meeting</td>
</tr>
<tr>
<td>Task 3 – Geotechnical Investigations and PIR</td>
<td>210 days after Kickoff Meeting</td>
</tr>
<tr>
<td>Task 4 – Confirmatory Survey Data</td>
<td>75 days after Kickoff Meeting</td>
</tr>
<tr>
<td>Task 5 - Flatten Water Side Slope of Levee</td>
<td>120 days after Kickoff Meeting</td>
</tr>
<tr>
<td>Task 6 - FEMA Levee Certification Package, if no problems are identified in Task 3</td>
<td>120 days following direction to proceed</td>
</tr>
<tr>
<td>Task 7 - Finalize DWR EIP Project Documents</td>
<td>60 days following direction to proceed</td>
</tr>
</tbody>
</table>
PROPOSED FEE

Payment for all engineering services performed by CONSULTANT shall be on a time and materials basis as described by the terms of this Scope of Work. Payments made by TRUA to CONSULTANT for engineering services shall be full compensation for all personnel labor (including Direct Labor, Overhead, Computer charge, and Profit), materials, supplies, and equipment cost experienced by CONSULTANT to complete the work.

CONSULTANT has prepared a cost breakdown shown below. The Not to Exceed total (Tasks 1 through 7) is $954,524.

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 - Project Management</td>
<td>$108,314</td>
</tr>
<tr>
<td>Task 2 - Develop Erosion Protection Project</td>
<td>$198,483</td>
</tr>
<tr>
<td>Task 3 - Geotechnical Investigations and PIR</td>
<td>$474,178</td>
</tr>
<tr>
<td>Task 4 - Confirmatory Survey Data</td>
<td>$56,172</td>
</tr>
<tr>
<td>Task 5 - Flatten Water Side Slope of Levee</td>
<td>$37,385</td>
</tr>
<tr>
<td>Task 6 - FEMA Levee Certification Package; if no problems are identified in Task 3</td>
<td>$48,479</td>
</tr>
<tr>
<td>Task 7 - Finalize DWR EIP Project Documents</td>
<td>$31,513</td>
</tr>
<tr>
<td><strong>Total - Basic Services (Tasks 1 - 7)</strong></td>
<td><strong>$954,524</strong></td>
</tr>
</tbody>
</table>
ANNUAL TAX REPORT

TRLIA COMMUNITY FACILITIES DISTRICT NO. 2006-1
(SOUTH COUNTY AREA)

FISCAL YEAR 2008–2009

Prepared for:
Three Rivers Levee Improvement Authority

Prepared by:
Economic & Planning Systems, Inc.

July 29, 2008

EPS #16497
TABLE OF CONTENTS

I. INTRODUCTION ...................................................................................................................... 1
Purpose of the Report .............................................................................................................. 2
Organization of the Report .................................................................................................... 2

II. CALCULATION OF ANNUAL COSTS .................................................................................. 3
Annual Costs .......................................................................................................................... 3

III. PARCELS SUBJECT TO THE TAX ................................................................................... 6
Determining Parcels Subject to the Special Tax .................................................................... 6
Tax Escalation Factor ............................................................................................................ 6
Assignment of maximum annual special tax to taxable parcels ........................................... 6

IV. ACCOUNTING FOR SPECIAL TAX REVENUE .................................................................. 8

Appendix A: Special Tax Levy 2008–2009

LIST OF TABLES

Table 1: Summary of Fiscal Year 2008–2009 Maximum Annual Special Tax Revenue by Tax Zone ...................................................................................................................... 5
Table 2: Special Tax Revenue Accounting by Tax Zone ......................................................... 9
Table 3: Estimate of Administrative Expenses ..................................................................... 10
I. INTRODUCTION

The Three Rivers Levee Improvement Authority (TRLIA) Board of Directors (Board) approved the formation of two Community Facilities Districts (CFDs) in April 2007, one of which was “TRLIA CFD No. 2006-1 (South County Area)” (CFD 2006-1) and the other of which was “TRLIA CFD No. 2006-2 (South County Area—Overlay District)” (CFD 2006-2), herein referred to collectively as CFD(s). The property owners within the proposed boundaries of each CFD who qualified as the electors for the purposes of authorizing the CFD unanimously voted to form the CFDs and to incur bonded indebtedness in an amount not to exceed $250,000,000 for CFD 2006-1. The CFD 2006-1 bond proceeds would be used to fund the costs of the Levee Improvement Program funded through an advanced funding agreement entered into by certain landowners, Yuba County (County) and the TRLIA. The CFD 2006-2 proceeds would be used to fund the costs of the Levee Improvement Program previously advanced by certain landowners through prior agreements, as well as other improvements included in County capital facilities impact fees. This report primarily focuses on the Annual Special Tax Levy for Fiscal Year (FY) 2008–2009 related to CFD 2006-1.

CFD 2006-1 comprises approximately 825 acres in a portion of the County. In FY 2008–2009, 253 parcels will be subject to the levy of a special tax. The total amount of special tax levied against these parcels in this FY is $228,667. All of the parcels will be taxed at 100 percent of the maximum annual special tax.

In April 2007, TRLIA issued two series of bonds: Series A related to CFD 2006-1 in the total amount of $14,930,382, and Series B related to CFD 2006-2 in the total amount of $8,663,901. Both of these series of bonds are Builder Bonds, 100 percent of which were purchased by landowners in the district at the time formation. All the Builder Bonds are capital appreciation bonds, which have no debt service or annual cost associated with them. These bonds merely accrete in value over time, and the entire accreted amount is due at either redemption or maturity of the bond solely to the extent payable by Refunding Bonds issued by the CFD. Refunding Bonds are bonds expected to be issued by the CFD solely to repay outstanding bonds, which include the above-referenced Builder Bonds. No Refunding Bonds have been issued by either CFD as of the date of this report.

In each fiscal year that any bonds are outstanding, the CFD must levy a special tax against taxable parcels in CFD 2006-1 to pay principal and interest on outstanding bonds and to pay other costs of the CFD 2006-1, such as the costs of administration. Once the district has identified the annual costs of CFD 2006-1, the district must then apply the Special Tax Formula to determine the parcels to be taxed, the maximum amount of special tax that can be levied against all taxable parcels, and finally, using the Special Tax Formula, determine the amount of special tax to be levied in a given fiscal year.
PURPOSE OF THE REPORT

This report serves as the Annual Tax Report for FY 2008–2009, which is submitted to the Treasurer of the TRLIA (Treasurer) for approval in support of the annual levy of the special tax. This is the second year in which special taxes will be levied. Pursuant to TRLIA Ordinance No. 2, the TRLIA Board authorized the Treasurer to determine the specific tax rate and amount to be levied for each parcel of real property in the CFD in each fiscal year. The Annual Tax Report will identify the annual costs of CFD 2006-1, the parcels to be taxed, the maximum amount that can be levied against all taxable parcels, and the amount to be levied in FY 2008–2009.

ORGANIZATION OF THE REPORT

This report consists of four chapters including this introduction. Chapter II describes annual costs of CFD 2006-1. Chapter III describes the parcels to be taxed and the assignment of the tax to taxable parcels. Chapter IV discusses the accounting by Tax Zone and the accounting’s relation to the Second Agreement for Advanced Funding and Reimbursement of Costs for Levee Improvement (Second Funding Agreement).

One appendix is attached to this report. Appendix A contains a list of all parcels to be taxed in FY 2008–2009, the maximum amount of special tax that could be levied against any given parcel, and the amount of the FY 2008–2009 special tax levy.
II. CALCULATION OF ANNUAL COSTS

ANNUAL COSTS

Annual costs of the CFD 2006-1 are those costs authorized by the formation documents. CFD 2006-1 was authorized to fund the following costs and facilities:

- The construction, repair, or rehabilitation of flood control improvements, including but not limited to levee-system and drainage improvements and any necessary habitat mitigation incident to any improvements.
- The acquisition of land; the costs of design, engineering and planning; the costs of any environmental or other studies, surveys or other reports; the cost of any required environmental mitigation measures; landscaping, soils testing, permits, plan check and inspection fees; insurance, legal and related overhead costs; coordination and supervision; and any other costs or appurtenances related to any of the foregoing.

The district is also authorized to fund the following items:

- Bond-related expenses, including underwriter’s discount, reserve fund, capitalized interest, bond and disclosure counsel, and all other incidental expenses.
- Administrative fees of the TRLIA, the County, and the bond trustee or fiscal agent related to the CFD, and any bonded indebtedness of the CFD.
- Reimbursement of costs related to the formation of the CFD that were advanced by the TRLIA, the County, Reclamation District No. 784, or any other governmental agency, or any landowner or developer in the CFD, as well as reimbursement of any costs advanced by the TRLIA or any related entity or any landowner or developer in the CFD for facilities, fees or other purposes or costs of the CFD.

Pursuant to the Rate and Method of Apportionment and Method of Collection of the Special Tax (RMA) Section 9 A, for each individual Tax Zone the minimum amount of Annual Costs is equal to the Maximum Annual Special Tax Revenue from all Occupied Parcels until Authorized Facilities are complete and all outstanding Builder Bonds are retired. As previously stated, TRLIA Series A Bonds (Bonds) were issued in April 2007. Bonds were issued for each of the eight Tax Zones in the CFD, and all zones continue to have bonds outstanding. Therefore, for each tax zone, the minimum amount of Annual Costs is equal to the Maximum Annual Special Tax Revenue from Occupied Parcels in the zone.
Table 1 computes the Maximum Annual Special Tax Revenue from all Occupied Parcels by Tax Zone. Appendix A provides the detailed listing of each individual parcel that will be levied, the corresponding Maximum Annual Special Tax, and the proposed levy for FY 2008-2009.

The determination of parcels subject to the tax (Occupied Parcels) is discussed in Chapter III below.

Combined, all the Tax Zones will generate $228,667 in Maximum Annual Special Tax Revenue from 253 Occupied Parcels. Therefore, Annual Costs is defined as $228,667, an amount including all administrative expenses. Chapter III discusses the estimate of expenses for administration.
Table 1
TRLIA CFD 2006-1
Summary of Fiscal Year 2008-09 Maximum Annual Special Tax Revenue by Tax Zone (2008$)

<table>
<thead>
<tr>
<th>Tax Zone</th>
<th>Builder/Developer</th>
<th>Project</th>
<th>Number of Parcels</th>
<th>FY 2008-09 Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cresleigh Homes Corporation, a California corporation</td>
<td>Creekside Plumas Ranch Woodside</td>
<td>6 Parcels</td>
<td>$4,765</td>
</tr>
<tr>
<td>2</td>
<td>Dansk-Californisk Ejendomsselskab A.P.S., a Denmark corporation</td>
<td>Rio Del Oro (Danna 70)</td>
<td>0 Parcels</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>KB Home Northbay, Inc.</td>
<td>Hawes Ranch Plumas Lake Cobblestone</td>
<td>111 Parcels</td>
<td>$81,498</td>
</tr>
<tr>
<td>4</td>
<td>Lennar Renaissance, Inc. a California corporation</td>
<td>River Oaks East River Oaks North</td>
<td>50 Parcels</td>
<td>$40,800</td>
</tr>
<tr>
<td>5</td>
<td>Meritage Homes of California, Inc., a California corporation</td>
<td>Draper Ranch North</td>
<td>45 Parcels</td>
<td>$46,910</td>
</tr>
<tr>
<td>6</td>
<td>Plumas Lake Holdings, L.L.C.</td>
<td>Rio Del Oro (Villages 6 &amp; 8)</td>
<td>0 Parcels</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Plumas Lake Riverside Meadows, L.P.</td>
<td>Riverside Meadows</td>
<td>41 Parcels</td>
<td>$54,693</td>
</tr>
<tr>
<td>8</td>
<td>Rio del Oro Farms 2 L.L.C.</td>
<td>Rio Del Oro (Village 16)</td>
<td>0 Parcels</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL PROPOSED TAX LEVY - ALL ZONES</strong></td>
<td></td>
<td>253 Parcels</td>
<td><strong>$228,667</strong></td>
</tr>
</tbody>
</table>

Prepared by EPS 7/29/2008
III. PARCELS SUBJECT TO THE TAX

DETERMINING PARCELS SUBJECT TO THE SPECIAL TAX

The Special Tax Formula states that the Administrator first must determine whether a parcel is a Tax-Exempt Parcel, Occupied Parcel, Developed Parcel, Final Map Parcel, Large Lot Parcel or Undeveloped Parcel.

Only Builder Bonds are outstanding and no Refunding Bonds have been issued, so no parcels other than Occupied Parcels are to be taxed. Occupied Parcels are defined as Developed Parcels (Parcels having an already-issued building permit for a residential use) ownership of which has been transferred to a Homeowner. A Parcel will be designated as an Occupied Parcel either when the Administrator has received, in writing, a certification from the Builder/Developer that the parcel in question is deemed to be occupied by a Homeowner or when County records indicate that the Parcel has transferred ownership to a Homeowner. For a Parcel to be classified as Occupied by certification for the Fiscal Year in which taxes will be levied, the certification from the Builder/Developer must be received by June 1 of the prior fiscal year.

TRLIA received no Occupancy Certification forms from landowners before June 1, 2007. Records obtained from the County (parcel-level) data from the County Assessor’s office that show parcel ownership information and log records from the County Recorder’s office that indicate Deed transfer between a Builder/Developer and a third party) indicated that 253 parcels transferred ownership from a Builder/Developer to a Homeowner since the formation of the CFD. Based on this information, the parcels in question were classified as Occupied Parcels. Appendix A lists the parcels subject to the tax levy.

TAX ESCALATION FACTOR

As specified by the RMA, the maximum special tax for all tax categories is increased by 2 percent in each fiscal year after the Base Year. FY 2007-2008 is the Base Year; therefore, the Maximum Special Tax Rates indicated in Attachment 3 to the RMA have been escalated by 2 percent for FY 2008-2009.

ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAX TO TAXABLE PARCELS

Section 7 of the RMA describes the process for assigning the Maximum Annual Special tax to Final Map Parcels. This assignment takes place when Final Map Parcels are
created by the recordation of Final Maps. Since the formation of the CFD, on April 3, 2007, additional Final Map parcels have been created within Tax Zone 3 by KB Home. TRLIA is in the process of assigning the maximum annual special tax to the newly created parcels. The tax rolls for FY 2009-2010 will reflect the newly created parcels.
IV. ACCOUNTING FOR SPECIAL TAX REVENUE

With respect to the use of Special Tax Revenues, provisions of the Second Funding Agreement entered into by the Builders/Developers in the CFD, the County, and TRLIA have been transferred into Article IV of the Fiscal Agent Agreements for each respective Tax Zone's currently outstanding Builder Bonds. Article IV, Section 4.01, of each of these agreements outlines the use of Special Tax Revenues. Section 4.01 states that Special Tax Revenues, after the payment of any claims or pledges as related to the Builder Bonds, will be used for the following purposes:

"(i) the payment of debt service on any Private Placement Bonds or Conventional Bonds, as such terms are defined in the Second Funding Agreement; (ii) the payment of any debt service on any Refunding Bonds; and (iii) the payment of any other Annual Cost, as such term is defined in the RMA, other than the payment of the Bonds."

According to the RMA, the following item is one component of Annual Costs:

"Pay-As-You-Go Expenditures for Authorized Facilities to be constructed or acquired by the CFD, including the repayment of Builder Bonds, or to be used to reduce the amount of future Capital Calls."

Based on the RMA and Fiscal Agent Agreements, Special Tax Revenues must be used to fund Authorized Facilities, as described in Chapter II, and not used to retire Builder Bonds.

Since a portion of Authorized Facilities are yet to be constructed as of FY 2008–2009, remaining Special Tax Revenue (after administrative expenses) from each Tax Zone will be used to fund these facilities directly. The intent of the Second Funding Agreement was for the remaining Special Tax Revenue from each of the Tax Zones that goes to fund Authorized Facilities directly ultimately be used to reduce the remaining Capital Calls. In other words, the Builder/Developers would get credit for Special Tax Revenue generated by their respective Tax Zones. Table 2 shows the accounting for Special Tax Revenue by Tax Zone to fund its share of estimated administrative expenses and authorized facilities that results in a reduction of remaining Capital Calls. This table presumes that 100 percent of all Tax Levies is received. Table 3 outlines the estimated administrative expenses used in Table 2. The ultimate credit received by each Builder/Developer will be determined upon the receipt of Special Tax Revenue by the Trustee and the transfer of that revenue into the appropriate fund in accordance with the Fiscal Agreement and the ultimate determination of Administrative Expenses.
### Table 2
TRLIA CFD 2006-1
Special Tax Revenue Accounting by Tax Zone (2008$0)

<table>
<thead>
<tr>
<th>Tax Zone</th>
<th>Builder / Developer</th>
<th>Total FY 2008-09 Special Tax Revenue</th>
<th>Share of Total CFD Tax Revenue</th>
<th>Share of Administrative Expenses</th>
<th>Estimated Credit for Levée Fees Based on Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reference</td>
<td>Formula</td>
<td>Table 1</td>
<td>Table 3</td>
<td>[1]</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Cresleigh Homes Corporation, a California corporation</td>
<td>$4,765</td>
<td>2.1%</td>
<td>$160</td>
<td>$4,805</td>
</tr>
<tr>
<td>2</td>
<td>Dansk-Californisk Ejendomsselskab A.P.S., a Denmark corporation</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>KB Home Northbay, Inc.</td>
<td>$81,498</td>
<td>35.6%</td>
<td>$2,744</td>
<td>$78,754</td>
</tr>
<tr>
<td>4</td>
<td>Lennar Renaissance, Inc. a California corporation</td>
<td>$40,800</td>
<td>17.8%</td>
<td>$1,374</td>
<td>$39,426</td>
</tr>
<tr>
<td>5</td>
<td>Meritage Homes of California, Inc., a California corporation</td>
<td>$46,910</td>
<td>20.5%</td>
<td>$1,580</td>
<td>$45,330</td>
</tr>
<tr>
<td>6</td>
<td>Plumas Lake Holdings, L.L.C.</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Plumas Lake Riverside Meadows, L.P.</td>
<td>$54,693</td>
<td>23.9%</td>
<td>$1,842</td>
<td>$52,852</td>
</tr>
<tr>
<td>8</td>
<td>Rio del Oro Farms 2 L.L.C.</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Total CFD Special Tax Revenue

$228,667 100%  $7,700  $220,967

Source: EPS.

[1] Amount for credit to be applied to each builder in advancement of capital calls in accordance with the Second Funding Agreement. Actual Credit will be determined. Special Tax Revenues are received by the Trustee and funds are transferred to TRLIA in accordance with the Fiscal Agent Agreement.
Table 3  
TRLA CFD 2006-1  
Fiscal Year 2008-09  
Estimated Administrative Expenses (2008$)  

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of Annual Tax Roll (EPS)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Special Fund Accounting</td>
<td>$2,000</td>
</tr>
<tr>
<td>Treasurer / Fiscal Agent Expenses</td>
<td>$500</td>
</tr>
<tr>
<td>Auditor Controller Expenses</td>
<td>$200</td>
</tr>
<tr>
<td><strong>Administrative Expenses [1]</strong></td>
<td><strong>$7,700</strong></td>
</tr>
</tbody>
</table>

Source: EPS

*admin*
APPENDIX A

SPECIAL TAX LEVY 2008–2009

Table A-1  Detailed List of Fiscal Year 2008–2009 Proposed Special Tax Levy (4 pages)
### Table A-1

**TRULI CFC 2008-1**

**Detailed List of Fiscal Year 2008-2009 Proposed Special Tax Levy**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Maximum</td>
<td>Annual Cost &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Special Tax</td>
<td>Tax Levy</td>
</tr>
</tbody>
</table>

**1** Cresleigh Homes Corporation, a California corporation<br>Cresleigh Plumas Ranch<br>Woodsides<br>022-271-226 WILSON STACY 1050 TIBURON WAY $685 $685<br>022-272-001 PEDRAZA OMAR M 1035 TIBURON WAY $685 $685<br>022-272-022 ROBERTSON ROBERT C & CHRISTINE E 1804 SEA SIDE CT $549 $549<br>022-272-026 TRESSLER JAMES P 1819 SEA SIDE CT $549 $549<br>022-272-027 SOTO ADRIAN & LISA A 1815 SEA SIDE CT $549 $549<br>022-272-028 BOERIAN GARY D 1811 SEA SIDE CT $549 $549

Total Proposed Tax Zone 1: 6 Parcels<br>$4,765

**2** Danish-Californik Ejendomsaenestabo A.P.S., a Denmark corporation<br>Rio Del Oro (Danna 70)<br>Total Proposed Tax Zone 2: 0 Parcels<br>$0

**3** KB Home Northbay, Inc.<br>Horace Ranch<br>014-531-006 FRYER FORREST 3970 SOPHIA ST $874 $874<br>014-531-007 ORVITOLO CHRISTOPHER 3974 SOPHIA ST $874 $874<br>014-531-008 RODRIGUEZ CHRISTIAN L & ADOLF 3980 SOPHIA ST $874 $874<br>014-531-009 MAYSON LAURENCE C 3986 SOPHIA ST $874 $874<br>014-531-010 ADAMS DUNCAN 3990 SOPHIA ST $874 $874

Total Proposed Tax Zone 3: 0 Parcels

**Plumas Lake Cobblesstones**

<table>
<thead>
<tr>
<th>APN</th>
<th>Owner</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>016-490-009</td>
<td>MOSEBY DANIEL JAMES &amp; OVA</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-005</td>
<td>LU SOCORRO M &amp; ANTONIO D</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-010</td>
<td>MAYER DONALD &amp; MARY</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-015</td>
<td>PEREZ HECTOR A &amp; RESUS CORINNE N</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-016</td>
<td>HARRIS DONALD &amp; BRION &amp; JENNIFER ANN</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-018</td>
<td>GUEVAS MARIA</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-025</td>
<td>MARTINEZ MICHAEL &amp; BLUIN-MARTINEZ LILLIAN</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-026</td>
<td>MILL DUNCAN &amp; TAYLOR</td>
<td>2008</td>
<td>$670</td>
</tr>
<tr>
<td>016-490-027</td>
<td>DOWNEY COLIN STEVEN &amp; CYNTHIA C</td>
<td>2008</td>
<td>$670</td>
</tr>
</tbody>
</table>

Prepared by EPS 7/20/2004
<table>
<thead>
<tr>
<th>Tax Zone</th>
<th>Developer</th>
<th>Project</th>
<th>APN</th>
<th>Owner</th>
<th>Street Address</th>
<th>FY 2008-2009</th>
<th>FY 2008-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>018-460-028</td>
<td>DARLING POPPEA</td>
<td>1263 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-049</td>
<td>OAKLEY APRIL &amp; DAVID</td>
<td>1287 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-030</td>
<td>JEREMY SHERRIE A</td>
<td>1281 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-031</td>
<td>STEELE CHRISTOPHER M</td>
<td>1301 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-003</td>
<td>JUAN VICTOR</td>
<td>1307 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-034</td>
<td>JAMES EDWARD</td>
<td>1311 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-006</td>
<td>KING ALCIA &amp; NICHOLAS</td>
<td>1315 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-029</td>
<td>WILSON JACINTH M &amp; MARY</td>
<td>1321 LEIGHTON GROVE DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-037</td>
<td>MARTINEZ RAUL H &amp; SHERRI L</td>
<td>1344 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-044</td>
<td>PORRAS RUBEN</td>
<td>1733 CROFT CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-035</td>
<td>GREEN JOHN &amp; KRA MELISSA</td>
<td>1727 CROFT CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-045</td>
<td>NAISH MICHAEL</td>
<td>1721 CROFT CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-047</td>
<td>OLIVER ELOIS J &amp; LUTHER M</td>
<td>1715 CROFT CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-046</td>
<td>SUNTSCH TRACIE</td>
<td>1722 CROFT CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-460-049</td>
<td>McLAUGHLIN JAY &amp; KEVIN</td>
<td>1738 CROFT CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-003</td>
<td>EMILIO JEFF</td>
<td>1698 RAINHAM CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-004</td>
<td>ANDREWS CYNTHIA</td>
<td>1701 RAINHAM CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-005</td>
<td>SHERIDAN MELISSA</td>
<td>1707 RAINHAM CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-006</td>
<td>BUSKIRK GARY &amp; ADEY JENNY</td>
<td>1713 RAINHAM CT</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-010</td>
<td>MEDFORD MARSHA</td>
<td>1683 CHURCHILL WAY</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-011</td>
<td>MACIAS VICTOR</td>
<td>1677 CHURCHILL WAY</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-012</td>
<td>MURPHY ERNIE</td>
<td>1675 GULDFORD WAY</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-015</td>
<td>BUMACOFF JONATHAN</td>
<td>1699 GULDFORD WAY</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-025</td>
<td>LITZ DUANE SR</td>
<td>1654 GULDFORD WAY</td>
<td>$810</td>
<td>$810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-026</td>
<td>RODRIGUEZ JOSE &amp; ROCIO</td>
<td>1273 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-027</td>
<td>STARR LORIETTA</td>
<td>1299 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-028</td>
<td>LANG GREGORY M</td>
<td>1295 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-029</td>
<td>GATES ANDREW &amp; SARA E</td>
<td>1281 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-031</td>
<td>BURKE KAREN</td>
<td>1251 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-032</td>
<td>WILLIAMS MICHAEL &amp; DAWN</td>
<td>1247 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-033</td>
<td>SMITH SHANE &amp; JENNIFER LYNNE</td>
<td>1243 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-034</td>
<td>HOOTEN JANICE M</td>
<td>1239 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-035</td>
<td>LEH MILLS</td>
<td>1231 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-036</td>
<td>SPINKS NANCY A</td>
<td>1232 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-037</td>
<td>HOOTEN GREGORY</td>
<td>1238 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-038</td>
<td>POTTER RICHARD &amp; TERI</td>
<td>1242 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-039</td>
<td>HOOTEN JANICE M</td>
<td>1246 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-040</td>
<td>QUAYN GREGORY &amp; MELANIE</td>
<td>1250 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-500-041</td>
<td>LYNCH THOMAS W &amp; THERESA A</td>
<td>1258 KENSINGTON DR</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-510-011</td>
<td>DOLEY KINISHA &amp; GRFFIN VERNELL</td>
<td>1329 KENSINGTON DR</td>
<td>$510</td>
<td>$510</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-510-012</td>
<td>MORRIS ANNEH R &amp; LAURA</td>
<td>1643 BELVEDERE WAY</td>
<td>$1,063</td>
<td>$1,063</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-510-013</td>
<td>DEO REGINALD</td>
<td>1651 BELVEDERE WAY</td>
<td>$1,063</td>
<td>$1,063</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-510-014</td>
<td>LARQC DAVID &amp; CAMACHO ALEX S</td>
<td>1350 TURNBRIDGE DR</td>
<td>$1,063</td>
<td>$1,063</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-510-015</td>
<td>TOLEDO RONALD MARLO &amp; SHEBA HILL</td>
<td>1355 TURNBRIDGE DR</td>
<td>$1,063</td>
<td>$1,063</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-003</td>
<td>MCCULLOUGH VYAN</td>
<td>1674 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-004</td>
<td>HERRERA ANTHONY &amp; RODRIGUEZ HERRE</td>
<td>1664 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-030</td>
<td>ALCANTARA EDIBERTO</td>
<td>1562 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-031</td>
<td>OSIT JUDY &amp; JOSE ROLANDO G</td>
<td>1656 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-032</td>
<td>JONES PHILLIP</td>
<td>1690 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-033</td>
<td>KOTTEGER STEAN</td>
<td>1654 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-034</td>
<td>ROE MIORANNE</td>
<td>1638 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-035</td>
<td>TUTTLE JEFF</td>
<td>1632 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>018-550-036</td>
<td>LOPES RUSSELL &amp; REBECCA</td>
<td>1831 STEPNEY WAY</td>
<td>$402</td>
<td>$402</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Proposed Tax Zone 3

<table>
<thead>
<tr>
<th>Address</th>
<th>Owner</th>
<th>APN</th>
<th>FY 2008-2009</th>
<th>FY 2008-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>111 Percent</td>
<td>$1,428</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Zone Developer</td>
<td>Project</td>
<td>APN</td>
<td>Owner</td>
<td>Street Address</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------</td>
<td>-----</td>
<td>-------</td>
<td>----------------</td>
</tr>
<tr>
<td>013-743-001</td>
<td>MAEDEO STACI</td>
<td>1107 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-743-002</td>
<td>FITTS ROBERT L &amp; HELEN M</td>
<td>1101 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-743-003</td>
<td>STINNETT JAMES L</td>
<td>4066 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-743-004</td>
<td>CRUZ ISRAEL &amp; LYNETTE</td>
<td>4069 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-751-001</td>
<td>GONZALEZ JUAN II &amp; SYLVIA</td>
<td>1102 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-751-002</td>
<td>SCOTT WARENE W</td>
<td>1118 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-751-003</td>
<td>LAY JAMIE &amp; CHRISTINA</td>
<td>1120 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-752-001</td>
<td>GONZALEZ LARRY</td>
<td>1122 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-752-002</td>
<td>SORIANO PAULJ</td>
<td>1124 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-752-003</td>
<td>XIM EUNYOUNG</td>
<td>1126 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td>013-752-004</td>
<td>KRAME RICHARD A &amp; LAURINDA C</td>
<td>1128 MICALISTER CT</td>
<td>$1,042</td>
<td>$1,042</td>
</tr>
<tr>
<td><strong>Total Proposed Tax Zone 5</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>45 Parcels</strong></td>
</tr>
</tbody>
</table>

5. Plumas Lake Holdings, L.L.C.
   Rio Del Oro (Villages 5 & 6)
   **Total Proposed Tax Zone 6**: 0 Parcels  0

6. Plumas Lake Riverside Meadows, L.P.
   **Total Proposed Tax Zone 7**: 41 Parcels  **$54,893**

7. Rio del Oro Farms 2, L.L.C.
   **Total Proposed Tax Zone 8**: 0 Parcels  0

**TOTAL PROPOSED TAX LEVY - ALL ZONES**: 253 Parcels  **$278,667**

*Source: EPS.*
ANNUAL TAX REPORT

TRLIA COMMUNITY FACILITIES DISTRICT NO. 2006-2
(SOUTH COUNTY AREA—OVERLAY DISTRICT)

FISCAL YEAR 2008–2009

Prepared for:
Three Rivers Levee Improvement Authority

Prepared by:
Economic & Planning Systems, Inc.

July 29, 2008
EPS #16497
TABLE OF CONTENTS

I. INTRODUCTION ............................................................................................................................................ 1
   Purpose of the Report ................................................................................................................................. 2
   Organization of the Report ....................................................................................................................... 2

II. CALCULATION OF ANNUAL COSTS ........................................................................................................ 3
   Annual Costs ............................................................................................................................................... 3

III. ASSIGNMENT OF MAXIMUM SPECIAL TAXES ..................................................................................... 6
   Determining Parcels Subject to the Special Tax ...................................................................................... 6
   Tax Escalation Factor ............................................................................................................................... 6
   Assignment of maximum annual special tax to taxable parcels ............................................................ 6

IV. ACCOUNTING FOR SPECIAL TAX REVENUE ........................................................................................ 8

Appendix A: Special Tax Levy 2008–2009

LIST OF TABLES

Table 1 Summary of Fiscal Year 2008-2009 Maximum Annual Special Tax Revenue by Tax Zone .......................................................... 5
Table 2 Special Tax Revenue Accounting by Tax Zone ............................................................................... 9
Table 3 Estimated Administrative Expenses ............................................................................................ 10
I. INTRODUCTION

The Three Rivers Levee Improvement Authority (TRLIA) Board of Directors (Board) approved the formation of two Community Facilities Districts (CFDs) in April 2007, one of which was "TRLIA CFD No. 2006-1 (South County Area)" (CFD 2006-1) and the other of which was "TRLIA CFD No. 2006-2 (South County Area—Overlay District)" (CFD 2006-2), herein referred to collectively as CFD(s). The property owners within the proposed boundaries of each CFD who qualified as the electors for the purposes of authorizing the CFD unanimously voted to form the CFDs and to incur bonded indebtedness in an amount not to exceed $25,000,000 for CFD 2006-2. The CFD 2006-2 bond proceeds would be used to reimburse the previously advanced costs of the Levee Improvement Program and Yuba County (County) Capital Facilities Fees funded through prior agreements entered into by certain landowners, the County, and TRLIA before the execution of the Second Agreement for Advanced Funding and Reimbursement of Costs for Levee Improvement (Second Funding Agreement). CFD 2006-1 proceeds would be used to fund ongoing costs of the Levee Improvement Program pursuant to the details outlined in the Second Funding Agreement. This report primarily focuses on the Annual Special Tax Levy for Fiscal Year (FY) 2008-2009 that relates to CFD 2006-2.

CFD 2006-2 comprises approximately 269 acres in a portion of the County. In FY 2008-2009, 76 parcels will be subject to the levy of a special tax. The total amount of special tax levied against these parcels in this FY is $52,334. All the parcels will be taxed at 100 percent of the maximum annual special tax.

In April 2007, TRLIA issued two series of bonds: Series A related to CFD 2006-1 in the total amount of $14,930,382 and Series B related to CFD 2006-2 in the total amount of $8,663,901. Both these series of Bonds are Builder Bonds, 100 percent of which were purchased by landowners in the district at the time of formation. All the Builder Bonds are capital appreciation bonds, which have no debt service or annual cost associated with them. These bonds merely accrete in value over time, and the entire accreted amount is due either at redemption or at maturity of the bond solely to the extent payable by Refunding Bonds issued by the CFD. Refunding Bonds are bonds expected to be issued by the CFD solely to repay outstanding bonds, which include the above-referenced Builder Bonds. No Refunding Bonds have been issued by either CFD as of the date of this report.

In each fiscal year that any bonds are outstanding, the CFD must levy a special tax against taxable parcels in CFD 2006-2 to pay principal and interest on outstanding bonds and to pay other costs of CFD 2006-2, such as the costs of administration. Once the CFD has identified the annual costs of CFD 2006-2, the district must then apply the Special Tax Formula to determine the parcels to be taxed, the maximum amount of special tax
that can be levied against all taxable parcels, and finally, using the Special Tax Formula, determine the amount of special tax to be levied in a given fiscal year.

PURPOSE OF THE REPORT

This report serves as the Annual Tax Report for FY 2008–2009, which is submitted to the Treasurer of the TRLIA for approval in support of the annual levy of the special tax. This is the second year in which special taxes will be levied. Pursuant to TRLIA Ordinance No. 3, the TRLIA Board authorized the Treasurer to determine the specific tax rate and amount to be levied for each parcel of real property in the CFD in each fiscal year. The Annual Tax Report will identify the annual costs of CFD 2006-2, the parcels to be taxed, the maximum amount that can be levied against all taxable parcels, and the amount to be levied in FY 2008–2009.

ORGANIZATION OF THE REPORT

This report consists of four chapters including this introduction. Chapter II describes annual costs of CFD 2006-2. Chapter III describes the parcels to be taxed and the assignment of the tax to taxable parcels. Chapter IV discusses the accounting by Tax Zone and the accounting's relation to the Second Agreement for Advanced Funding and Reimbursement of Costs for Levee Improvement (Second Funding Agreement).

One appendix is attached to this report. Appendix A contains a list of all parcels to be taxed in FY 2008–2009, the maximum amount of special tax that could be levied against any given parcel, and the amount of the FY 2008–2009 special tax levy.
II. **CALCULATION OF ANNUAL COSTS**

**ANNUAL COSTS**

Annual costs of the CFD 2006-2 are those costs authorized by the formation documents. CFD 2006-2 was authorized to fund the following costs and facilities:

- The construction, repair, or rehabilitation of flood control improvements including but not limited to levee system and drainage improvements, and any necessary habitat mitigation incident to any improvements.

- The financing of County capital impact fees or the financing of criminal justice, general government, law enforcement, library, park, social service or traffic public facilities that such the County capital impact fees would otherwise be used to fund.

- The acquisition of land; the costs of design, engineering and planning; the costs of any environmental or other studies, surveys or other reports; the cost of any required environmental mitigation measures, landscaping, soils testing, permits, plan check and inspection fees; insurance, legal and related overhead costs; coordination and supervision and any other costs or appurtenances related to any of the foregoing.

The district is also authorized to fund the following items:

- Bond-related expenses, including underwriter’s discount, reserve fund, capitalized interest, bond and disclosure counsel and all other incidental expenses.

- Administrative fees of TRLIA, the County, and the bond trustee or fiscal agent related to the District and any bonded indebtedness of the CFD.

- Reimbursement of costs related to the formation of the CFD that were advanced by the TRLIA, the County, Reclamation District No. 784, or any other governmental agency or any landowner or developer in the CFD, as well as reimbursement of any costs advanced by TRLIA or any related entity or any landowner or developer in the CFD, for facilities, fees, or other purposes or costs of the CFD.

Pursuant to the Rate and Method of Apportionment and Method of Collection of the Special Tax (RMA) Section 9 A, for each individual Tax Zone, the minimum amount of Annual Costs is equal to the Maximum Annual Special Tax Revenue from all Occupied Parcels until Authorized Facilities are complete and all outstanding Builder Bonds are retired. As previously stated, TRLIA Series B Bonds (Bonds) were issued in April 2007. Bonds were issued for each of the five Tax Zones in CFD 2006-2, and all zones continue...
to have Bonds outstanding. Therefore, for each tax zone, the minimum amount of
Annual Costs is equal to the Maximum Annual Special Tax Revenue from Occupied
Parcels within the zone.

Table 1 computes the Maximum Annual Special Tax Revenue from all Occupied Parcels
by Tax Zone. Appendix A provides the detailed listing of each individual parcel levied,
the corresponding Maximum Annual Special Tax, and the proposed levy for FY 2008-2009.

The determination of parcels subject to the tax (Occupied Parcels) is discussed in
Chapter III below.

Combined, all the Tax Zones will generate $52,334 in Maximum Annual Special Tax
Revenue from 76 Occupied Parcels. Therefore, Annual Costs is defined to be $52,334, an
amount including all administrative expenses. Chapter III discusses the estimate of
expenses for administration.
<table>
<thead>
<tr>
<th>Tax Zone</th>
<th>Builder/Developer</th>
<th>Project</th>
<th>Number of Parcels</th>
<th>FY 2008-2009 Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Lakemont Tributary L.L.C</td>
<td>Feather Glen Phase 1A</td>
<td>3 Parcels</td>
<td>$2,895</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Proposed Tax Zone 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Meritage Homes of California, Inc., a California corporation</td>
<td>Draper Ranch North Phase 1</td>
<td>45 Parcels</td>
<td>$22,307</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Proposed Tax Zone 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Plumas Lake Holdings, L.L.C.</td>
<td>Rio Del Oro Village 8</td>
<td>0 Parcels</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Proposed Tax Zone 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Towne Development of Plumas Lake L.L.C.</td>
<td>Rio Del Oro Village 14</td>
<td>0 Parcels</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Proposed Tax Zone 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>US Home Corporation, a Delaware corporation</td>
<td>Rio Del Oro Village 15</td>
<td>28 Parcels</td>
<td>$27,132</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Proposed Tax Zone 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL PROPOSED TAX LEVY - ALL ZONES</td>
<td>76 Parcels</td>
<td>$52,334</td>
</tr>
</tbody>
</table>

Source: EPS
III. ASSIGNMENT OF MAXIMUM SPECIAL TAXES

DETERMINING PARCELS SUBJECT TO THE SPECIAL TAX

The Special Tax Formula states that the Administrator first must determine whether a parcel is a Tax-Exempt Parcel, Occupied Parcel, Developed Parcel, Final Map Parcel, Large Lot Parcel or Undeveloped Parcel.

Since only Builder Bonds are outstanding and no Refunding Bonds have been issued, no parcels other than Occupied Parcels are to be taxed. Occupied Parcels are defined as Developed Parcels (Parcels having an already-issued building permit for residential use) ownership of which has been transferred to a Homeowner. A Parcel will be designated as an Occupied Parcel when either the Administrator has received, in writing, a certification from the Builder/Developer that the parcel in question is deemed to be occupied by a Homeowner, or the records of Yuba County indicate that the Parcel has transferred ownership to a Homeowner. For a Parcel to be classified as Occupied by certification for the Fiscal Year in which taxes will be levied, the certification from the Builder/Developer must be received by June 1 of the prior Fiscal Year.

TRLIA received no Occupancy Certification forms from landowners before June 1, 2007. Records obtained from the County (parcel level data from the County Assessor’s office that show parcel ownership information, as well as log records from the County Recorder’s office that indicate Deed transfer between a Builder/Developer and a third party) indicated that 76 parcels transferred ownership from a Builder/Developer to a Homeowner. Based on this information, the parcels in question were classified as Occupied Parcels. Appendix A lists the parcels subject to the tax levy.

TAX ESCALATION FACTOR

As specified by the RMA the maximum special tax for all tax categories is increased by 2 percent each fiscal year after the Base Year. The FY 2008-2009 is the Base Year; the Maximum Special Tax Rates have been escalated by 2 percent for FY 2008-2009 indicated in Attachment 3 to the RMA.

ASSIGNMENT OF MAXIMUM ANNUAL SPECIAL TAX TO TAXABLE PARCELS

Section 7 of the RMA describes the process for assigning the Maximum Annual Special tax to Final Map Parcels. This assignment takes place when Final Map Parcels are created by the recording of Final Maps. Since the formation of the CFD on April 3, 2007,
no additional Final Map Parcels were created by the recording of Final Maps; therefore, no Maximum Annual Special Taxes need to be assigned to Final Map Parcels.
IV. ACCOUNTING FOR SPECIAL TAX REVENUE

With respect to the use of Special Tax Revenues, provisions of the Second Funding Agreement entered into by the Builders/Developers in the CFD, the County, and TRLIA have been transferred into Article IV of the Fiscal Agent Agreements for each respective Tax Zone's currently outstanding Builder Bonds. Article IV, Section 4.01, of each of these agreements outlines the use of Special Tax Revenues. Section 4.01 states that Special Tax Revenues, after the payment of any claims or pledges as related to the Builder Bonds, will be used for the following purposes:

"(i) the payment of debt service on any Private Placement Bonds or Conventional Bonds, as such terms are defined in the Second Funding Agreement; (ii) the payment of any debt service on any Refunding Bonds; and (iii) the payment of any other Annual Cost, as such term is defined in the RMA, other than the payment of the Bonds"

According to the RMA, the following item is one component of Annual Costs:

"Pay-As-You-Go Expenditures for Authorized Facilities to be constructed or acquired by the CFD, including the repayment of Builder Bonds, or to be used to reduce the amount of future Capital Calls."

Based on the RMA and Fiscal Agent Agreements, Special Tax Revenues must be used to fund Authorized Facilities as described in Chapter II and not used to retire Builder Bonds.

Since a portion of Authorized Facilities are yet to be constructed as of FY 2008-2009, remaining Special Tax Revenue (after administrative expenses) from each Tax Zone will be used to fund these facilities directly. The intent of the Second Funding Agreement was for the remaining Special Tax Revenue from each of the Tax Zones that go to fund Authorized Facilities directly ultimately to be used to reduce the remaining Capital Calls. In other words, the Builder/Developers would get credit for Special Tax Revenue generated by their respective Tax Zones. Table 2 shows the accounting for Special Tax Revenue by Tax Zone to fund its share of estimated administrative expenses and authorized facilities, which results in a reduction of remaining Capital Calls. This table presumes that 100 percent of all Tax Levies are received. Table 3 outlines the estimated administrative expenses used in Table 2. The ultimate credit received by each Builder/Developer will be determined upon the receipt of Special Tax Revenue by the Trustee and transfer of the revenue into the appropriate fund in accordance with the Fiscal Agreement and the ultimate determination of Administrative Expenses.
### Table 2
TRLIA CFD 2006-2
Fiscal Year 2008-2009
Special Tax Revenue Accounting by Tax Zone (2008$)

<table>
<thead>
<tr>
<th>Tax Zone Developer</th>
<th>Total FY 2007-2008 Special Tax Levy</th>
<th>Share of Total CFD Tax Levy</th>
<th>Share of Administrative Expenses</th>
<th>Estimated Credit for Levee Fees Based on Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakemont Tributary L.L.C</td>
<td>$2,895</td>
<td>5.5%</td>
<td>$420</td>
<td>$2,474</td>
</tr>
<tr>
<td>Meritage Homes of California, Inc., a California corporation</td>
<td>$22,307</td>
<td>42.6%</td>
<td>$3,239</td>
<td>$19,068</td>
</tr>
<tr>
<td>Plumas Lake Holdings, L.L.C.</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Towne Development of Plumas Lake L.L.C.</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>US Home Corporation, a Delaware corporation</td>
<td>$27,132</td>
<td>51.8%</td>
<td>$3,940</td>
<td>$23,192</td>
</tr>
<tr>
<td><strong>Total CFD Special Tax Revenue</strong></td>
<td><strong>$52,334</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$7,600</strong></td>
<td><strong>$44,734</strong></td>
</tr>
</tbody>
</table>

[1] Amount for credit to be applied to each builder in advancement of capital calls in accordance with the Second Funding Agreement. Actual Credit will be determined when Special Tax Revenues are received by the Trustee and when funds are transferred to TRLIA in accordance with the Fiscal Agent Agreement.
### Table 3
TRLIA CFD 2006-2
FY 2008-2009
Estimated Administrative Expenses (2008$)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of Annual Tax Roll (EPS)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Special Fund Accounting</td>
<td>$2,000</td>
</tr>
<tr>
<td>Treasurer / Fiscal Agent Expenses</td>
<td>$500</td>
</tr>
<tr>
<td>Auditor Controller Expenses</td>
<td>$100</td>
</tr>
<tr>
<td><strong>Administrative Expenses</strong></td>
<td><strong>$7,600</strong></td>
</tr>
</tbody>
</table>

Source: EPS
APPENDIX A

SPECIAL TAX LEVY 2008–2009

Table A-1  Detailed List of Fiscal Year 2008–2009 Proposed Special Tax Levy (3 pages) ................................................................. A-1
Table A-1
TRULIA CFD 2006-2
Detailed List of Fiscal Year 2008-2009 Proposed Special Tax Levy

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LEKEMENL TRIBUTARY L.L.C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feather Glen Phase 1A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>014-621-006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>014-622-008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>014-622-007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Proposed Tax Zone 2</td>
<td></td>
<td>3 Parcels $2,996</td>
</tr>
<tr>
<td>MERITAGE HOMES OF CALIFORNIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draper Ranch North Phase 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-731-001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-731-002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-731-003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-731-004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-731-005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-731-007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-732-001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-732-002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-733-022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-741-003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-741-005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>013-742-001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prepared by EPS 7/30/2000
Table A-1
TRLIA CFD 2008-2
Detailed List of Fiscal Year 2008-2009 Proposed Special Tax Levy

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>013-742-004</td>
<td></td>
<td></td>
<td>KOSINSKI PETER</td>
<td>1466 ENGLISH WAY</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-742-008</td>
<td></td>
<td></td>
<td>DELOZIER MICHAEL &amp; JEANETTE</td>
<td>1462 ENGLISH WAY</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-742-007</td>
<td></td>
<td></td>
<td>GOODNIGHT MARTIN DEAN</td>
<td>1466 ENGLISH WAY</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-742-008</td>
<td></td>
<td></td>
<td>MCCARTHY PATRICK</td>
<td>1470 ENGLISH WAY</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-742-009</td>
<td></td>
<td></td>
<td>GUTHRIE DARLENE L &amp; STEPHEN D</td>
<td>1474 ENGLISH WAY</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-742-010</td>
<td></td>
<td></td>
<td>MANN EVELYN J</td>
<td>4107 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-743-001</td>
<td></td>
<td></td>
<td>MASSOLO STACI</td>
<td>1901 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-743-002</td>
<td></td>
<td></td>
<td>FITTS ROBERT L &amp; HILDAINE M</td>
<td>4085 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-743-003</td>
<td></td>
<td></td>
<td>STINNETT JAMES L</td>
<td>4089 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-743-004</td>
<td></td>
<td></td>
<td>CRUZ ISMAEL &amp; LYNETTE</td>
<td>4095 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-751-003</td>
<td></td>
<td></td>
<td>GONZALES JUAN J &amp; SYLVIA</td>
<td>4069 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-751-004</td>
<td></td>
<td></td>
<td>SCOTT WARREN W</td>
<td>4096 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-752-001</td>
<td></td>
<td></td>
<td>LAY JAMIE &amp; CHRISTINA</td>
<td>4095 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-752-002</td>
<td></td>
<td></td>
<td>GONZALES LARRY</td>
<td>4096 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-752-003</td>
<td></td>
<td></td>
<td>SOLANO PAUL J</td>
<td>4096 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-752-004</td>
<td></td>
<td></td>
<td>KIM EUN YOUNG</td>
<td>4096 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
<tr>
<td>013-752-005</td>
<td></td>
<td></td>
<td>KRAMER RICHARD A &amp; LAURINDA C</td>
<td>4096 MCALISTER CT</td>
<td>$496</td>
<td>$496</td>
</tr>
</tbody>
</table>

Total Proposed Tax Zone 4

4 Plumas Lake Holdings, L.L.C.
Rio Del Oro Village B

Total Proposed Tax Zone 6

6 Towne Development of Plumas Lake L.L.C.
Rio Del Oro Village 14

Total Proposed Tax Zone 5

6 US Home Corporation, a Delaware corporation
Rio Del Oro Village 15

Prepared by EPS. 7/30/2008
## Table A-1
**TRLA CFD 2006-2**
**Detailed List of Fiscal Year 2008-2009 Proposed Special Tax Levy**

<table>
<thead>
<tr>
<th>Tax Zone</th>
<th>Developer</th>
<th>Project</th>
<th>APN</th>
<th>Owner</th>
<th>Street Address</th>
<th>FY 2008-2009 Maximum Special Tax</th>
<th>FY 2008-2009 Annual Cost &amp; Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>016-611-001</td>
<td>BROWN MARC D</td>
<td>1381 SUNDANCE DR</td>
<td>$909</td>
<td>$909</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-002</td>
<td>DARDANO CURT S</td>
<td>1389 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-003</td>
<td>SMITH DOYLE G &amp; DIANA L</td>
<td>1387 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-004</td>
<td>WILDMAN MARGO</td>
<td>1365 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-005</td>
<td>RANGE ANTHONY &amp; DESRINE</td>
<td>1383 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-006</td>
<td>MIERZWA DAN M &amp; STACI M</td>
<td>1381 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-007</td>
<td>ALEXANDER LASHAWN M &amp; RAYMOND D</td>
<td>1379 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-008</td>
<td>YAMAGUCHI RICHARD W &amp; LINDY A</td>
<td>1377 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-009</td>
<td>PETERSEN GREG &amp; OLGA</td>
<td>1376 SUNDANCE DR</td>
<td>$909</td>
<td>$909</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-010</td>
<td>GONZALEZ SANDRA</td>
<td>1373 SUNDANCE DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-011</td>
<td>SHELBY DALLAS RAYMOND &amp; MYRNA TRANG</td>
<td>1364 HIGH NOON DR</td>
<td>$969</td>
<td>$950</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-012</td>
<td>STEINHART BARRY N</td>
<td>1396 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-013</td>
<td>REED ERSKINE A &amp; DVA</td>
<td>1398 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-014</td>
<td>MEDINA CESAR &amp; YVETTE</td>
<td>1400 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-015</td>
<td>MAEHLER BARBARA &amp; CAREY DUANE</td>
<td>1402 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-016</td>
<td>PROUTY RAYMOND L &amp; JUDY C</td>
<td>1404 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-017</td>
<td>OKEEFE DONALD L &amp; BONITA DORIS</td>
<td>1406 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-018</td>
<td>MCCLENNON HARRY &amp; SONORA KAY</td>
<td>1406 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-611-019</td>
<td>GILBERT ROBBIE T</td>
<td>1410 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>016-612-002</td>
<td>WEITZEL GREGORY S &amp; VIRGINIA LYNN</td>
<td>1389 HIGH NOON DR</td>
<td>$969</td>
<td>$969</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Proposed Tax Zone 6**

28 Parcela $27,132

**TOTAL PROPOSED TAX LEVY - ALL ZONES**

70 Parcela $62,334

*Source: EPS.*