



AGENDA

ADJOURNED MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE October 25, 2022 3:30 PM

Call to Order

Public Comments

Members of the public may make comments in-person, virtually, or submit a Public Comment Request Form located at <https://www.evmwd.com/evmwd-publiccomment>, no less than one hour prior to the posted start time of the meeting. Comments shall be made in an orderly manner and profanity, slanderous, or abusive language will not be tolerated. Please note, individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon.

Discussion Items:

1. Horsethief 2020-1 CFD Improvement Area No. 1b Amendments
2. Grants Department Performance Measures FY 2021 & 2022
3. Customer Service Department Performance Measures 1st Quarter FY 2022 & 2023
4. Other
5. Consider Items for Board Review
6. Adjourn

In the interest of public health and safety, this meeting will be conducted in accordance with provisions of the Brown Act and Assembly Bill 361. Participants who would like to join this meeting remotely can do so in one of the following ways:

For Online Participation:

Go to: www.zoom.us
Select Join a Meeting
Enter Meeting ID: 881 8213 8083
Meeting Password: 92530

For Call-in Only:

Call: (720) 707 2699
Enter Meeting ID: 881 8213 8083
Meeting Password: 92530



**FINANCE AND ADMINISTRATION
COMMITTEE**

DISCUSSION OUTLINE

Date: October 25, 2022

Originator: SCOTT THOMPSON- Finance

**Subject: HORSETHIEF 2020-1 CFD IMPROVEMENT AREA NO. 1B
AMENDMENTS**

STRATEGIC GOAL

Maintain and Upgrade Infrastructure

BACKGROUND AND RECOMMENDATION

Since 2016, Elsinore Valley Municipal Water District (“EVMWD”) has been working with four landowners on future developments within the Horsethief Canyon area of the EVMWD service area to provide water and sewer service for 1,174 new residential units. In April 2020, the Board approved a development agreement allowing for the expansion of Horsethief Water Reclamation Facility (“WRF”) from an average daily capacity of 0.5 million gallons per day (“MGD”) to 0.8 MGD, which will be primarily funded by the developers.

On January 14, 2021, the Board adopted a resolution establishing Community Facilities District (CFD) No. 2020-1 (Horsethief). The CFD was formed with 7 improvement areas and structured with Improvement Areas “A” and “B.” Improvement Area “A” bonds are being used to finance each developer’s proportionate share of the Horsethief WRF expansion while Improvement Area “B” bonds will be utilized for capacity fees and other public facilities within each of the developments. Improvement Area A bonds were issued first with the B bonds dependent on the timing of each development. The purpose of dividing the CFD into several improvement areas was to provide flexibility in the future and to mitigate risk. Should several developments move forward and one development lag, then the slower developing parcel will not impact the credit or the special taxes of the other developments.

At this time, the landowner of Improvement Area 1B, Temescal Valley Land, LLC, has expressed that it would like to amend Improvement Area 1B to increase the amount of authorized bond indebtedness. As anticipated when forming the CFD, the estimated land

value in the Improvement Area has increased and development plans have changed. Therefore, a larger bond issue and longer term for the special taxes are merited and still in compliance with all District policies. The proposed amendments include an increase to the amount of authorized bond indebtedness from \$1,250,000 to \$4,500,000, a revision to the Rate and Method of Apportionment of Special Tax to increase rates of special tax to be levied, and a five year increase to the term of the special tax from fiscal year 2065 to fiscal year 2070. The special tax is only expected to be levied for 25-30 years but it is prudent to have extra years to collect the tax in the event that there are occurrences which prevent the District from collecting unpaid and delinquent special taxes.

Staff is recommending approval of the amendments and will present this item at the November 2, 2022, Study Session.

ENVIRONMENTAL WORK STATUS

Not applicable

FISCAL IMPACT

Not applicable

Attachments:

Resolution of Consideration
Resolution Declaring Necessity
(Change) Petition for improvement Area No. 1B

Horsethief Community Facilities District (CFD) – Improvement Area 1B Amendment

FAC Meeting
October 25, 2022



Outline

- Horsethief Community Facilities District (CFD) Participating Developers
- Original Formation Schedule
- Amendment Request
- Upcoming Schedule

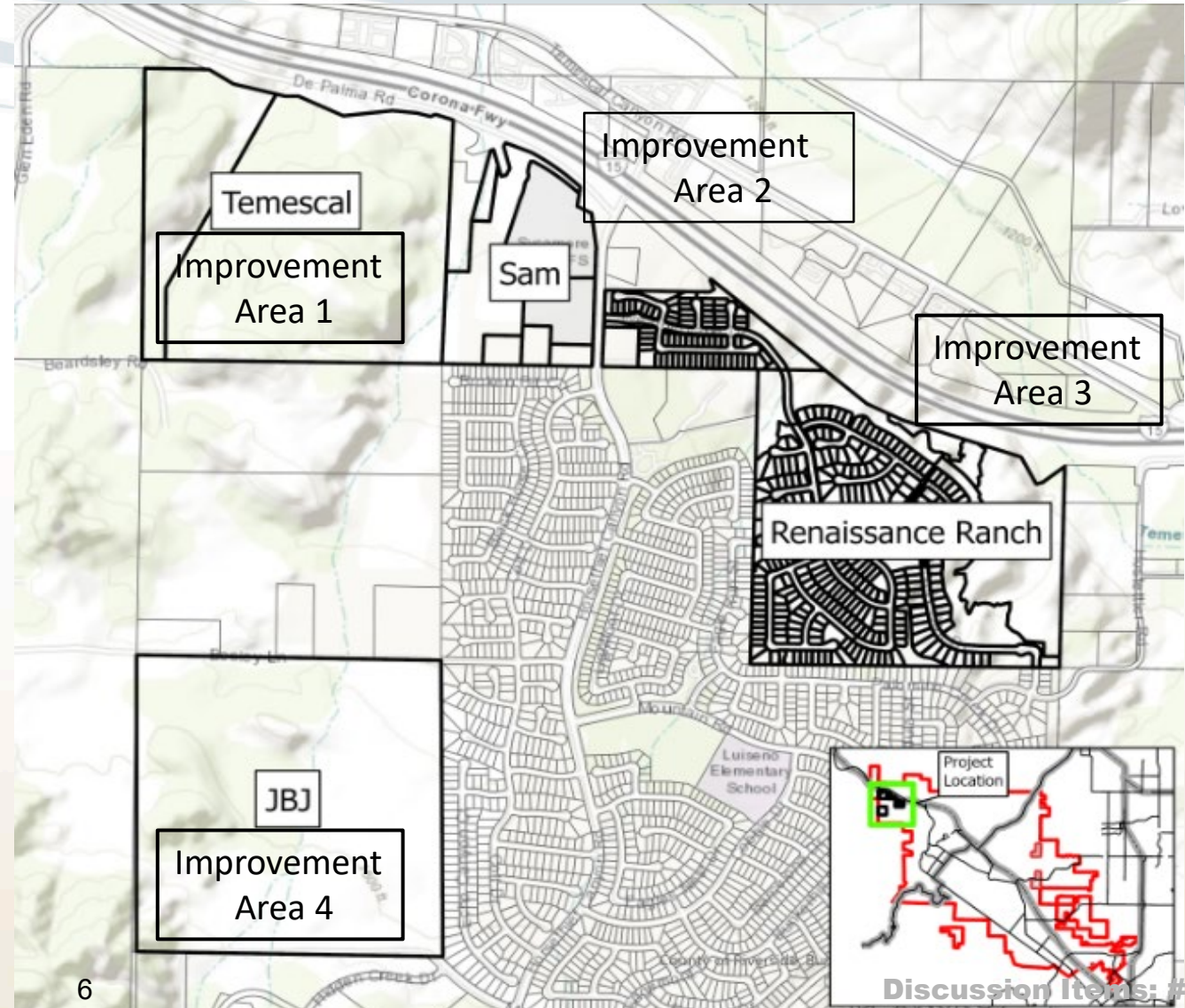
Horsethief CFD - Participating Developers

Development

Saddleback (Temescal)
Sam Horsethief
JBJ Ranch
Renaissance Ranch

IA

1
2
3
4



Formation Schedule

Date	Event
October 22, 2020	Declared intention to form Horsethief CFD and necessity to incur bond indebtedness
January 14, 2021	Horsethief CFD 2020-1 established with 7 Improvement Areas (IA)
February 11, 2021	Authorization to levy of special taxes
September 23, 2021	Issued Bonds for Improvement Area 1A and 2A
October 14, 2021	Issued Bonds for Improvement Area 3A

Amendment to Improvement Area 1B

- Temescal Valley Land, LLC (IA 1B) has petitioned the District requesting that the Board initiate proceedings pursuant to the Mello-Roos Community Facilities Act of 1982
 - Increase authorized bonded indebtedness from \$1,250,000 to \$4,500,000
 - Revise the Rate and Method of Apportionment of Special Tax
 - Extend the term of the special tax from 2064-65 to 2069-70

Amendment to Improvement Area 1B (Cont'd)

	Original	Requested Amendment	Increase
Authorized Bond Amount	\$1,250,000	\$4,500,000	\$3,250,000
Assigned Special Tax Rate			
3,650 sq/ft or Greater	\$388	\$1,198	\$810
≥3,150 and <3,650 sq/ft	\$354	\$1,178	\$824
≥2,650 and <3,150 sq/ft	\$336	\$1,158	\$822
Less than 2,650 sq/ft	\$307	\$1,138	\$831
Non-Residential	\$2,025/Acre	\$7,108/Acre	\$5,083/Acre
Term of Special Tax	2064-2065	2069-2070	5 years

Upcoming Schedule

Date	CFD No. 2021-1 IA 1B	Status
	Rate and method of apportionment of special tax based on development mix and legislative proceedings prepared	Completed
October 25, 2022	Finance & Administration Committee – Present CFD Amendment	Completed
November 2, 2022	Study Session – Present CFD Amendment	
December 8, 2022	Board Meeting – Resolution of Consideration	
January 12, 2023	Board Meeting – Resolution of Change	
January 26, 2023	Board Meeting – Second Reading of Ordinance	

- Dependent on Project Schedule
 - EVMWD Considers Approval of Bond Issuance
 - Bond Issuance once sufficient development has taken place and EVMWD policies have been met

Questions?



RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF ELSINORE VALLEY MUNICIPAL WATER DISTRICT DETERMINING THAT THE PUBLIC CONVENIENCE AND NECESSITY REQUIRE THE AMOUNT OF AUTHORIZED BONDED INDEBTEDNESS OF COMMUNITY FACILITIES DISTRICT NO. 2020-1 (HORSETHIEF) TO BE INCURRED FOR IMPROVEMENT AREA NO. 1B BE INCREASED, THAT THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA NO. 1B BE REVISED TO INCREASE THE RATE OF SPECIAL TAX TO BE LEVIED ON PROPERTY THEREIN, AND THAT THE TERM OF THE SPECIAL TAX FOR THE IMPROVEMENT AREA NO. 1B BE EXTENDED

WHEREAS, the Board of Directors (the "Board of Directors") of the Elsinore Valley Municipal Water District (the "District") has received a written petition from Temescal Valley Land, LLC, the owner (the "Owner") of the territory within Improvement Area No. 1B of Community Facilities District No. 2020-1 (Horsethief) of the Elsinore Valley Municipal Water District (the "Improvement Area" and the "Community Facilities District" respectively) requesting that the Board of Directors initiate proceedings pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code, to (i) increase the amount of the authorized bonded indebtedness that is allocated to the Improvement Area from \$1,250,000 to \$4,500,000; (ii) revise the Rate and Method of Apportionment of Special Tax for Improvement Area No. 1B to increase the rates of special tax to be levied on parcels of property in the Improvement Area to pay debt service on the bonds of the Community Facilities District that may be issued to finance the design, construction and acquisition of public facilities for the Improvement Area and to pay directly for such facilities; and (iii) extend the term of the special tax for the Improvement Area from 2064-65 to 2069-70.

WHEREAS, the Board of Directors has determined that the public convenience and necessity require the changes proposed in the aforementioned petition, and that it should, therefore, adopt a resolution of consideration pursuant to Sections 53331 and 53334 of the Government Code to initiate proceedings for the consideration of such changes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT, AS FOLLOWS:

Section 1. Findings. The Board of Directors finds as follows:

(a) The public convenience and necessity require the proposed changes specified in the preceding recitals;

(b) there are not any persons registered to vote within the territory of the Improvement Area; and

(c) pursuant to Section 53326 of the Government Code, the vote in the special election on the changes that are proposed by this resolution, if it is held, shall, therefore, be by the landowners within the Improvement Area, with each landowner of record at the close of the public hearing having one vote for each acre or portion of an acre of land that he or she owns within the Improvement Area.

Section 2. The Community Facilities District. The Community Facilities District is “Community Facilities District No. 2020-1 (Horsethief) of the Elsinore Valley Municipal Water District, County of Riverside, State of California.” The territory within the Improvement Area is generally shown and described on the map of the boundaries of the Improvement Area, which was recorded in Book 85 of Maps of Assessment and Community Facilities Districts at Page 96 and as Instrument No. 2020-0562738 in the office of the County Recorder of the County of Riverside.

Section 3. Bonded Indebtedness. It is proposed (a) that the amount of the authorized bonded indebtedness of the Community Facilities District that shall be allocated to the Improvement Area shall be increased from \$1,250,000 to \$4,500,000; (b) that the Rate and Method of Apportionment of Special Tax for the Improvement Area shall be revised as set forth in Exhibit “A” attached hereto; and (c) that the term of the special tax for the Improvement Area be increased from 2064-65 to 2069-70. The Amended and Restated Rate and Method of Apportionment of Special Tax provides for (i) an increase in the rates of special tax to be levied on parcels of property in the Improvement Area to pay debt service on the bonds of the Community Facilities District that may be issued to finance the design, construction and acquisition of public facilities for the Improvement Area and to pay directly for such facilities.

Section 4. Hearing. A public hearing regarding the proposed changes identified in Section 3 hereof shall be held at 4:00 p.m. on January 12, 2023 in the Board of Directors Chambers located at 31315 Chaney Street, Lake Elsinore, California 92530, or via teleconference as directed by the District due to COVID-19 social distancing guidelines.

Section 5. Description of Voting Procedures. Since less than 12 persons are registered to vote within the territory of the Improvement Area, pursuant to Section 53326 of the Government Code (“Section 53326”), the vote in the special election on the changes that are proposed by this resolution will be by the landowners of the property located within the Improvement Area, with each landowner of record at the close of the public hearing having one vote for each acre or portion of an acre of land that he or she owns within the Improvement Area, and the special election shall be conducted as a mail ballot election. The special election shall be conducted by the Secretary of the Board of Directors (the “Secretary”). The special election shall be held on the earliest date, following the conclusion of the public hearing, as may be selected by the Board of Directors, pursuant to Section 53326, or such earlier date as the owner of land with the Improvement Area and the Secretary agrees and concurs is acceptable. Pursuant to Section 53326, the special election may be held earlier than 90 days following the close of the public hearing, if the qualified elector of the Improvement Area waives the time limits for conducting the election set forth in Section 53326 by unanimous written consent and the Secretary concurs in such earlier election date as shall be consented to by the

qualified electors. Pursuant to Section 53326, ballots for the special election shall be distributed to the qualified electors by the Secretary by mail with return postage prepaid, or by personal service, and the special election shall be conducted in conformance with the applicable requirements of Section 53326, 53327 and 53327.5 of the Government Code. The procedures set forth in this section for conducting the special election, if it is held, may be modified as the Board of Directors may determine to be necessary or desirable by a resolution subsequently adopted by the Board of Directors.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED this 8th day of December, 2022, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Darcy Burke
President of the Board of Directors of the
Elsinore Valley Municipal Water District

ATTEST:

Terese Quintanar
Secretary of the Board of Directors of the
Elsinore Valley Municipal Water District

I, TERESE QUINTANAR, Secretary of the Board of Directors of Elsinore Valley Municipal Water District, certify that the foregoing is a full, true and correct copy of Resolution No. 22-_____ adopted by said Board at its regular meeting of December 8, 2022 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Terese Quintanar, Secretary

EXHIBIT “A”

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT FOR IMPROVEMENT AREA NO. 1B (HORSETHIEF) OF COMMUNITY FACILITIES DISTRICT NO. 2020-1 OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT

A Special Tax shall be levied and collected in Improvement Area No. 1B (Horsethief) (“IA No. 1B) of Community Facilities District No. 2020-1 (Horsethief) of the Elsinore Valley Municipal Water District (“CFD No. 2020-1”) each Fiscal Year, in an amount determined by the Board of Directors of the Elsinore Valley Municipal Water District acting in its capacity as the legislative body of CFD No. 2020-1 through the application of this Rate and Method of Apportionment as described below. All of the real property in IA No. 1B of CFD No. 2020-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Acreage” means that acreage shown on the Assessor’s Parcel Map for each Assessor’s Parcel. In the event that the Assessor’s Parcel Map shows no acreage, the Acreage for any Assessor’s Parcel shall be that shown on the applicable condominium plan, final map, parcel map, or similar instrument. For condominiums, Acreage shall be determined by allocating the acreage of the underlying lot on which the condominiums are or are to be constructed equally to each such condominium unit. An Acre means 43,560 square feet of land.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

“Administrative Expenses” means actual or reasonably estimated costs related to the administration of CFD No. 2020-1 allocable to IA No. 1B including, but not limited to, the following: (1) the costs of computing the Special Taxes and of preparing the annual collection schedules of Special Taxes; (2) the costs of collecting the Special Taxes; (3) the costs of remitting the Special Taxes to the Fiscal Agent for any Bonds; (4) the Fiscal Agent’s costs (including its legal counsel) in the discharge of the duties required of it under any Fiscal Agent Agreement; (5) the costs of the District, CFD No. 2020-1, or designee in complying with arbitrage rebate requirements, or responding to questions from the SEC or IRS pertaining to any Bonds or any audit from the SEC or IRS pertaining to any Bonds; (6) the costs of the District, CFD No. 2020-1, or designee in complying with the disclosure requirements of applicable federal and state securities laws and of the Act; (7) the costs associated with responding to public inquiries regarding IA No. 1B of CFD No. 2020-1 or the Special Taxes; (8) the costs associated with the release of funds from any escrow account (to the extent not paid from other sources); (9) the costs of the District, CFD No. 2020-1, or designee related to an appeal of the Special Taxes; and (10) an allocable share of the salaries and overhead of the District staff directly relating to the foregoing. Administrative Expenses shall also include, but are not limited to, amounts advanced by the District for any administrative purposes of IA No. 1B of CFD No. 2020-1 including the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in IA No. 1B of CFD No. 2020-1.

“Assessor’s Parcel” means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the Assessor of the County designating parcels by Assessor’s Parcel number.

“Assigned Special Tax” means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.

“Association Property” means, for each Fiscal Year, any property within the boundaries of IA No. 1B of CFD No. 2020-1 that was owned by a property owner association, including any master or sub-association, as of the January 1 preceding such Fiscal Year.

“Authorized Facilities” means those District facilities described in Resolution No. 20-10-01 adopted by the Board of Directors on October 22, 2020 that can be acquired and/or constructed by the levy of Special Tax.

“B&S” means the County or City department with authority to issue the Building Permits and Certificates of Occupancy for Assessor’s Parcels in IA No. 1B of CFD No. 2020-1.

“Backup Special Tax” means the Special Tax applicable to each Assessor’s Parcel of Developed Property, as determined in accordance with Section C.1.b.

“Board” means the Board of Directors of the District, acting as the legislative body of IA No. 1B of CFD No. 2020-1.

“Bonds” means any bonds or other indebtedness (as defined in the Act), whether in one or more series, secured by the levy of Special Tax.

“Building Permit” means the first legal document issued by the B&S giving official permission for the construction of a building on an Assessor’s Parcel. For purposes of this definition and application of the Special Tax, “Building Permit” may or may not include any subsequent Building Permits issued or changed after the first issuance, as determined by the CFD Administrator.

“Certificate of Occupancy” means a document issued by the B&S which permits the initial habitation of a newly constructed Dwelling Unit.

“CFD Administrator” means an official of the District, or designee thereof, responsible for determining the Special Tax Requirements, and providing for the levy and collection of the Special Taxes.

“City” means any city in which IA No. 1B of CFD No. 2020-1 is located as the result of an incorporation or annexation following the formation of CFD No. 2020-1.

“County” means the County of Riverside, California.

“Developed Property” means all Taxable Property, exclusive of Taxable Association Property and Taxable Public Property, for which the Final Subdivision was recorded as of the January 1 and a Building Permit for new construction was issued prior to the June 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, provided such Building Permit was also issued after January 1, 2021.

“District” means the Elsinore Valley Municipal Water District.

“Dwelling Unit” or “DU” means a residential dwelling unit.

“Final Subdivision” means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.), or recordation of a condominium plan pursuant to California Civil Code 4285, that creates individual lots for which Building Permits may be issued without further subdivision.

“Fiscal Agent” means the fiscal agent or trustee under the Fiscal Agent Agreement.

“Fiscal Agent Agreement” means the fiscal agent agreement, indenture, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Land Use Classification” means any of the categories listed in Section C and for Developed Property as listed in Table 1.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Section C that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property which are not classified as Residential Property.

“Occupied Property” means all Assessor’s Parcels of Residential Property for which a Certificate of Occupancy for private residential use has been issued.

“Outstanding Bonds” mean all Bonds which are deemed to be outstanding under its Fiscal Agent Agreement.

“Proportionately” means for Developed Property that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, Taxable Association Property, and Taxable Public Property, “Proportionately” means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor’s Parcels of Undeveloped Property, Taxable Association Property, and Taxable Public Property.

“Public Property” means any property within the boundaries of IA No. 1B of CFD No. 2020-1 owned by, irrevocably offered or dedicated to the federal government, the State, the County or any local government or other public agency, provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act.

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor’s Parcel shall be made by reference to the Building Permit(s) issued for such Assessor’s Parcel.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the construction thereon of one or more Dwelling Units.

“Special Tax” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within IA No. 1B of CFD No. 2020-1 to fund the Special Tax Requirement.

“Special Tax Requirement” means that amount with respect to IA No. 1B of CFD No. 2020-1 determined by the Board or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) regularly scheduled debt service on all Outstanding Bonds due in the calendar year commencing in such Fiscal Year, (3) any amount required to replenish any reserve fund established in connection with Bonds, (4) for reasonably anticipated delinquent Special Taxes, (5) the costs of remarketing, credit enhancement and liquidity facility fees for Bonds (including such fees for instruments that serve as the basis of a reserve fund in lieu of cash related to any such indebtedness), (6) directly for the acquisition and/or construction of Authorized Facilities to the extent that the inclusion of such amount does not increase the Special Tax levy on Undeveloped Property, less (7)

a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the applicable Fiscal Agent Agreement.

“**State**” means the State of California.

“**Taxable Association Property**” means, for each Fiscal Year, all Assessor’s Parcels of Association Property that are not exempt pursuant to Section E.

“**Taxable Property**” means all or a portion of an Assessor’s Parcel that is located within the boundaries of IA No. 1B of CFD No. 2020-1 which is not exempt from the Special Tax pursuant to law or Section E.

“**Taxable Public Property**” means, for each Fiscal Year, all Assessor’s Parcels of Public Property that are not exempt pursuant to Section E.

“**Undeveloped Property**” means all Taxable Property not classified as Developed Property, Taxable Association Property, or Taxable Public Property.

B CLASSIFICATION OF PROPERTY

Commencing with Fiscal Year 2021-2022 and each following Fiscal Year, all Taxable Property within IA No. 1B of CFD No. 2020-1 shall be classified as Developed Property, Undeveloped Property, Taxable Association Property, or Taxable Public Property, and shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below.

Assessor’s Parcels of Residential Property shall be assigned to Land Use Class 1 through 4 as specified in Table 1 below based upon the Residential Floor Area constructed or to be constructed on an Assessor’s Parcel. Assessor’s Parcels of Non-Residential Property shall be assigned to Land Use Class 5. With respect to Residential Property, the Residential Floor Area shall be determined from the Building Permit(s) issued prior to the Assessor’s Parcel being classified as Occupied Property.

C MAXIMUM SPECIAL TAX RATE

C.1 Developed Property

The Maximum Special Tax for each Assessor’s Parcel classified as Developed Property shall be the greater of (i) the applicable Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

C.1.a Assigned Special Tax

The Assigned Special Tax for each Land Use Class is shown in Table 1.

Table 1: Assigned Special Tax Rates

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	3,650 sq. ft. or Greater	\$1,198/DU
2	Residential Property	≥ 3,150 and < 3,650 sq. ft.	\$1,178/DU
3	Residential Property	≥ 2,650 and < 3,150 sq. ft.	\$1,158/DU
4	Residential Property	Less than 2,650 sq. ft.	\$1,138/DU
5	Non-Residential Property	N/A	\$7,108/Acre

C.1.b Backup Special Tax

The Backup Special Tax attributable to a Final Subdivision is equal to \$7,108, multiplied by the Acreage of all Taxable Property, exclusive of any Taxable Association Property and Taxable Public Property, therein. The Backup Special Tax for each Assessor’s Parcel of

Residential Property shall be computed by dividing the Backup Special Tax attributable to the applicable Final Subdivision by the number of Assessor's Parcels, or residential lots or Dwelling Units as applicable, for which Building Permits for residential construction have or may be issued. The Backup Special Tax for each Assessor's Parcel of Non-Residential Property shall equal to \$7,108, multiplied by the Acreage of such Assessor's Parcel.

If a Final Subdivision includes Assessor's Parcels of Taxable Property for which Building Permits for both residential and non-residential construction may be issued, exclusive of Taxable Association Property and Taxable Public Property, then the Backup Special Tax for each Assessor's Parcel of Residential Property shall be computed exclusive of the Acreage and Assessor's Parcels of property for which Building Permits for non-residential construction may be issued.

Notwithstanding the foregoing, if all or any portion of a Final Subdivision is modified subsequent to its initial recordation by a lot line adjustment or similar instrument, and if the CFD Administrator determines that such modification results in a decrease in the number of Assessor's Parcels of Taxable Property, or residential lots or Dwelling Units as applicable, for which Building Permits for residential construction have or may be issued within such Final Subdivision, then the Backup Special Tax for each Assessor's Parcel of Developed Property that is part of the lot line adjustment or similar instrument shall be recalculated below. The Backup Special Tax previously determined for an Assessor's Parcel of Developed Property that is not a part of the lot line adjustment or similar instrument shall not be recalculated.

- 1st. Determine the total Backup Special Taxes applicable to the modified portion of the Final Subdivision area prior to the modification.
- 2nd. The result of 1st step above shall be divided by the number of Assessor's Parcels of Developed Property for such modified portion of the Final Subdivision area, as reasonably determined by the CFD Administrator.
- 3rd. The result of 2nd step above shall be the Backup Special Tax applicable to Assessor's Parcels of Developed Property in such modified portion of the Final Subdivision area for all remaining Fiscal Years in which the Special Tax may be levied.

C.1.c Release of Obligation to Pay and Disclose Backup Special Tax

If all Bonds that are authorized to be issued by IA No. 1B of CFD No. 2020-1 have been issued or IA No. 1B of CFD No. 2020-1 has covenanted that it will not issue any more Bonds (except refunding bonds), all Assessors' Parcels within IA No. 1B of CFD No. 2020-1 will be relieved simultaneously and permanently from the obligation to pay and disclose the Backup Special Tax if the CFD Administrator determines that the annual debt service required for the Outstanding Bonds, when compared to the total Assigned Special Taxes that may be levied against all Assessor's Parcels of Developed Property results in 110% debt service coverage (i.e., the total Assigned Special Taxes that may be levied against all Developed Property in each remaining Fiscal Year based on then existing development in IA No. 1B of CFD No. 2020-1 is at least equal to the sum of (i) the reasonably expected Administrative Expenses and (ii) 1.10 times maximum annual debt service, in each remaining Fiscal Year on the Outstanding Bonds).

C.1.d Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes for all Land Use Classes located on that Assessor's Parcel.

C.2 Undeveloped Property, Taxable Association Property, and Taxable Public Property

The Maximum Special Tax for Undeveloped Property, Taxable Association Property, and Taxable Public Property shall be \$7,108 per Acre.

D METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2023-2024 and for each following Fiscal Year, the Board shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax to satisfy the Special Tax Requirement;

Second: If additional Special Taxes are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property as set forth in Section C.2 above;

Third: If additional Special Taxes are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to 100% of the applicable Maximum Special Tax; and

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Association Property and Taxable Public Property at up to 100% of the applicable Maximum Special Tax.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Occupied Property in any Fiscal Year be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel or Parcels within IA No. 1B of CFD No. 2020-1 by more than ten (10) percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

E EXEMPTIONS

No Special Tax shall be levied on up to 102.58 Acres of Public Property and/or Association Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Association Property or Public Property. However, should an Assessor's Parcel no longer be classified as Association Property or Public Property, its tax-exempt status will be revoked.

Association Property and Public Property that is not exempt from the Special Tax under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fourth step in Section D, at up to 100% of the applicable Maximum Special Tax.

F TERM

The Special Tax shall be levied as necessary to satisfy the Special Tax Requirement, but in no circumstances shall it be levied after Fiscal Year 2069-70.

G APPEALS

Any property owner who feels that the amount of the Special Tax levied on their Assessor's Parcel is in error may submit a written appeal to IA No. 1B of CFD No. 2020-1 not later than thirty-six (36) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a Building Permit is not an eligible reason for appeal, with the exception of an incorrect Residential Floor Area. The CFD Administrator shall promptly review

the appeal and, if necessary, meet with the property owner, consider written and oral evidence regarding the amount or application of the Special Tax, and rule on the appeal. If the CFD Administrator's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error; provided, however, no action shall be taken that would cause a default under the Fiscal Agent Agreement:

- (i) amend the Special Tax levy for the current Fiscal Year to the extent possible;
- (ii) require IA No. 1B of CFD No. 2020-1 to reimburse the property owner the amount of the overpayment to the extent of available funds of IA No. 1B of CFD No. 2020-1 and only for the preceding Fiscal Year(s); or
- (iii) grant a credit against, eliminate or reduce the future Special Taxes levied on the property owner's property within IA No. 1B of CFD No. 2020-1 in the amount of the overpayment.

The Board may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any property owner appeals. Any decision of the Board shall be final and binding as to all persons.

H MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that IA No. 1B of CFD No. 2020-1 may collect Special Taxes at a different time or in a different manner as determined by the Board, if necessary to meet its financial obligations.

I PREPAYMENT OF SPECIAL TAX

The following additional definitions apply to this Section I:

"Buildout" means, for IA No. 1B of CFD No. 2020-1, that all expected Building Permits for Dwelling Units to be constructed in IA No. 1B of CFD No. 2020-1 have been issued, as reasonably determined by the CFD Administrator.

"Facilities Costs" means \$4,500,000 or such lower number as determined by the Board or as determined pursuant to Section J below.

"Future Facilities Costs" means the Facilities Costs minus (i) costs of Authorized Facilities previously paid from the Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund available to pay costs of Authorized Facilities, and (iii) moneys currently on deposit in an escrow fund established in connection with the Bonds that are expected to be available to pay the cost of Authorized Facilities.

"Improvement Fund" means a fund or account identified in the Fiscal Agent Agreement from which moneys may be disbursed to pay costs of Authorized Facilities.

"Minimum Denomination" means the lowest denomination of Bonds that can be purchased as authorized by the Fiscal Agent Agreement.

I.1 Prepayment in Full

The obligation of the Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel and all other Assessor's Parcels of Taxable Property which are under the same ownership at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify

such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge such owner a reasonable fee for providing this service.

The Special Tax Prepayment Amount shall be the sum of the Bond Redemption Amount, Redemption Premium, Future Facilities Amount, Defeasance Amount, and Prepayment Fees and Expenses less the Reserve Fund Credit and less the Capitalized Interest Credit with such capitalized terms defined below.

As of the proposed date of prepayment, the Special Tax Prepayment Amount shall be calculated as follows:

- 1st. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
- 2nd. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the applicable Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the Residential Floor Area referenced on the Building Permit which has already been issued for such Assessor's Parcel.
- 3rd. Divide the Assigned Special Tax computed pursuant to 2nd step by the total estimated Assigned Special Tax levy which could be levied in the current Fiscal Year on all expected development at Buildout, excluding any Assessor's Parcels for which Special Taxes have been prepaid in full.
- 4th. Divide the Backup Special Tax computed pursuant to 2nd step by the total estimated Backup Special Tax which could be levied in the current Fiscal Year on all expected development at Buildout, excluding any Assessor's Parcels for which Special Taxes have been prepaid in full.
- 5th. Multiply the larger quotient computed pursuant to 3rd or 4th steps by the Outstanding Bonds less the scheduled principal payment, if any, on the redemption date, to compute the amount of Bonds to be retired and prepaid (the "Bond Redemption Amount").
- 6th. Multiply the Bond Redemption Amount computed pursuant to 5th step by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Bonds to be redeemed (the "Redemption Premium").
- 7th. Compute the Future Facilities Costs.
- 8th. Multiply the larger quotient computed pursuant to 3rd or 4th steps by the amount determined pursuant to 7th step to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
- 9th. Compute the amount needed to pay interest on the Bond Redemption Amount on each interest payment date for the Bonds following the date of prepayment through the redemption date for the Bonds, taking into consideration available capitalized interest during such period.
- 10th. Determine the portion of the Special Tax levied on the Assessor's Parcel in the current Fiscal Year attributable to interest due on the Bonds which has been paid but not yet applied toward the payment of interest on the Bonds.
- 11th. Subtract the amounts computed pursuant to 10th step from the amount computed pursuant to 9th step (the "Defeasance Amount").
- 12th. The prepayment fees and expenses of IA No. 1B of CFD No. 2020-1 are as calculated by the CFD Administrator and include the costs of computation of the prepayment, the costs of redeeming Bonds, the costs to remove the Special Tax from the County tax roll, and the costs of recording any notices to evidence the prepayment and the redemption (the "Prepayment Fees and Expenses").

- 13th. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Fiscal Agent Agreement), if any, associated with the redemption of Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Fiscal Agent Agreement) in effect after the redemption of Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. No Reserve Fund Credit shall be granted if the amount then on deposit in the reserve fund for the Bonds is below the reserve requirement (as defined in the Fiscal Agent Agreement).
- 14th. If any capitalized interest for the Bonds will not have been expended as of the date immediately following the redemption of Bonds, a capitalized interest credit shall be calculated by multiplying the larger quotient computed pursuant to 3rd or 4th steps by the expected balance in the capitalized interest fund or account under the Fiscal Agent Agreement after such redemption date (the "Capitalized Interest Credit").
- 15th. The Special Tax prepayment is equal to the sum of the Bond Redemption Amount, Redemption Premium, Future Facilities Amount, Defeasance Amount and Prepayment Fees and Expenses, less the Reserve Fund Credit and Capitalized Interest Credit (the "Special Tax Prepayment Amount").

From the Special Tax Prepayment Amount, the Bond Redemption Amount, Redemption Premium, Defeasance Amount, Reserve Fund Credit and Capitalized Interest Credit shall be deposited into the appropriate fund as established under the Fiscal Agent Agreement and be used to retire Bonds or make debt service payments. The Future Facilities Amount shall be deposited into the Improvement Fund. The Prepayment Fees and Expenses shall be retained by IA No. 1B of CFD No. 2020-1.

The Special Tax Prepayment Amount may be insufficient to redeem a full Minimum Denomination of Bonds. In such cases, the increment above the Minimum Denomination or integral multiple thereof will be retained in the appropriate fund established under the Fiscal Agent Agreement to be used with the next prepayment of Bonds or to make debt service payments.

Upon confirmation of the receipt of the Special Tax Prepayment Amount, the CFD Administrator shall determine if there is any portion of the current Fiscal Year's Special Tax levy for such Assessor's Parcel that has not been applied as a credit in determining the Special Tax Prepayment Amount, has or will not be utilized for payment of debt service on the Bonds, or has or will not be utilized for Administrative Expenses (the "Unutilized Special Tax"). The CFD Administrator shall cause the removal of the Unutilized Special Tax from the County tax roll, if feasible, or alternatively and to the extent the Unutilized Special Tax has been paid the issuance of a refund to the prepaid parcel. With respect to any Assessor's Parcel that is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless, at the time of such proposed prepayment, the amount of Maximum Special Tax that may be levied on Taxable Property within IA No. 1B of CFD No. 2020-1 (after excluding 102.58 Acres of Public Property and Association Property as set forth in Section E) both prior to and after the proposed prepayment is at least equal to the sum of (i) the Administrative Expenses and (ii) 1.10 times maximum annual debt service, in each remaining Fiscal Year on the Outstanding Bonds.

I.2 Prepayment in Part

The obligation of the Assessor's Parcel to pay the Special Tax may be partially prepaid as described herein, provided that a partial prepayment may be made only for Assessor's Parcels of Developed Property, or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued, and only if there are no delinquent Special Taxes with respect to such

Assessor's Parcel and all other Assessor's Parcels of Taxable Property which are under the same ownership at the time of partial prepayment. The amount of the prepayment for the Special Tax shall be calculated pursuant to Section I.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = [(STPA - PF) \times F] + PF$$

These terms have the following meaning:

PP = the partial prepayment.

STPA = the Special Tax Prepayment Amount calculated according to Section I.1.

F = the percentage, expressed as a decimal, by which the owner of the Assessor's Parcel is partially prepaying the Special Tax.

PF = the Prepayment Fees and Expenses calculated according to Section I.1.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within 30 days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute or cause to be distributed the funds remitted to it according to Section I.1, and (ii) indicate in the records of IA No. 1B of CFD No. 2020-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

J SPECIAL TAX REDUCTION

The following additional definitions apply to this Section J:

"Issuance Date" means the date a bond purchase contract related to the sale of the Bonds is entered into between the underwriter of the Bonds and IA No. 1B of CFD No. 2020-1.

"Maximum Debt Burden" means the maximum property tax and other property-based fee and charge burden, including the proposed Special Taxes, set forth in the District's Public Financing Policy being Section 2800 of the District's Administrative Code, effective as of April 13, 2017.

"Plan Type" means a discrete residential plan type (generally consisting of residential dwelling units that share a common product type (e.g., detached, attached, cluster) and that have nearly identical amounts of living area) that is constructed or expected to be constructed within IA No. 1B of CFD No. 2020-1 as identified in the Price Point Study.

"Price Point" means, with respect to the residential dwelling units in each Plan Type, as of the date of the applicable Price Point Study, (a) for such units sold as of such date, the actual sales price of the units and (b) for such units that have not yet been sold as of such date, the base price of such residential dwelling units, estimated by the Price Point Consultant as of such date, including any incentives and concessions, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area, view, or lot size. Price Point Consultant shall develop and employ an equitable methodology to determine the final Price Point for each Plan Type based upon the prices determined in (a) and (b) above.

"Price Point Consultant" means any consultant or firm of such consultants selected by IA No. 1B of CFD No. 2020-1 that (a) has substantial experience in performing price point studies for residential units within community facilities districts or otherwise estimating or

confirming pricing for residential units in community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of IA No. 1B of CFD No. 2020-1 or the District, (d) does not have any substantial interest, direct or indirect, with or in (i) IA No. 1B of CFD No. 2020-1, (ii) the District, (iii) any owner of real property in IA No. 1B of CFD No. 2020-1, or (iv) any real property in IA No. 1B of CFD No. 2020-1, and (e) is not connected with IA No. 1B of CFD No. 2020-1 or the District as an officer or employee thereof, but who may be regularly retained to make reports to IA No. 1B of CFD No. 2020-1 or the District.

“Price Point Study” means a price point study or a letter updating a previous price point study, which (a) has been prepared by the Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within IA No. 1B of CFD No. 2020-1, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Price Point Consultant’s estimate of the Price Point for each Plan Type and (e) uses a date for establishing such Price Points that is no earlier than 30 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to Step No. 1 of this Section J. The Price Point Study will only include the for-sale Residential Property in IA No. 1B of CFD No. 2020-1.

“Total Effective Tax Rate” means, for a Plan Type, the quotient of (a) the Total Tax and Assessment Obligation for such Plan Type divided by (b) the Price Point for such Plan Type, converted to a percentage.

“Total Tax and Assessment Obligation” means, with respect to a Plan Type, for the Fiscal Year for which the calculation is being performed, the quotient of (a) the sum of the Assigned Special Tax and estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on all residential dwelling units of such Plan Type in such Fiscal Year or that would have been levied or imposed on all such residential dwelling units had such residential dwelling units been completed, sold and subject to such levies and impositions in such Fiscal Year divided by (b) the number of residential dwelling units in such Plan Type. The Total Tax and Assessment Obligation for each Plan Type shall be calculated based on the applicable Residential Floor Area, Price Point, and number of constructed and expected residential dwelling units for such Plan Type as identified in the Price Point Study.

Prior to the issuance of the first series of Bonds, the following steps shall be taken for each Land Use Class of for-sale Residential Property:

- 1st. At least 30 days prior to the expected Issuance Date of the first series of Bonds, IA No. 1B of CFD No. 2020-1 shall cause a Price Point Study to be delivered to the CFD Administrator for Assessor’s Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax. For Assessor’s Parcels of Undeveloped Property for which a Building Permit has been issued, compute the applicable Assigned Special Tax and Backup Special Tax for that Assessor’s Parcel as though it was already designated as Developed Property, based upon the Residential Floor Area referenced on the Building Permit which has already been issued for such Assessor’s Parcel.
- 2nd. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Tax and Assessment Obligation and Total Effective Tax Rate for each Plan Type.
- 3rd. Separately, for each Land Use Class of for-sale Residential Property, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Maximum Debt Burden.

- a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to the Maximum Debt Burden, then there shall be no change in the Assigned Special Tax for such Land Use Class.
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than the Maximum Debt Burden, the CFD Administrator shall calculate a revised Assigned Special Tax for such Land Use Class, which revised Assigned Special Tax shall be the highest amount (rounded to the nearest whole dollar) that will not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed Maximum Debt Burden.
- 4th. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the Backup Special Tax attributable to a Final Subdivision as set forth in Section C.1.b. above shall be revised as followed.
- a. Calculate the total amount of Assigned Special Tax for Land Use Classes 1 through 4 in IA No. 1B of CFD No. 2020-1 by taking the sum of the products of the number of units constructed or expected to be constructed in each such Land Use Class multiplied by the Assigned Special Tax for the corresponding Land Use Class in Table 1 in Section C.
 - b. Pursuant to the step 3.b. above, calculate the reduction in the total amount of Assigned Special Tax for Land Use Classes 1 through 4 in IA No. 1B of CFD No. 2020-1 by taking the sum of the products of the number of units constructed or expected to be constructed in each such Land Use Class that are changing multiplied by the reduction in the Assigned Special Tax for the corresponding Land Use Class.
 - c. Calculate the weighted average percentage reduction in the Assigned Special Tax for Land Use Classes 1 through 4 by dividing the amount derived from the step 4.b. by the amount derived from the step 4.a.
 - d. The revised Backup Special Tax attributable to the Residential Property within a Final Subdivision shall be an amount equal to \$7,108 reduced by the percentage derived from the step 4.c., rounded to the nearest whole dollar.
- 5th. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the CFD Administrator shall prepare and execute a Certificate of Reduction in Special Taxes substantially in the form of Appendix A hereto and shall deliver such Certificate of Reduction in Special Taxes to IA No. 1B of CFD No. 2020-1. The Certificate of Reduction in Special Taxes shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated pursuant to step 3.b., or (ii) the Assigned Special Tax as identified in Table 1 in Section C for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as the revised Backup Special Tax as calculated pursuant to step 4. The Certificate of Reduction in Special Taxes shall also recommend a corresponding reduction in the Facilities Costs amount to be applied in Section I above.
- 6th. If the Issuance Date of the first series of Bonds is within 120 days of the date of receipt of the Price Point Study by the CFD Administrator, IA No. 1B of CFD No. 2020-1 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the Issuance Date of the first series of Bonds is not within 120 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate of Reduction in Special Taxes shall not be acknowledged by IA No. 1B of CFD No. 2020-

1 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of Bonds is expected to be issued, at least 30 days prior to the expected Issuance Date of such first series of Bonds, the CFD Administrator shall cause a new Price Point Study to be delivered to the CFD Administrator and, following such delivery, steps 2 through 5 of this section shall be performed based on such new Price Point Study.

- 7th. As soon as practicable after the execution by IA No. 1B of CFD No. 2020-1 of the acknowledgement on the Certificate of Reduction in Special Taxes, IA No. 1B of CFD No. 2020-1 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for IA No. 1B of CFD No. 2020-1 reflecting the Assigned Special Tax and the Backup Special Tax set forth in such Certificate of Reduction in Special Taxes.
- 8th. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no reduction in the Maximum Special Tax, and no Certificate of Reduction in Special Taxes shall be required. However, the CFD Administrator shall prepare and deliver to IA No. 1B of CFD No. 2020-1 a Certificate of No Reduction in Special Taxes substantially in the form of Appendix B hereto dated as of the closing date of the first series of Bonds that states that the calculations required pursuant to this Section J have been made and that no changes to the Maximum Special Tax are necessary.
- 9th. IA No. 1B of CFD No. 2020-1 and the CFD Administrator shall take no further actions under this Section J upon the earlier to occur of the following: (i) the execution of the acknowledgement by IA No. 1B of CFD No. 2020-1 on a Certificate of Reduction in Special Taxes pursuant to step 6; or (ii) the delivery by the CFD Administrator of a Certificate of No Reduction in Special Taxes pursuant to step 8.

APPENDIX A

**CERTIFICATE OF REDUCTION IN SPECIAL TAXES FOR
COMMUNITY FACILITIES DISTRICT NO. 2020-1
OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT
IMPROVEMENT AREA NO. 1B (HORSETHIEF)**

1. Pursuant to Section J of the Amended and Restated Rate and Method of Apportionment, the Maximum Special Tax for Developed Property for [certain or all] Land Use Classes within IA No. 1B of CFD No. 2020-1 has been reduced.
2. The calculations made pursuant to Section J were based upon a Price Point Study that was received by the CFD Administrator on _____.
3. Table 1 below shows the Assigned Special Tax for each Land Use Class after such reduction.

Table 1: Assigned Special Tax Rates

Land Use Class	Description	Residential Floor Area	Assigned Special Tax*
1	Residential Property	3,650 sq. ft. or Greater	\$ _____
2	Residential Property	≥ 3,150 and < 3,650 sq. ft.	\$ _____
3	Residential Property	≥ 2,650 and < 3,150 sq. ft.	\$ _____
4	Residential Property	Less than 2,650 sq. ft.	\$ _____
* Per residential dwelling unit for Residential Property.			

4. The Backup Special Tax attributable to a Final Subdivision after such reduction shall equal to \$ _____ multiplied by the Acreage of all Taxable Property, exclusive of any Taxable Association Property and Taxable Public Property, therein.
5. The Facilities costs in Section I shall equal \$ _____.
6. Upon execution of this certificate by IA No. 1B of CFD No. 2020-1, IA No. 1B of CFD No. 2020-1 shall cause an amended notice of Special Tax lien for IA No. 1B of CFD No. 2020-1 to be recorded reflecting the Assigned Special Tax, Backup Special Tax and Facilities Costs set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of IA No. 1B of CFD No. 2020-1, receipt of this certificate and modification of the Amended and Restated Rate and Method of Apportionment as set forth in this certificate.

Community Facilities District No. 2020-1 of the Elsinore Valley Municipal Water District

IMPROVEMENT AREA NO. 1B (Horsethief)

By: _____ Date as of: [closing date of Bonds]

APPENDIX B
CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES FOR
COMMUNITY FACILITIES DISTRICT NO. 2020-1
OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT
IMPROVEMENT AREA NO. 1B (HORSETHIEF)

1. All calculations required pursuant to Section J of the Amended and Restated Rate and Method of Apportionment have been made based upon a Price Point Study that was received by the CFD Administrator on _____.
2. Total Effective Tax Rate for all Plan Types in all Land Use Classes is less than or equal to Maximum Debt Burden.
3. The Maximum Special Tax for Developed Property within IA No. 1B of CFD No. 2020-1, including the Assigned Special Tax set forth in Sections C.1.a. and the Backup Special Tax set forth in Section C.1.b. of the Amended and Restated Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____

Date: _____

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF ELSINORE VALLEY MUNICIPAL WATER DISTRICT DECLARING NECESSITY FOR COMMUNITY FACILITIES DISTRICT NO. 2020-1 (HORSETHIEF) OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT TO INCUR BONDED INDEBTEDNESS IN AN INCREASED AMOUNT FOR IMPROVEMENT AREA NO. 1B OF THE COMMUNITY FACILITIES DISTRICT

WHEREAS, the Board of Directors (the “Board of Directors”) of the Elsinore Valley Municipal Water District (the “District”) has received a written petition from Temescal Valley Land, LLC, the owner (the “Owner”) of the territory within Improvement Area No. 1B of Community Facilities District No. 2020-1 (Horsethief) of the Elsinore Valley Municipal Water District (the “Improvement Area” and the “Community Facilities District” respectively) requesting that the Board of Directors initiate proceedings pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code, to (i) increase the amount of the authorized bonded indebtedness that is allocated to the Improvement Area No. 1B from \$1,250,000 to \$4,500,000; (ii) revise the Rate and Method of Apportionment of Special Tax for the Improvement Area to increase the rates of special tax to be levied on parcels of property in the Improvement Area to pay debt service on the bonds of the Community Facilities District that may be issued to finance the design, construction and acquisition of public facilities for the Improvement Area and to pay directly for such facilities; and (iii) extend the term of the special tax for the Improvement Area from 2064-65 to 2069-70.

WHEREAS, on January 14, 2021, the Board of Directors adopted Resolution No. 21-01-02 determining, among other matters, that it was necessary for the Community Facilities District to incur a bonded indebtedness and allocating \$1,250,000 of the bonded indebtedness for the Improvement Area; and

WHEREAS, On January 14, 2021, consolidated special elections were held within the Community Facilities District on propositions, among others, regarding the Community Facilities District incurring a bonded indebtedness not to exceed \$1,250,000 for Improvement Area No. 1B for the purpose of financing public facilities for the Improvement Area, and all votes cast in such elections were voted in favor of such propositions; and

WHEREAS, the Community Facilities District is, therefore, authorized to incur a bonded indebtedness and issue bonds in an aggregate principal amount not to exceed \$1,250,000 for Improvement Area No. 1B for the purpose of financing the design, construction and acquisition of public facilities for the Improvement Area; and

WHEREAS, the Board of Directors has adopted a resolution of consideration, pursuant to Sections 53331 and 53334 of the Government Code, determining that the public convenience and necessity require the proposed changes specified in the aforementioned petition (the “Resolution of Consideration”) and scheduling a public hearing on such proposed changes for January 12, 2023; and

WHEREAS, in order to increase the authorized bonded indebtedness to be incurred by the Community Facilities District for the Improvement Area from \$1,250,000 to \$4,500,000, as requested by such petition, it is necessary that the Board of Directors adopt a resolution pursuant to Section 53345 of the Government Code declaring the necessity for the Community Facilities District to incur bonded indebtedness in such increased amount for the purpose of providing and financing public facilities for the Improvement Area.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT, AS FOLLOWS:

Section 1. Findings. The above recitals are all true and correct.

Section 2. Necessity. This Board of Directors declares that it is necessary that a bonded indebtedness be incurred by and for the Community Facilities District for the Improvement Area in a principal amount not to exceed \$4,500,000 for the purpose of financing for the Improvement Area the design, construction and acquisition of public facilities of the types identified in Resolution No. 21-01-01, the Resolution of Formation establishing the District, which was adopted by the Board of Directors on January 14, 2021.

Section 3. Costs Included. The amount of the proposed bonded indebtedness shall include all costs and estimated costs incidental to, or connected with, the accomplishment of the purposes for which the proposed bonded indebtedness is to be incurred, including, but not limited to, the estimated costs of construction and acquisition of the public facilities which are proposed to be provided within and for the benefit of the Improvement Area, acquisition of land and rights-of-way, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued, architectural, engineering, inspection, legal, fiscal and financial consultant fees, bond and other reserve funds and interest on any bonds of the Community Facilities District estimated to be due and payable within two years from the date of the issuance of such bonds, election costs, and all costs of issuance of the bonds, including, but not limited to, underwriter's discount, fees for bond counsel, disclosure counsel, appraisers, financial advisors, market absorption consultants and other consultants, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

Section 4. Territory. The territory within the Improvement Area of the Community Facilities District is generally shown and described on the map of the boundaries of Improvement Area, which was recorded in Book 85 of Maps of Assessment and Community Facilities Districts at page 96 and as Instrument No. 2020-0562738 in the office of the County Recorder of the County of Riverside.

Section 5. Levy of Special Taxes. Pursuant to Section 53350 of the Government Code, (a) all parcels of taxable property within the Improvement Area shall be subject to the levy of special taxes to pay the principal of and interest on the aggregate principal amount of the bonds of the Community Facilities District that may be issued and sold to finance or to contribute to the financing of public facilities for the Improvement Area; and (b) all proceedings for purposes of a bond election with respect to the increased bonded

indebtedness to be incurred by the Community Facilities District for the purpose of financing public facilities for the Improvement Area shall apply only to the Improvement Area.

Section 6. Hearing. A public hearing on the proposed increased bonded indebtedness for Improvement Area No. 1B of the Community Facilities shall be held at 4:00 p.m. on January 12, 2023, at the Elsinore Valley Municipal Water District located at 31315 Chaney Street, Lake Elsinore, California 92530, or via teleconference as directed by the District due to COVID-19 social distancing guidelines. Said hearing shall be conducted concurrently with the hearing on the changes proposed by the Resolution of Consideration.

Section 7. Notice. The Secretary of the Board of Directors shall publish a notice of the time and place of said hearing pursuant to Section 53346 of the Government Code and shall also give notice of the time and place of said hearing by first-class mail to each registered voter and to each landowner within the Improvement Area of the Community Facilities District.

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED and ADOPTED this 8th day of December, 2022, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Darcy M. Burke
President of the Board of Directors of the Elsinore
Valley Municipal Water District

ATTEST:

Terese Quintanar
Secretary of the Board of Directors of the
Elsinore Valley Municipal Water District

I, TERESE QUINTANAR, Secretary of the Board of Directors of Elsinore Valley Municipal Water District certify that the foregoing is a full, true and correct copy of Resolution No. _____ adopted by said Board at its regular meeting of December 8, 2022 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Terese Quintanar, Secretary

PETITION REGARDING PROCEEDINGS TO MAKE CHANGES WITH RESPECT TO IMPROVEMENT AREA NO. 1B OF COMMUNITY FACILITIES DISTRICT NO. 2020-1 (HORSETHIEF) OF ELSINORE VALLEY MUNICIPAL WATER DISTRICT

1. Temescal Valley Land, LLC (“Owner”) requests that the Board of Directors of Elsinore Valley Municipal Water District initiate and conduct proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 with respect to Improvement Area No. 1B of Community Facilities District No. 2020-1 (Horsethief) of the Elsinore Valley Municipal Water District as follows: (i) to increase the authorized bonded indebtedness thereof from \$1,250,000 to \$4,500,000; (ii) to revise the Rate and Method of Apportionment of Special Tax thereof to increase the rates of special tax to be levied on parcels of property therein; and (iii) increase the term of the special tax for the Improvement Area from 2064-65 to 2069-2070.

2. Owner is the owner of all of the property in Improvement Area No. 1B of the District described in Exhibit “A” attached hereto.

Dated: _____, 2022

TEMESCAL VALLEY LAND, LLC, a Delaware limited liability company

By: DIVERSIFIED PACIFIC DEVELOPMENT GROUP, LLC, a California limited liability company

By: _____
Name: Matthew A. Jordan
Its: Co-Managing Member

EXHIBIT "A"

PROPERTY DESCRIPTION

The property located within Improvement Area No. 1B of Community Facilities District No. 2020-1 (Horsethief), County of Riverside, State of California identified by Riverside County Assessor's Parcel Nos. 393-090-006 and 393-090-007.



**FINANCE AND ADMINISTRATION
COMMITTEE**

DISCUSSION OUTLINE

Date: October 25, 2022
Originator: Serena Johns- Grant Administration
Subject: GRANTS DEPARTMENT PERFORMANCE MEASURES FY
2021 & 2022

STRATEGIC GOAL

Maintain Financial Strength and Resiliency
Elevate Communications

BACKGROUND AND RECOMMENDATION

In an effort to maintain a successful grants program, staff has developed a report of key performance indicators from 2021-2022. Staff will review and provide information to the Committee.

ENVIRONMENTAL WORK STATUS

Not applicable.

FISCAL IMPACT

Not applicable.

Attachments:

FY 2021 & 2022 Performance Measures

Grants Performance Measures

Annual Review



June 2021

- \$241,871

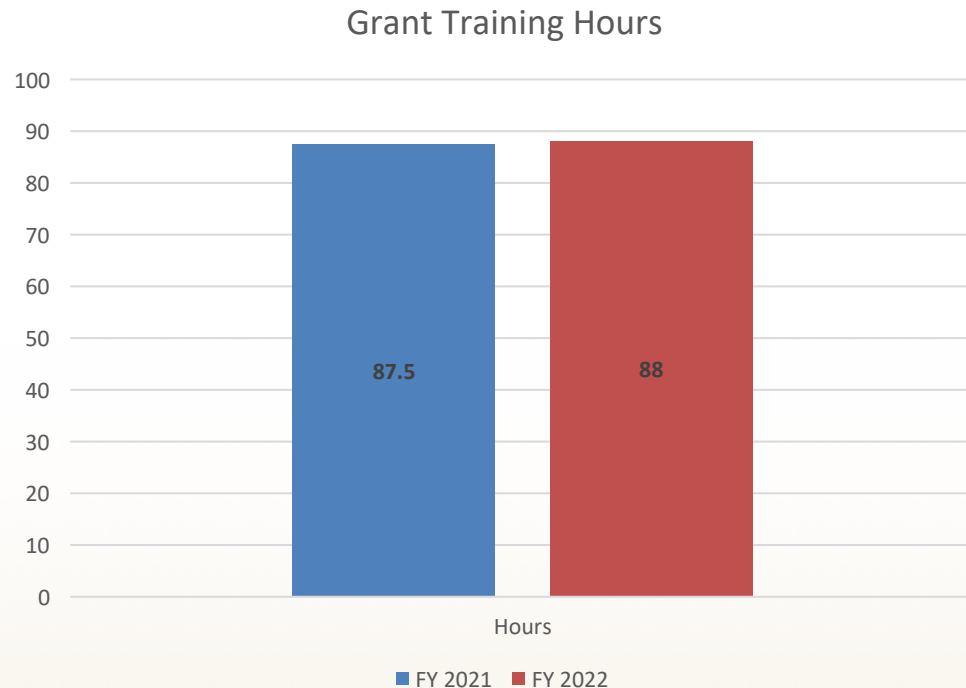
June 2022

- \$248,375

*Costs include labor, fringe benefits, consulting, training & dues

**Cost to
Administer
Grants**

2022 Grants Training Success



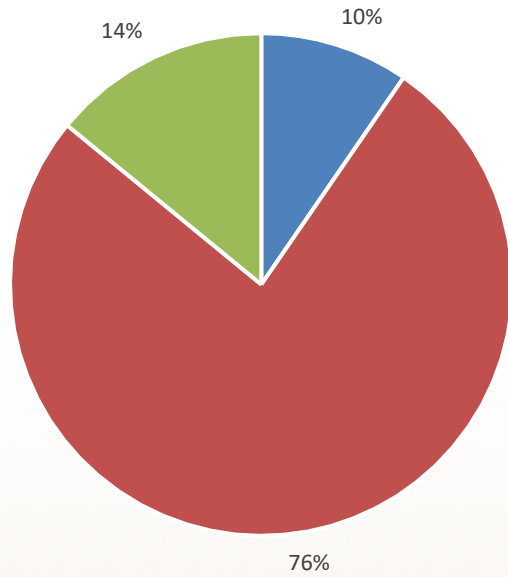
- Led a training on Grants Administration for over 100 agencies for the GFOA's Small Government Forum (SGF)
- Staff attended roughly 90 hours of grant related training and workshops
- Managed 9 funding agreements
- Secured a 0.9% interest rate for our largest loan at the lowest possible rate for the entire project.
 - \$109M in interest savings over 30 years

Funding Agreements Currently Managed

1. Palomar Well Replacement Project
2. Rice Canyon Mitigation Efforts
3. Lake Elsinore Aquatic Ecosystem Planning
4. Regional Water Reclamation Facility Upgrades Construction
5. Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
6. Local Hazard Mitigation Plan (LHMP)
7. Regional Water Reclamation Facility Expansion Planning
 - A. Title XVI- Bureau of Reclamation
8. Regional Water Reclamation Facility Expansion Construction
 - A. State Revolving Low Interest Low- State Water Resources Control Board
 - B. Title XVI- Bureau of Reclamation
9. Elsinore Valley Groundwater Sustainability Plan Development

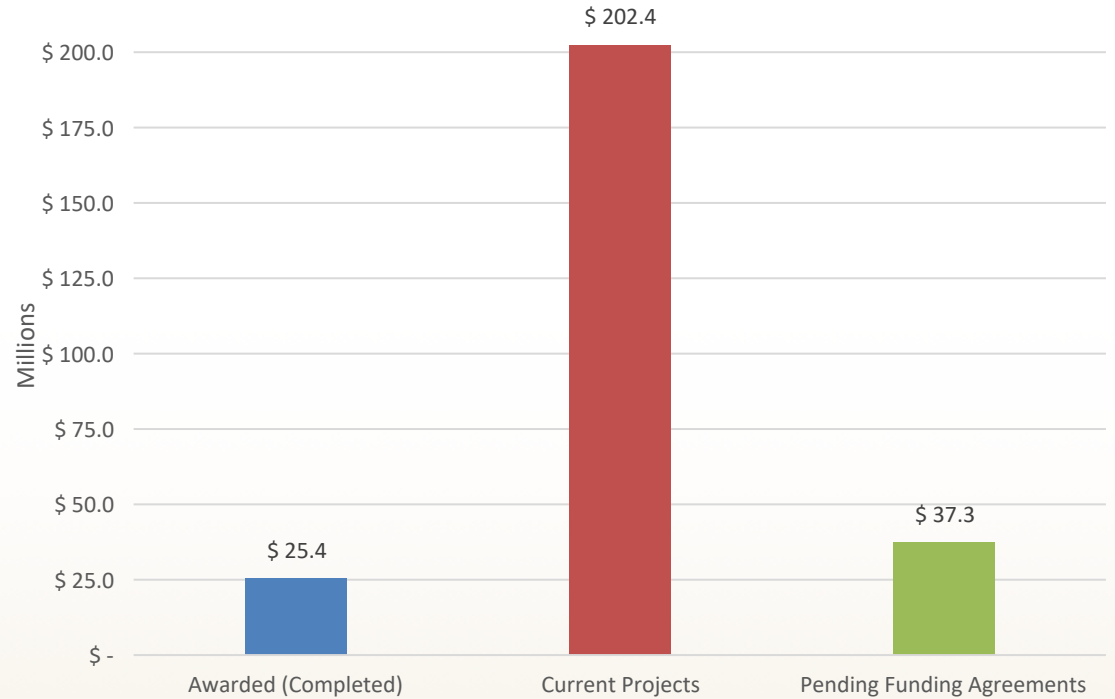
Grants Performance Measures

Grants/Loans Funding



■ Awarded (Completed) ■ Current Projects ■ Pending Funding Agreements

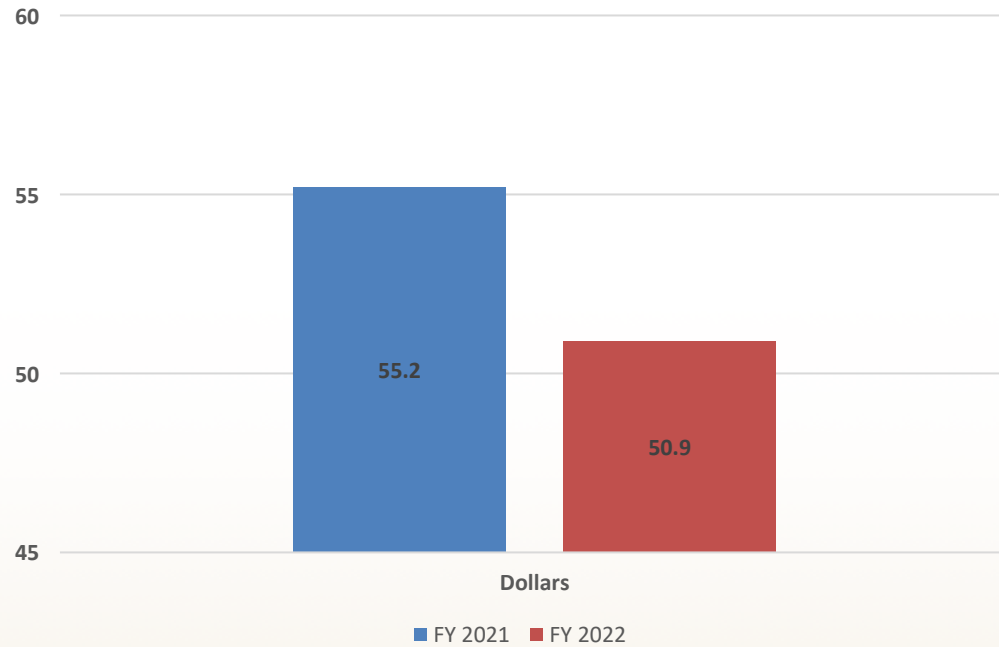
Grants/Loans Funding



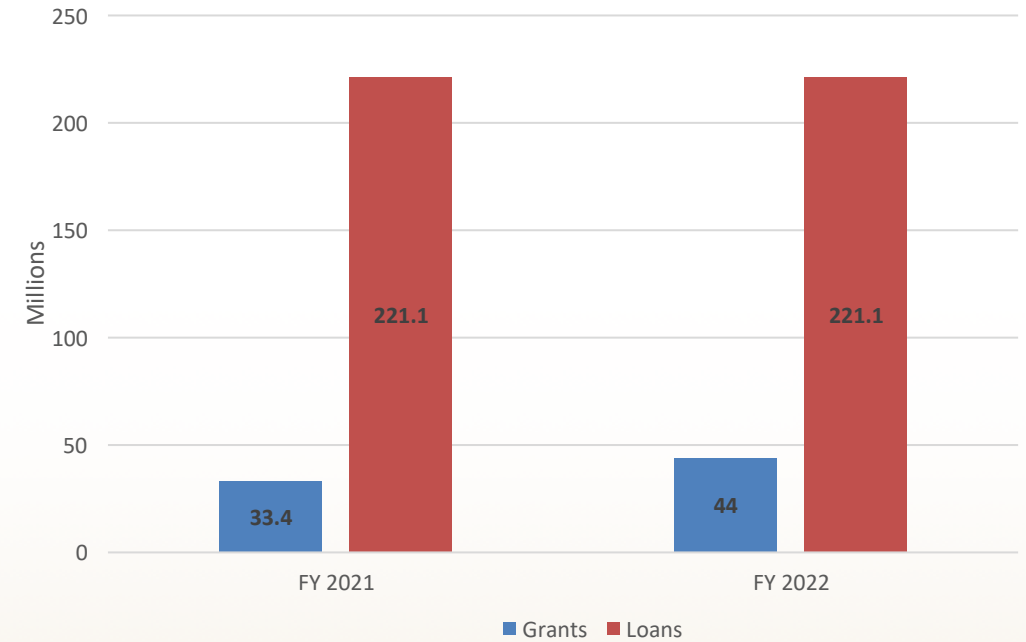
Grants Performance Measures

Compliance

Return on Investment

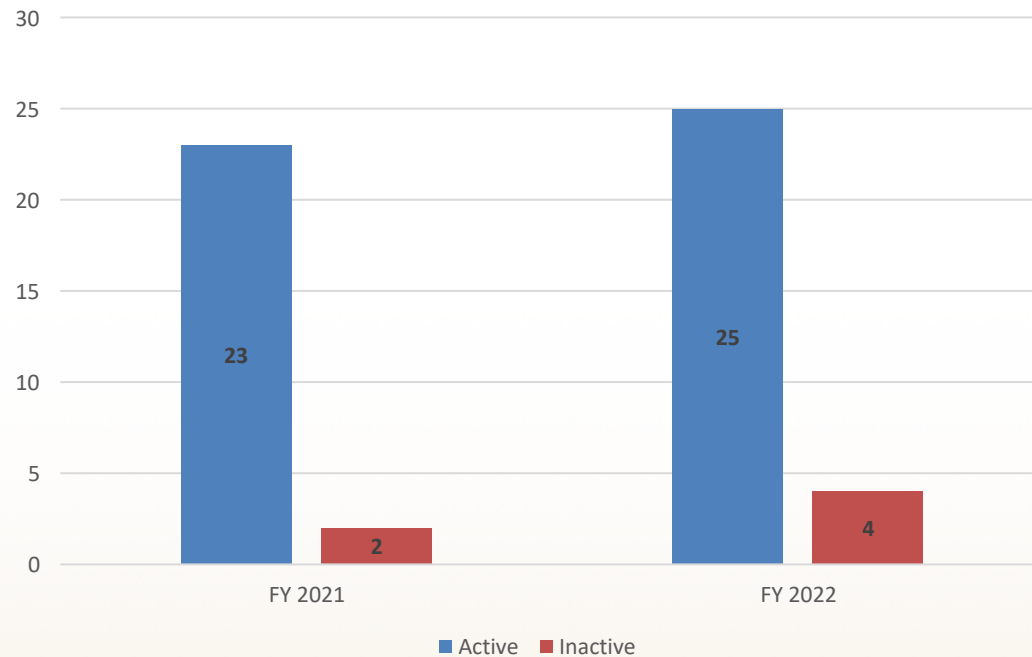


Grants vs Loans

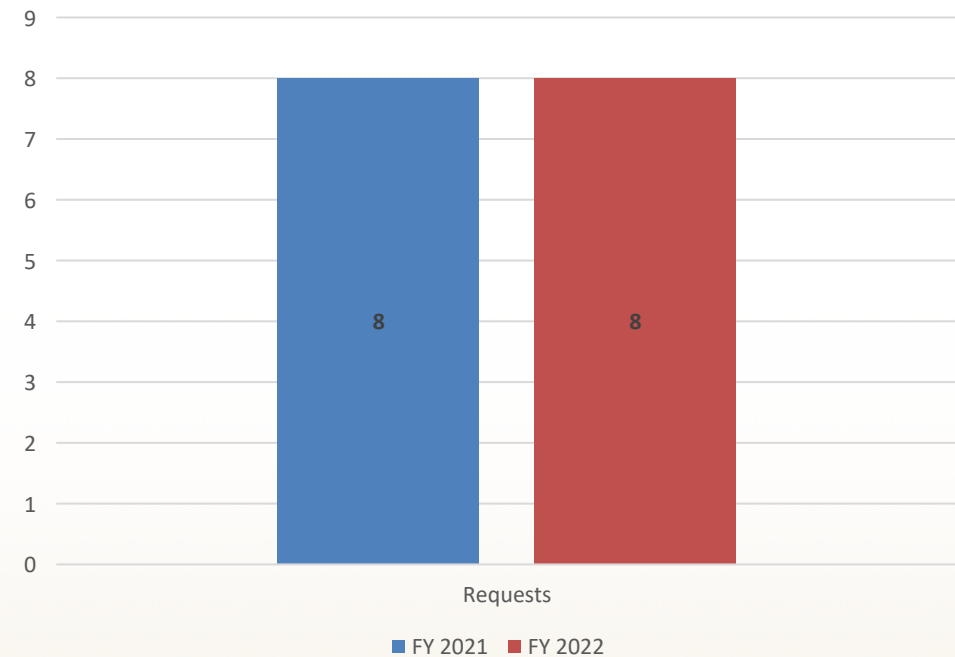


Grants Performance Measures Compliance

Debarment & Suspension Review



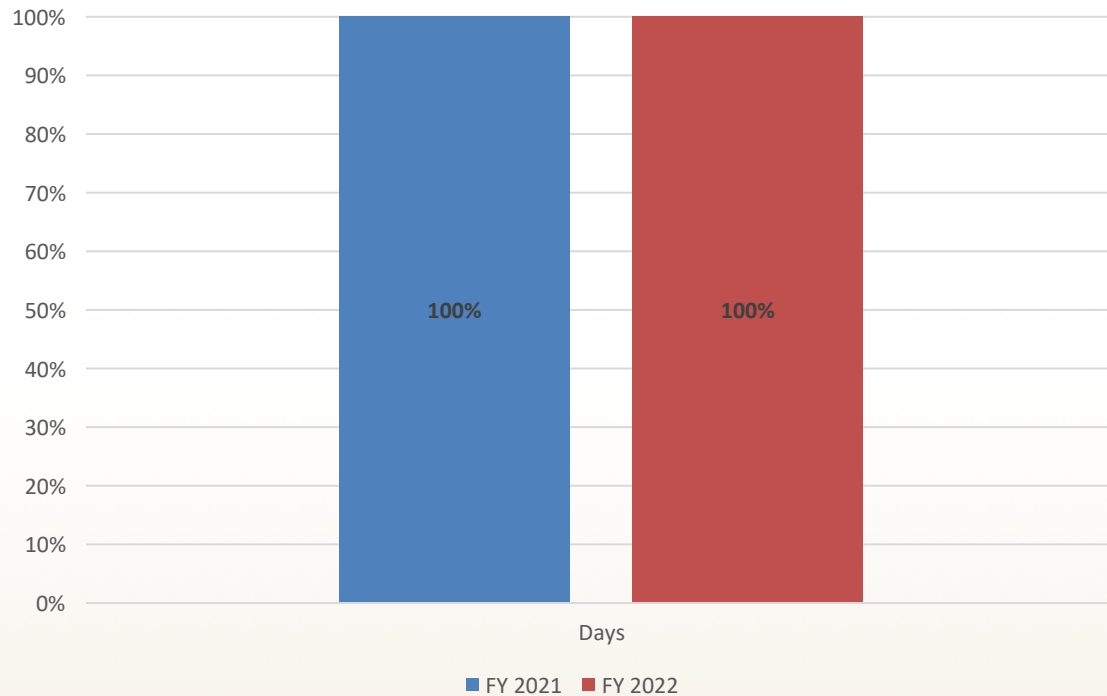
of Amendments/Extension Requests



Grants Performance Measures

Compliance

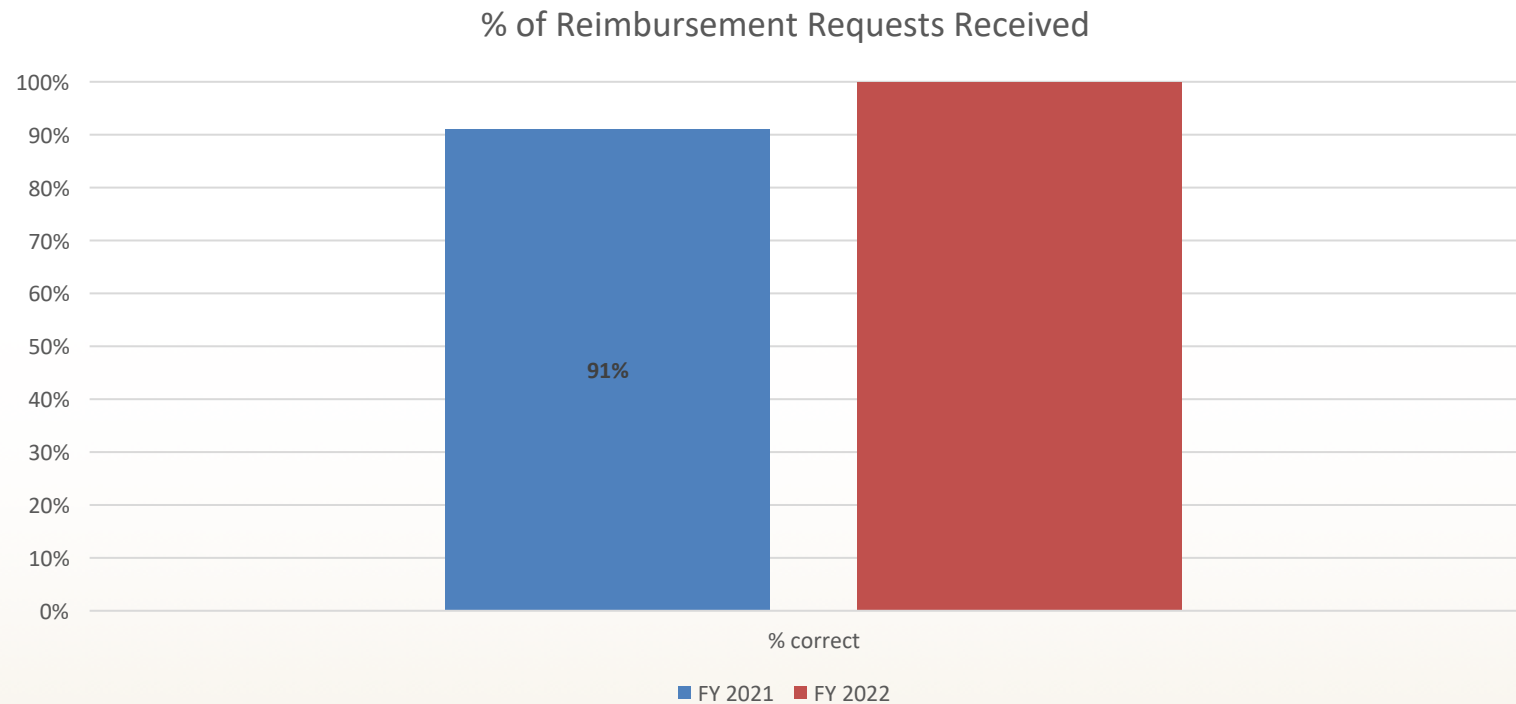
Reports Submitted Timely



of Reports Submitted



Grants Performance Measures Compliance



QUESTIONS?





**FINANCE AND ADMINISTRATION
COMMITTEE**

DISCUSSION OUTLINE

Date: October 25, 2022

Originator: Christina Henry- Customer Service

Subject: CUSTOMER SERVICE DEPARTMENT PERFORMANCE MEASURES 1ST QUARTER FY 2022 & 2023

STRATEGIC GOAL

Provide Excellent and Effective Customer Service
Elevate Communications

BACKGROUND AND RECOMMENDATION

Each quarter staff will present year-to-date metrics along with historical data areas of strength, weakness, and pursue any opportunities to promote efficiency and enhance service delivery.

ENVIRONMENTAL WORK STATUS

Not applicable.

FISCAL IMPACT

Not applicable.

Attachments:

1st Quarter FY 2022 & 2023 Customer Service Performance Measures

FY 21/22 CALL STATS



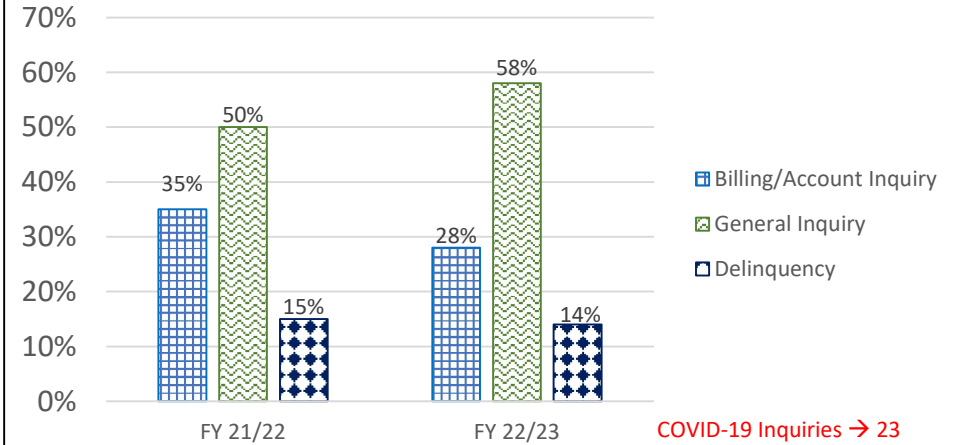
- 10,621 calls offered
- 10,171 calls answered
- 4:11 avg. handling time
- 0:40 avg. answered wait time
- Calls per CSR per day: 26

FY 21/22 CALL STATS

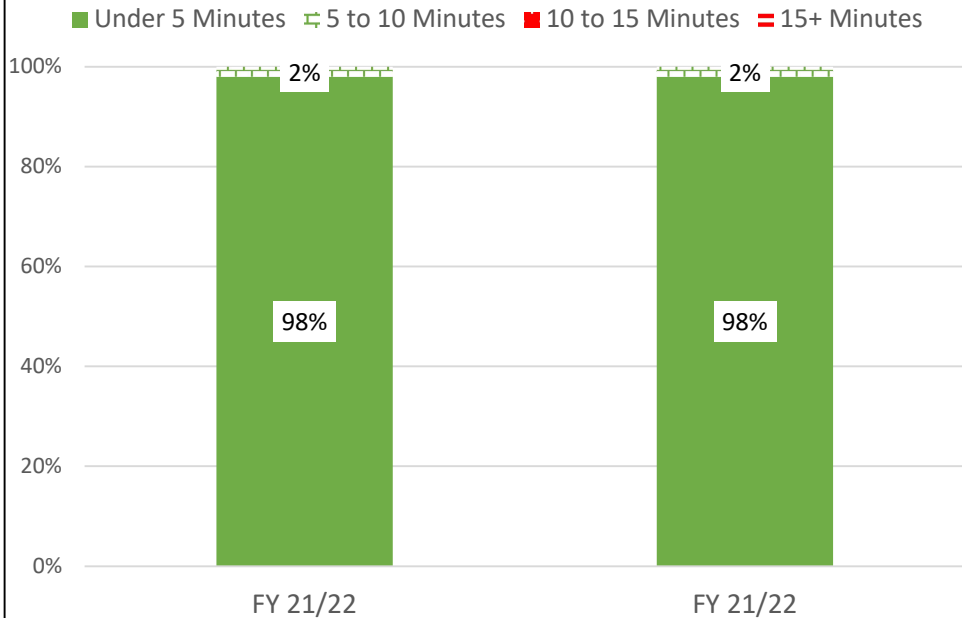


- 14,205 calls offered
- 13,530 calls answered
- 4:42 avg. handling time
- 0:40 avg. answered wait time
- Calls per CSR per day: 26

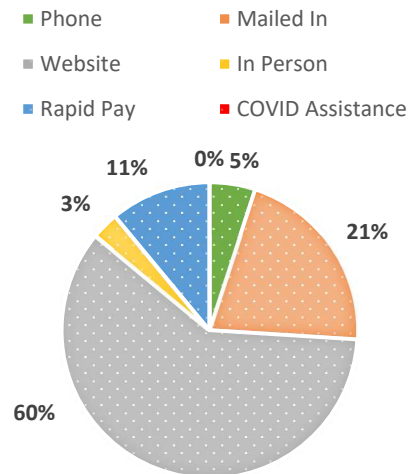
CUSTOMER CONTACT REASONS



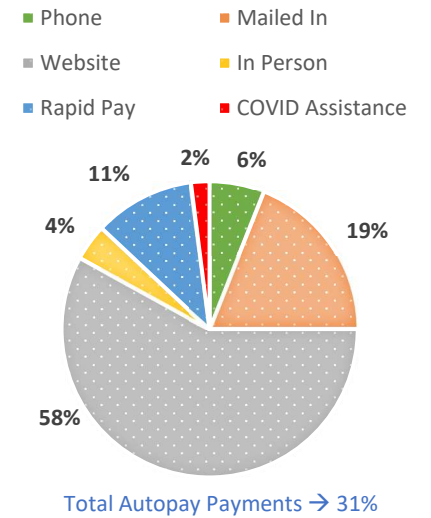
SERVICE LEVELS





FY 21/22

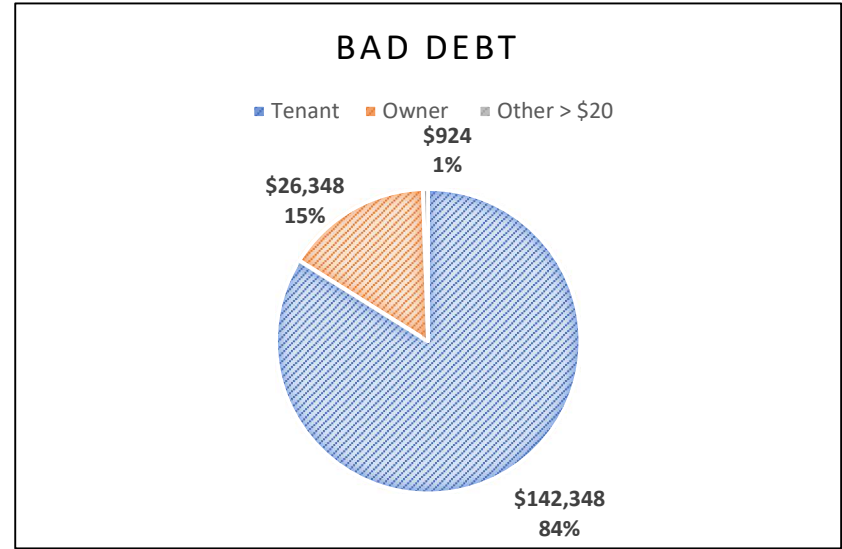


FY 22/23



Assistance Program Payments
 CWWAPP: \$494,733.79
 LIHWAP: \$105,979.73
 United Lift: \$25,184.47

FY21/22 BAD DEBT RECOVERY	FY22/23 BAD DEBT RECOVERY
	
Billed: \$23,658,616	Billed: \$24,836,193
Collected: \$21,678	Collected: \$89,333
Bad Debt: \$104,007	Bad Debt: \$169,621
Total Expensed: 0.44%	Total Expensed: 0.68%
Avg. Balance Due: \$663	Avg. Balance Due: \$467



AquaHawk 721 New Registered Users

