

**AGENDA FOR THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
TEMESCAL VALLEY WATER DISTRICT
APRIL 25, 2023, 8:30 A.M. AT
THE DISTRICT'S ADMINISTRATIVE OFFICE
22646 TEMESCAL CANYON ROAD,
TEMESCAL VALLEY, CALIFORNIA 92883**

The following is a summary of the rules of order governing meetings of the Temescal Valley Water District Board of Directors:

AGENDA ITEMS

In case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity, which severely imperils public health, safety or both. Also, items, which arise after the posting of Agenda, may be added by a two-thirds vote of the Board of Directors.

PUBLIC COMMENT

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until placed on a future agenda in accordance with Board policy.

NOTICE TO PUBLIC

All matters listed under the Consent Calendar will be voted upon by one motion. There will be no separate discussion of these items, unless a Board Member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case, they will be considered separately under New Business.

**IF ANYONE WISHES TO SPEAK WITH THE BOARD
ABOUT ANY CONSENT CALENDAR MATTER(S),
PLEASE STATE YOUR NAME, ADDRESS,
AND APPROPRIATE ITEM NUMBER(S).**

AFFIDAVIT OF POSTING

I, Allison Harnden, Office Manager of the Temescal Valley Water District, hereby certify that I caused the posting of the Agenda at the District office at 22646 Temescal Canyon Road, Temescal Valley, California 92883 before April 22, 2023.

Allison Harnden, Office Manager

AGENDA FOR REGULAR MEETING
April 25, 2023

Page No.

1. **Roll Call and Call to Order.**
2. **Presentations and Acknowledgments.**
3. **Public Comment.**

BOARD ITEMS:

4. **Minutes of the March 28, 2023 Regular Meeting.** 7-10
RECOMMENDATION: Approve Minutes as written.
5. **Payment Authorization Report.** 11-13
RECOMMENDATION: Approve Report and authorize payment of the March 28-April 25, 2023 invoices.
6. **Revenue & Expenditure Reports. (Unaudited).** 14-33
 - a. Revenue & Expenditure Reports.
RECOMMENDATION: Note and file.
7. **Audited Annual Financial Report FY 21/22.** 34-75
RECOMMENDATION: Accept audited financial as presented for FY 21/22.
8. **General District Election.**
 - a. Resolution No. R-23-02 Requesting the County of Riverside's Registrar of Voters to Conduct the General District Election. 76
RECOMMENDATION: Approve Resolution No. R-23-02.
 - b. Resolution No. R-23-03 Determining the Candidate Statement cost will not be paid by the District. 77
RECOMMENDATION: Approve Resolution No. R-23-03.
 - c. Resolution No. R-23-04 Determining the District's qualified voter list pursuant to water code section 35003.1. 78
RECOMMENDATION: Approve Resolution No. R-23-04.

Page No.

- 9. Trilogy Development.**
- a. Homeowners Association update. (-)
 - b. Golf Course update. (-)
- 10. Retreat Development.** (-)
- a. Project Update.
 - b. 225 homes to be built. 0 houses occupied to date. (-)
- 11. Terramor Development (Forestar Toscana).**
- a. Project Update. (-)
 - b. CFD #4 Annexation to ID #3. **79-159**
- RECOMMENDATION:**
- 1. Receive and file Unanimous Approval of Richmond American Homes for Lots 3&4 of Tract 38050.
 - 2. Receive and file Unanimous Approval of Forestar Toscana Development Co. for Lots 1&5 of Tract 38050.
 - 3. Authorize the District's Secretary to Certify the Annexation Map.
 - 4. Adopt Resolution No. R-23-05.
- c. 1487 homes to be built. 1081 houses occupied to date. 73% complete.
- 12. Sycamore Highlands Development.** (-)
- a. Project Update.
 - b. 79 homes to be built. 0 houses occupied to date.
- 13. Taylor Morrison Development. (Serrano)** (-)
- a. Project Update.
 - b. 80 homes to be built. 11 houses occupied to date. 14% complete.
- 14. Water Utilization Reports.** **160-170**
- RECOMMENDATION:** Note and file.

	<u>Page No.</u>
15. Sustainable Groundwater Management Act.	(-)
a. Project Update.	
16. Committee Reports.	
a. Finance/Legislation (Director Harich).	
1. Budget Schedule 2023-2024.	171
b. Engineering/Operations (Director Myers).	(-)
c. Public Relations (Allison Harnden).	
1. Update on Payment Arrangements for Delinquent Accounts.	(-)
17. General Manager's Report.	
a. General Manager's Report.	172-174
b. Conservation. STAGE I – NORMAL CONSERVATION CONDITIONS. 175-184	
RECOMMENDATION: Determine and Declare that the District will move back into STAGE I–NORMAL CONSERVATION CONDITIONS, post the notice in the District's office and inform the customers of the new rules and regulations.	
c. Conservation update.	185-219
18. Operations Report.	220-222
a. Water and Sewer Operations.	
19. District Engineer's Report.	
a. Status of Projects.	223-224
b. Recycled Water Conversion Project.	225-242
RECOMMENDATION: Assign an ad-hoc committee to review funding sources, determine which projects to include in the overall construction project and award the projects that are viable and cost efficient to Weka Inc.	
20. District Counsel's Report.	(-)

- 21. Seminars/Workshops. (-)**

- 22. Consideration of Correspondence. 243**
An informational package containing copies of all pertinent correspondence for the Month of March will be distributed to each Director along with the Agenda.

- 23. Adjournment. (-)**

**MINUTES OF THE
REGULAR MEETING OF THE
TEMESCAL VALLEY WATER DISTRICT**

March 28, 2023

PRESENT

C. Colladay
D. Harich
F. Myers
M. Buckley

ABSENT

J. Butler

GUESTS

J. Sincich
T. Davis
J. Watson
G. Buckley

STAFF

J. Pape
A. Harnden
M. McCullough
P. Bishop
J. Scheidel
D. Saunders

1. Roll Call and Call to Order.

The regular meeting of the Temescal Valley Water District was called to order by President Colladay at 8:30 a.m.

2. Presentations and Acknowledgments.

3. Public Comment – Jerry Sincich asked the Board to elaborate on water restrictions.

BOARD ITEMS:

4. Minutes of the February 28, 2023 Regular Meeting.

ACTION: Director Myers moved to approve the minutes as written. Director Butler seconded. Motion carried unanimously.

5. Minutes of the March 7, 2023 Special Meeting.

ACTION: Director Myers moved to approve the minutes as written. Director Butler seconded. Motion carried unanimously.

6. Payment Authorization Report.

ACTION: Director Harich moved to approve the February 28-March 28, 2023 invoices. Director Butler seconded. Motion carried unanimously.

7. Revenue & Expenditure Reports. (Unaudited).

a. Revenue & Expenditure Reports.

ACTION: Note and file.

8. Trilogy Development.

- a. Homeowners Association update.
- b. Golf Course update.

9. LAFCO Special District Election.

ACTION: No action taken.

10. Retreat Development.

- a. Project Update.
- b. 225 homes to be built. 0 houses occupied to date.

11. Terramor Development (Forestar Toscana).

- a. Project Update.
- b. Quitclaim of Terramor Easement.
ACTION: Director Buckley moved to approve the recordation of the Quitclaim of Terramor Easement. Director Myers seconded. Motion carried unanimously.
- c. 1487 homes to be built. 1070 houses occupied to date. 72% complete.

12. Sycamore Highlands Development (Kiley).

- a. Project Update.
- b. 79 houses to be built. 0 houses occupied to date.

13. Taylor Morris Development (Serrano).

- a. Project Update.
- b. 80 houses to be built. 5 houses occupied to date. 6% complete.

14. Water Utilization Reports.

ACTION: Note and file.

15. Sustainable Groundwater Management Act.

- a. Project Update.

16. Committee Reports.

- a. Finance/Legislative (Director Harich).
- b. Engineering/Operations (Director Myers) – Director Myers reported on the Western meeting and he asked staff to add capital projects to each agenda going forward.
- c. Public Relations (Allison Harnden).
 1. Allison reported on the status of delinquent accounts and that the new rates will be applied on the March billing statement.

17. General Manager’s Report.

- a. General Manager’s Report – The General Manager reported on current projects.
- b. Conservation update.

18. Operations Report.

- a. Water and sewer operations.

19. District Engineer’s Report.

- a. Status of Projects.
- b. Recycled Water Conversion Project.
ACTION: Director Myers moved to place the project out for public bid. Director Harich seconded. Motion carried unanimously.

20. District Counsel’s Report – None.**21. Seminars/Workshops.****22. Consideration of Correspondence.**

An informational package containing copies of all pertinent correspondence for the Month of February will be distributed to each Director along with the Agenda.

23. Adjournment.

There being no further business, the March 28, 2023 Regular Meeting of the Temescal Valley Water District Board of Directors was adjourned at 10:54 a.m. by President Colladay.

ATTEST:

APPROVED:

Fred Myers, Secretary

Charles Colladay, President

Date: _____

Date: _____

TEMESCAL VALLEY WATER DISTRICT
 PAYMENT AUTHORIZATION REPORT
 April 25, 2023

Check #	Date	Payee ID	Payee	Amount	
28205-28211	3/28/23		VOID	\$ -	
28212	3/28/23	CO	CHARLES W. COLLADAY	350.35	
28213	3/28/23	DH	DAVID HARICH	295.65	
28214	3/28/23	FM	FRED H. MYERS	295.65	
28215	3/28/23	MB	MICHAEL S. BUCKLEY	295.65	
28216	3/31/23	AD	PAYROLL	-	
28217	3/31/23	BE	PAYROLL	-	
28218	3/31/23	CG	PAYROLL	-	
28219	3/31/23	CL	PAYROLL	-	
28220	3/31/23	DB	PAYROLL	-	
28221	3/31/23	DT	PAYROLL	-	
28222	3/31/23	JJ	PAYROLL	-	
28223	3/31/23	KN	PAYROLL	-	
28224	3/31/23	LK	PAYROLL	-	
28225	3/31/23	MM	PAYROLL	-	
28226	3/31/23	PB	PAYROLL	-	
28227	3/31/23	REFUND	DALE KWON	198.33	
28228	3/31/23	REFUND	LARRY FRANSEN	259.82	
28229	3/31/23	REFUND	EDWARD FINLEY	190.10	
28230	3/31/23	REFUND	KB HOMES	983.83	
28231-28234	3/31/23		VOID	-	
28235	3/31/23	FM	FRED H. MYERS-WMWD PREP MTG	295.65	
28236	3/31/23	FM	FRED H. MYERS-WMWD MTG	295.65	
28237	3/31/23	ACSI	ALEXANDER'S CONTRACT SERVICES, INC.	7,565.04	
28238	3/31/23	AGSI	AUTOMATED GATE SERVICES INC	492.00	
28239	3/31/23	DWEI	DEXTER WILSON ENGINEERING INC	1,330.00	
28240	3/31/23	DXP	DXP CORTECH	6,747.80	REPAIR-SLUDGE FEED PUMP
28241	3/31/23	EWC	EYNON MANAGEMENT	6,960.00	WEED ABATEMENT
28242	3/31/23	MH01	MCFADDEN-DALE HARDWARE CO.	1,260.17	
28243	3/31/23	MTM	MASTER TECH MECHANICAL	1,701.50	
28244	3/31/23	PLIC	PROTECTIVE LIFE INSURANCE COMPANY	117.60	
28245	3/31/23	PLM01	VOID	-	
28246	3/31/23	QU	QUADIENT LEASING	1,522.18	
28247	3/31/23	SEMA	SEMA INC.	925.37	
28248	3/31/23	SO03	SOUTHERN CALIF EDISON CO.	80,601.71	
28249	3/31/23	TGM	TERRY'S MINUTE VALVE SERVICE	900.00	
28250	3/31/23	TR01	TRAN CONTROLS SCADA SOLUTIONS, LLC.	1,548.37	
28251	3/31/23	TR012	TRAN CONTROLS SCADA SOLUTIONS, LLC.	12,588.00	CAP-PLC UPGRADE
28252-28253	3/31/23		VOID	-	
28254	3/31/23	USB01	US BANK GOVERNMENT SERVICES	7,043.55	REPAIR-TIRES AND MAINT
28255	3/31/23	PLM01	PARRA LANDSCAPE MAINTENANCE	635.00	

TEMESCAL VALLEY WATER DISTRICT
 PAYMENT AUTHORIZATION REPORT
 April 25, 2023

Check #	Date	Payee ID	Payee	Amount	
28256	4/14/23	AD	PAYROLL	-	
28257	4/14/23	BE	PAYROLL	-	
28258	4/14/23	CG	PAYROLL	-	
28259	4/14/23	CL	PAYROLL	-	
28260	4/14/23	DB	PAYROLL	-	
28261	4/14/23	DT	PAYROLL	-	
28262	4/14/23	JJ	PAYROLL	-	
28263	4/14/23	KN	PAYROLL	-	
28264	4/14/23	LK	PAYROLL	-	
28265	4/14/23	MM	PAYROLL	-	
28266	4/14/23	PB	PAYROLL	-	
28267	4/18/23	AL02	ALFA LAVAL INC.	1,161.31	
28268	4/18/23	AS01	ASJ INDUSTRIAL HOSE & FITTING INC.	4,627.97	
28269	4/18/23	ATT01	AT&T	824.75	
28270	4/18/23	BGM	BIG GIANT MEDIA	54.90	
28271	4/18/23	BT	BT PIPELINE INC.	26,070.00	REP-3 WATER SERVICES
28272	4/18/23	CA16	CALIFORNIA CHOICE BENEFIT ADMINISTRATOR	2,898.37	
28273	4/18/23	CAM	CHANDLER INVESTMENT MANAGEMENT	1,000.00	
28274	4/18/23	CFP	CINTAS FIRE PROTECTION	424.95	
28275	4/18/23	CHAC	CALIFORNIA HIGHWAY ADOPTION CO.	315.00	
28276	4/18/23	CL01	CLAYSON, BAINER & SAUNDERS	1,650.00	
28277	4/18/23	CM01	CORE & MAIN	18,490.28	STOCK-FIRE HYD
28278	4/18/23	CUSI	Continental Utility Solutions, Inc.	2,000.00	
28279	4/18/23	DPCI	DON PETERSON CONTRACTING, INC.	5,937.00	
28280	4/18/23	DSC	DATABASE SYSTEMS CORP.	249.21	
28281	4/18/23	DU01	DUDEK & ASSOCIATES-CONT MGT	28,649.00	
28282	4/18/23	DU02	DUDEK & ASSOCIATES-SPECIAL PJT	37,960.75	CAP-WR RES DESIGN
28283	4/18/23	DU03	DUDEK & ASSOCIATES-PASS THRU	4,920.00	
28284	4/18/23	DU04	DUDEK & ASSOCIATES-ENGINEERING	1,230.00	
28285	4/18/23	DXP	DXP CORTECH	8,458.04	
28286	4/18/23	FLI	FLO-SERVICES INC.	21,209.76	REP-TERRAMOR LIFT STATION(FINAL CK VALVE & PUMP)
28287	4/18/23	GMDM	GUTIRREZ MAINTENANCE/ DANIEL GUTIERREZ	475.00	
28288	4/18/23	IWI	I WATER INC.	2,400.00	
28289	4/18/23	KE02	BEN'S LOCK - WEST COAST LOCK & SUPPLY	135.59	
28290	4/18/23	KMC	KINGMEN CONSTRUCTION INC	30,111.54	REP-PRIMARY SLUDGE PIPE SIZING(REIMB BY DEXTER WILSON)
28291	4/18/23	MITI	MORR-IS TESTED IN	5,230.00	PUMPING OF LIFT STATIONS
28292	4/18/23	MTM	MASTER TECH MECHANICAL	3,374.42	
28293	4/18/23	MU01	WILLDAN FINANCIAL SERVICES	12,007.90	CFD ADMIN (PD BY CFD)
28294	4/18/23	PA02	PARKSON CORPORATION	21,792.09	REP-AIR LIFT PUMPS FOR SAND FILITERS
28295	4/18/23	PLM01	PARRA LANDSCAPE MAINTENANCE	937.50	
28296	4/18/23	PO07	POLYDYNE, INC.	8,464.71	

TEMESCAL VALLEY WATER DISTRICT
 PAYMENT AUTHORIZATION REPORT
 April 25, 2023

Check #	Date	Payee ID	Payee	Amount	
28297	4/18/23	SCNG	SOUTHERN CALIFORNIA NEWS GROUP	2,680.03	
28298	4/18/23	ST01	STAPLES CREDIT PLAN	998.81	
28299	4/18/23	ST02	STATE COMPENSATION INSUR.FUND	2,320.42	
28300	4/18/23	TE02	TEMESCAL HERITAGE FOUNDATION	150.00	
28301	4/18/23	THO	THOMPSON & PHIPPS-BAY CITY IND	37,140.81	REP-BLOWER MOTORS(2 EA -LIFT STATION)
28302	4/18/23	UBB	USA BLUEBOOK	1,763.25	
28303	4/18/23	UN01	UNDERGROUND SERVICE ALERT	74.75	
28304	4/18/23	WA01	WASTE MANAGEMENT - INLAND EMPIRE	1,243.32	
28305	4/18/23	WE01	VOID	-	
28306	4/18/23	XI	XALOGY INC	6,964.18	
28307	4/18/23		UNITEDHEALTHCARE	173.66	
28308	4/18/23	SIC	SILVERSCRIPT INSURANCE COMPANY	91.80	
28309	4/18/23	FI01	FIDELITY INVESTMENTS	800.00	
28310	4/18/23	FI01	FIDELITY INVESTMENTS	800.00	
28311	4/18/23	FI01	FIDELITY INVESTMENTS	252.00	
28312	4/18/23	FI01	FIDELITY INVESTMENTS	1,060.80	
28313	4/18/23	FI01	FIDELITY INVESTMENTS	558.83	
28314	4/18/23	FI01	FIDELITY INVESTMENTS	800.00	
28315	4/18/23	AL02	ALFA LAVAL INC.	90.00	
28316	4/19/23	CAM	CHANDLER INVESTMENT MANAGEMENT	435.95	
28317	4/19/23	HO01	HOME DEPOT CREDIT SERVICES	1,067.57	
28318	4/19/23	UBB	USA BLUEBOOK	996.94	
28319	4/19/23	REFUND	KAREN MCCARTHY	156.85	
28320	4/19/23	REFUND	MICHELLE PARIMORE	87.81	
28321	4/19/23	REFUND	SONYA MILLER	218.26	
28322	4/19/23	REFUND	NEELU KOHLI	227.53	
28323	4/19/23	REFUND	AMY VALENTINE	114.04	
28324	4/19/23	REFUND	JESSICA KYUNG MIN	198.53	
28325	4/19/23	WE01	WESTERN MUNICIPAL WATER DIST	180,936.00	MILLS GARVITY LINE MAINT
28326	4/19/23	WE01	WESTERN MUNICIPAL WATER DIST	206,035.27	
Total				<u>\$ 836,896.42</u>	

THESE INVOICES ARE SUBMITTED TO THE
 TEMESCAL VALLEY BOARD OF DIRECTORS FOR
 APPROVAL AND AUTHORIZATION FOR PAYMENT

Mel McCullough - Finance Manager

Mel McCullough - Finance Manager 4/25/2023

**TEMESCAL VALLEY WATER DISTRICT
INTERNAL BALANCE SHEET
30-Mar-23**

ASSETS

Fixed Assets (net of accumulated depreciation)			
Land		\$	902,118
Treatment Plants			11,864,144
Capacity Rights			13,503,639
Water System, Reservoir & Wells			8,469,461
Water & Sewer Mains			30,059,826
General Equipment Sewer/Water/ Furniture			1,677,347
Buildings & Entrance Improvements			141,424
		\$	66,617,959
Current Assets			
Cash - Wastewater	7,878,671		
Cash - Water	18,882,457		
Cash - ID #1	585,002		
Cash - ID #2	347,470		
Cash - Nonpotable	7,013,074		
Cash - Deposits	2,505,438		
			37,212,112
Accounts Receivable-Services/Developers			1,159,560
Assessment Receivable			170,031
Interest Receivable			110,493
Prepaid Expenses			23,451
Inventory			57,267
		\$	38,732,914
Other Assets			
Work-in-Process			7,523,313
Deferred Outflows - Pension			164,014
CFD #4 Receivable-reimbursement			1,294,466
Cell Tower Lease Receivable			911,068
TOTAL ASSETS		\$	115,243,734

LIABILITIES

Current Liabilities			
Accounts Payable		\$	660,009
Security Deposits			269,191
Payroll & Payroll Taxes Payable			76,346
Capacity & Meter Deposits			1,467,013
Fiduciary Payments Payable			388,994
Developer Deposits			366,663
Other Deposits			13,577
			3,241,793
Long-term Liabilities			
TVRP Note			196,647
Deferred Inflow -Cell Tower Leases			911,068
Deferred Inflows - Pension			141,677
TOTAL LIABILITIES		\$	4,491,185

FUND EQUITY

Fund Balances			
Waste Water Fund Balance			39,498,747
Water Fund Balance			54,432,514
ID #1 Fund Balance			667,065
ID #2 Fund Balance			627,568
Recycled Water Fund Balance			15,526,655
TOTAL FUND EQUITY		\$	110,752,549
TOTAL LIABILITIES & FUND EQUITY		\$	115,243,734

NOTE:

CASH DRAWER	\$	400
GENERAL		1,883,083
CHANDLER		23,000,000
LAIF		12,328,629
	\$	37,212,112

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

	MARCH			YEAR TO DATE			BUDGET 2022-2023	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>WASTEWATER DEPARTMENT</u>								
OPERATING REVENUE:								
MONTHLY SEWER SERVICE CHARGE	\$ 260,110	\$ 250,000	10,110	\$ 2,232,815	\$ 2,250,000	(17,185)	\$ 3,000,000	\$ (767,185)
MONTHLY SERVICE CHARGE-ID #1	11,764	12,000	(236)	105,876	108,500	(2,624)	145,000	(39,124)
MONTHLY SERVICE CHARGE-ID #2	13,307	13,700	(393)	119,763	123,100	(3,337)	164,000	(44,237)
MONTHLY SEWER SERVICE CHG-R COM	15,159	15,800	(641)	154,777	142,400	12,377	190,000	(35,223)
MISC UTILITY CHARGES/ REVENUE	85	4,170	(4,085)	1,934	37,530	(35,596)	50,000	(48,066)
STANDBY CHARGES	-	-	-	46,008	55,000	(8,992)	110,000	(63,992)
CFD REIMBURSEMENTS	-	-	-	15,000	15,000	15,000	30,000	(15,000)
INSPECTION CHARGES	9,130	2,500	6,630	24,509	22,500	2,009	30,000	(5,491)
TOTAL WASTEWATER REVENUE	309,555	298,170	11,385	2,700,682	2,754,030	(53,348)	3,719,000	(1,018,318)
OPERATING EXPENSES:								
WAGES EXPENSE-OPERATIONS	17,804	24,625	(6,821)	129,904	164,225	(34,321)	213,500	(83,596)
WAGES EXPENSE-INSPECTION	4,793	4,400	393	28,140	29,800	(1,660)	38,800	(10,660)
PAYROLL TAXES EXP	346	500	(154)	3,153	3,520	(367)	4,600	(1,447)
EMPLOYEE BENEFITS-INS	2,297	2,045	252	12,865	18,405	(5,540)	24,500	(11,635)
EMPLOYEE BENEFITS-RETIREMENT	2,540	2,820	(280)	23,474	25,360	(1,886)	33,800	(10,326)
OVERTIME OPERATION EXP	1,155	2,700	(1,545)	22,446	25,700	(3,254)	35,200	(12,754)
OVERTIME INSPECTION EXP	1,078	300	778	3,767	2,900	867	4,000	(233)
MILEAGE EXP	105	250	(145)	3,214	2,250	964	3,000	214
VACATION EXP	929	1,110	(181)	8,361	9,990	(1,629)	13,320	(4,959)
SCADA SYSTEM STANDBY EXP	-	350	(350)	-	3,150	(3,150)	4,200	(4,200)
SCADA SYSTEM ADMIN/MAINT	1,080	700	380	6,032	6,100	(68)	8,000	(1,968)
LABORATORY TESTING COSTS	-	1,670	(1,670)	12,295	15,030	(2,735)	20,000	(7,705)
COMPLIANCE TESTING- SARD TEST	-	-	-	9,347	500	8,847	1,000	8,347
VACTOR TRUCK EXP	-	1,000	(1,000)	-	8,000	(8,000)	10,000	(10,000)
SEWER CLEANING AND VIDEO	-	2,200	(2,200)	-	19,600	(19,600)	26,000	(26,000)
PLANT PUMPING COST	-	2,000	(2,000)	-	18,500	(18,500)	25,000	(25,000)
SLUDGE DISPOSAL COSTS	1,243	3,000	(1,757)	26,690	26,500	190	35,000	(8,310)
SLUDGE DISPOSAL BAG EXP	-	-	-	21,293	25,000	(3,707)	25,000	(3,707)
SLUDGE CHEMICAL EXP	-	4,000	(4,000)	31,578	37,000	(5,422)	50,000	(18,422)
EQUIPMENT RENTAL COSTS	-	500	(500)	264	1,500	(1,236)	2,000	(1,736)
ELECTRICAL REPAIR EXP	-	400	(400)	-	3,700	(3,700)	5,000	(5,000)
EQUIPMENT REPAIRS & MAINT/CLEANING	91,506	22,500	69,006	267,120	202,500	64,620	270,000	(2,880)
SEWER LINE/EMERGENCY REPAIRS	5,230	5,000	230	25,037	10,000	15,037	15,000	10,037
SECURITY AND ALARM EXP	-	250	(250)	3,093	2,250	843	3,000	93
PROPERTY MAINTENANCE- INC K RAILS	9,924	3,750	6,174	59,194	33,750	25,444	45,000	14,194
EMERGENCY SERVICE COST	-	-	-	-	1,000	(1,000)	2,000	(2,000)
ENGINEERING/ADMIN. STUDIES	-	2,000	(2,000)	3,158	18,500	(15,342)	25,000	(21,842)
ENERGY COSTS-EST	21,839	29,000	(7,161)	259,408	263,000	(3,592)	352,000	(92,592)
CONSUMABLE SUPPLIES & CLEANING	427	900	(473)	10,880	8,100	2,780	10,000	880
CHEMICALS, LUBRICANTS & FUELS	788	10,000	(9,212)	127,491	90,000	37,491	120,000	7,491
SMALL EQUIPMENT & TOOLS COST	6,142	900	5,242	21,877	8,100	13,777	10,000	11,877
PERMITS, FEES & TAXES	-	3,000	(3,000)	54,220	24,000	30,220	30,000	24,220
SAWPA BASIN MONITORING EXP	-	-	-	30,118	30,000	118	30,000	118
MAP UPDATING/GIS EXP	-	500	(500)	-	1,500	(1,500)	2,000	(2,000)
MISC. OPERATING EXP	-	250	(250)	-	750	(750)	1,000	(1,000)
BAD DEBT EXPENSES	-	-	-	-	-	-	5,000	(5,000)
CONTINGENCIES	-	5,250	(5,250)	17,091	47,250	(30,159)	63,000	(45,909)
TOTAL OPERATING EXPENSES	169,226	137,870	31,356	1,221,510	1,187,430	34,080	1,564,920	(343,410)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2022-2023	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	11,460	13,250	(1,790)	90,279	89,150	1,129	116,000	(25,721)
GENERAL ENGINEERING EXP	-	1,700	(1,700)	6,084	15,100	(9,016)	20,000	(13,916)
EMPLOYEE BENEFITS-INS	1,495	1,850	(355)	14,635	16,600	(1,965)	22,100	(7,465)
EMPLOYEE BENEFITS-RETIREMENT	3,079	3,700	(621)	23,056	24,960	(1,904)	32,100	(9,044)
WAGES EXPENSE	22,900	24,500	(1,600)	147,846	163,800	(15,954)	213,000	(65,154)
VACATION EXP	1,074	1,180	(106)	9,666	10,640	(974)	14,200	(4,534)
OVERTIME EXP	-	500	(500)	493	4,500	(4,007)	6,000	(5,507)
PAYROLL TAX EXPENSES	444	375	69	2,938	2,570	368	3,350	(412)
MILEAGE EXP ADMIN	-	25	(25)	-	200	(200)	250	(250)
CONTRACT STAFFING EXP	-	-	-	-	-	-	4,000	(4,000)
LEGAL EXPENSES	660	1,250	(590)	5,375	11,250	(5,875)	15,000	(9,625)
AUDIT EXPENSES	-	-	-	-	-	-	6,100	(6,100)
BOARD COMMITTEE MEETING EXP.	1,484	1,250	234	7,062	11,250	(4,188)	15,000	(7,938)
ELECTION & PUBLIC HEARING EXP	-	-	-	1,072	1,200	(128)	8,400	(7,328)
COMPUTER SYSTEM ADMIN	2,786	4,000	(1,214)	24,960	36,000	(11,040)	48,000	(23,040)
BANK CHARGES EXP	2,418	3,000	(582)	29,169	27,000	2,169	36,000	(6,831)
MISCELLANEOUS & EDUCATION EXP	-	200	(200)	187	1,600	(1,413)	2,000	(1,813)
TELEPHONE, FAX & CELL EXP	2,165	1,350	815	13,955	12,050	1,905	16,000	(2,045)
OFFICE SUPPLIES EXP	2,706	2,000	706	19,152	18,000	1,152	24,000	(4,848)
PRINTING EXPENSES	-	550	(550)	10,069	4,950	5,119	6,500	3,569
POSTAGE & DELIVERY EXPENSE	1,063	1,000	63	12,098	9,500	2,598	13,000	(902)
PUBLICATIONS, NOTICES & DUES	-	170	(170)	4,642	1,510	3,132	2,000	2,642
EQUIPMENT LEASE EXPENSES	925	670	255	5,800	6,010	(210)	8,000	(2,200)
INSURANCE EXPENSES	2,387	3,200	(813)	20,598	28,850	(8,252)	38,500	(17,902)
ANNUAL ASSESSMENT EXP	-	-	-	2,874	4,600	(1,726)	4,600	(1,726)
COMMUNITY OUTREACH EXP	315	660	(345)	2,655	5,980	(3,325)	8,000	(5,345)
INVESTMENT EXP	574	400	174	3,374	3,600	(226)	4,800	(1,426)
TOTAL ADMINISTRATIVE EXPENSES	57,935	66,780	(8,845)	458,039	510,870	(52,831)	686,900	(228,861)
TOTAL WASTEWATER EXPENSES	227,161	204,650	22,511	1,679,549	1,698,300	(18,751)	2,251,820	(572,271)
NET OPERATING REVENUE/EXPENSE	82,394	93,520	(11,126)	1,021,133	1,055,730	(34,597)	1,467,180	(446,047)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	14,961	1,250	13,711	99,299	11,250	88,049	15,000	84,299
PROPERTY TAX INCOME	2,499	-	2,499	129,433	37,500	91,933	75,000	54,433
TOTAL NON-OPER SOURCE OF FUNDS	17,460	1,250	16,210	228,732	48,750	179,982	90,000	138,732
TOTAL SEWER REVENUE/EXPENSE	\$ 99,854	94,770	5,084	\$ 1,249,865	1,104,480	145,385	\$ 1,557,180	(307,315)
TRANSFER TO CAPITAL FUND-REPLACEMENT				539,131				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				710,734				
CONNECTION FEES				-				
				-				
WASTE WATER CAPITAL FUND:								
ENDING FUNDS AVAILABLE 2021-2022	7,335,067							
TRANSFER FOR CAPITAL FUND REPLACEMENT	539,131							
TRANSFER FOR CAPITAL IMPROVEMENTS	710,734							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	(503,713)							
TOTAL FUNDS AVAILABLE	8,081,219							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

WATER DEPARTMENT

OPERATING REVENUE:

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	-	REMAINING
WATER SERVICE CHARGE	170,279	162,900	7,379	1,485,237	1,466,260	18,977	1,955,000	(469,763)
WATER USAGE CHARGES	178,948	394,000	(215,052)	3,188,215	4,160,000	(971,785)	5,618,000	(2,429,785)
WATER PUMPING CHARGE	7,718	15,750	(8,032)	135,345	166,500	(31,155)	225,000	(89,655)
FIRE PROTECTION CHARGES	3,333	3,600	(267)	30,049	32,400	(2,351)	43,000	(12,951)
MISC. UTILITY CHARGES	10,280	3,350	6,930	101,076	30,150	70,926	40,000	61,076
SERVICE METER INCOME	5,100	5,000	100	46,000	45,000	1,000	60,000	(14,000)
CELLULAR SITE LEASE	10,043	6,330	3,713	56,316	56,990	(674)	76,000	(19,684)
MWD READINESS TO SERVE CHARGE	13,854	13,500	354	104,822	121,500	(16,678)	162,000	(57,178)
STANDBY CHARGES	-	-	-	15,336	20,000	(4,664)	40,000	(24,664)
CFD REIMBURSEMENTS	-	-	-	15,000	15,000	-	30,000	(15,000)
INSPECTION CHARGES	7,988	2,500	5,488	21,445	22,500	(1,055)	30,000	(8,555)
TOTAL WATER REVENUE	407,543	606,930	(199,387)	5,198,841	6,136,300	(937,459)	8,279,000	(3,080,159)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	33,800	REMAINING
OPERATING EXPENSES:								
WAGES EXPENSE-OPERATIONS	29,587	32,400	(2,813)	163,418	164,000	(582)	187,000	(23,582)
WAGES EXPENSE-INSPECTION	4,194	3,750	444	29,944	26,050	3,894	34,000	(4,056)
PAYROLL TAXES EXP	303	460	(157)	2,753	3,060	(307)	4,000	(1,247)
EMPLOYEE BENEFITS-INS	1,491	1,800	(309)	8,786	16,200	(7,414)	21,450	(12,664)
EMPLOYEE BENEFITS-RETIREMENT	2,127	3,420	(1,293)	19,144	22,800	(3,656)	29,600	(10,456)
MILEAGE EXP	-	125	(125)	95	1,125	(1,030)	1,500	(1,405)
OVERTIME EXPENSE OPER/ ON CALL	1,010	1,200	(190)	7,820	7,860	(40)	10,200	(2,380)
OVERTIME EXP INSPECTION	944	390	554	3,296	2,600	696	3,300	(4)
OVERTIME CROSS CONNECTION EXP	-	2,400	(2,400)	11,820	16,000	(4,180)	20,800	(8,980)
SCADA SYSTEM STANDBY EXP	-	420	(420)	-	2,800	(2,800)	3,640	(3,640)
VACATION EXP	813	975	(162)	7,317	8,775	(1,458)	11,700	(4,383)
CONTRACT STAFFING-METER READS	7,565	6,500	1,065	62,328	58,500	3,828	78,000	(15,672)
SCADA SYSTEM ADMIN/MAINT	1,080	850	230	5,416	7,650	(2,234)	10,000	(4,584)
LABORATORY TESTING COSTS	-	1,500	(1,500)	10,756	10,000	756	13,000	(2,244)
COMPLIANCE TESTING	-	1,300	(1,300)	9,506	11,700	(2,194)	15,500	(5,994)
LEAK DETECTION EXPENSE	-	2,000	(2,000)	7,771	6,000	1,771	8,000	(229)
EPA WATER TESTING EXP	-	4,250	(4,250)	-	8,500	(8,500)	8,500	(8,500)
EQUIPMENT RENTAL COSTS	-	200	(200)	1,115	1,600	(485)	2,000	(885)
EQUIPMENT REPAIRS & MAINT.	24,736	6,700	18,036	88,299	60,300	27,999	80,000	8,299
WATER LINE REPAIRS	-	10,000	(10,000)	-	30,000	(30,000)	40,000	(40,000)
ALARM MONITORING COSTS	-	275	(275)	1,068	2,475	(1,407)	3,300	(2,232)
EMERGENCY SERVICE COST	-	125	(125)	-	1,125	(1,125)	1,500	(1,500)
PROPERTY MAINTENANCE	-	500	(500)	7,865	4,000	3,865	5,000	2,865
ENGINEERING/ADMIN. STUDIES	-	650	(650)	-	5,950	(5,950)	8,000	(8,000)
PLAN CHECK EXPENSE (TVWD)	-	850	(850)	-	7,550	(7,550)	10,000	(10,000)
ENERGY COSTS	8,802	13,550	(4,748)	122,978	142,900	(19,922)	195,000	(72,022)
CONSUMABLE SUPPLIES & CLEANING	374	250	124	4,766	2,350	2,416	3,200	1,566
CHEMICALS, LUBRICANTS & FUELS	690	830	(140)	5,038	7,470	(2,432)	10,000	(4,962)
SMALL EQUIPMENT & TOOLS COST	-	420	(420)	3,521	3,780	(259)	5,000	(1,479)
PERMITS, FEES & TAXES	-	2,100	(2,100)	10,210	18,800	(8,590)	25,000	(14,790)
MAP UPDATING/GIS EXP	-	500	(500)	-	4,000	(4,000)	5,000	(5,000)
SERVICE METERS & PARTS COSTS	2,754	6,000	(3,246)	31,184	53,500	(22,316)	71,000	(39,816)
WHOLESALE WATER PURCHASES	185,103	351,400	(166,297)	2,775,298	3,714,800	(939,502)	5,020,000	(2,244,702)
WATER-MWD CAPACITY CHARGE	5,830	5,500	330	47,990	49,500	(1,510)	66,000	(18,010)
WATER-READINESS TO SERVE/REFUSAL CHARGE	15,101	13,500	1,601	116,245	121,500	(5,255)	162,000	(45,755)
WMWD-MGLMR EXP	-	-	-	180,936	185,000	(4,064)	185,000	(4,064)
BAD DEBT EXPENSES	-	-	-	-	-	-	10,000	(10,000)
CONSERVATION REBATE EXP	-	500	(500)	-	4,000	(4,000)	5,000	(5,000)
CONTINGENCIES	-	4,700	(4,700)	14,955	42,300	(27,345)	56,000	(41,045)
TOTAL OPERATING EXPENSES	292,504	482,290	(189,786)	3,761,638	4,836,520	(1,074,882)	6,428,190	(2,666,552)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2022-2023	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	10,027	11,800	(1,773)	78,994	78,550	444	102,000	(23,006)
GENERAL ENGINEERING EXP	-	1,850	(1,850)	18,428	16,650	1,778	22,000	(3,572)
EMPLOYEE BENEFITS-INS	2,389	1,620	769	13,262	14,580	(1,318)	19,400	(6,138)
EMPLOYEE BENEFITS-RETIREMENT	2,277	3,245	(968)	20,637	21,645	(1,008)	28,100	(7,463)
WAGES EXPENSE	20,038	21,500	(1,462)	132,898	143,450	(10,552)	186,400	(53,502)
VACATION EXP	940	1,000	(60)	8,460	9,200	(740)	12,400	(3,940)
MILEAGE EXP ADMIN	-	125	(125)	-	375	(375)	500	(500)
OVERTIME EXPENSE	-	250	(250)	432	1,550	(1,118)	2,000	(1,568)
PAYROLL TAX EXPENSES	388	350	38	2,570	2,310	260	3,000	(430)
CONTRACT STAFFING-OFFICE	-	-	-	-	-	-	3,500	(3,500)
LEGAL EXPENSES	578	1,000	(422)	4,703	9,000	(4,297)	12,000	(7,297)
AUDIT EXPENSES	-	-	-	-	-	-	5,500	(5,500)
BOARD COMMITTEE/ MEETING EXP.	1,299	1,100	199	6,178	9,800	(3,622)	13,000	(6,822)
COMPUTER SYSTEM EXP	2,437	2,500	(63)	21,837	22,500	(663)	30,000	(8,163)
BANK CHARGES EXP	2,115	2,700	(585)	25,524	24,350	1,174	32,500	(6,976)
MISCELLANEOUS & EDUCATION EXP	-	400	(400)	-	3,200	(3,200)	4,000	(4,000)
TELEPHONE EXP	1,804	1,100	704	12,240	9,800	2,440	13,000	(760)
OFFICE SUPPLIES EXP	2,277	1,450	827	15,580	12,850	2,730	17,000	(1,420)
PRINTING EXPENSES	-	-	-	8,887	5,500	3,387	5,500	3,387
POSTAGE & DELIVERY EXPENSE	930	1,000	(70)	10,920	8,750	2,170	11,500	(580)
PUBLICATIONS, NOTICES & DUES	-	200	(200)	3,962	1,850	2,112	2,500	1,462
EQUIPMENT LEASE EXPENSES	809	600	209	4,970	5,300	(330)	7,000	(2,030)
INSURANCE EXPENSES	2,090	2,850	(760)	18,035	25,550	(7,515)	34,000	(15,965)
INVESTMENT EXPENSE	502	375	127	2,952	3,375	(423)	4,500	(1,548)
ANNUAL ASSESSMENT EXP	-	-	-	1,427	4,500	(3,073)	4,500	(3,073)
ELECTION & PUBLIC HEARING EXP	-	-	-	938	1,000	(62)	7,350	(6,412)
COMMUNITY OUT REACH EXP	-	-	-	157	7,500	(7,343)	15,000	(14,843)
TOTAL ADMINISTRATIVE EXPENSES	50,900	57,015	(6,115)	413,991	443,135	(29,144)	598,150	(184,159)
TOTAL WATER EXPENSES	343,404	539,305	(195,901)	4,175,629	5,279,655	(1,104,026)	7,026,340	(2,850,711)
NET OPERATING REVENUE/EXPENSE	64,139	67,625	(3,486)	1,023,212	856,645	166,567	1,252,660	(229,448)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	18,897	1,700	17,197	125,432	15,300	110,132	20,000	105,432
PROPERTY TAX INCOME	1,230	-	1,230	63,166	20,000	43,166	40,000	23,166
TOTAL NON-OP SOURCE OF FUNDS	20,127	1,700	18,427	188,598	35,300	153,298	60,000	128,598
TOTAL REVENUE/EXPENSE	84,266	69,325	14,941	1,211,810	891,945	319,865	1,312,660	(100,850)
TRANSFER TO CAPITAL FUND-REPLACEMENT				491,872				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				719,938				
CONNECTION FEES				121,949				
CAPACITY USAGE INCOME				145,807				
LONG TERM DEBT REDUCTION				145,807				
WATER CAPITAL FUND:				-				
ENDING FUNDS AVAILABLE 2021-2022	17,840,961							
TRANSFER FOR CAPITAL FUND REPLACEMENT	491,872							
TRANSFER FOR CAPITAL IMPROVEMENTS	841,887							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	(369,374)							
TOTAL FUNDS AVAILABLE	18,805,346							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2020-2021	REMAINING
<u>ID#1 DEPARTMENT</u>								
OPERATING REVENUE:								
ANNUAL SEWER SERVICE CHARGE	13,725	13,725	-	123,525	123,525	-	164,700	(41,175)
TOTAL ID #1 REVENUE	13,725	13,725	-	123,525	123,525	-	164,700	(41,175)
OPERATING EXPENSES:								
PLANT REMOVAL COST	-	-	-	45,005	-	45,005	-	45,005
MONTHLY TREATMENT PLANT COSTS	11,764	12,000	(236)	105,876	105,876	-	145,000	(39,124)
TOTAL OPERATING COSTS	11,764	12,000	(236)	150,881	105,876	45,005	145,000	5,881
ADMINISTRATIVE EXPENSES:								
ANNUAL ASSESSMENT PROCESSING	-	-	-	2,874	3,000	(126)	3,000	(126)
TOTAL ADMINISTRATIVE EXPENSES	-	-	-	2,874	3,000	(126)	3,000	(126)
TOTAL ID#1 EXPENSES	11,764	12,000	(236)	153,755	108,876	44,879	148,000	5,755
NET OPERATING REVENUE/EXPENSE	1,961	1,725	236	(30,230)	14,649	(44,879)	16,700	(46,930)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME-LAIF	394	267	127	2,796	2,400	396	3,200	(404)
TOTAL NON-OPER SOURCE OF FUNDS	394	267	127	2,796	2,400	396	3,200	(404)
TOTAL REVENUE/EXPENSE	2,355	1,992	363	(27,434)	9,950	(44,483)	19,900	(47,334)
TRANSFER TO SINKING FUND FOR CAPACITY				(27,434)				
				-				
<u>ID #1 FUND BALANCE:</u>								
ENDING FUNDS AVAILABLE 2021-2022	612,436							
SINKING FUND FOR CAPACITY	(27,434)							
TOTAL FUNDS AVAILABLE	585,002							

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2022-2023	REMAINING
<u>ID#2 DEPARTMENT</u>								
OPERATING REVENUE:								
ANNUAL SEWER SERVICE CHARGE	15,525	15,525	-	139,725	139,725	-	186,300	(46,575)
TOTAL ID #2 REVENUE	15,525	15,525	-	139,725	139,725	-	186,300	(46,575)
OPERATING EXPENSES:								
MONTHLY TREATMENT PLANT COSTS	13,307	13,650	(343)	119,763	119,763	-	164,000	(44,237)
TOTAL OPERATING COSTS	13,307	13,650	(343)	119,763	119,763	-	164,000	(44,237)
ADMINISTRATIVE EXPENSES:								
ANNUAL ASSESSMENT PROCESSING	-	-	-	2,874	3,000	(126)	3,000	(126)
TOTAL ADMINISTRATIVE EXPENSES	-	-	-	2,874	3,000	(126)	3,000	(126)
TOTAL ID#2 EXPENSES	13,307	13,650	(343)	122,637	122,763	(126)	167,000	(44,363)
NET OPERATING REVENUE/EXPENSE	2,218	1,875	343	17,088	16,962	126	19,300	(2,212)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME/UNREALIZED GAIN ON INV	787	250	537	5,217	2,250	2,967	3,000	2,217
TOTAL NON-OPER SOURCE OF FUNDS	787	250	537	5,217	2,250	2,967	3,000	2,217
TOTAL REVENUE/EXPENSE	3,005	2,125	880	22,305	19,212	3,093	22,300	5
TRANSFER TO SINKING FUND FOR CAPACITY				22,305				
				-				
<u>ID #2 FUND BALANCE:</u>								
ENDING FUNDS AVAILABLE 2021-2022	325,165							
SINKING FUND FOR CAPACITY	22,305							
TOTAL FUNDS AVAILABLE	347,470							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2022-2023	REMAINING
<u>NON-POTABLE WATER DEPARTMENT</u>								
OPERATING REVENUE:								
RECYCLED/NON-POTABLE WATER SALES	12,721	147,000	(134,279)	1,180,297	1,512,000	(331,703)	2,100,000	(919,703)
RECYCLED/ NON-POT WATER FIXED CHARGE	25,571	24,600	971	216,878	221,300	(4,422)	295,000	(78,122)
RECYCLED/NON-POTABLE PUMPING CHARGE	313	4,970	(4,657)	42,407	51,120	(8,713)	71,000	(28,593)
MISC INCOME	-	1,000	(1,000)	-	8,750	(8,750)	11,500	(11,500)
INSPECTION REVENUE	5,706	1,500	4,206	15,318	13,500	1,818	18,000	(2,682)
TOTAL NON-POTABLE REVENUE	44,311	179,070	(134,759)	1,454,900	1,806,670	(351,770)	2,495,500	(1,040,600)
OPERATING EXPENSES:								
WAGES EXPENSE-OPERATIONS	11,128	15,250	(4,122)	83,619	102,600	(18,981)	133,500	(49,881)
WAGES EXPENSE-INSPECTION	2,996	2,650	346	21,392	18,600	2,792	24,300	(2,908)
PAYROLL TAXES EXP	216	335	(119)	1,822	2,231	(409)	2,900	(1,078)
EMPLOYEE BENEFITS-INS	1,064	1,275	(211)	6,274	11,475	(5,201)	15,300	(9,026)
EMPLOYEE BENEFITS-RETIREMENT	1,519	2,450	(931)	13,671	16,310	(2,639)	21,200	(7,529)
MILEAGE EXP	-	100	(100)	-	800	(800)	1,000	(1,000)
OVERTIME EXP OPER	722	825	(103)	5,015	5,570	(555)	7,250	(2,235)
OVERTIME EXP INSPECTION	674	225	449	2,355	1,850	505	2,450	(95)
OVERTIME CROSS CONNECTION	-	1,700	(1,700)	9,015	11,380	(2,365)	14,800	(5,785)
VACATION EXP	581	700	(119)	5,229	6,300	(1,071)	8,400	(3,171)
PLAN CHECK EXP (TVWD)	-	100	(100)	-	800	(800)	1,000	(1,000)
SCADA SYSTEM STANDBY EXP	-	220	(220)	-	1,960	(1,960)	2,600	(2,600)
SCADA SYS MAINTENANCE EXP	-	420	(420)	3,099	3,760	(661)	5,000	(1,901)
LABORATORY TESTING COSTS	-	850	(850)	7,685	7,650	35	10,000	(2,315)
EQUIPMENT REPAIRS & MAINT.	5,367	1,700	3,667	23,858	15,300	8,558	20,000	3,858
NONPOTABLE WATER LINE REPAIR	-	3,400	(3,400)	8,606	30,600	(21,994)	40,000	(31,394)
SECURITY AND ALARM EXP	-	100	(100)	1,068	800	268	1,000	68
PROPERTY MAINTENANCE	-	600	(600)	2,221	5,400	(3,179)	7,000	(4,779)
ENERGY COSTS(est)	18,312	19,600	(1,288)	241,657	201,600	40,057	280,000	(38,343)
CONSUMABLE SUPPLIES EXP	267	100	167	724	1,050	(326)	1,500	(776)
CHEMICALS, LUBRICANTS & FUELS	493	420	73	3,489	3,760	(271)	5,000	(1,511)
PERMITS AND FEES EXP	-	1,000	(1,000)	6,897	8,500	(1,603)	11,000	(4,103)
SERVICE METERS AND PARTS COSTS	-	600	(600)	-	5,300	(5,300)	7,000	(7,000)
RECYCLED SIGN/TOOLS EXP	-	1,000	(1,000)	751	3,000	(2,249)	4,000	(3,249)
MISC OPERATING EXP	-	50	(50)	-	350	(350)	500	(500)
BAD DEBT	-	-	-	-	-	-	2,000	(2,000)
CONTINGENCIES	-	2,000	(2,000)	10,682	18,500	(7,818)	25,000	(14,318)
TOTAL OPERATING EXPENSES	43,339	57,670	(14,331)	459,129	485,446	(26,317)	653,700	(194,571)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURE/BUDGET
FOR NINE MONTHS ENDING
MARCH 31, 2023**

	MARCH			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2022-2023	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	7,162	8,400	(1,238)	56,425	56,140	285	73,000	(16,575)
GENERAL ENGINEERING	-	600	(600)	3,541	5,300	(1,759)	7,000	(3,459)
EMPLOYEE BENEFITS-INS	1,843	1,150	693	10,703	10,350	353	13,800	(3,097)
EMPLOYEE BENEFITS-RETIREMENT	1,627	1,675	(48)	14,743	15,075	(332)	20,100	(5,357)
WAGES EXPENSE	14,313	15,350	(1,037)	94,933	102,450	(7,517)	133,200	(38,267)
VACATION EXP	671	750	(79)	6,039	6,750	(711)	8,850	(2,811)
MILEAGE EXP	-	20	(20)	-	160	(160)	200	(200)
OVERTIME EXP	-	200	(200)	309	1,850	(1,541)	2,500	(2,191)
PAYROLL TAX EXPENSE	277	200	77	1,837	1,590	247	2,100	(263)
CONTRACT STAFFING OFFICE EXP	-	-	-	-	-	-	2,500	(2,500)
LEGAL EXPENSE	412	600	(188)	3,260	5,300	(2,040)	7,000	(3,740)
AUDIT EXP	-	-	-	-	-	-	4,500	(4,500)
BOARD FEES EXP	928	750	178	4,415	6,750	(2,335)	9,000	(4,585)
ELECTION & PUBLIC HEARING EXP	-	-	-	670	-	670	5,000	(4,330)
COMPUTER SYSTEMS EXP	1,741	2,400	(659)	15,604	21,200	(5,596)	28,000	(12,396)
BANK CHARGES	1,511	2,000	(489)	18,228	17,500	728	23,000	(4,772)
MISC & EDUCATION EXP	-	100	(100)	-	800	(800)	1,000	(1,000)
TELEPHONE EXP	1,288	830	458	8,633	7,490	1,143	10,000	(1,367)
OFFICE SUPPLIES	1,628	650	978	9,177	5,950	3,227	8,000	1,177
PRINTING EXP	-	-	-	5,875	4,000	1,875	4,000	1,875
POSTAGE EXP	664	650	14	5,982	5,950	32	8,000	(2,018)
PUBLICATION/DUES EXP	-	100	(100)	2,481	800	1,681	1,000	1,481
EQUIPMENT LEASE EXP	578	330	248	3,550	2,990	560	4,000	(450)
INSURANCE EXPENSE	1,491	2,000	(509)	12,915	18,000	(5,085)	24,000	(11,085)
ANNUAL ASSESSMENT EXP	-	-	-	-	-	-	3,000	(3,000)
INVESTMENT EXPENSE	358	250	108	2,109	2,250	(141)	3,000	(891)
COMMUNITY OUTREACH EXP	-	-	-	-	2,500	(2,500)	5,000	(5,000)
TOTAL ADMINISTRATIVE EXPENSES	36,492	39,005	(2,513)	281,429	301,145	(19,716)	410,750	(129,321)
TOTAL NON-POTABLE OPERATING EXPENSES	79,831	96,675	(16,844)	740,558	786,591	(46,033)	1,064,450	(323,892)
NET OPERATING REVENUE/EXPENSE	(35,520)	82,395	(117,915)	714,342	1,020,079	(305,737)	1,431,050	(716,708)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	4,331	1,000	3,331	28,753	9,000	19,753	12,000	16,753
TOTAL NON-OP SOURCE OF FUNDS	4,331	1,000	(114,584)	28,753	9,000	19,753	12,000	16,753
TOTAL REVENUE/EXPENSE	(31,189)	83,395	(114,584)	743,095	1,029,079	(285,984)	1,443,050	(699,955)
TRANSFER TO CAPITAL FUND-REPLACEMENT				257,327				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				485,768				
CONNECTION FEES				-				
				-				
NON-POTABLE FUND BALANCE:								
ENDING FUNDS AVAILABLE 2021-2022	6,635,550							
TRANSFER FOR CAPITAL FUND REPLACEMENT	257,327							
TRANSFER FOR CAPITAL IMPROVEMENTS	485,768							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	(361,841)							
TOTAL FUNDS AVAILABLE	7,016,804							

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 1
Financing Authority
(Sycamore Creek)
3/31/2023

Special Tax Fund (Acct #105636-009)
Account Balance at Wilmington Trust \$ 741,543.39

BONDS PR ACCT (Acct # 105636-010)
Account Balance at Wilmington Trust 445.54

Administrative Expense Fund(Acct #105636-011)
Account Balance at Wilmington Trust 9.23

Surplus Fund (Acct #105636-012)
Account Balance at Wilmington Trust 1,204,470.76

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 2
Financing Authority
(Montecito Ranch)
3/31/2023

<u>Special Tax Fund (Acct #105636-014)</u> Account Balance at Wilmington Trust	\$ 133,855.94
<hr/>	
<u>BONDS PR ACCT (Acct # 105636-015)</u> Account Balance at Wilmington Trust	72,526.05
<hr/>	
<u>Administrative Expense Fund(Acct #105636-016)</u> Account Balance at Wilmington Trust	5.22
<hr/>	
<u>Surplus Fund (Acct #105636-017)</u> Account Balance at Wilmington Trust	252,025.78
<hr/>	
<u>Prepayment Fund (Acct #105636-026)</u> Account Balance at Wilmington Trust	4,301.23
<hr/>	
TOTAL	\$ 462,714.22

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 3
Financing Authority
(The Retreat)
3/31/2023

<u>Special Tax Fund (Acct #105636-019)</u> Account Balance at Wilmington Trust	\$	664,708.52
<hr/>		
<u>BONDS PR ACCT (Acct # 105636-020)</u> Account Balance at Wilmington Trust	\$	329.50
<hr/>		
<u>Administrative Expense Fund(Acct #105636-021)</u> Account Balance at Wilmington Trust	\$	9.23
<hr/>		
<u>Surplus Fund (Acct #105636-022)</u> Account Balance at Wilmington Trust	\$	640,326.72
<hr/>		
Prepayment Fund (Acct #105636-027) Account Balance at Wilmington Trust		-
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TOTAL	\$	1,305,373.97

**TEMESCAL VALLEY WATER DISTRICT
Community Facilities District
Financing Authority
3/31/2023**

Senior Lien Bonds - Revenue Fund (Acct #105636-000)	\$	0.03
- Lien Interest A/C (Acct #105636-001)		12,063.22
- Lien Principal A/C (Acct #105636-002)		-
- Financing Authority Surplus A/C (Acct #105636-003)		-
- Reserve Fund CFD #1 (Acct #105636-004)		2,273,110.70
- Reserve Fund CFD #2 (Acct #105636-005)		276,988.82
- Reserve Fund CFD #3 (Acct #105636-006)		1,500,519.44
Junior Lien Bonds - Revenue Fund (Acct #105639-000)	\$	-
- Lien Interest A/C (Acct #105639-001)		3,765.25
- Lien Principal A/C (Acct #105639-002)		-
- Financing Authority Surplus A/C (Acct #105639-003)		-
- Reserve Fund CFD #1 (Acct #105639-004)		621,117.47
- Reserve Fund CFD #2 (Acct #105639-005)		100,509.42
- Reserve Fund CFD #3 (Acct #105639-006)		542,669.76
TOTAL		
		\$ 5,330,744.11

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 4 IA1
Financing Authority
(Terramor)
3/31/2023

<u>Special Tax Fund Proceeds (Acct #133306-000)</u> Account Balance at Wilmington Trust	\$ -
<hr/>	
<u>Special Tax Fund (Acct #133306-001)</u> Account Balance at Wilmington Trust	\$ 405,266.69
<hr/>	
<u>Interest Acct (Acct #133306-002)</u> Account Balance at Wilmington Trust	16,449.06
<hr/>	
<u>BONDS PR ACCT (Acct #133306-003)</u> Account Balance at Wilmington Trust	-
<hr/>	
<u>Administrative Expense Fund(Acct #133306-004)</u> Account Balance at Wilmington Trust	47,131.92
<hr/>	
<u>Reserve fund Fund (Acct #133306-005)</u> Account Balance at Wilmington Trust	1,406,801.94
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<u>Surplus Fund (Acct #133306-006)</u> Account Balance at Wilmington Trust	223,657.71
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<u>Redemption fund (Acct #133306-007)</u> Account Balance at Wilmington Trust	-
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<u>Construction fund (Acct #133306-008)</u> Account Balance at Wilmington Trust	0.82
<hr/>	
<u>Cost of Issuance (Acct #133306-009)</u> Account Balance at Wilmington Trust	-
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TOTAL	\$ 2,099,308.14

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 4 IA2
Financing Authority
(Terramor)
3/31/2023

<u>Special Tax Fund (Acct #151110-000)</u> Account Balance at Wilmington Trust	\$ 135,549.68
<hr/>	
<u>Interest Acct (Acct #151110-001)</u> Account Balance at Wilmington Trust	315.97
<hr/>	
<u>BONDS PRIN ACCT (Acct #151110-002)</u> Account Balance at Wilmington Trust	-
<hr/>	
<u>Redemption Acct (Acct #151110-003)</u> Account Balance at Wilmington Trust	-
<hr/>	
<u>Administrative Expense Fund(Acct #151110-004)</u> Account Balance at Wilmington Trust	-
<hr/>	
<u>Reserve fund Fund (Acct #151110-005)</u> Account Balance at Wilmington Trust	1,138,900.50
<hr/>	
<u>Surplus Fund (Acct #151110-006)</u> Account Balance at Wilmington Trust	-
<hr/>	
<u>Construction fund (Acct #151110-007)</u> Account Balance at Wilmington Trust	6,516.91
<hr/>	
<u>Cost of Issuance (Acct #151110-008)</u> Account Balance at Wilmington Trust	-
<hr/>	
TOTAL	\$ 1,281,283.06

TEMESCAL VALLEY WATER DISTRICT
General Ledger

For the Period From Mar 1, 2023 to Mar 31, 2023

Filter Criteria includes: 1) IDs from 567500.3 to 567500.5. Report order is by ID. Report is printed in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
567500.3 EQUIPMENT REPAIRS & MAIN	3/1/23			Beginning Balance			175,614.61
	3/1/23	3875	PJ	ZOUBEK CONSULTING, LLC - ENVIROMENTAL HEALTH SAFETY PROGRAM IMPLEMENTATION AND TRAINING PER BID JULY 18, 2022	830.50		
	3/29/23	32592	PJ	MASTER TECH MECHANICAL - TROUBLE OPS BLDG HEAT PUMP	249.00		
	3/29/23	32253	PJ	MASTER TECH MECHANICAL - ANNUAL HVAC MAINT-CHECK-UP AND CLEAN	1,452.50		
	3/29/23	53555451	PJ	DXP CORTECH - REMOVE SLUDGE FEED PUMP INSTALL NEW INV PUMP MACHINESBR #10 MOTOR BRKT-REINSTALL AND REMOVE SBR #9 FOR MACHING MOTOR BKT	6,747.80		
	3/29/23	589971/1	PJ	MCFADDEN-DALE HARDWARE CO. - ALL PARTS FOR TERRAMOR LIFT STATION	710.71		
	3/29/23	589999/1	PJ	MCFADDEN-DALE HARDWARE CO. - TUBE BENDER FOR TERRAMOR 1/2 LINE	214.02		
	3/30/23	032223	PJ	US BANK GOVERNMENT SERVICES	1,769.38		
	3/30/23	3997	PJ	BT PIPELINE INC. - WATER SERVICES FIXED IN WILDROSE	26,070.00		
	3/30/23	258453	PJ	THOMPSON & PHIPPS-BAY CITY IND - GRNDNER DENVER BLOWER MOTOR REPLACEMENT SBR BLOWER MOTOR	27,922.51		
	3/30/23	257968	PJ	THOMPSON & PHIPPS-BAY CITY IND - SUBMERSIBLE PUMP/MOTOR FOR LEROY SEWERLIFT STATION AN SPARE FOR INVENTORY	9,218.30		
	3/30/23	33115	PJ	ASJ INDUSTRIAL HOSE & FITTING	249.00		
	3/30/23	INV2023-15	PJ	DON PETERSON CONTRACTING, INC. - INSTALL NEW BLOWER SBR #3 PULL LEROY SEWER LIFT STATION PUMP #2 FOR INSPECTION	5,937.00		
	3/30/23	53598537	PJ	DXP CORTECH - REBUILD SEEPEX BN15-6LT SLUDGE FEED PUMP	8,458.04		
	3/30/23	32699	PJ	MASTER TECH MECHANICAL - CHANGE OUT BLOWER	1,676.78		
				Current Period Change	91,505.54		91,505.54
	3/31/23			Ending Balance			267,120.15
567500.4 EQUIPMENT REPAIRS & MAIN	3/1/23			Beginning Balance			63,562.40
	3/1/23	3875	PJ	ZOUBEK CONSULTING, LLC - ENVIROMENTAL HEALTH SAFETY PROGRAM IMPLEMENTATION AND TRAINING PER BID JULY 18, 2022	726.68		
	3/3/23	30296	PJ	TERRY'S MINUTEMAN VALVE SERVIC	900.00		
	3/3/23	30297	PJ	TERRY'S MINUTEMAN VALVE SERVIC	1,500.00		
	3/3/23	30299	PJ	TERRY'S MINUTEMAN VALVE SERVIC	900.00		
	3/30/23	30300	PJ	TERRY'S MINUTE VALVE SERVICE - CLAVALVE MAINTENANCE DAWSON TANK 6" 210-01 MONTECITO VAULT 6" 90-01	450.00		
	3/30/23	032223	PJ	US BANK GOVERNMENT SERVICES	1,769.38		
	3/30/23	S521822	PJ	CORE & MAIN - FIRE HYDRANTS - STOCK	18,490.28		
				Current Period Change	24,736.34		24,736.34
	3/31/23			Ending Balance			88,298.74
567500.5 EQUIPMENT REPAIRS & MAIN	3/1/23			Beginning Balance			18,491.02
	3/1/23	3875	PJ	ZOUBEK CONSULTING, LLC - ENVIROMENTAL HEALTH SAFETY PROGRAM IMPLEMENTATION AND TRAINING PER BID JULY 18, 2022	519.07		
	3/3/23	30293	PJ	TERRY'S MINUTEMAN VALVE SERVIC	900.00		
	3/3/23	30294	PJ	TERRY'S MINUTEMAN VALVE SERVIC	900.00		

TEMESCAL VALLEY WATER DISTRICT

General Ledger

For the Period From Mar 1, 2023 to Mar 31, 2023

Filter Criteria includes: 1) IDs from 567500.3 to 567500.5. Report order is by ID. Report is printed in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
	3/3/23	30298	PJ	TERRY'S MINUTEMAN VALVE SERVIC	900.00		
	3/30/23	30300	PJ	TERRY'S MINUTE VALVE SERVICE	450.00		
	3/30/23	3248	PJ	MASTER TECH MECHANICAL - REPLACE FAN MOTOR-WEL #4	1,697.64		
				Current Period Change	5,366.71		5,366.71
	3/31/23			Ending Balance			23,857.73

FY 2022/2023 Maintenance /General Projects

Item	Budget	Fund	Year to Date	Variance	
1	Diversion Valve: Compliance				
	Center Electric (provide control box, wiring & fiber)	12,067			
	Trans Controls (provide plc & associated equip, programming)	22,724			
	Excavation	2,500			
		37,291	WRF	39,084	(1,793)
2	Dive inspection - All tanks	25,000	Potable/ RW		25,000
3	Rotary Screw Compressors - Continuous duty	40,000	WRF	38,252	1,748
4	Replace (3) 16" Plant Isolation Valves: Recycled Water				
	Don Petersen (install valves and adaptors, backfill)	44,200	RW	54,579	(10,379)
5	Raise Block Wall Around Sludge Area	20,000	WRF	21,750	(1,750)
6	CERLIC Portable Sludge Blanket Sensor	4,305	WRF	4,616	(311)
7	Retreat Booster Station ATS Replacement	8,725	Potable	9,587	(862)
8	OPS Bldg. Toilet Replacement & New Water Heater	10,000	General Building	17,933	(7,933)
9	New Flow Meter for Centrifuge	9,595	WRF	12,417	(2,822)
10	Confined Space Tripod & Blower	10,000	Operations		10,000
11	Replacement Rotork Actuators (3)	20,000	WRF	23,889	(3,889)
12	Next Year Budget Maintenance:				
	Generator Inspections & Service	18,000	All		18,000
	HVAC Inspections	5,500	All		5,500
	Cla-Val Inspections & Service	5,000	Potable		5,000
TOTAL		257,616		222,107	35,509

Paul getting quotes

PAUL TO ORDER

Ongoing

Ongoing

Ongoing

	Not Started
	In Process
	Completed

Temescal Valley Water District
Capital Projects
Yearly Miscellaneous and Multi - Year

Not Started
In Process
Completed

Capital Projects			Total Cost	Source of Funding			Previous YR	MARCH - FY 22/23			Total YTD	Variance
FY 2022/2023 Maintenance/ General Projects	Eng CIP #	#1401.*		Sewer Fund	Water Fund	Recycled Fund		Sewer Fund	Water Fund	Recycled Fund		
Computer and Software Upgrades	G-1-2019	N/A	\$ 25,000	\$ 10,000	\$ 8,750	\$ 6,250				\$ -	\$ 25,000	
General Building Improvements	G-2-2019	N/A	\$ 80,000	\$ 32,000	\$ 28,000	\$ 20,000				\$ -	\$ 80,000	
New Work Truck	G-4-2021	N/A	\$ 50,000	\$ 20,000	\$ 17,500	\$ 12,500		\$ 19,710	\$ 17,146	\$ 12,419	\$ 49,275	\$ 725
Secondary FEB Pump Replacement	G-5-2021	N/A	\$ 120,000	\$ 72,000	\$ 48,000	\$ 48,000				\$ -	\$ 120,000	
GIS Mapping - Water, Sewer, RW pipelines and facilities	G-7-2021	1904/1905	\$ 50,160	\$ 20,064	\$ 17,556	\$ 12,540		\$ 720	\$ 2,400		\$ 3,120	\$ 47,040
Groundwater Sustainability JPA	General	N/A	\$ 135,000	\$ -	\$ 135,000	\$ -				\$ -	\$ 135,000	
5-year Financial Plan Development with 218 notice	G-1-2020	N/A	\$ 45,000	\$ 15,000	\$ 15,000	\$ 15,000		\$ 12,526	\$ 12,526	\$ 12,528	\$ 37,580	\$ 7,420
Digester System Operational Control	S-2-2022	N/A	\$ 75,523	\$ 75,523				\$ 62,586			\$ 62,586	\$ 12,937
General Maint Projects List (See Sheet)	General	N/A	\$ 260,000	\$ 140,000	\$ 100,000	\$ 20,000		\$ 139,113	\$ 100,470	\$ 18,033	\$ 257,616	\$ 2,384
SUBTOTAL			\$ 840,683	\$ 384,587	\$ 321,806	\$ 134,290	\$ -	\$ 234,655	\$ 132,542	\$ 42,980	\$ 410,177	\$ 430,506

Pump Rep reviewing required pump curves
Ongoing - working with iWater on program
Ongoing -

P.O issued - parts ordered
See list

8

Multiple Fiscal Year Projects			Total Cost	Source of Funding			Previous YR	YEAR TO DATE			Total YTD	Variance
	Eng CIP #	#1401.*		Sewer Fund	Water Fund	Recycled Fund		Sewer Fund	Water Fund	Recycled Fund		
Trailer Yard Goat	G-1-2021	N/A	\$ 100,000	\$ 60,000		\$ 40,000				\$ -	\$ 100,000	
Recycled and Non-potable Pipeline extensions	NP-2018	N/A	\$ 775,000	\$ -	\$ -	\$ 775,000			\$ 7,300	\$ 7,300	\$ 767,700	
Construct New Storage Building	G-2-2021	N/A	\$ 370,000	\$ 148,000	\$ 111,000	\$ 111,000	\$ 167,340	\$ 125,505	\$ 125,505	\$ 418,350	\$ (48,350)	
Parking Structure Shades	G-3-2021	N/A	\$ 100,000	\$ 40,000	\$ 35,000	\$ 25,000				\$ -	\$ 100,000	
Sludge Centrifuge VFD Backdrive and Control Repair	S-2-2021	N/A	\$ 109,104	\$ 109,104	\$ -	\$ -	\$ 4,860			\$ 4,860	\$ 104,244	
Convert to Recycled	General	N/A	\$ 135,000	\$ -	\$ 75,000	\$ 60,000			\$ 15,011	\$ 15,011	\$ 119,989	
Well Replacement/Cleaning and Rehab	General	N/A	\$ 135,000	\$ -	\$ -	\$ 135,000			\$ 117,326	\$ 117,326	\$ 17,674	
TVWD Offsite SCADA PLC and Radio Upgrade	G-1-2022	N/A	\$ 257,000	\$ 102,800	\$ 77,100	\$ 77,100	\$ 71,625	\$ 53,719	\$ 53,719	\$ 179,063	\$ 77,937	
Potable Reservoir Design - Wildrose Site	W-1-2020	1810	\$ 150,000	\$ -	\$ 150,000	\$ -		\$ 57,608		\$ 57,608	\$ 92,392	
Potable Reservoir Construction	W-1-2020	N/A	\$ 3,105,000	\$ -	\$ 3,105,000	\$ -				\$ -	\$ 3,105,000	
Automatic Meter Read System	W-1-2021	N/A	\$ 3,050,000	\$ 3,050,000						\$ -	\$ 3,050,000	
Sludge Processing Facility with Odor Control - Design Report	S-1-2021	2208	\$ 80,000	\$ 80,000			\$ 6,070			\$ 6,070	\$ 73,930	
Sludge Processing Facility with Odor Control	S-1-2021		\$ 3,215,000	\$ 3,215,000						\$ -	\$ 3,215,000	
Property Purchase and Relocation of Emergency Pump	W-2-2021	N/A	\$ 587,000		\$ 587,000					\$ -	\$ 587,000	
Reservoir Management System - Terramor Reservoir	W-3-2021	N/A	\$ 102,000		\$ 102,000					\$ -	\$ 102,000	
Manhole Rehab	S-1-2022	2008	\$ 105,000	\$ 105,000			\$ 19,163			\$ 19,163	\$ 85,837	
SUBTOTAL			\$ 12,375,104	\$ 3,859,904	\$ 7,292,100	\$ 1,223,100	\$ -	\$ 269,058	\$ 236,832	\$ 318,861	\$ 824,751	\$ 11,550,353
TOTAL			\$ 13,215,787	\$ 4,244,491	\$ 7,613,906	\$ 1,357,390	\$ -	\$ 503,713	\$ 369,374	\$ 361,841	\$ 1,234,928	\$ 11,980,859

Price review at Engineering Com Mtg

P.O issued - scheduling with Alfa Laval

P.O issued - Parts ordered

Final electrical in review

Last vendor review in progress

Testing in progress

New property / easement consideration

Pumps station complete - Install started

Bids came in over budget



PMIA/LAIF Performance Report as of 04/19/23



PMIA Average Monthly Effective Yields⁽¹⁾

March	2.831
February	2.624
January	2.425

Quarterly Performance Quarter Ended 03/31/23

LAIF Apportionment Rate ⁽²⁾ :	2.74
LAIF Earnings Ratio ⁽²⁾ :	0.00007493902135155
LAIF Fair Value Factor ⁽¹⁾ :	0.986510329
PMIA Daily ⁽¹⁾ :	2.87
PMIA Quarter to Date ⁽¹⁾ :	2.63
PMIA Average Life ⁽¹⁾ :	275

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 03/31/23 \$191.2 billion

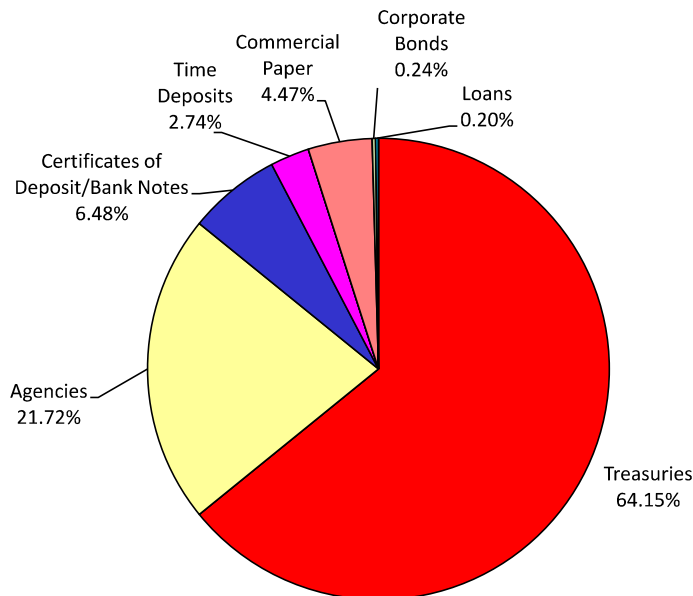


Chart does not include \$3,085,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



TEMESCAL VALLEY WATER DISTRICT

**Financial Statements and
Independent Auditor's Report**

TEMESCAL VALLEY WATER DISTRICT

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2022

Temescal Valley Water District
Table of Contents
June 30, 2022

TABLE OF CONTENTS

	Page
I. INDEPENDENT AUDITOR'S REPORT	1 - 3
II. MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 12
III. BASIC FINANCIAL STATEMENTS	
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15 - 16
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to Financial Statements	19 - 35
IV. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the District's Proportionate Share of the Net Pension Liability	36
Schedule of Plan Contributions	37



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Temescal Valley Water District
Corona, California

Report on the Audit of the Financial Statements

Opinions

We have audited the business-type activities and the aggregate remaining fund information of the Temescal Valley Water District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Temescal Valley Water District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 21, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

Van Lant + Fankhaed, LLP

April 21, 2023

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
June 30, 2022

Our discussion and analysis of Temescal Valley Water District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which begin on page 13.

Financial Highlights

- The District's Net Position increased \$4,087,655 or 3.9 percent in the year ending June 30, 2022.
- Current assets and other restricted assets increased by \$3,854,989 mainly due to the net effect of an increase in current assets.
- Current year operating revenues increased by \$1,300,002 due to higher water revenue and connection fee revenue. While operating expenses increased by \$425,433 due mainly to higher costs in most categories.
- Capital asset contributions received from developers were zero in the current year and zero in the prior year.
- Total revenues were \$14.7 million and \$ 13.4 million and total expenses were \$ 10.8 million and \$10.3 million for the current year and prior year, respectively.
- See accompanying charts for revenue and expense details, as well as capital expenditures.

Using This Annual Report

This annual report consists of a series of financial statements. The statements of net position and statements of revenues, expenses, and changes in net position (on pages 13 through 16) provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

Reporting on the District as a Whole

Our analysis of the District as a whole begins on page 5. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The statements of net position and the statements of revenues, expenses, and changes in net position, report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
(Continued)
June 30, 2022

These financial statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non financial factors, such as changes in the District's property tax base and the condition of the District's water and sewer facilities, to assess the overall health of the District.

The District reports in the statements of net position and the statements of revenues expenses, and changes in net position two types of activities, water and sewer services. All District activities are reported in these statements.

The District as a Whole

The District's net position increased to \$109.9 million from \$105.9 million. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the District's activities.

Table 1
Net Position (in Millions)
June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Capital assets	\$77.6	\$ 77.2	\$ 73.5
Current and other restricted assets	<u>\$37.0</u>	<u>33.1</u>	<u>32.9</u>
Total assets	<u>\$114.6</u>	<u>110.3</u>	<u>106.4</u>
Deferred Outflows of Resources	<u>.2</u>	<u>.2</u>	<u>.2</u>
Current Liabilities	3.6	3.8	3.1
Noncurrent Liabilities	<u>.3</u>	<u>.8</u>	<u>1.2</u>
Total liabilities	<u>3.9</u>	<u>4.6</u>	<u>4.3</u>
Deferred Inflows of Resources	<u>.9</u>	<u>0</u>	<u>0</u>
Net Position			
Net Investment in Capital Assets	<u>76.3</u>	<u>76.5</u>	<u>72.4</u>
Unrestricted	<u>33.6</u>	<u>29.4</u>	<u>29.9</u>
Total net position	<u>\$ 109.9</u>	<u>\$105.9</u>	<u>\$ 102.3</u>

The net position increased by \$4,087,655 in 2022, \$3,528,082 in 2021 and \$4,402,633 in 2020. Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) increased by \$4,199,993,

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
(Continued)
June 30, 2022

Table 2
Changes in Net Position (in millions)
June 30

	2022	2021	2010
Operating revenues	\$ 14.7	\$13.4	\$12.1
Operating expenses	10.7	10.3	10.3
Operating income (loss)	4.0	3.1	1.8
Non-operating revenues, net	.1	.4	1.1
Capital contributions	-	-	1.6
Change in net position	\$4.1	\$3.5	\$4.5

The District's operating revenues increased over prior year by 10.0 percent. Operating expenses increased by .4 percent.

The District had 6,173 active water services at June 30, 2022 as compared to 5,948 active services at June 30, 2021 and 5,662 active services at June 30, 2020. This represents a net increase of 5.1 percent.

Capital asset contributions by developers were zero in 2022 and 2021, and \$1,595,000 in 2020. This is a result of the completion and dedication of new water and sewer facilities within the new housing developments inside the District.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the District had \$76.7 million invested in a broad range of capital assets including land, water reclamation facilities, reservoirs, water transportation facilities, water and sewer mains, and sewage collection, treatment, and disposal systems, and buildings and equipment (see Table 3 below).

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
(Continued)
June 30, 2022

Table 3
Capital Assets at Year-End (in millions)
June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land	\$.9	\$.9	\$.9
Water capacity rights	13.5	13.5	13.5
Construction in progress	8.8	8.3	3.8
Capital assets - net of depreciation	<u>53.5</u>	<u>54.5</u>	<u>55.3</u>
	<u>\$ 76.7</u>	<u>\$ 77.2</u>	<u>\$ 73.5</u>

Debt

At June 30, 2022, the District had \$ 342,454 in long-term debt.

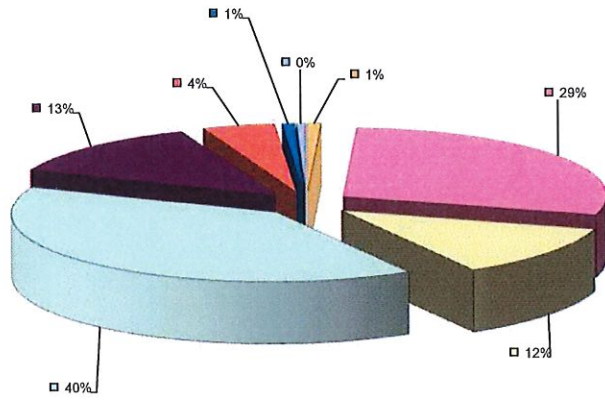
Factors Bearing on the District's Future

The District is currently experiencing growth in residential housing within its service area. In the 2021-2022 fiscal year, the customer base increased only by 4.0 percent. New and planned residential communities totaling approximately 700 residences are projected to be completed in the near future. This new growth will increase the size of the District's customer base. These planned residential communities are in various stages of construction and planning. As water and sewer facilities are completed and accepted by the District, the facilities will become part of the District's capital assets and subject to operation by the District.

Contacting the District's Financial Management

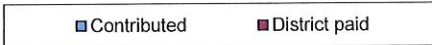
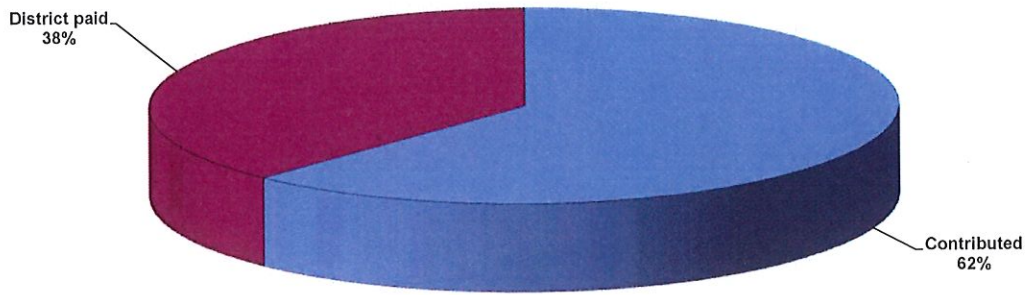
The financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Manager at: Temescal Valley Water District, 22646 Temescal Canyon Road, Temescal Canyon, California 92883.

Temescal Valley Water District
 Capital Assets
 June 30, 2022

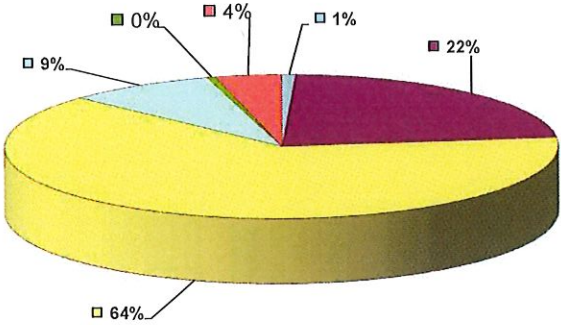


- Land
- Water reclamation facility
- Reservoirs & water transportation facilities
- Water, sewer & recycled mains
- Water capacity rights
- Equipment
- Office building improvements
- Construction in progress

Temescal Valley Water District
Percentage of Capital Assets Contributed
June 30, 2022

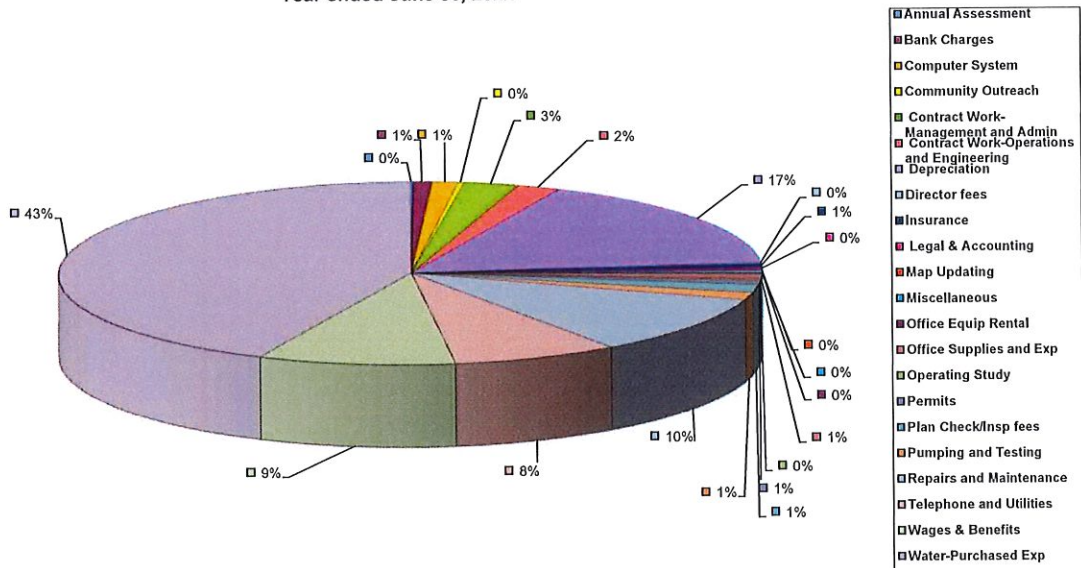


Temescal Valley Water District
Operating Revenue
Year ended June 30, 2022

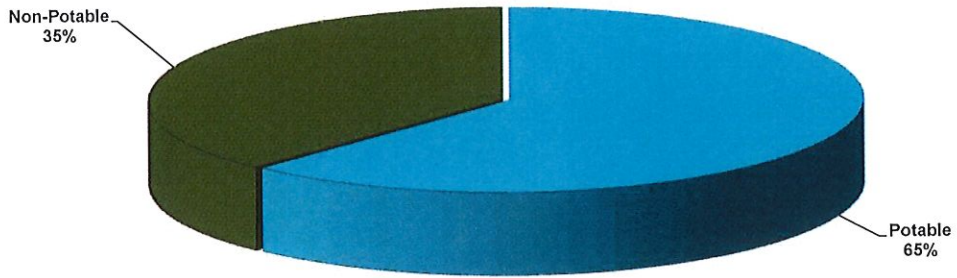


Standby charges	Sewer service fees
Water & Nonpotable sales and fees	Connection fees
Service Meter Income	Property Taxes / Int Inc/ Other

Temescal Valley Water District
 Operating Expenses
 Year ended June 30, 2022



Temescal Valley Water District
Water Volume Sold
For F/Y 2021-2022



BASIC FINANCIAL STATEMENTS

Temescal Valley Water District
Statement of Net Position
June 30, 2022 (2021 for Comparative Purposes Only)

	2022	2021 (for Comparative Purposes Only)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 32,743,412	\$ 30,041,111
Accounts Receivable:		
Utility	1,235,985	1,446,394
Other	1,606,073	287,742
Accrued Interest Receivable	28,363	12,335
Prepaid Expenses	71,620	49,423
Inventory	81,567	48,460
Total Current Assets	35,767,020	31,885,465
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	1,233,066	1,259,632
Net Pension Asset	50,140	-
Lease Receivable	911,068	-
Capital Assets Not Being Depreciated:		
Land	902,118	902,118
Water Capacity Rights	13,503,639	13,503,639
Construction in Progress	8,817,772	8,313,697
Capital Assets, Net of Accumulated Depreciation	53,500,531	54,477,772
Total Noncurrent Assets	78,918,334	78,456,858
Total Assets	114,685,354	110,342,323
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Related Items	210,615	164,014
LIABILITIES		
Current Liabilities:		
Accounts Payable	510,829	639,129
Payable to Other Governmental Agencies	425,192	414,531
Due to Custodial Fund	517,209	552,893
Accrued Salaries and Refunds	87,267	88,916
Related Party Payable	48,897	15,252
Excess Sewer Capacity Deposits	98,613	98,613
Unearned Revenue	1,337,700	1,337,700
Other Deposits	617,244	608,126
Total Current Liabilities	3,642,951	3,755,160
Noncurrent Liabilities:		
Net Pension Liability	-	140,674
Loan Payable	342,454	703,282
Total Noncurrent Liabilities	342,454	843,956
Total Liabilities	3,985,405	4,599,116
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Related Items	5,623	1,003
Lease Related	911,068	-
Total Deferred Inflows of Resources	916,691	1,003
NET POSITION		
Net Investment in Capital Assets	76,381,606	76,493,944
Unrestricted	33,612,267	29,412,274
Total Net Position	\$ 109,993,873	\$ 105,906,218

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022 (2021 for Comparative Purposes Only)

	2022	2021 (for Comparative Purposes Only)
OPERATING REVENUES		
Standby Charges	\$ 119,711	\$ 163,765
Sewer Service Fees	3,315,140	3,198,317
Water Service Fees	9,388,241	9,231,757
Connection Fees	1,265,886	223,453
Service Meter Income	68,500	53,422
Other	572,294	559,056
	14,729,772	13,429,770
Total Operating Revenues		
OPERATING EXPENSES		
Annual Assessment Processing	11,445	11,447
Bank Charges	93,927	96,069
Computer System	128,094	78,417
Community Outreach	30,279	6,428
Contract Work - Management and Administrative	272,156	254,399
Contract Work - Operations and Engineering	214,921	262,886
Depreciation and Amortization	1,786,704	1,733,402
Director Fees	24,661	20,722
Insurance	65,718	73,795
Legal and Accounting	40,388	30,135
Map Updating	23,100	8,699
Miscellaneous	37,356	480
Office Equipment Rental	17,970	19,713
Office Supplies and Expenses	100,972	91,258
Operating Study	28,818	21,632
Permits	69,936	80,143
Plan Check/Inspection Fees and Studies	155,815	159,411
Pumping and Testing	138,608	132,451
Repairs, Maintenance, and Supplies	1,107,524	993,444
Telephone and Utilities	822,544	700,955
Wages, Employee Benefits, and Payroll Taxes	973,202	1,158,926
Water - Purchased	4,626,250	4,410,143
	10,770,388	10,344,955
Total Operating Expenses		
Operating Income (Loss)	3,959,384	3,084,815
NON-OPERATING REVENUES (EXPENSES)		
Property Taxes	224,471	205,038
Interest Income	58,208	55,647
Unrealized Gain/(Loss) on Investments	(535,188)	-
Loss on Disposal of Capital Asset	-	-
Other	380,780	182,582
	128,271	443,267
Total Non-Operating Revenues (Expenses)		
Capital Contributions	-	-
Change in Net Position	4,087,655	3,528,082
Net Position - Beginning of Year	105,906,218	102,378,136
Net Position - End of Year	\$ 109,993,873	\$ 105,906,218

The accompanying notes are an integral part of this statement.

**Temescal Valley Water District
Statement of Cash Flows**

For the Year Ended June 30, 2022 (2021 for Comparative Purposes Only)

	<u>2022</u>	<u>2021</u> <u>(for Comparative Purposes Only)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 13,630,968	\$ 13,722,046
Payments to Employees	(1,207,646)	(1,102,906)
Payments to Suppliers	(8,149,780)	(7,649,644)
Other Revenue	<u>380,780</u>	<u>182,582</u>
Net Cash Provided (Used) By Operating Activities	<u>4,654,322</u>	<u>5,152,078</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Amounts (Paid to)/received from Custodial Fund	(35,684)	84,636
Property Taxes	<u>224,471</u>	<u>205,038</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>188,787</u>	<u>289,674</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments on Loans	(360,828)	(378,498)
Purchases of Capital Assets	<u>(1,313,538)</u>	<u>(5,409,365)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(1,674,366)</u>	<u>(5,787,863)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Cash and Cash Equivalents	<u>(493,008)</u>	<u>99,622</u>
Net Cash (Used) Provided By Investing Activities	<u>(493,008)</u>	<u>99,622</u>
Net (Decrease) Increase in Cash and Cash Equivalents	2,675,735	(246,489)
Cash and Cash Equivalents - Beginning of Year	<u>31,300,743</u>	<u>31,547,232</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 33,976,478</u></u>	<u><u>\$ 31,300,743</u></u>

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statement of Cash Flows - Continued
For the Year Ended June 30, 2022 (2021 for Comparative Purposes Only)

	<u>2022</u>	<u>2021</u> <u>(for Comparative Purposes Only)</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 3,959,384	\$ 3,084,815
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,786,704	1,733,402
Other Revenue	380,780	182,582
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable:		
Utility	210,409	(356,367)
Other	(1,318,331)	(71,017)
(Increase) Decrease in Prepaids	(22,197)	(20,926)
(Increase) Decrease in Inventory	(33,107)	(13,391)
(Increase) Decrease in Deferred Outflows Related to Pensions	(46,601)	(405)
Increase (Decrease) in Accounts Payable	(128,300)	79,816
Increase (Decrease) in Payable to Other Governmental Agencies	10,661	(219,959)
Increase (Decrease) in Accrued Salaries and Refunds	(1,649)	23,097
Increase (Decrease) in Net Pension Liability/(Asset)	(190,814)	34,187
Increase (Decrease) in Deferred Inflows Related to Pensions	4,620	(859)
Increase (Decrease) in Unearned Revenue	-	759,500
Increase (Decrease) in Deposits Payable	9,118	(39,840)
Increase (Decrease) in Related Party Payable	33,645	(22,557)
Net Cash Provided By Operating Activities	<u>\$ 4,654,322</u>	<u>\$ 5,152,078</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Capital Assets	\$ -	\$ -

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Fund</u>
ASSETS	
Cash and Investments with Fiscal Agent	\$ 18,452,249
Due from Water District	517,209
Total Assets	18,969,458
LIABILITIES	
Accounts Payable	-
Total Liabilities	-
NET POSITION	
Held for the Benefit of Other Individuals and Organizations	\$ 18,969,458

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2022

	<u>Custodial Fund</u>
ADDITIONS	
Contributions:	
Taxes and Assessments collected for others	\$ 7,473,893
Bond Issuance	20,774,174
Investment Earnings:	
Interest Income	3,502
Total Additions	28,251,569
DEDUCTIONS	
Payments on Behalf of CFD	413,720
Payments of CFD Proceeds to Developers	16,513,491
Payments to Bondholders	6,697,192
Total Deductions	23,624,403
Total Increase (Decrease) In Fiduciary Net Position	4,627,166
Net Position, Beginning, restated	14,342,292
Net Position, Ending	\$ 18,969,458

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

fund. The District uses the accrual basis of accounting. The financial activities of the District are accounted for using the economic resources measurement focus. Under this method, all assets and liabilities associated with its operations are included on the statement of net position; revenues are recorded when earned and become measurable; and expenses are recorded when liabilities are incurred.

The District reports its water and sewer operations as a single enterprise fund. Additionally, the District reports a custodial fund to account for money received by the District as an agent for individuals, other governments and other entities. Specifically, the District accounts for activities of the Public Financing Authority in the custodial fund. The custodial fund is reported using the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents. The District invests funds with the State of California Pooled Local Agency Investment Fund (LAIF). Due to the high liquidity of this investment, the funds are classified as a cash equivalent. Fair value in external investments pools such as LAIF are determined based on the District's pro rate share of the fair value of the Pool's underlying portfolio. Some of the cash and cash equivalents have been classified as restricted in accordance with applicable standards, and are not included in the statement of cash flows.

Inventory

Inventory consists of supplies and excess Equivalent Dwelling Units (EDUs) and is recorded at the lower of cost (first-in, first-out) or market.

Capital Assets

The District records the acquisition of capital assets and additions, improvements, and other capital outlays that significantly extend the life of an asset. Capital assets are defined by the District as assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of one year. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Capital assets purchased by the District are carried at cost. Assets are depreciated using the straight-line method of depreciation over their estimated useful lives ranging from five to fifty years.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The reporting entity includes the accounts of the Temescal Valley Water District (District) and the related improvement districts located within the service area of the District. The District is a special district created for the purpose of providing water, water treatment, and sewage disposal services to customers within its service area. The District has a contract to purchase a majority of its water from the Western Municipal Water District. As of July 1, 2015, the District, formerly named the Lee Lake Water District, officially changed its name to Temescal Valley Water District.

In a previous fiscal year, the District's Board of Directors ratified the formation of the Lee Lake Water District Financing Corporation, now titled the Temescal Valley Water District Financing Corporation, to facilitate the issuance of certificates of participation. The certificates may be issued to assist in the financing of costs of design and engineering of certain sewer system and water system improvements. Although the Financing Corporation qualifies as a component unit for inclusion within these financial statements, the certificates have not been issued and there has been no other activity to record in these financial statements to date.

The officers of the District and the date of expiration of terms of office are as follows:

Charles Colladay	President	December 2023
David Harich	Vice President/Finance Comm.	December 2025
Fred Myers	Secretary/Treasurer/Engineering Comm.	December 2025
John Butler	Board Member - Engineering Comm.	December 2023
Mike Buckley	Board Member - Finance Comm.	December 2023

On April 23, 2013, the District and CFD No. 1 created the Lee Lake Public Financing Authority (Authority), through a joint exercise of powers agreement under Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"). Article 4 of the Act authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the District or CFD No. 1 for financing public capital improvements or projects as determined by the District or CFD No. 1. The Authority's Board consists of the five members of the District's Board of Directors. The General Manager of the District is designated as the Executive Director of the Authority. On July 18, 2013, the Authority issued Series A and B Revenue Bonds (Bonds) to refund outstanding special tax bonds previously issued by CFD No. 1, 2 and 3, as described in Note 8 of these financial statements. The Bonds do not represent obligations of the District, and the related balances and activity are reported in a custodial fund in these financial statements.

Basis of Accounting and Measurement Focus

As a governmental agency, the District is subject to accounting and reporting standards established by the Governmental Accounting Standards Board (GASB). As the majority of revenues consist of water sales and related services, the District as a whole, for financial statements purposes, is classified as a proprietary fund. Separate financial statements are provided for the proprietary fund and the custodial

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenues and Expenses

Revenues and expenses are distinguished between operating and nonoperating items. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are fees in connection with providing water and sewer services to customers.

Operating expenses include the costs of providing water and sewer services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Property Taxes

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	March	
Levy Date	July 1 to June 30	
Due Date	November 1	1st Installment
	March 1	2nd Installment
Collection Date	December 10	1st Installment
	April 10	2nd Installment

The District assesses its property taxes through the County tax rolls. Property taxes are recognized as revenue in the period for which the taxes are levied.

Reclassification

Certain reclassifications have been made to prior fiscal year amounts to conform with the current fiscal year financial statement presentations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District reports deferred outflows in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and deferred inflows related to the lease receivable.

Net Position

The difference between assets and liabilities is reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net investment in capital assets, consist of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position reflects the carrying value of assets less related liabilities that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position represents the remaining fund equity balance.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.

Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

Lessor: The District is a lessor for noncancellable leases of land owned by the District. The District recognizes a lease receivable and a deferred inflow of resources.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$ 32,743,412
Restricted Cash and Cash Equivalents	1,233,066
Total Cash and Investments - Statement of Net Position	<u>\$ 33,976,478</u>
Statement of Fiduciary Net Position:	
Cash and Investments with Fiscal Agent	<u>\$ 18,452,249</u>

Cash and investments as of June 30, 2022 consist of the following:

Cash on Hand	\$ 400
Deposits with Financial Institutions	8,420,211
Investments	25,555,867
Total Cash and Investments - Statement of Net Position	<u>\$ 33,976,478</u>
Cash and Investments with Fiscal Agent	
Deposits with Financial Institutions	\$ -
Money Market Mutual Funds	18,452,249
Total Cash and Investments with Fiscal Agent	<u>\$ 18,452,249</u>

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

2) CASH AND INVESTMENTS - Continued

Investments Authorized by the District's Investment Policy

The table below identifies the investment types that are authorized by the District's investment policy, which is in accordance with the California Government Code. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provision of the California Government Code or the District's investment policy:

Investment Type	Maximum Maturity	Maximum % of portfolio	Maximum in one issuer
Mutual Funds	None	20%	\$1 million
Money Market Mutual Funds	None	20%	\$1 million
County Pooled Investment Funds	None	None	None
Local Agency Investment Fund	None	100%	100%
Community Facility District	None	40%	None
Assessment District	None	40%	None
Asset-backed securities (ABS)	5 years	20%	10%
Supranationals	3 years	5%	5%

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
LAIF	\$ 14,954,221	\$ 14,954,221	\$ -	\$ -	\$ -
U.S Treasury Obligations	3,596,599	200,012	691,515	2,705,072	-
U.S. Agency Securities	3,911,601	1,582,662	1,480,107	848,833	-
Money Market Mutual Funds	39,996	39,996	-	-	-
Medium-Term Notes	2,124,111	623,867	781,916	718,328	-
Asset Backed Securities	768,560	15,086	45,857	707,617	-
Supranationals	160,779	-	-	160,779	-
Held by Fiscal Agent:					
Money Market Mutual Funds	18,452,249	18,452,249	-	-	-
Total	\$ 44,008,117	\$ 35,868,093	\$ 2,999,395	\$ 5,140,628	\$ -

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

2) CASH AND INVESTMENTS – Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating as of Year end			
			AAA	AA	A	Not Rated
LAIF	\$ 14,954,221	N/A	\$ -	\$ -	\$ -	\$ 14,954,221
U.S Treasury Obligations	3,596,599	N/A	-	3,596,599	-	-
U.S. Agency Securities	3,911,601	N/A	-	3,911,601	-	-
Money Market Mutual Funds	39,996	A	39,996	-	-	-
Medium-Term Notes	2,124,111	A-	-	430,595	1,693,516	-
Asset Backed Securities	768,560	AA	768,560	-	-	-
Supranationals	160,779	AA	160,779	-	-	-
Held by Fiscal Agent:						
Money Market Mutual Funds	18,452,249	AAA	18,452,249	-	-	-
Total	\$ 44,008,117		\$ 19,421,584	\$ 7,938,796	\$ 1,693,516	\$ 14,954,221

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments (other than U.S. Treasury securities, mutual funds and external investment pools).

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, the District had deposits with financial institutions in excess of federal depository insurance limits of \$8,170,210, which were collateralized by securities held by the pledging Financial Institution's Agent but not in the District's name.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

2) CASH AND INVESTMENTS – Continued

Fair Value of Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2022:

- U.S. Treasury Obligations of \$3,596,599 are valued using quoted marked prices (Level 1 inputs)
- U.S. Agency Securities of \$3,911,601 are valued using institutional bond quotes (Level 2 inputs)
- Medium-Term Notes of \$2,124,111 are valued using institutional bond quotes (Level 2 inputs)
- Asset backed securities of \$768,560 are valued using institutional bond quotes (Level 2 inputs)

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Information regarding LAIF's and the District's exposure to risk (credit, market, or legal) is not currently available.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

3) CAPITAL ASSETS

Capital assets are presented as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 902,118	\$ -	\$ -	\$ 902,118
Water Capacity Rights	13,503,639	-	-	13,503,639
Construction in Progress	8,313,697	511,150	(7,075)	8,817,772
Total Capital Assets, Not Being Depreciated	<u>22,719,454</u>	<u>511,150</u>	<u>(7,075)</u>	<u>23,223,529</u>
Capital Assets Being Depreciated:				
Water Reclamation Facility	27,413,383	-	-	27,413,383
Reservoirs	13,270,486	-	-	13,270,486
Water and Sewer Mains	42,198,601	573,463	-	42,772,064
Office Building Improvements	272,271	-	-	272,271
Sewage Systems (Improvement Districts)	2,779,412	-	-	2,779,412
Equipment - Water and Sewer	3,576,806	236,000	-	3,812,806
Administration Building	529,200	-	-	529,200
Well Systems	340,052	-	-	340,052
Total Capital Assets Being Depreciated	<u>90,380,211</u>	<u>809,463</u>	<u>-</u>	<u>91,189,674</u>
Less Accumulated Depreciation:				
Water Reclamation Facility	(15,028,258)	(388,677)	-	(15,416,935)
Reservoirs	(4,478,061)	(329,689)	-	(4,807,750)
Water and Sewer Mains	(11,296,973)	(860,187)	-	(12,157,160)
Office Building Improvements	(189,934)	(24,539)	-	(214,473)
Sewage Systems (Improvement Districts)	(2,580,762)	(39,775)	-	(2,620,537)
Equipment - Water and Sewer	(1,919,301)	(111,616)	-	(2,030,917)
Administration Building	(333,871)	(17,774)	-	(351,645)
Well Systems	(75,279)	(14,448)	-	(89,727)
Total Accumulated Depreciation	<u>(35,902,439)</u>	<u>(1,786,704)</u>	<u>-</u>	<u>(37,689,143)</u>
Capital Assets Being Depreciated, Net	<u>54,477,772</u>	<u>(977,241)</u>	<u>-</u>	<u>53,500,531</u>
Total Capital Assets, Net of Depreciation	<u>\$ 77,197,226</u>	<u>\$ (466,091)</u>	<u>\$ (7,075)</u>	<u>\$ 76,724,060</u>

4) EXCESS SEWER CAPACITY DEPOSITS

In connection with the District's construction of its water reclamation plant, the District can offer "excess" sewer capacity to individuals outside Community Facilities Districts (CFD) 87-5 and 89-1. According to the agreement, the District shall pay to the CFDs, without interest, the reimbursement amount for the oversized sewer capacity utilized by the connection of those parties outside the CFDs. As of June 30, 2022, and 2021, the District held deposits of \$98,613 and \$98,613, respectively, from individuals interested in hooking up to the District's plant.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

5) DESIGNATIONS OF DISTRICT UNRESTRICTED NET POSITION

For the amounts reported as unrestricted net position in these financial statements, the District's Board of Directors has designated \$15,407,085 to be set aside for the future major refurbishing or replacement of the wastewater utility plant as of June 30, 2022.

6) DEFINED BENEFIT PENSION PLAN

General Information about the Defined Benefit Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors 2 rate plans (both are miscellaneous.) Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications. The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	9.13% + \$11,440	7.59% + \$1,724

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

6) DEFINED BENEFIT PENSION PLAN – Continued

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The District's required contribution for the unfunded liability paid in fiscal year 2022 was \$13,164.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District pays the required employee contribution on behalf of the employees.

The District's contributions to the Plan for the year ended June 30, 2022 were \$87,548.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported a (\$50,140) net pension liability/(asset) for its proportionate share of the net pension liability. The District's net pension liability/(asset) for the Plan is measured as the proportionate share of the net pension liability. The net pension liability/(asset) of the Plans is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.00129%
Proportion - June 30, 2021	-0.00093%
Change - Increase (Decrease)	-0.00222%

For the year ended June 30, 2022, the District recognized pension expense/(credit) of \$145,247. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

6) DEFINED BENEFIT PENSION PLAN – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 87,548	\$ -
Differences between actual and expected experience	-	5,623
Changes in assumptions	-	-
Change in employer's proportion	48,126	-
Differences between the employer's contributions and the employer's proportionate share of contributions	31,172	-
Net differences between projected and actual earnings on plan investments	43,769	-
Total	\$ 210,615	\$ 5,623

\$87,548 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2023	\$ 47,014
2024	36,128
2025	22,207
2026	12,095
2027	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

6) DEFINED BENEFIT PENSION PLAN – Continued

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Long-term Expected Rate of Return The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

6) DEFINED BENEFIT PENSION PLAN – Continued

Subsequent Events - On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.15%	
Net Pension Liability	\$		153,619
Current Discount Rate		7.15%	
Net Pension Liability	\$		(50,140)
1% Increase		8.15%	
Net Pension Liability	\$		(218,584)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan – At June 30, 2022, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

10) RELATED PARTY TRANSACTIONS

The District contracts with Dudek for management and engineering services. The services of the general manager for the District are hired under this contract. The General Manager is a participant in Dudek's ESOP. The District owed Dudek \$48,897 and \$15,257 at June 30, 2022 and 2021, respectively, for services received. In addition, the District incurred the following costs for services provided by Dudek & Associates:

	Year Ended June 30,	
	2022	2021
General Management	\$ 291,723	\$ 272,156
Engineering and Special Projects	144,207	220,386
Total	\$ 435,930	\$ 492,542

11) LOAN PAYABLE

In the 2014-15 Fiscal year, the District entered into a loan agreement with the Elsinore Valley Municipal Water District (EVMWD) to purchase a pipeline owned by EVMWD for \$2,644,000. Under the terms of the agreement, in exchange for the pipeline, EVMWD received the right to use the District's excess capacity water rights from Western Municipal Water District (WMWD). The loan balance is reduced based on EVMWD's purchases of the District's excess water capacity. EVMWD's purchases from year to year are expected to fluctuate and, therefore, the final maturity of the loan is unknown because there is not an established repayment schedule. EVMWD purchased \$360,828 and \$378,498, in fiscal years 2021-22 and 2020-21, respectively, of the District's excess capacity rights from WMWD. The remaining loan balance as of June 30, 2022 and June 30, 2021 was \$342,454 and \$703,282, respectively.

The loan is a direct borrowing with no set repayment period or events of default.

12) LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Net Pension Liability	\$ 140,674	\$ -	\$ 140,674	\$ -	\$ -
Loan Payable from Direct Borrowings	703,282	-	360,828	342,454	-
Total Long-term Liabilities	\$ 843,956	\$ -	\$ 501,502	\$ 342,454	\$ -

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

7) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Premiums are paid annually by the District. Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2022 and June 30, 2021, there were no such liabilities to be reported. There have been no settlements in the past three fiscal years that have exceeded insurance coverage.

The District maintains a commercial general liability, wrongful acts, employment practices, and employment benefit liability policy with coverage in the amount of \$1,000,000 for each occurrence and aggregate coverage of \$3,000,000, fire damage coverage for any one fire of \$1,000,000, hired and non-owned auto liability coverage of \$1,000,000 per accident and excess liability coverage per occurrence/aggregate limit of insurance of \$5,000,000, and property insurance in the amount of \$22,468,981. The District also has crime coverage in the amount of \$250,000 for employee dishonesty and forgery or alteration, \$250,000 for theft, disappearance or destruction, and \$100,000 for computer fraud. As mandated by the State, the District has covered all employees with a workers' compensation policy through the State Compensation Insurance Fund.

8) DEBT WITHOUT DISTRICT COMMITMENT

The District has issued \$79,145,000 in Community Facilities District Special Tax Bonds to finance the acquisition and construction of public improvements within the Community Facilities Districts (CFD) No. 1, 2, and 3. In July of 2013, CFD Bonds 1, 2, and 3 were refinanced and combined into Series A and Series B bonds of \$51,695,000 and \$18,045,000. The refinanced bonds have the same maturity dates with a lower interest rate. In December 2018, the District issued \$22,260,000 CFD No. 4 Bonds. The Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982, and are special obligations of the District payable solely from revenues derived from special taxes levied on taxable land within the Community Facilities Districts. The Bonds are not general obligations of the District. Neither the faith and credit of the District, nor of either County, nor the State or any related political subdivision, is pledged to the payment of the Bonds. Therefore, these Bonds are not reflected as debt in the District's financial statements. As of June 30, 2022, the remaining balance on the bonds was \$89,105,000.

9) COMMITMENTS AND CONTINGENCIES

Construction Commitments

The District has active construction projects as of June 30, 2022. At year-end the District's commitments are \$14,316,194.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2022

13) DUE TO CUSTODIAL FUND

The District, as a pass-through agency, held property tax assessments for the Community Facilities Districts of \$517,209 and \$552,893 as of June 30, 2022 and June 30, 2021, respectively. This amount represents the amounts received by the District prior to June 30, 2022 and June 30, 2021, for the benefit of the Community Facilities District (Custodial Fund).

14) LEASES

Lease Receivable - In prior fiscal years, the District entered into various land lease agreements with third parties to lease pieces of land owned by the District. The initial lease terms ranged from 5 to 30 years. The District currently receives monthly payments from all leases of \$6,314. The District recognized \$59,418 in lease revenue and \$16,349 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2022, the District's receivable for lease payments was \$911,068. Also, the District has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$911,068.

15) IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

GASB has issued the following Statements, which may impact the District's financial reporting requirements in the future:

GASB 96 – Subscription-Based Information Technology Arrangements: The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

Temescal Valley Water District
Required Supplementary Information
June 30, 2022

Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Years*

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a % of Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2021	-0.00093%	\$ (50,140)	\$ 786,969	-6.37%	103.25%
2020	0.00129%	140,674	781,412	18.00%	89.32%
2019	0.00104%	106,487	868,541	12.26%	90.48%
2018	0.00080%	76,754	731,228	10.50%	91.33%
2017	0.00080%	79,781	650,346	12.27%	90.49%
2016	0.00059%	50,718	636,890	7.96%	91.79%
2015	0.00015%	10,501	630,835	1.66%	97.84%
2014	0.00048%	30,099	614,139	4.90%	91.51%

Notes to the Schedule of the District's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%.

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

Temescal Valley Water District
Required Supplementary Information
June 30, 2022

Schedule of Plan Contributions
Last 10 Years*

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2022	\$ 87,548	\$ (87,548)	\$ -	\$ 807,964	10.84%
2021	85,161	(85,161)	-	786,969	10.82%
2020	73,940	(73,940)	-	781,412	9.46%
2019	63,926	(63,926)	-	868,541	7.36%
2018	54,675	(54,675)	-	731,228	7.48%
2017	53,460	(53,460)	-	650,346	8.22%
2016	49,928	(49,928)	-	636,890	7.84%
2015	48,665	(48,665)	-	630,835	7.71%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, 6/30/2016, 6/30/2017, 6/30/2018, 6/30/2019, and 6/30/2020

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

RESOLUTION NO. R-23-02

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TEMESCAL VALLEY WATER DISTRICT,
RIVERSIDE COUNTY, CALIFORNIA, REQUESTING THE
COUNTY OF RIVERSIDE'S REGISTRAR OF VOTERS
TO CONDUCT THE TEMESCAL VALLEY WATER DISTRICT
GENERAL ELECTION**

WHEREAS, existing law requires the county clerk to conduct the general election for each district within the County that is subject to the Uniform District Election Law; and

WHEREAS, Section 23502 of the Elections Code allows the County Clerk to conduct an election on behalf of a landowner voting district if the governing body of the district, by Resolution, requests it and agrees to reimburse the County pursuant to Section 23524,

WHEREAS, the general election for Temescal Valley Water District is to be held on August 29, 2023, for the purpose of electing 2 directors for full terms to fill the offices presently held by C.W. Colladay & John Butler and 1 director for a short term office presently held by Michael Buckley whose terms expire on December 1, 2023.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Board of Directors of the Temescal Valley Water District does hereby request the County Clerk of Riverside County to authorize the Registrar of Voters to conduct the general election for Temescal Valley Water District.

BE IT FURTHER RESOLVED, DETERMINED and ORDERED that Temescal Valley Water District agrees to reimburse the County for the costs associated with holding the general election, pursuant to Section 23524 and any Riverside County ordinances or resolutions consistent therewith.

ADOPTED, SIGNED and APPROVED this 25th day of April 2023.

ATTEST:

APPROVED:

By: _____
Secretary, Board of Directors

By: _____
President, Board of Directors

Dated: _____

Dated: _____

RESOLUTION NO. R-23-03

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TEMESCAL VALLEY WATER DISTRICT,
RIVERSIDE COUNTY, CALIFORNIA, DETERMINING
THAT THE CANDIDATE STATEMENT COST WILL NOT
BE PAID BY THE DISTRICT**

BE IT RESOLVED, DETERMINED and ORDERED that Temescal Valley Water District will not pay the costs of candidates' statements in conjunction with the District's general election to be held on August 29, 2023.

ADOPTED, SIGNED and APPROVED this 25th day of April 2023.

ATTEST:

APPROVED:

By: _____
Secretary, Board of Directors

By: _____
President, Board of Directors

Dated: _____

Dated: _____

RESOLUTION NO. R-23-04

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TEMESCAL VALLEY WATER DISTRICT,
RIVERSIDE COUNTY, CALIFORNIA, DETERMINING THE
DISTRICT'S QUALIFIED VOTER LIST
PURSUANT TO WATER CODE SECTION 35003.1**

BE IT RESOLVED, DETERMINED and ORDERED that the Temescal Valley Water District's qualified voter list shall be based upon the last equalized assessment roll of those persons who, as of the 45th day prior to the general election to be held August 29, 2023, appear as owners on the records in the Riverside County assessor's roll, pursuant to Water Code section 35003.1.

ADOPTED, SIGNED and APPROVED this 25th day of April 2023.

ATTEST:

APPROVED:

By: _____
Secretary, Board of Directors

By: _____
President, Board of Directors

Dated: _____

Dated: _____

MEMORANDUM

DATE: April 25, 2023
TO: Board of Directors
Temescal Valley Water District
FROM: General Manager
SUBJECT: **CFD 4 - 1st Annexation to ID 3.**

BACKGROUND

Please see the attached Presentation on the Annexation to CFD4 – ID 3.

FISCAL IMPACT

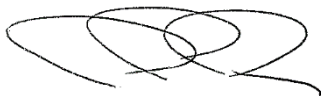
No fiscal impact

RECOMENDATION

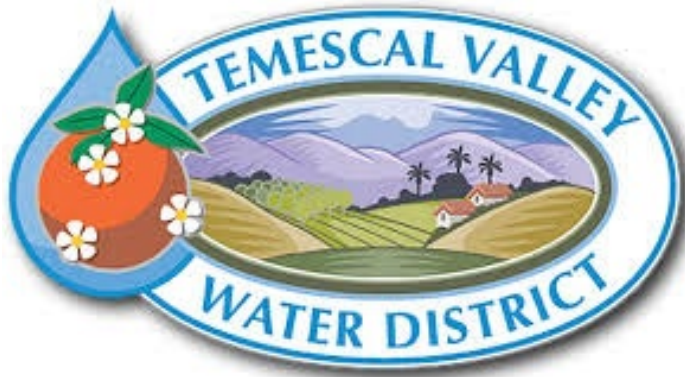
1. Receive and file Unanimous Approval of Richmond American Homes for Lots 3&4 of Tract 38050.
2. Receive and file Unanimous Approval of Forestar Toscana Development Co for Lots 1&5 of Tract 38050
3. Authorize the District's Secretary to Certify and Sign the Annexation Map
4. Adopt Resolution NO. R-23-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMESCAL VALLEY WATER DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT, ACCEPTING UNANIMOUS APPROVAL OF PROPERTY OWNERS TO ANNEX CERTAIN PROPERTY TO IMPROVEMENT AREA NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT

Respectfully submitted,



Jeff Pape
General Manager



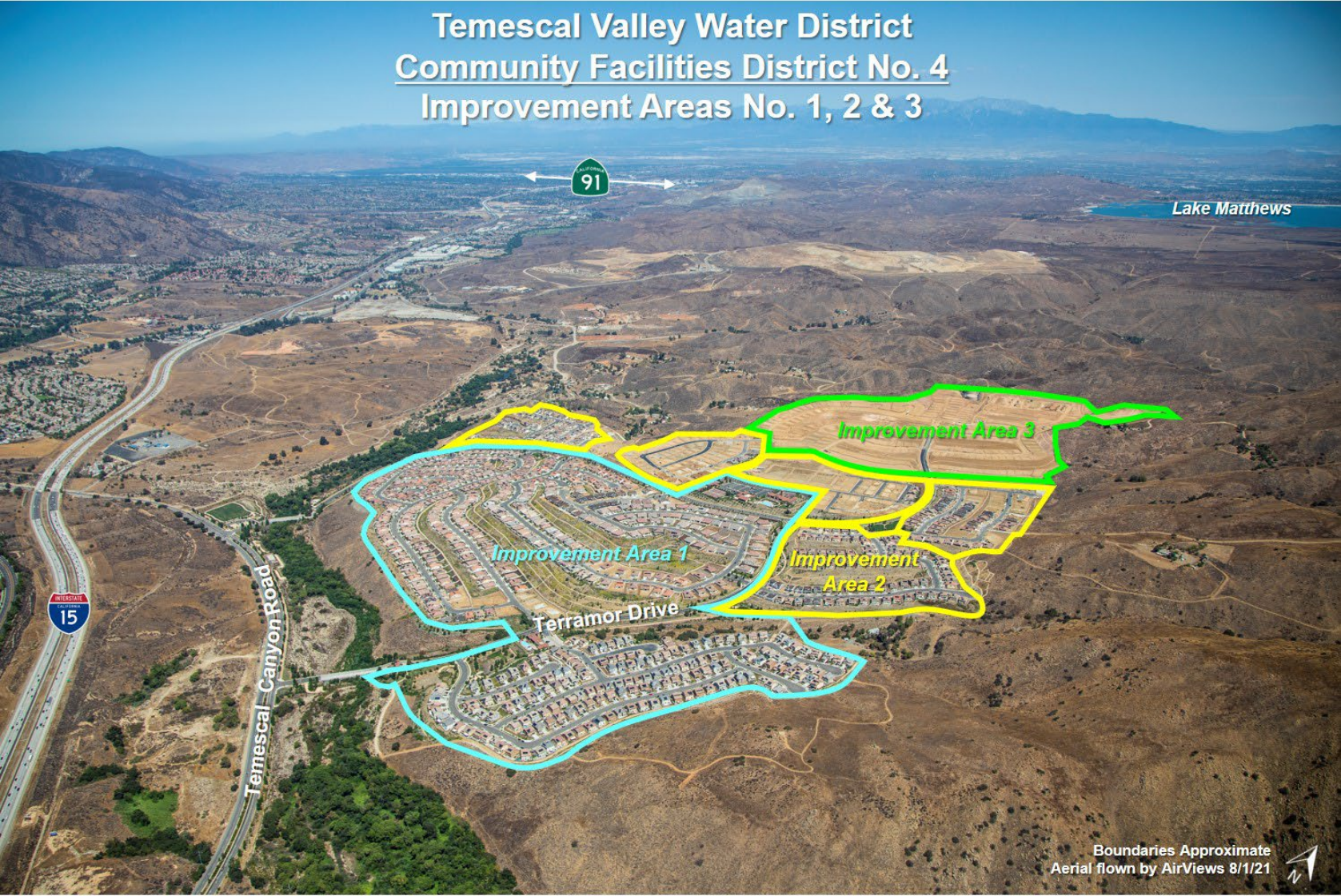
**Temescal Valley Water District
Community Facilities District No. 4
(Terramor)**

Annexation No.1 to Improvement Area No. 3

CSG | advisors

Tuesday, April 25, 2023

Aerial Overview (flown August 1, 2021)



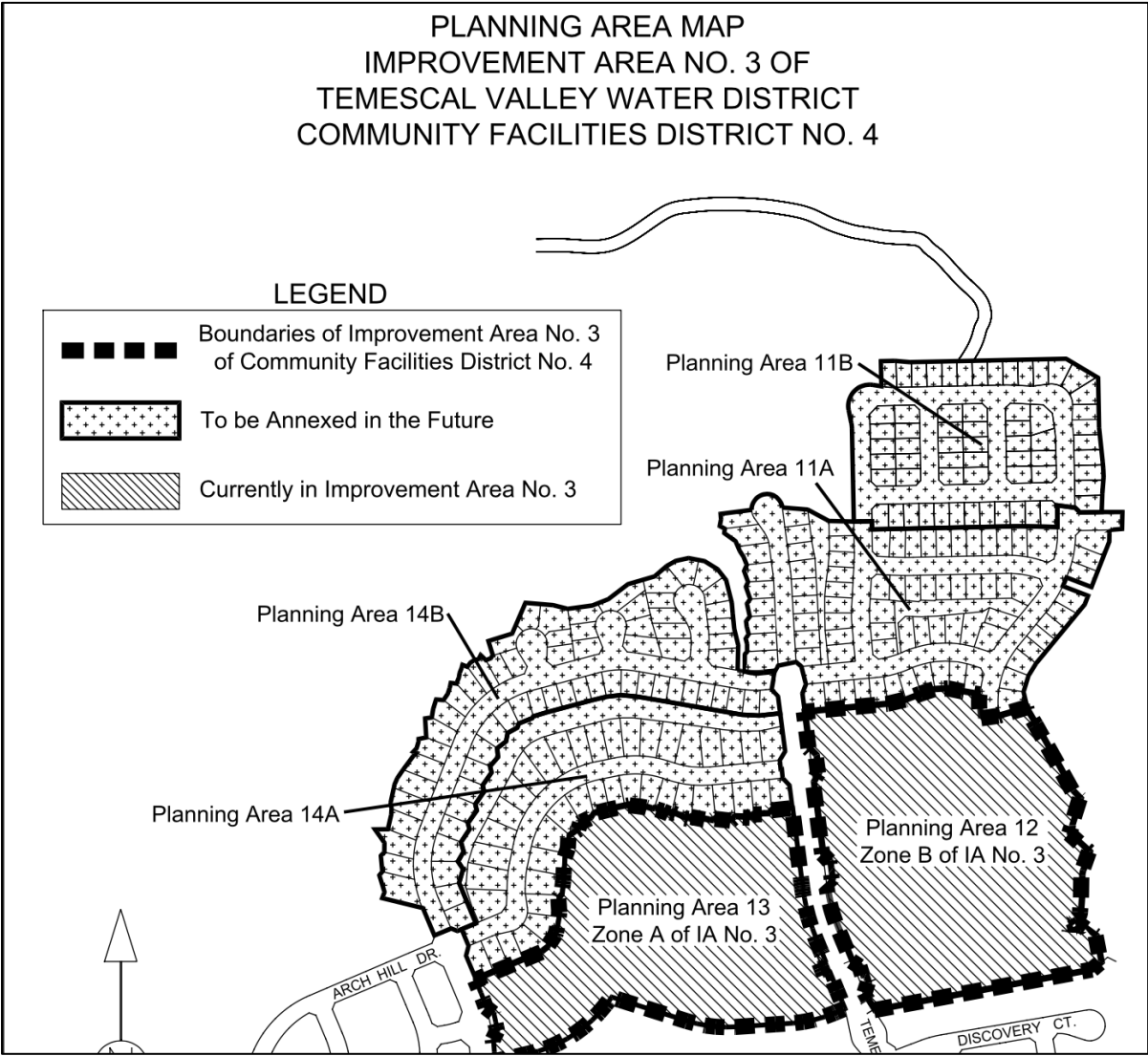
Background

- In November 2016, TVWD formed CFD No. 4, which was assumed to include three improvement areas
- In May 2022, TVWD annexed Improvement Area No. 3 into CFD No. 4, which anticipated one or more future annexations as Forestar Toscana proceeded with land sales to builders who would subsequently determine whether to sell homes at Market Rate or Age Qualified product (see Original Formation Map)
- The Special Tax formula for CFD No. 4 has a two-tiered tax structure confirmed prior to bond issuance
 - Market Rate ranges ~ \$2,800-3,478/unit/year based on SF
 - Age Qualified ranges ~ \$1,819-\$2,921/unit/year based on SF
- Forestar has now sold Planning Areas 14A & 14B to Richmond American for Market Rate development and a sale is pending to Pulte for Planning Area 11A for Age Qualified development
- All costs of Annexation are borne by Forestar Toscana

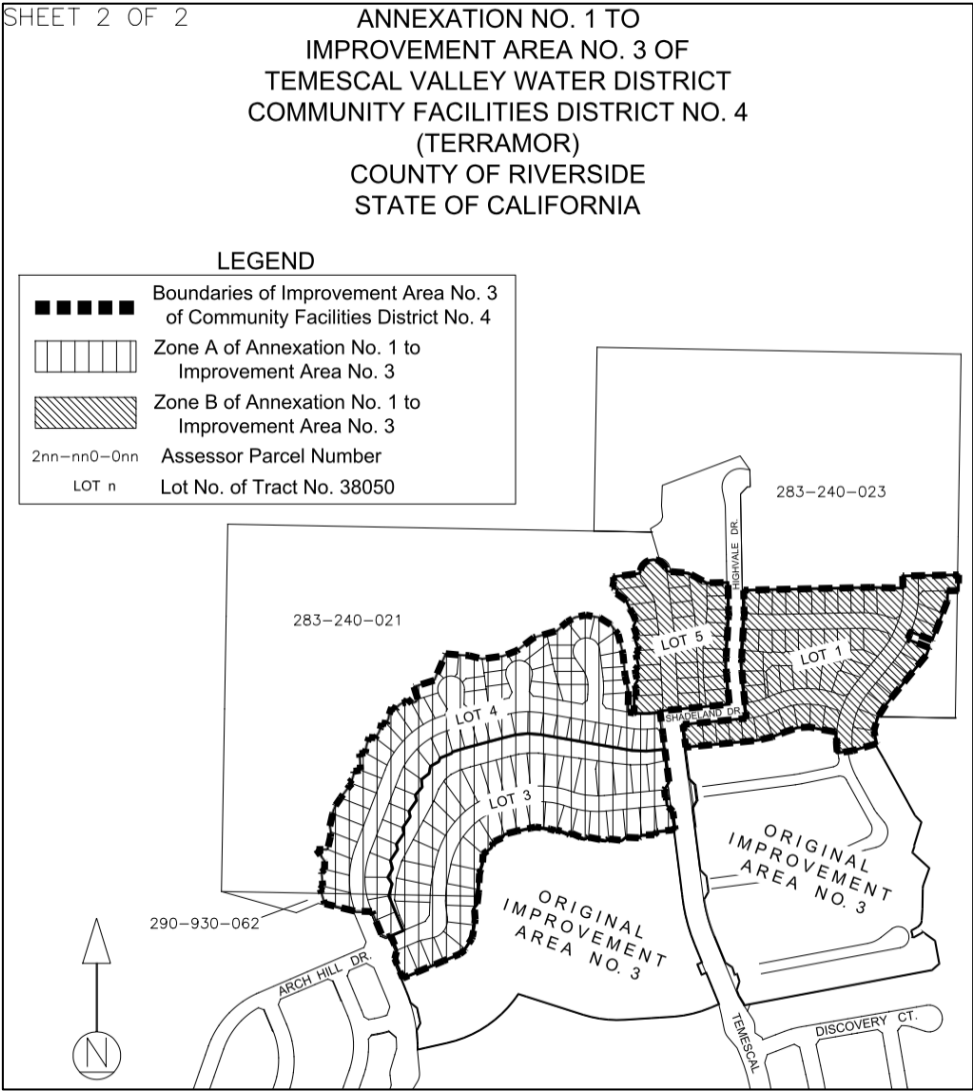
Number of Planned Units for IA No. 3

- IA No. 3 consisted initially of 143 planned units
 - 79 Age-Qualified units to be developed by Del Webb (PulteGroup)
 - 64 Market Rate units to be developed by Richmond American Homes
- Planning Area 14 A&B consists of 109 planned Market Rate units to be developed by Richmond American
- Planning Area 11A consists of 80 planned Age Qualified units to be developed Pulte
- Planning Area 11B consists of 62 units to be annexed at a later date when Forestar Toscana identifies a builder and is prepared to designate the area as Market Rate or Age-Qualified

Improvement Area No. 3 – Original Formation Map



Improvement Area No. 3 – Annexation No. 1 Map



Eligible Costs to be Reimbursed from CFD Bond Proceeds (All Three Phases)

In \$million's

Participating Agency	Total Eligible Costs	Funded from IA 1	Funded from IA 2	Remainder*
Temescal Valley Water District	\$39.93	\$20.57	\$11.86	\$7.50
County of Riverside (Road Improvements)	10.43	-	2.13	8.30
County of Riverside Flood Control	6.70	-	5.90	0.80
Total	\$57.06	\$20.57	\$19.89	\$16.60

* Assuming PA's 11A&B are AQ units and 14A&B are MR units, the Developer projects bond proceeds of approx. \$13.2M

- Master Developer has been reimbursed approx. \$41 million to date
- Assuming PA's 11A&B and 14A&B are annexed, bond proceeds are projected to be approx. \$13 million to fund \$16 million in remaining eligible costs

Recommended Board Action

- Adopt Resolution Accepting Unanimous Approval of Property Owners to Annex into IA No. 3 of CFD No. 4 (Terramor)
 - Designates the Tax Zones (Market Rate or AQ for each Planning Area) for each Property Owner
 - Directs recordation of the CFD Annexation No. 1 Map

UNANIMOUS APPROVAL

(Richmond American Homes of Maryland, Inc.)

**Community Facilities District No. 4
of the Temescal Valley Water District (Terramor)
Improvement Area No. 3**

Community Facilities District No. 4
of the Temescal Valley Water District (Terramor)
22646 Temescal Canyon Road,
Temescal Valley, CA 92883
Attn: General Manager

The Temescal Valley Water District (the "Water District") has formed Community Facilities District No. 4 of the Temescal Valley Water District (Terramor) (the "District") and has annexed certain property to the District designated as Improvement Area No. 3 of the District ("Improvement Area No. 3") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act").

The purpose of the District is to finance the construction, purchase, modification, expansion, improvement or rehabilitation of: (a) (1) water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of the Water District (the "Water District Improvements"), (2) certain roadways and roadway improvements and related infrastructure and improvements of the County of Riverside (the "County Improvements"), and (3) storm and sewer drains and related infrastructure and improvements of the Riverside County Flood Control and Water Conservation District (the "Flood Control Improvements" and together with the Water District Improvements and County Improvements, the "Improvements"); and (b) incidental expenses including costs associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied, costs otherwise incurred in order to carry out the authorized purposes of the District, including legal fees, fees of consultants, engineering, planning, designing and the annual administration cost of the District (the "Incidental Expenses").

The undersigned property owner (the "Owner") here by states and certifies as follows:

1. This Unanimous Approval is submitted by the Owner who is the record owner of fee title to the real property and improvements thereon as described in Attachment "B" hereto (collectively, the "Annexation Territory"). The Owner has provided the District sufficient and current evidence of their ownership of fee title to the Annexation Territory and possesses all legal authority necessary to execute this Unanimous Approval.

2. There are no registered voters residing within the Annexation Territory and have been none during the 90-day period preceding April 25, 2023.

3. This Unanimous Approval constitutes the unanimous approval of the Owner in favor of the following within the meaning of Sections 53329.6 and 53339 et seq. of the Act:

(a) Annexation. The annexation of the Annexation Territory to Improvement Area No. 3 for the purpose of financing the Improvements and Incidental Expenses set forth in Attachment D to Resolution No. R-16-11, adopted by the Board of Directors of the Water District on September 27, 2016.

(b) Special Tax. The levy of special taxes (the "Special Tax") in the Annexation Territory to finance the Improvements and Incidental Expenses, including the repayment of bonds issued to finance such Improvements, in accordance with the rate and method of apportionment of special tax for Improvement Area No. 3 (the "Rate and Method") attached as Attachment A to this Unanimous Approval.

Pursuant to Section 53329.6 of the Act, this Unanimous Approval constitutes the vote of the qualified elector in favor of the matters addressed in this Section 3 for purposes of the California Constitution, including, but not limited to Articles XIII A and XIII C.

4. The Owner hereby acknowledges that the District has been authorized to incur bonded indebtedness in one or more series for Improvement Area No. 3 in the aggregate principal amount not to exceed \$18,000,000, with the maximum term and interest rate as set forth in Resolution No. R-16-14, adopted by the Board of Directors, acting as the legislative body of the District, on November 22, 2016.

5. The Owner hereby acknowledges that no further hearings or procedures are required with respect to the approval of the matters set forth in Sections 3 and 4 above.

6. The Owner understands and hereby unanimously approves that the Special Tax is authorized to be levied on the Annexation Territory annexed to Improvement Area No. 3 and included in Zone A therein, and the lien is a continuing lien which shall secure each annual levy of the Special Tax and which shall continue in force and effect until the Special Tax obligation is canceled in accordance with law or until the Special Tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

7. The Owner hereby waives any and all requirements with respect to the approval of the matters set forth in this Unanimous Approval, including without limitation, the preparation of an impartial analysis, arguments or rebuttals concerning elections as provided for by Elections Code Sections 9160 to 9167, inclusive, and 9190 and preparation of a tax rate statement as provided in Section 9401 of the Elections Code and any further notices of such approvals as may be required pursuant to the Elections Code or the Government Code. Having been fully advised with respect to the approval process set forth herein, the Owner waives compliance with any and all provisions of the Elections Code and Government Code, with any time limits or other procedural requirements pertaining to this Unanimous Approval.

The undersigned hereby represents that compliance with any additional procedural requirements for the Unanimous Approval provided for herein, including the receipt of any arguments for or against such approval and impartial analyses and the time limitations which may apply in connection with scheduling, mailing and publishing notices, are unnecessary in light of the fact that the undersigned has received sufficient information regarding the imposition of the Special Tax as set forth in Resolution No. R-22-02 to allow it to properly complete this Unanimous Approval. The Owner further waives its right to make any protest or complaint or undertake any legal action challenging the validity of this Unanimous Approval and any proceedings taken in connection therewith or the levy of the Special Tax and the incurring of

bonded indebtedness to finance the costs of the Improvements and Incidental Expenses for the benefit of the Annexation Territory.


8. The Owner hereby designates the Annexation Territory to be within Zone A (as defined in the Rate and Method).

9. The Owner hereby authorizes the District to execute and record in the office of the Recorder of the County of Riverside, a notice of special tax lien on the Annexation Territory in accordance with Streets & Highways Code Section 3117.5, which shall give notice that a lien to secure payment of the Special Tax is imposed by the District.

10. This Unanimous Approval shall be effective upon its execution and delivery and acceptance by the Board of Directors of the Water District, acting as the legislative body of the District.

The foregoing Unanimous Approval is hereby executed this 17th day of April, 2023 in COONA, California.

RICHMOND AMERICAN HOMES OF
MARYLAND, INC., a Maryland corporation

By: 
Edgar Gomez
Vice President, Project Management

[THIS UNANIMOUS APPROVAL SHALL BE NOTARIZED]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside)

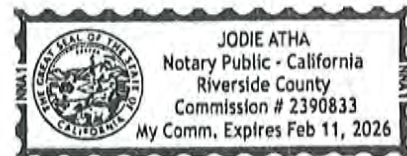
On April 17, 2023 before me, Jodie Atha, Notary Public
(insert name and title of the officer)

personally appeared Edgar Gomez
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Jodie Atha (Seal)



ATTACHMENT A

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
IMPROVEMENT AREA NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
OF TEMESCAL VALLEY WATER DISTRICT**

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 3 OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 3 ("IA No. 3") of Temescal Valley Water District Community Facilities District No. 4 (Terramor) ("CFD No. 4") and collected each Fiscal Year commencing in Fiscal Year 2022-2023, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in IA No. 3, 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:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of IA No. 3: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Water District or designee thereof or both); the costs of collecting the Special Taxes (whether by the Water District or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the Water District, CFD No. 4 or any designee thereof of complying with arbitrage rebate requirements; the costs to the Water District, CFD No. 4 or any designee thereof of complying with Water District, IA No. 3 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Water District, CFD No. 4 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; the costs associated with the Special Tax reduction described in

Section J; the costs associated with the issuance of Bonds; and the Water District's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Water District or CFD No. 4 for any other administrative purposes of IA No. 3, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Approved Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Map was recorded prior to January 1 of the previous Fiscal Year.

"Assessor's Parcel" means any real property to which an Assessor's parcel number is assigned as shown on an Assessor's Parcel Map.

"Assessor's Parcel Map" means an official map of the County 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 within IA No. 3, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property within IA No. 3, as determined in accordance with Section C below.

"Board" means the Board of Directors of the Water District, acting as the legislative body of CFD No. 4.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 4 for IA No. 3 under the Act.

"CFD Administrator" means an official of the Water District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 4" means the Temescal Valley Water District Community Facilities District No. 4 (Terramor).

"County" means the County of Riverside.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Other Taxable Property, (i) for which a building permit was issued

prior to March 1 of the prior Fiscal Year, and (ii) that is located within a Final Map.

"Exempt Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds in IA No. 3, as applicable, any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute) shall not be classified as Exempt Welfare Exemption Property and will be subject to the Special Tax.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which building permits may be issued without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

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

"Improvement Area No. 3" or "IA No. 3" means Improvement Area No. 3 of CFD No. 4.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Tables 1 and 2 below.

"Maximum Special Tax" means the Maximum Special Tax, determined in accordance with Section C and Section D below, that can be levied in any Fiscal Year on any Assessor's Parcel within IA No. 3.

"Non-Residential Property" means Developed Property for which a building permit(s) was issued for a non-residential use.

"Original IA No. 3 Property" means the property located within IA No. 3 at the time of formation as identified on the original boundary map for IA No. 3 of CFD No. 4.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Other Taxable Property" means Taxable Public Property and Taxable Property Owner Association Property.

"Planning Area" means any one of the separate geographic areas designated on Exhibit C herein as: Planning Area 11A, Planning Area 11B, Planning Area 12, Planning Area 13, Planning Area 14A, or Planning Area 14B. The areas indicated in Exhibit C are approximations of the future Planning Areas and the final Planning Area boundaries shall be determined based on the actual Final Map or other applicable information, as determined by the CFD Administrator, at the time of annexation.

"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, except to the extent that the Special Tax levy on Residential Property is limited as described in the first step in Section D below. For Approved Property or Undeveloped 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 Approved Property or Undeveloped Property. For Other Taxable 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 Other Taxable Property.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of IA No. 3 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Public Property" means, for each Fiscal Year, any property within IA No. 3 that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, Water District, or any other public agency as of June 30 of the prior Fiscal Year; 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 shall be taxed and classified in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential dwelling unit, not including any carport,

walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the building permit(s) issued for such residential dwelling unit.

"Residential Property" means Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for the acquisition or construction of facilities authorized to be financed by IA No. 3 to the extent that inclusion of such amount does not increase the Special Tax levy on Approved Property or Undeveloped Property; and (vi) pay for reasonably anticipated Special Tax delinquencies based on the historical delinquency rate for IA No. 3 as determined by the CFD Administrator; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of IA No. 3 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Approved Property, Developed Property, or Other Taxable Property.

"Water District" means the Temescal Valley Water District.

"Zone" means Zone A and/or Zone B, as applicable.

"Zone A" means Zone A of IA No. 3, as identified on the boundary map for IA No. 3 of CFD No. 4 (including any annexation map).

"Zone B" means Zone B of IA No. 3, as identified on the boundary map for IA No. 3 of CFD No. 4, (including any annexation map).

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within Zone A and Zone B of IA No. 3 shall be classified as Developed Property, Approved Property, Other Taxable Property, Undeveloped Property, or Exempt Welfare Exemption Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C and D below. Developed Property shall be further classified as Residential Property or Non-Residential Property.

C. MAXIMUM SPECIAL TAX

1. Developed Property

Residential Property in Zone A shall be assigned to Land Use Classes 1 through 8 of Table 1 below, and Non-Residential Property in Zone A shall be assigned to Land Use Class 9 of Table 1 below. Residential Property in Zone B shall be assigned to Land Use Class 1 through 8 of Table 2 below, and Non-Residential Property in Zone B shall be assigned to Land Use Class 9 of Table 2 below. The Assigned Special Tax for Residential Property shall be based on the Residential Floor Area of the dwelling unit(s) located on the Assessor's Parcel. The Assigned Special Tax for Non-Residential Property shall be based on the Acreage of the Assessor's Parcel.

(a) Maximum Special Tax

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

The Maximum Special Tax (including the Assigned Special Taxes and the Backup Special Tax set forth in Sections C.1.(b), C.1.(c) and C.1.(d) below) may be reduced in accordance with, and subject to the conditions set forth in, Section J below.

(b) Assigned Special Tax – Zone A (Market Rate Units)

The Assigned Special Tax for each Land Use Class within Zone A is shown below in Table 1.

TABLE 1
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 3,101 s.f.	\$3,478 per unit
2	Residential Property	2,901 – 3,101 s.f.	\$3,377 per unit
3	Residential Property	2,601 – 2,900 s.f.	\$3,278 per unit
4	Residential Property	2,301 – 2,600 s.f.	\$3,183 per unit
5	Residential Property	2,151 – 2,300 s.f.	\$3,094 per unit
6	Residential Property	2,001 – 2,150 s.f.	\$2,977 per unit
7	Residential Property	1,851 – 2,000 s.f.	\$2,888 per unit
8	Residential Property	< 1,851 s.f.	\$2,799 per unit
9	Non-Residential Property	NA	\$31,672 per Acre

(c) Assigned Special Tax – Zone B (Age-Qualified Units)

The Assigned Special Tax for each Land Use Class within Zone B is shown below in Table 2.

TABLE 2
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$2,921 per unit
2	Residential Property	2,300 – 2,599 s.f.	\$2,703 per unit

3	Residential Property	1,900 – 2,299 s.f.	\$2,502 per unit
4	Residential Property	1,601 – 1,899 s.f.	\$2,115 per unit
5	Residential Property	1,301 – 1,600 s.f.	\$1,888 per unit
6	Residential Property	1,101 – 1,300 s.f.	\$1,875 per unit
7	Residential Property	< 1,101 s.f.	\$1,819 per unit
8	Non-Residential Property	NA	\$19,524 per Acre

(d) Backup Special Tax

The Backup Special Tax for an Assessor's Parcel of Developed Property will equal the amount indicated in Table 3 below for the applicable Zone.

TABLE 3
Backup Special Tax for
Zone A and Zone B

Zone	Backup Special Tax
A	\$31,672 per Acre
B	\$19,524 per Acre

2. Approved Property, Undeveloped Property and Other Taxable Property

The Maximum Special Tax for Approved Property, Undeveloped Property, and Other Taxable Property will equal the amount indicated in Table 4 below for the applicable Zone.

TABLE 4
Approved Property, Undeveloped
Property, and Other Taxable
Property in
Zone A and Zone B

Zone	Maximum Special Tax
A	\$31,672 per Acre
B	\$19,524 per Acre

3. Multiple Land Uses

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains multiple land uses, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel.

The CFD Administrator's allocation to each type of property shall be final.

D. APPORTIONMENT OF THE SPECIAL TAX

For each Fiscal Year, commencing Fiscal Year 2022-2023, the Board shall determine the Special Tax Requirement and shall levy the Special Tax 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 as needed to satisfy the Special Tax Requirement;

Second: If additional monies 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 Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have 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;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three 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 Maximum Special Tax for each such Assessor's Parcel.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Other Taxable Property at up to 100% of the Maximum Special Tax for Other Taxable Property.

Notwithstanding the above, pursuant to Section 53321(d)(3) of the California Government Code, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel(s) within CFD No. 4 by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. To the extent that the levy of the Special Tax on residential property is limited by the provision in the previous sentence, the levy of the Special Tax on each Assessor's Parcel of non-residential property shall continue to increase in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

1. Property Owner Association Property and Public Property

No Special Taxes shall be levied on Property Owner Association Property and Public Property in a particular Planning Area, so long as the total Acreage of Taxable Property in such Planning Area is at least equal to the "Minimum Taxable Acreage" for such Planning Area as shown in Table 5 below. Additional Planning Areas are expected to be annexed into IA No. 3 and assigned to the applicable Zone at a future date. Notwithstanding the foregoing, any Acreage for property classified as Exempt Welfare Exemption Property shall be deducted from the Minimum Taxable Acreage for the applicable Planning Area shown in Table 5 below.

**Table 5
Minimum Taxable Acreage**

Planning Area	Annexation Status	Minimum Taxable Acreage
12	Part of Original IA No. 3 Property	9.70 Acres
13	Part of Original IA No. 3 Property	7.91 Acres
11A	To be annexed in future	7.33 Acres
11B	To be annexed in future	4.96 Acres
14A	To be annexed in future	5.77 Acres
14B	To be annexed in future	6.90 Acres

For each Planning Area, tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property or Public Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property or Public Property, its tax-exempt status will be revoked.

To the extent that the exemption of an Assessor's Parcel of Property Owner Association Property or Public Property would reduce the Acreage of Taxable Property below the Minimum Taxable Acreage in the applicable Planning Area, such Assessor's Parcel shall be classified as Taxable Property Owner Association Property or Taxable Public Property, as applicable, and shall be subject to the levy of the Special Tax and shall be taxed as part of the fifth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Other Taxable Property.

2. Exempt Welfare Exemption Property

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Exempt Welfare Exemption Property. The actual Acreage for Taxable Property may fall below the Minimum Taxable Acreage shown in Table 5 above if certain property is classified as Exempt Welfare Exemption Property in a Fiscal Year.

F. APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator 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 CFD Administrator shall be subject to appeal to the Board whose decision shall be final and binding as to all persons.

G. 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 CFD No. 4 may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means (i) for the Original IA No. 3 Property, an amount equal to \$4.6 million, (ii) after each annexation into IA No. 3 and depending on the Planning Area and which Zone(s) such property is annexed into, the applicable amounts indicated in (i) above shall be increased by the amount(s) indicated in Table 6 below, or (iii) such lower number as (a) determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 4 on behalf of IA No. 3 under the authorized bonding program for IA No. 3, or (b) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Tax levied under this Rate and Method of Apportionment as described in Section D.

**Table 6
Increase in CFD Public Facilities
After Annexation of Property**

Planning Area	Increase in CFD Public Facilities if Planning Area is annexed into Zone A	Increase in CFD Public Facilities if Planning Area is annexed into Zone B
11A	\$3.7 million	\$2.2 million
11B	\$2.9 million	\$1.7 million
14A	\$2.1 million	\$1.3 million
14B	\$3.1 million	\$1.9 million

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Future Facilities Costs" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys

currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

"**Outstanding Bonds**" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"**Previously Issued Bonds**" means all Bonds that have been issued by CFD No. 4 for IA No. 3 prior to the date of prepayment.

1. Prepayment in Full

The obligation of an 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 and Approved Property and/or 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 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 of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (as defined in paragraph 14 below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (as defined in paragraph 14 below) shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Approved Property and/or Undeveloped Property (for which a building permit has been issued) to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax for the entire IA No. 3 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development at buildout of IA No. 3, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated total Backup Special Tax at buildout of IA No. 3, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 4 related to the IA No. 3 prepayment, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit ("Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding 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.
14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 4.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established

under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. 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 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 prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Approved Property and/or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = [(P_E - AE) \times F] + AE$$

These terms have the following meaning:

- AE = the Administrative Fees and Expenses
- PP = the partial prepayment
- P_E = the Prepayment Amount calculated according to Section H.1
- F = the percentage by which the owner of the Assessor's Parcel is partially prepaying the Special Tax.

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 thirty (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 Water District shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 4 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 pursuant to Section D.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such partial prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for the period necessary to fully satisfy items (i) through (iv) of the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2061-62.

J. SPECIAL TAX REDUCTION

"Contractual Encumbrances" means (a) a voluntary contractual assessment established and levied on an individual Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 et seq.), as amended from time to time, (b) a special tax established and levied on an individual Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof.

"Independent Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 4 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 CFD No. 4 or the Water District, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 4, (ii) the Water District, (iii) any owner of real property in CFD No. 4, or (iv) any real property in CFD No. 4, and (e) is not connected with CFD No. 4 or the Water District as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 4 or the Water District.

"Plan Type" means, for each Zone, a discrete residential plan type that is constructed or expected to be constructed within IA No. 3 as identified in the Price Point Study.

"Price Point" means, with respect to the residential dwelling units in each Plan Type, as of any date, the minimum base price of such residential dwelling units, estimated 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 and lot size.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by an Independent Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within IA No. 3, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Independent 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 60 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to this Section J.

"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 in 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 (excluding any Contractual Encumbrances), 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:

Step No.:

1. At least 30 days prior to the expected issuance date of the first series of Bonds, CFD No. 4 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Effective Tax Rate for each Plan Type.
3. Separately, for each Land Use Class, 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 2.00% for property in Zone A and 1.75% for property in Zone B.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B, 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 2.00% for property in Zone A or 1.75% for property in Zone B, then 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 2.00% for property in Zone A and 1.75% for property in Zone B.
4. If the Assigned Special Tax for any Land Use Class in a Zone is revised pursuant to step 3.b. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property within such Zone. The revised Backup Special Tax for such Zone shall be an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax for such Zone as set forth in Section C.1.(d), reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property in such Zone resulting from the calculations in steps 3.a. and 3.b. above. The weighted average percentage will be calculated by taking the sum of

the products of the number of units constructed or expected to be constructed in each Land Use Class multiplied by the percentage change for each Land Use Class (or 0 for Land Use Classes that are not changing). This amount is then divided by the total number of units constructed or expected to be constructed within the Zone and converted to a percentage.

5. 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 Exhibit A hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 4. 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 or Table 2 in Section C.1.(b) and C.1.(c) for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax for a Zone as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Table 3 in Section C.1.(d) for a Zone that was not revised as determined pursuant to step 4.
6. If the first series of Bonds is issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 4 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the date of such issuance, and, upon the issuance of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall, *ipso facto*, be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the first series of Bonds is not issued within 90 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 CFD No. 4 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.
7. As soon as practicable after the execution by CFD No. 4 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 4 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for IA No. 3 reflecting the

Assigned Special Taxes and the Backup Special Tax for each Zone set forth in such Certificate of Reduction in Special Taxes.

8. 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 CFD No. 4 a Certificate of No Reduction in Special Taxes substantially in the form of Exhibit B hereto dated as of the date of the issuance 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 Assigned Special Tax or Backup Special Tax are necessary.
9. CFD No. 4 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 CFD No. 4 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.

EXHIBIT A

CERTIFICATE OF REDUCTION IN SPECIAL TAXES

Temescal Valley Water District
IA No. 3 of CFD No. 4

1. Pursuant to Section J of the Rate and Method of Apportionment, the Assigned Special Tax and Backup Special Tax for Developed Property for [certain or all] Land Use Classes within IA No. 3 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. Tables 1A and 2A below show the Assigned Special Tax for each Land Use Class in Zones A and B after such reduction.

TABLE 1A
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 3,101 s.f.	\$_____ per unit
2	Residential Property	2,901 – 3,101 s.f.	\$_____ per unit
3	Residential Property	2,601 – 2,900 s.f.	\$_____ per unit
4	Residential Property	2,301 – 2,600 s.f.	\$_____ per unit
5	Residential Property	2,151 – 2,300 s.f.	\$_____ per unit
6	Residential Property	2,001 – 2,150 s.f.	\$_____ per unit
7	Residential Property	1,851 – 2,000 s.f.	\$_____ per unit
8	Residential Property	< 1,851 s.f.	\$_____ per unit
9	Non-Residential	NA	\$_____ per Acre

TABLE 2A
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$_____ per unit
2	Residential Property	2,300 – 2,599 s.f.	\$_____ per unit
3	Residential Property	1,900 – 2,299 s.f.	\$_____ per unit
4	Residential Property	1,601 – 1,899 s.f.	\$_____ per unit
5	Residential Property	1,301 – 1,600 s.f.	\$_____ per unit
6	Residential Property	1,101 – 1,300 s.f.	\$_____ per unit
7	Residential Property	< 1,101 s.f.	\$_____ per unit
8	Non-Residential	NA	\$_____ per Acre

4. The Backup Special Tax for each Assessor's Parcel of Developed Property shall equal \$_____ per Acre in Zone A and \$_____ per Acre in Zone B after such reduction.
5. Upon execution of this certificate by CFD No. 4, CFD No. 4 shall cause an amended notice of Special Tax lien for IA No. 3 to be recorded reflecting the Assigned Special Tax and Backup Special Tax set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 4, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

TEMESCAL VALLEY WATER DISTRICT CFD NO. 4

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

EXHIBIT B

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

Temescal Valley Water District
IA No. 3 of CFD No. 4

1. All calculations required pursuant to Section J of the 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 2.00% for property in Zone A and 1.75% for property in Zone B.
3. The Maximum Special Tax for Developed Property within IA No. 3, including the Assigned Special Taxes set forth in Sections C.1.(b) and C.1.(c) and the Backup Special Tax set forth in Section C.1.(d) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____
Bonds]




Date as of: [date of issuance of

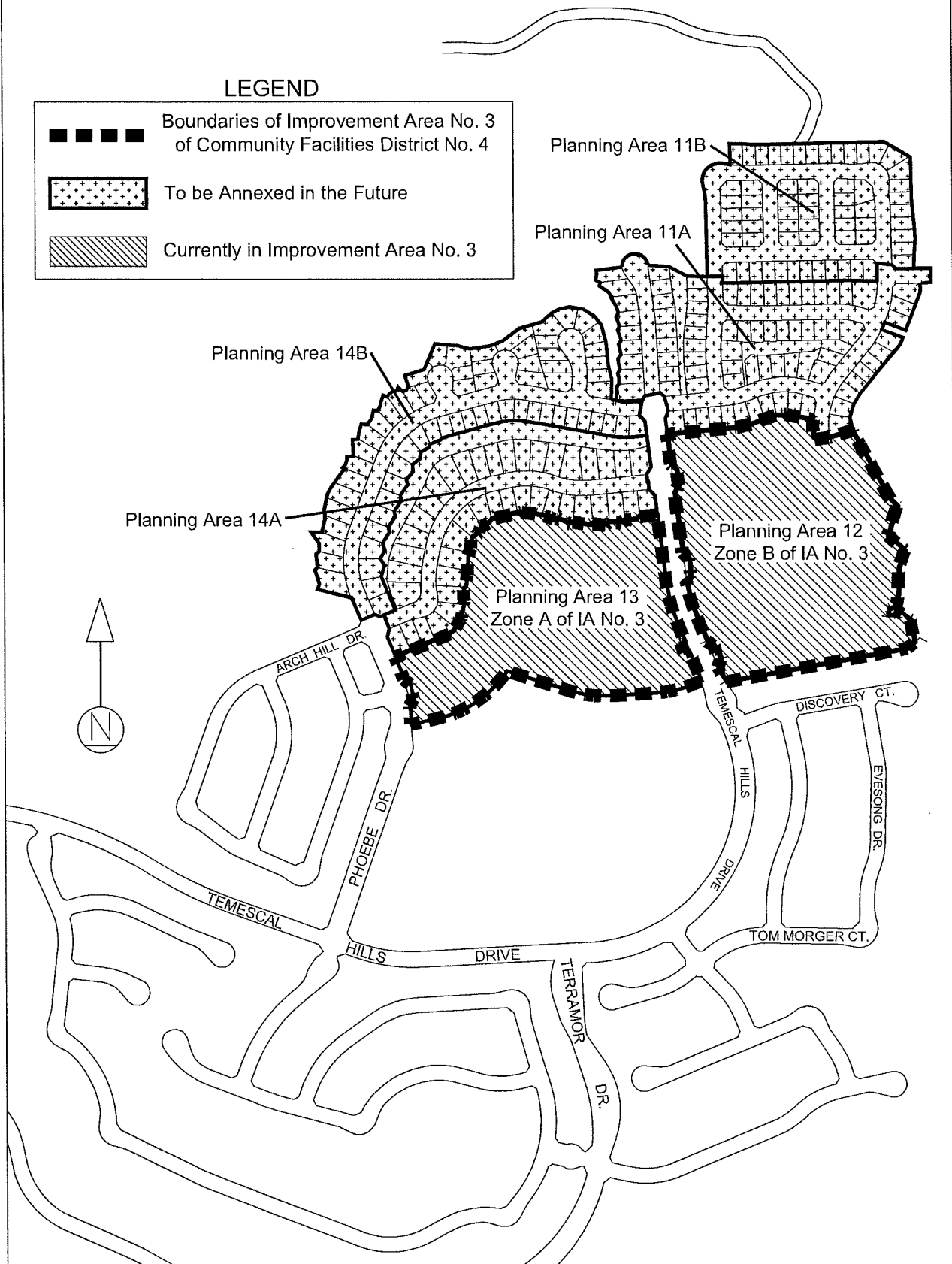
EXHIBIT C

PLANNING AREA DESIGNATION

PLANNING AREA MAP
IMPROVEMENT AREA NO. 3 OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4

LEGEND

	Boundaries of Improvement Area No. 3 of Community Facilities District No. 4
	To be Annexed in the Future
	Currently in Improvement Area No. 3



ATTACHMENT B
ANNEXATION TERRITORY

Real property in the County of Riverside, State of California, described as follows:

Lot 3 and Lot 4 of Tract No. 38050 in the County of Riverside, State of California, as per map filed in Book 487, Pages 31 through 42, inclusive, of maps, records of said county.

UNANIMOUS APPROVAL

(Forestar Toscana Development Company)

**Community Facilities District No. 4
of the Temescal Valley Water District (Terramor)
Improvement Area No. 3**

Community Facilities District No. 4
of the Temescal Valley Water District (Terramor)
22646 Temescal Canyon Road,
Temescal Valley, CA 92883
Attn: General Manager

The Temescal Valley Water District (the "Water District") has formed Community Facilities District No. 4 of the Temescal Valley Water District (Terramor) (the "District") and has annexed certain property to the District designated as Improvement Area No. 3 of the District ("Improvement Area No. 3") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act").

The purpose of the District is to finance the construction, purchase, modification, expansion, improvement or rehabilitation of: (a) (1) water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of the Water District (the "Water District Improvements"), (2) certain roadways and roadway improvements and related infrastructure and improvements of the County of Riverside (the "County Improvements"), and (3) storm and sewer drains and related infrastructure and improvements of the Riverside County Flood Control and Water Conservation District (the "Flood Control Improvements" and together with the Water District Improvements and County Improvements, the "Improvements"); and (b) incidental expenses including costs associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied, costs otherwise incurred in order to carry out the authorized purposes of the District, including legal fees, fees of consultants, engineering, planning, designing and the annual administration cost of the District (the "Incidental Expenses").

The undersigned property owner (the "Owner") here by states and certifies as follows:

1. This Unanimous Approval is submitted by the Owner who is the record owner of fee title to the real property and improvements thereon as described in Attachment "B" hereto (collectively, the "Annexation Territory"). The Owner has provided the District sufficient and current evidence of their ownership of fee title to the Annexation Territory and possesses all legal authority necessary to execute this Unanimous Approval.

2. There are no registered voters residing within the Annexation Territory and have been none during the 90-day period preceding April 25, 2023.

3. This Unanimous Approval constitutes the unanimous approval of the Owner in favor of the following within the meaning of Sections 53329.6 and 53339 et seq. of the Act:

(a) Annexation. The annexation of the Annexation Territory to Improvement Area No. 3 for the purpose of financing the Improvements and Incidental Expenses set forth in Attachment D to Resolution No. R-16-11, adopted by the Board of Directors of the Water District on September 27, 2016.

(b) Special Tax. The levy of special taxes (the "Special Tax") in the Annexation Territory to finance the Improvements and Incidental Expenses, including the repayment of bonds issued to finance such Improvements, in accordance with the rate and method of apportionment of special tax for Improvement Area No. 3 (the "Rate and Method") attached as Attachment A to this Unanimous Approval.

Pursuant to Section 53329.6 of the Act, this Unanimous Approval constitutes the vote of the qualified elector in favor of the matters addressed in this Section 3 for purposes of the California Constitution, including, but not limited to Articles XIII A and XIII C.

4. The Owner hereby acknowledges that the District has been authorized to incur bonded indebtedness in one or more series for Improvement Area No. 3 in the aggregate principal amount not to exceed \$18,000,000, with the maximum term and interest rate as set forth in Resolution No. R-16-14, adopted by the Board of Directors, acting as the legislative body of the District, on November 22, 2016.

5. The Owner hereby acknowledges that no further hearings or procedures are required with respect to the approval of the matters set forth in Sections 3 and 4 above.

6. The Owner understands and hereby unanimously approves that the Special Tax is authorized to be levied on the Annexation Territory annexed to Improvement Area No. 3 and included in Zone B therein, and the lien is a continuing lien which shall secure each annual levy of the Special Tax and which shall continue in force and effect until the Special Tax obligation is canceled in accordance with law or until the Special Tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code.

7. The Owner hereby waives any and all requirements with respect to the approval of the matters set forth in this Unanimous Approval, including without limitation, the preparation of an impartial analysis, arguments or rebuttals concerning elections as provided for by Elections Code Sections 9160 to 9167, inclusive, and 9190 and preparation of a tax rate statement as provided in Section 9401 of the Elections Code and any further notices of such approvals as may be required pursuant to the Elections Code or the Government Code. Having been fully advised with respect to the approval process set forth herein, the Owner waives compliance with any and all provisions of the Elections Code and Government Code, with any time limits or other procedural requirements pertaining to this Unanimous Approval.

The undersigned hereby represents that compliance with any additional procedural requirements for the Unanimous Approval provided for herein, including the receipt of any arguments for or against such approval and impartial analyses and the time limitations which may apply in connection with scheduling, mailing and publishing notices, are unnecessary in light of the fact that the undersigned has received sufficient information regarding the imposition of the Special Tax as set forth in Resolution No. R-22-02 to allow it to properly complete this Unanimous Approval. The Owner further waives its right to make any protest or complaint or undertake any legal action challenging the validity of this Unanimous Approval and any proceedings taken in connection therewith or the levy of the Special Tax and the incurring of

bonded indebtedness to finance the costs of the Improvements and Incidental Expenses for the benefit of the Annexation Territory.

8. The Owner hereby designates the Annexation Territory to be within Zone B (as defined in the Rate and Method).

9. The Owner hereby authorizes the District to execute and record in the office of the Recorder of the County of Riverside, a notice of special tax lien on the Annexation Territory in accordance with Streets & Highways Code Section 3117.5, which shall give notice that a lien to secure payment of the Special Tax is imposed by the District.

10. This Unanimous Approval shall be effective upon its execution and delivery and acceptance by the Board of Directors of the Water District, acting as the legislative body of the District.

The foregoing Unanimous Approval is hereby executed this 13 day of April, 2023 in Laguna Hills, California.

FORESTAR TOSCANA DEVELOPMENT
COMPANY, a Delaware Company



By: _____

Name: RUSH STANISAI

Title: AUTHORIZED SIGNATORY

[THIS UNANIMOUS APPROVAL SHALL BE NOTARIZED]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

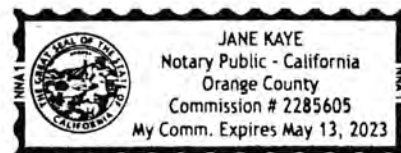
On 4-13-23 before me, **Jane Kaye, Notary Public**
(insert name and title of the officer)

personally appeared Rush Stanisai,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Jane Kaye (Seal)



ATTACHMENT A

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
IMPROVEMENT AREA NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
OF TEMESCAL VALLEY WATER DISTRICT**

RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 3 OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 3 ("IA No. 3") of Temescal Valley Water District Community Facilities District No. 4 (Terramor) ("CFD No. 4") and collected each Fiscal Year commencing in Fiscal Year 2022-2023, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in IA No. 3, 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:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, parcel map, condominium plan, or other recorded County parcel map.

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

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of IA No. 3: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Water District or designee thereof or both); the costs of collecting the Special Taxes (whether by the Water District or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the Water District, CFD No. 4 or any designee thereof of complying with arbitrage rebate requirements; the costs to the Water District, CFD No. 4 or any designee thereof of complying with Water District, IA No. 3 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Water District, CFD No. 4 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; the costs associated with the Special Tax reduction described in

Section J; the costs associated with the issuance of Bonds; and the Water District's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Water District or CFD No. 4 for any other administrative purposes of IA No. 3, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Approved Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Map was recorded prior to January 1 of the previous Fiscal Year.

"Assessor's Parcel" means any real property to which an Assessor's parcel number is assigned as shown on an Assessor's Parcel Map.

"Assessor's Parcel Map" means an official map of the County 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 within IA No. 3, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property within IA No. 3, as determined in accordance with Section C below.

"Board" means the Board of Directors of the Water District, acting as the legislative body of CFD No. 4.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 4 for IA No. 3 under the Act.

"CFD Administrator" means an official of the Water District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 4" means the Temescal Valley Water District Community Facilities District No. 4 (Terramor).

"County" means the County of Riverside.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Other Taxable Property, (i) for which a building permit was issued

prior to March 1 of the prior Fiscal Year, and (ii) that is located within a Final Map.

"Exempt Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of Bonds in IA No. 3, as applicable, any Assessor's Parcels that receive a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute) shall not be classified as Exempt Welfare Exemption Property and will be subject to the Special Tax.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which building permits may be issued without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

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

"Improvement Area No. 3" or "IA No. 3" means Improvement Area No. 3 of CFD No. 4.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Tables 1 and 2 below.

"Maximum Special Tax" means the Maximum Special Tax, determined in accordance with Section C and Section D below, that can be levied in any Fiscal Year on any Assessor's Parcel within IA No. 3.

"Non-Residential Property" means Developed Property for which a building permit(s) was issued for a non-residential use.

"Original IA No. 3 Property" means the property located within IA No. 3 at the time of formation as identified on the original boundary map for IA No. 3 of CFD No. 4.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Other Taxable Property" means Taxable Public Property and Taxable Property Owner Association Property.

"Planning Area" means any one of the separate geographic areas designated on Exhibit C herein as: Planning Area 11A, Planning Area 11B, Planning Area 12, Planning Area 13, Planning Area 14A, or Planning Area 14B. The areas indicated in Exhibit C are approximations of the future Planning Areas and the final Planning Area boundaries shall be determined based on the actual Final Map or other applicable information, as determined by the CFD Administrator, at the time of annexation.

"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, except to the extent that the Special Tax levy on Residential Property is limited as described in the first step in Section D below. For Approved Property or Undeveloped 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 Approved Property or Undeveloped Property. For Other Taxable 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 Other Taxable Property.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of IA No. 3 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Public Property" means, for each Fiscal Year, any property within IA No. 3 that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, Water District, or any other public agency as of June 30 of the prior Fiscal Year; 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 shall be taxed and classified in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential dwelling unit, not including any carport,

walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the building permit(s) issued for such residential dwelling unit.

"Residential Property" means Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for the acquisition or construction of facilities authorized to be financed by IA No. 3 to the extent that inclusion of such amount does not increase the Special Tax levy on Approved Property or Undeveloped Property; and (vi) pay for reasonably anticipated Special Tax delinquencies based on the historical delinquency rate for IA No. 3 as determined by the CFD Administrator; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of IA No. 3 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Approved Property, Developed Property, or Other Taxable Property.

"Water District" means the Temescal Valley Water District.

"Zone" means Zone A and/or Zone B, as applicable.

"Zone A" means Zone A of IA No. 3, as identified on the boundary map for IA No. 3 of CFD No. 4 (including any annexation map).

"Zone B" means Zone B of IA No. 3, as identified on the boundary map for IA No. 3 of CFD No. 4, (including any annexation map).

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within Zone A and Zone B of IA No. 3 shall be classified as Developed Property, Approved Property, Other Taxable Property, Undeveloped Property, or Exempt Welfare Exemption Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C and D below. Developed Property shall be further classified as Residential Property or Non-Residential Property.

C. MAXIMUM SPECIAL TAX

1. Developed Property

Residential Property in Zone A shall be assigned to Land Use Classes 1 through 8 of Table 1 below, and Non-Residential Property in Zone A shall be assigned to Land Use Class 9 of Table 1 below. Residential Property in Zone B shall be assigned to Land Use Class 1 through 8 of Table 2 below, and Non-Residential Property in Zone B shall be assigned to Land Use Class 9 of Table 2 below. The Assigned Special Tax for Residential Property shall be based on the Residential Floor Area of the dwelling unit(s) located on the Assessor's Parcel. The Assigned Special Tax for Non-Residential Property shall be based on the Acreage of the Assessor's Parcel.

(a) Maximum Special Tax

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

The Maximum Special Tax (including the Assigned Special Taxes and the Backup Special Tax set forth in Sections C.1.(b), C.1.(c) and C.1.(d) below) may be reduced in accordance with, and subject to the conditions set forth in, Section J below.

(b) Assigned Special Tax – Zone A (Market Rate Units)

The Assigned Special Tax for each Land Use Class within Zone A is shown below in Table 1.

TABLE 1
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 3,101 s.f.	\$3,478 per unit
2	Residential Property	2,901 – 3,101 s.f.	\$3,377 per unit
3	Residential Property	2,601 – 2,900 s.f.	\$3,278 per unit
4	Residential Property	2,301 – 2,600 s.f.	\$3,183 per unit
5	Residential Property	2,151 – 2,300 s.f.	\$3,094 per unit
6	Residential Property	2,001 – 2,150 s.f.	\$2,977 per unit
7	Residential Property	1,851 – 2,000 s.f.	\$2,888 per unit
8	Residential Property	< 1,851 s.f.	\$2,799 per unit
9	Non-Residential Property	NA	\$31,672 per Acre

(c) Assigned Special Tax – Zone B (Age-Qualified Units)

The Assigned Special Tax for each Land Use Class within Zone B is shown below in Table 2.

TABLE 2
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$2,921 per unit
2	Residential Property	2,300 – 2,599 s.f.	\$2,703 per unit

3	Residential Property	1,900 – 2,299 s.f.	\$2,502 per unit
4	Residential Property	1,601 – 1,899 s.f.	\$2,115 per unit
5	Residential Property	1,301 – 1,600 s.f.	\$1,888 per unit
6	Residential Property	1,101 – 1,300 s.f.	\$1,875 per unit
7	Residential Property	< 1,101 s.f.	\$1,819 per unit
8	Non-Residential Property	NA	\$19,524 per Acre

(d) Backup Special Tax

The Backup Special Tax for an Assessor's Parcel of Developed Property will equal the amount indicated in Table 3 below for the applicable Zone.

TABLE 3
Backup Special Tax for
Zone A and Zone B

Zone	Backup Special Tax
A	\$31,672 per Acre
B	\$19,524 per Acre

2. Approved Property, Undeveloped Property and Other Taxable Property

The Maximum Special Tax for Approved Property, Undeveloped Property, and Other Taxable Property will equal the amount indicated in Table 4 below for the applicable Zone.

TABLE 4
Approved Property, Undeveloped
Property, and Other Taxable
Property in
Zone A and Zone B

Zone	Maximum Special Tax
A	\$31,672 per Acre
B	\$19,524 per Acre

3. Multiple Land Uses

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains multiple land uses, the Acreage of such Assessor's Parcel shall be allocated to each type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel.

The CFD Administrator's allocation to each type of property shall be final.

D. APPORTIONMENT OF THE SPECIAL TAX

For each Fiscal Year, commencing Fiscal Year 2022-2023, the Board shall determine the Special Tax Requirement and shall levy the Special Tax 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 as needed to satisfy the Special Tax Requirement;

Second: If additional monies 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 Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have 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;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three 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 Maximum Special Tax for each such Assessor's Parcel.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Other Taxable Property at up to 100% of the Maximum Special Tax for Other Taxable Property.

Notwithstanding the above, pursuant to Section 53321(d)(3) of the California Government Code, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel(s) within CFD No. 4 by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. To the extent that the levy of the Special Tax on residential property is limited by the provision in the previous sentence, the levy of the Special Tax on each Assessor's Parcel of non-residential property shall continue to increase in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

1. Property Owner Association Property and Public Property

No Special Taxes shall be levied on Property Owner Association Property and Public Property in a particular Planning Area, so long as the total Acreage of Taxable Property in such Planning Area is at least equal to the "Minimum Taxable Acreage" for such Planning Area as shown in Table 5 below. Additional Planning Areas are expected to be annexed into IA No. 3 and assigned to the applicable Zone at a future date. Notwithstanding the foregoing, any Acreage for property classified as Exempt Welfare Exemption Property shall be deducted from the Minimum Taxable Acreage for the applicable Planning Area shown in Table 5 below.

**Table 5
Minimum Taxable Acreage**

Planning Area	Annexation Status	Minimum Taxable Acreage
12	Part of Original IA No. 3 Property	9.70 Acres
13	Part of Original IA No. 3 Property	7.91 Acres
11A	To be annexed in future	7.33 Acres
11B	To be annexed in future	4.96 Acres
14A	To be annexed in future	5.77 Acres
14B	To be annexed in future	6.90 Acres

For each Planning Area, tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property or Public Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property or Public Property, its tax-exempt status will be revoked.

To the extent that the exemption of an Assessor's Parcel of Property Owner Association Property or Public Property would reduce the Acreage of Taxable Property below the Minimum Taxable Acreage in the applicable Planning Area, such Assessor's Parcel shall be classified as Taxable Property Owner Association Property or Taxable Public Property, as applicable, and shall be subject to the levy of the Special Tax and shall be taxed as part of the fifth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Other Taxable Property.

2. Exempt Welfare Exemption Property

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Exempt Welfare Exemption Property. The actual Acreage for Taxable Property may fall below the Minimum Taxable Acreage shown in Table 5 above if certain property is classified as Exempt Welfare Exemption Property in a Fiscal Year.

F. APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator 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 CFD Administrator shall be subject to appeal to the Board whose decision shall be final and binding as to all persons.

G. 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 CFD No. 4 may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means (i) for the Original IA No. 3 Property, an amount equal to \$4.6 million, (ii) after each annexation into IA No. 3 and depending on the Planning Area and which Zone(s) such property is annexed into, the applicable amounts indicated in (i) above shall be increased by the amount(s) indicated in Table 6 below, or (iii) such lower number as (a) determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 4 on behalf of IA No. 3 under the authorized bonding program for IA No. 3, or (b) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Tax levied under this Rate and Method of Apportionment as described in Section D.

**Table 6
Increase in CFD Public Facilities
After Annexation of Property**

Planning Area	Increase in CFD Public Facilities if Planning Area is annexed into Zone A	Increase in CFD Public Facilities if Planning Area is annexed into Zone B
11A	\$3.7 million	\$2.2 million
11B	\$2.9 million	\$1.7 million
14A	\$2.1 million	\$1.3 million
14B	\$3.1 million	\$1.9 million

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Future Facilities Costs" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys

currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

"**Outstanding Bonds**" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"**Previously Issued Bonds**" means all Bonds that have been issued by CFD No. 4 for IA No. 3 prior to the date of prepayment.

1. Prepayment in Full

The obligation of an 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 and Approved Property and/or 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 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 of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (as defined in paragraph 14 below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (as defined in paragraph 14 below) shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Approved Property and/or Undeveloped Property (for which a building permit has been issued) to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax for the entire IA No. 3 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development at buildout of IA No. 3, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated total Backup Special Tax at buildout of IA No. 3, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 4 related to the IA No. 3 prepayment, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit ("Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding 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.
14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 4.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established

under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. 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 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 prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Approved Property and/or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = [(P_E - AE) \times F] + AE$$

These terms have the following meaning:

- AE = the Administrative Fees and Expenses
- PP = the partial prepayment
- P_E = the Prepayment Amount calculated according to Section H.1
- F = the percentage by which the owner of the Assessor's Parcel is partially prepaying the Special Tax.

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 thirty (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 Water District shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 4 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 pursuant to Section D.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such partial prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for the period necessary to fully satisfy items (i) through (iv) of the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2061-62.

J. SPECIAL TAX REDUCTION

"Contractual Encumbrances" means (a) a voluntary contractual assessment established and levied on an individual Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 et seq.), as amended from time to time, (b) a special tax established and levied on an individual Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof.

"Independent Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 4 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 CFD No. 4 or the Water District, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 4, (ii) the Water District, (iii) any owner of real property in CFD No. 4, or (iv) any real property in CFD No. 4, and (e) is not connected with CFD No. 4 or the Water District as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 4 or the Water District.

"Plan Type" means, for each Zone, a discrete residential plan type that is constructed or expected to be constructed within IA No. 3 as identified in the Price Point Study.

"Price Point" means, with respect to the residential dwelling units in each Plan Type, as of any date, the minimum base price of such residential dwelling units, estimated 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 and lot size.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by an Independent Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within IA No. 3, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Independent 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 60 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to this Section J.

"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 in 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 (excluding any Contractual Encumbrances), 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:

Step No.:

1. At least 30 days prior to the expected issuance date of the first series of Bonds, CFD No. 4 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Effective Tax Rate for each Plan Type.
3. Separately, for each Land Use Class, 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 2.00% for property in Zone A and 1.75% for property in Zone B.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B, 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 2.00% for property in Zone A or 1.75% for property in Zone B, then 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 2.00% for property in Zone A and 1.75% for property in Zone B.
4. If the Assigned Special Tax for any Land Use Class in a Zone is revised pursuant to step 3.b. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property within such Zone. The revised Backup Special Tax for such Zone shall be an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax for such Zone as set forth in Section C.1.(d), reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property in such Zone resulting from the calculations in steps 3.a. and 3.b. above. The weighted average percentage will be calculated by taking the sum of

the products of the number of units constructed or expected to be constructed in each Land Use Class multiplied by the percentage change for each Land Use Class (or 0 for Land Use Classes that are not changing). This amount is then divided by the total number of units constructed or expected to be constructed within the Zone and converted to a percentage.

5. 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 Exhibit A hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 4. 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 or Table 2 in Section C.1.(b) and C.1.(c) for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax for a Zone as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Table 3 in Section C.1.(d) for a Zone that was not revised as determined pursuant to step 4.
6. If the first series of Bonds is issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 4 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the date of such issuance, and, upon the issuance of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall, *ipso facto*, be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the first series of Bonds is not issued within 90 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 CFD No. 4 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.
7. As soon as practicable after the execution by CFD No. 4 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 4 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for IA No. 3 reflecting the

Assigned Special Taxes and the Backup Special Tax for each Zone set forth in such Certificate of Reduction in Special Taxes.

8. 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 CFD No. 4 a Certificate of No Reduction in Special Taxes substantially in the form of Exhibit B hereto dated as of the date of the issuance 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 Assigned Special Tax or Backup Special Tax are necessary.
9. CFD No. 4 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 CFD No. 4 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.

EXHIBIT A

CERTIFICATE OF REDUCTION IN SPECIAL TAXES

Temescal Valley Water District
IA No. 3 of CFD No. 4

1. Pursuant to Section J of the Rate and Method of Apportionment, the Assigned Special Tax and Backup Special Tax for Developed Property for [certain or all] Land Use Classes within IA No. 3 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. Tables 1A and 2A below show the Assigned Special Tax for each Land Use Class in Zones A and B after such reduction.

TABLE 1A
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 3,101 s.f.	\$_____ per unit
2	Residential Property	2,901 – 3,101 s.f.	\$_____ per unit
3	Residential Property	2,601 – 2,900 s.f.	\$_____ per unit
4	Residential Property	2,301 – 2,600 s.f.	\$_____ per unit
5	Residential Property	2,151 – 2,300 s.f.	\$_____ per unit
6	Residential Property	2,001 – 2,150 s.f.	\$_____ per unit
7	Residential Property	1,851 – 2,000 s.f.	\$_____ per unit
8	Residential Property	< 1,851 s.f.	\$_____ per unit
9	Non-Residential	NA	\$_____ per Acre

TABLE 2A
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$_____ per unit
2	Residential Property	2,300 – 2,599 s.f.	\$_____ per unit
3	Residential Property	1,900 – 2,299 s.f.	\$_____ per unit
4	Residential Property	1,601 – 1,899 s.f.	\$_____ per unit
5	Residential Property	1,301 – 1,600 s.f.	\$_____ per unit
6	Residential Property	1,101 – 1,300 s.f.	\$_____ per unit
7	Residential Property	< 1,101 s.f.	\$_____ per unit
8	Non-Residential	NA	\$_____ per Acre

4. The Backup Special Tax for each Assessor's Parcel of Developed Property shall equal \$_____ per Acre in Zone A and \$_____ per Acre in Zone B after such reduction.
5. Upon execution of this certificate by CFD No. 4, CFD No. 4 shall cause an amended notice of Special Tax lien for IA No. 3 to be recorded reflecting the Assigned Special Tax and Backup Special Tax set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 4, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

TEMESCAL VALLEY WATER DISTRICT CFD NO. 4

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

EXHIBIT B

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

Temescal Valley Water District
IA No. 3 of CFD No. 4

1. All calculations required pursuant to Section J of the 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 2.00% for property in Zone A and 1.75% for property in Zone B.
3. The Maximum Special Tax for Developed Property within IA No. 3, including the Assigned Special Taxes set forth in Sections C.1.(b) and C.1.(c) and the Backup Special Tax set forth in Section C.1.(d) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____
Bonds]

Date as of: [date of issuance of

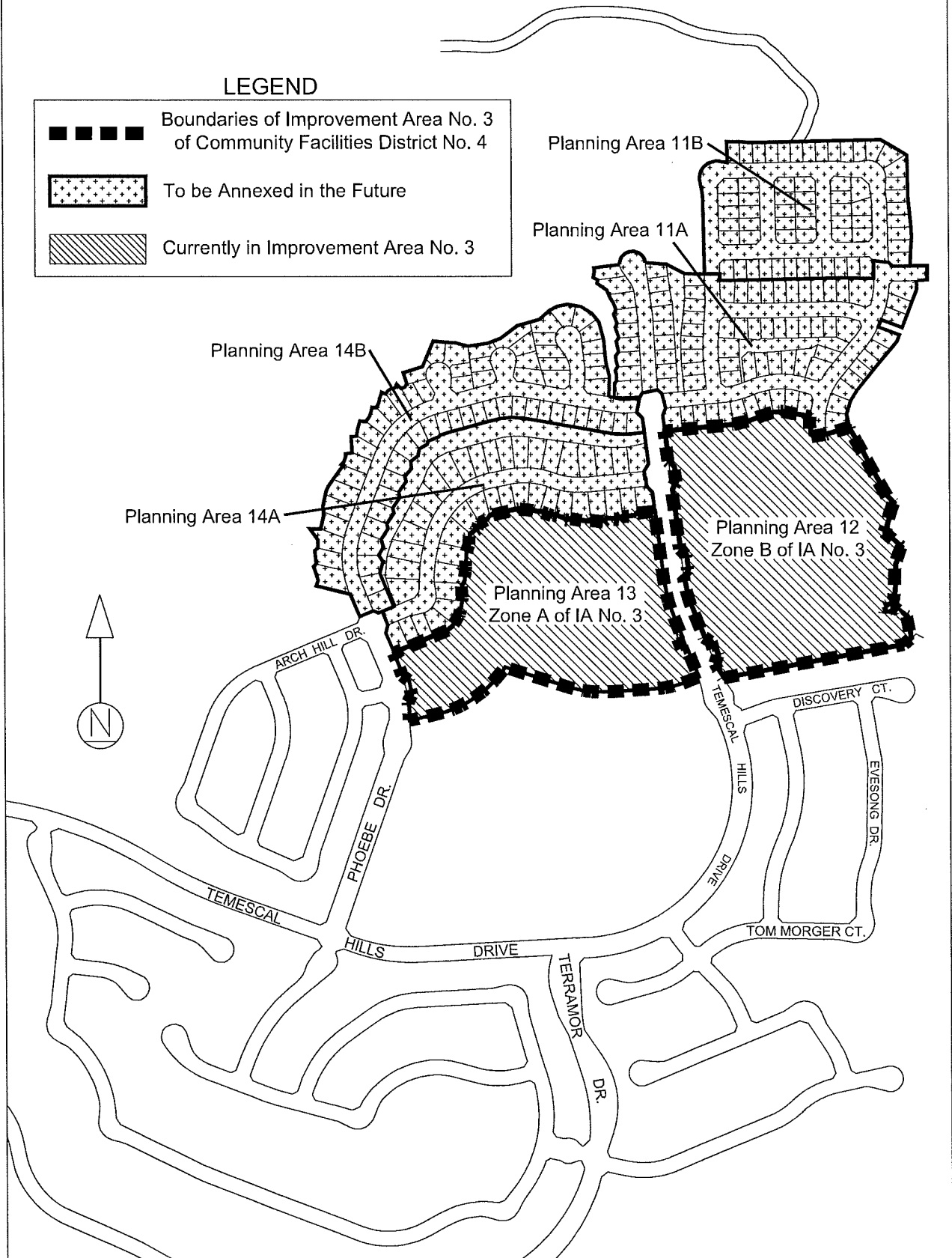
EXHIBIT C

PLANNING AREA DESIGNATION

PLANNING AREA MAP
IMPROVEMENT AREA NO. 3 OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4

LEGEND

- ■ ■ ■ ■ Boundaries of Improvement Area No. 3 of Community Facilities District No. 4
- ▨ To be Annexed in the Future
- ▩ Currently in Improvement Area No. 3



ATTACHMENT B
ANNEXATION TERRITORY

Real property in the County of Riverside, State of California, described as follows:

Lot 1 and Lot 5 of Tract No. 38050 in the County of Riverside, State of California, as per map filed in Book 487, Pages 31 through 42, inclusive, of maps, records of said county.

RESOLUTION NO. R-23-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMESCAL VALLEY WATER DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT, ACCEPTING UNANIMOUS APPROVAL OF PROPERTY OWNERS TO ANNEX CERTAIN PROPERTY TO IMPROVEMENT AREA NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT

WHEREAS, on September 27, 2016, the Board of Directors (the “Board of Directors”) of the Temescal Valley Water District adopted Resolution No. R-16-11 (the “Resolution of Intention”), declaring its intention to establish Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (“Community Facilities District No. 4” or the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”) and designating certain territory for future annexation to the District (the “Annexation Territory”); and

WHEREAS, on November 22, 2016, after providing all notice required by the Act, the Board of Directors opened a public hearing required by the Act relative to the formation of the District and at such public hearing, all persons desiring to be heard on all matters pertaining to the formation of the District and related matters were heard and a full and fair hearing was held; and

WHEREAS, on November 22, 2016, following the close of the public hearing, the Board of Directors adopted Resolution No. R-16-13, establishing the District and designated Improvement Area No. 1 therein (the “Resolution of Formation”) which called a special election on November 22, 2016 within Improvement Area No. 1 of the District on three propositions relating to the levying of a special tax, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District; and

WHEREAS, on November 22, 2016, a special election was held within Improvement Area No. 1 of the District at which the qualified electors approved by more than a two thirds vote Propositions A, B and C authorizing the levy of a special tax within Improvement Area No. 1 of the District for the purposes described in the Resolution of Formation and the issuance of bonded indebtedness for Improvement Area No. 1 of the District; and

WHEREAS, pursuant to Section 53350(b) of the Act and the Resolution of Formation, the District may levy special taxes on any parcel or parcels annexed to the District only with the unanimous consent and approval of the owner or owners of the parcel or parcels at the time of annexation (each a “Unanimous Approval”) and the maximum principal amount of bonds authorized for any property annexed to or as an improvement area of the District, other than Improvement Area No. 1, shall be set forth in a Unanimous Approval delivered in connection with such annexation; and

WHEREAS, pursuant to Resolution No. R-22-02 adopted by the Board of Directors on May 24, 2022, and certain Unanimous Approvals received in connection therewith, certain property was annexed to the District as Improvement Area No. 3; and

WHEREAS, Forestar Toscana Development Company, a Delaware corporation and Richmond American Homes of Maryland, Inc., A Maryland corporation (each an “Owner” and together, the “Owners”), own certain property located within the Annexation Territory, which is described and depicted in Attachment A hereto (the “Property”); and

WHEREAS, each Owner has executed and delivered to the District a Unanimous Approval, which together, request and approve the annexation of the Property to Improvement Area No. 3 of the District (together, the “Improvement Area No. 3 Unanimous Approvals”); and

WHEREAS, the Improvement Area No. 3 Unanimous Approvals request and approve the levy of a special tax on the Property in accordance with the rate and method of apportionment of special tax for Improvement Area No. 3 attached thereto as Attachment A and attached hereto as Attachment B (the “Improvement Area No. 3 Rate and Method”); and

WHEREAS, the Improvement Area No. 3 Unanimous Approval received from Richmond American Homes of Maryland, Inc., A Maryland corporation designates the property therein to be in Zone A (as defined in the Improvement Area No. 3 Rate and Method) and the Improvement Area No. 3 Unanimous Approval received from Forestar Toscana Development Company, a Delaware corporation designates the property therein to be in Zone B (as defined in the Improvement Area No. 3 Rate and Method); and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TEMESCAL VALLEY WATER DISTRICT, ACTING AS THE LEGISLATIVE BODY OF THE DISTRICT, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. Each of the above recitals is true and correct.
2. The boundaries of Improvement Area No. 1 and the Annexation Territory are as shown on the map designated “Proposed Boundaries of Temescal Valley Water District Community Facilities District No. 4 (Terramor)”, which map is on file in the office of the Secretary and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Maps of Assessment and Community Facilities Districts in the County Recorder’s Office in Book No. 80, Page Nos. 7-8 on September 28, 2016.

The boundaries of Improvement Area No. 2 of the District are as shown on the maps designated: (1) “Proposed Boundaries of Improvement Area No. 2 of Temescal Valley Water District Community Facilities District No. 4 (Terramor)”, which map is on file in the office of the Secretary and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Maps of Assessment and Community Facilities Districts in the County Recorder’s Office in Book No. 83, Page Nos. 62-63 on March 13, 2019; (2) “Annexation No. 1 to Improvement Area No. 2 of Temescal Valley Water District Community Facilities District No. 4 (Terramor)”, which map is on file in the office of the Secretary and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Maps of Assessment and Community Facilities Districts in the County Recorder’s Office in Book No. 86, Page Nos. 36-37 on February 3, 2021; and (3) “Annexation No. 2 to Improvement Area No. 2 of Temescal Valley Water District Community Facilities District No. 4 (Terramor)”, which map is on file in the office of the Secretary and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Maps of Assessment and Community Facilities Districts in the County Recorder’s Office in Book No. 86, Page Nos. 38-39 on February 3, 2021.

The property previously annexed as Improvement Area No. 3 of the District are as shown on the map designated "Proposed Boundaries of Improvement Area No. 3 of Temescal Valley Water District Community Facilities District No. 4 (Terramor)", which map is on file in the office of the Secretary and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Maps of Assessment and Community Facilities Districts in the County Recorder's Office in Book No. 88, Page Nos. 92-93 on May 31, 2022.

The Property to be annexed to Improvement Area No. 3 of the District has the legal boundaries described in, and the boundaries shown on, the annexation map attached as Attachment "A" hereto. Pursuant to Section 3110.5 of the California Streets and Highways Code of the State of California, the Secretary is hereby directed to sign the original annexation map of the Property to be annexed to Improvement Area No. 3 and record it within 15 days of the date hereof with all proper endorsements thereon with the County Recorder's Office.

3. The Board of Directors, acting as the legislative body of the District, hereby finds that the Improvement Area No. 3 Unanimous Approvals satisfy the requirements under Sections 53329.6 and 53339 et seq. of the Act. The Board of Directors, acting as the legislative body of the District, hereby accepts the Improvement Area No. 3 Unanimous Approvals.

4. The portion of the Property owned by Richmond American Homes of Maryland, Inc., A Maryland corporation is hereby annexed to the Zone A of Improvement Area No. 3 and the portion of the Property owned by Forestar Toscana Development Company, a Delaware corporation is hereby annexed to the Zone B of Improvement Area No. 3. The special tax of the District with respect to Improvement Area No. 3 shall be levied in each fiscal year on the Property in accordance with the Improvement Area No. 3 Rate and Method and Ordinance No. O-22-01, adopted by the Board of Directors, acting as the legislative body of the District.

5. The Secretary is hereby directed to record in the Assessor-County Clerk-Recorder's office of the County of Riverside within fifteen days of the date hereof a notice of special tax lien with respect to the Property which Bond Counsel to the District shall prepare in the form required by Streets and Highways Code Section 3117.5.

6. This Resolution shall be effective upon its adoption.

Dated: April 25, 2023.

C.W. Colladay, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution No. R-23-05 adopted by the Board of Directors of the Temescal Valley Water District at its meeting held on April 25, 2023.

ATTEST:

Fred Myers, Board Secretary

ATTACHMENT A
DESCRIPTION OF PROPERTY

<i>Current Owner</i>	<i>Property Description</i>
1. Forestar Toscana Development Company, a Delaware corporation	Lot 1 and Lot 5 of Tract No. 38050 in the County of Riverside, State of California, as per map filed in Book 487, Pages 31 through 42, inclusive, of maps, records of said county.
2. Richmond American Homes of Maryland, Inc., a Maryland corporation.	Lot 3 and Lot 4 of Tract No. 38050 in the County of Riverside, State of California, as per map filed in Book 487, Pages 31 through 42, inclusive, of maps, records of said county.

ANNEXATION NO. 1 TO
IMPROVEMENT AREA NO. 3 OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

(1) Filed in the District Office of the Temescal Valley
Water District this ____ day of _____, 2023.

Fred Myers, Secretary
Temescal Valley Water District

Lots and Parcels
within the Boundaries of Annexation No. 1
to Improvement Area No. 3 of Community
Facilities District No. 4:
Lots 1, 3, 4, and 5 of Tract No. 38050,
which consist of
A.P.N. 283-240-021 (portion),
A.P.N. 283-240-023 (portion), and
A.P.N. 290-930-062 (portion).

(2) I hereby certify that the within map showing
Annexation No. 1 to Improvement Area No. 3 of
Temescal Valley Water District Community
Facilities District No. 4 (Terramor), County of
Riverside, State of California, was approved by the
Board of Directors of the Temescal Valley Water
District at a regular meeting thereof, held on
this ____ day of _____, 2023, by its
Resolution No. _____.

Fred Myers, Secretary
Temescal Valley Water District

Reference is hereby made to that certain map
entitled "Proposed Boundaries of Improvement
Area No. 3 of Temescal Valley Water District
Community Facilities District No. 4 (Terramor),
County of Riverside, State of California,"
recorded on May 31, 2022, in Book 88, Pages
92 through 93 of Maps of Assessment and
Community Facilities Districts, and as
Instrument No. 2022-0248614, in the office of
the County Recorder of the County of
Riverside, State of California, which this
Annexation Map affects.

(3) Filed this ____ day of _____, 2023, at the
hour of ____ o'clock __m, in Book _____ of
Maps of Assessment and Community Facilities
Districts at page _____ and as Instrument
No. _____ in the office of the County
Recorder of Riverside County, State of California.

Peter Aldana
Assessor-County Clerk-Recorder of Riverside
County

By _____
Deputy
Fee _____

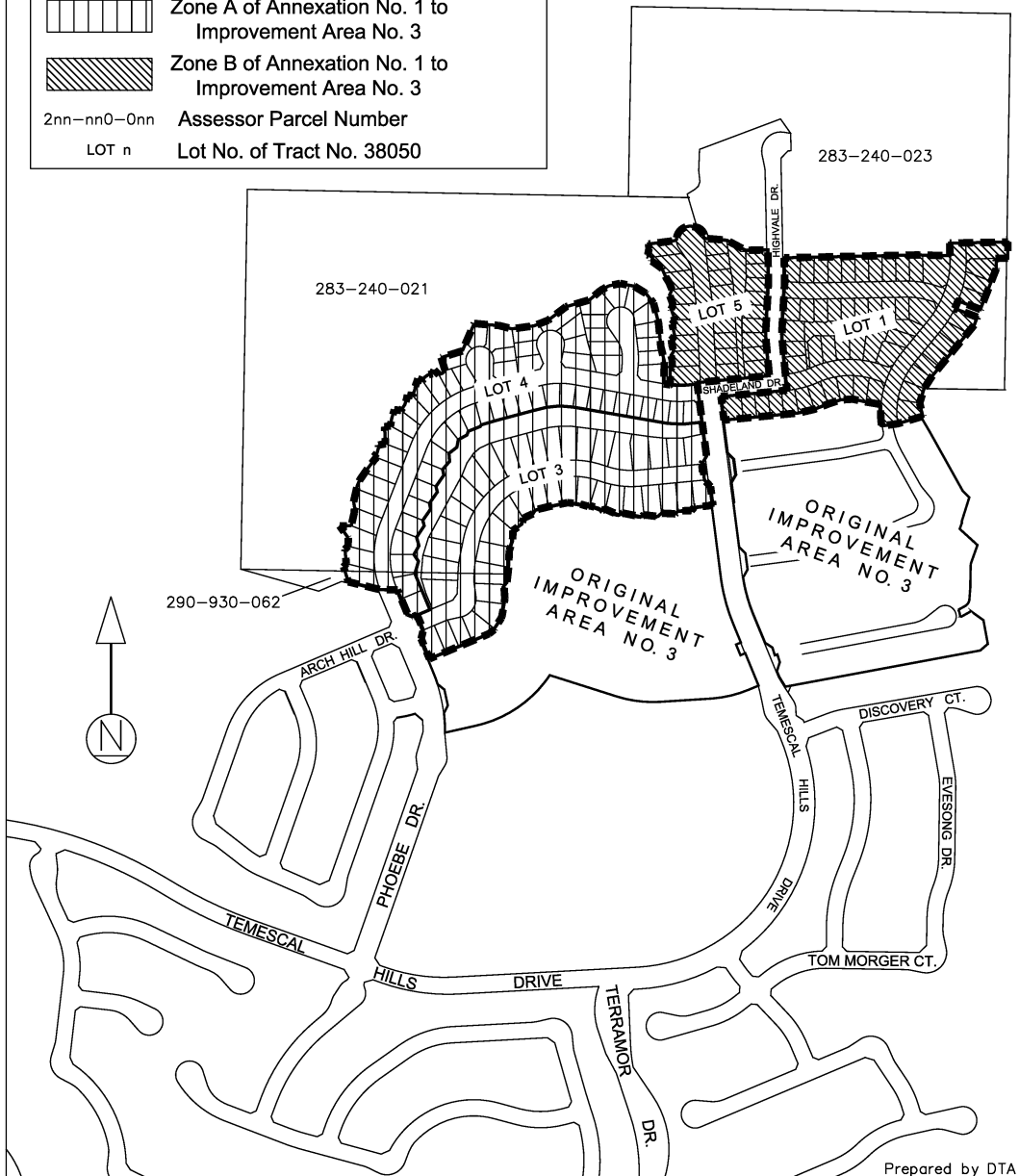
For a description of the lines and dimensions
of each lot and parcel, reference is hereby
made to Tract Map No. 38050, recorded on
December 6, 2022 as Document No.
2022-0492739, in Book 487 of Maps at Pages
31 through 42, and to the Assessor maps of
the County of Riverside, California.

Exempt recording requested, per
CA Government Code § 27383

ANNEXATION NO. 1 TO
IMPROVEMENT AREA NO. 3 OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

LEGEND

■ ■ ■ ■ ■	Boundaries of Improvement Area No. 3 of Community Facilities District No. 4
▨ ▨ ▨ ▨ ▨	Zone A of Annexation No. 1 to Improvement Area No. 3
▩ ▩ ▩ ▩ ▩	Zone B of Annexation No. 1 to Improvement Area No. 3
2nn-nn0-0nn	Assessor Parcel Number
LOT n	Lot No. of Tract No. 38050

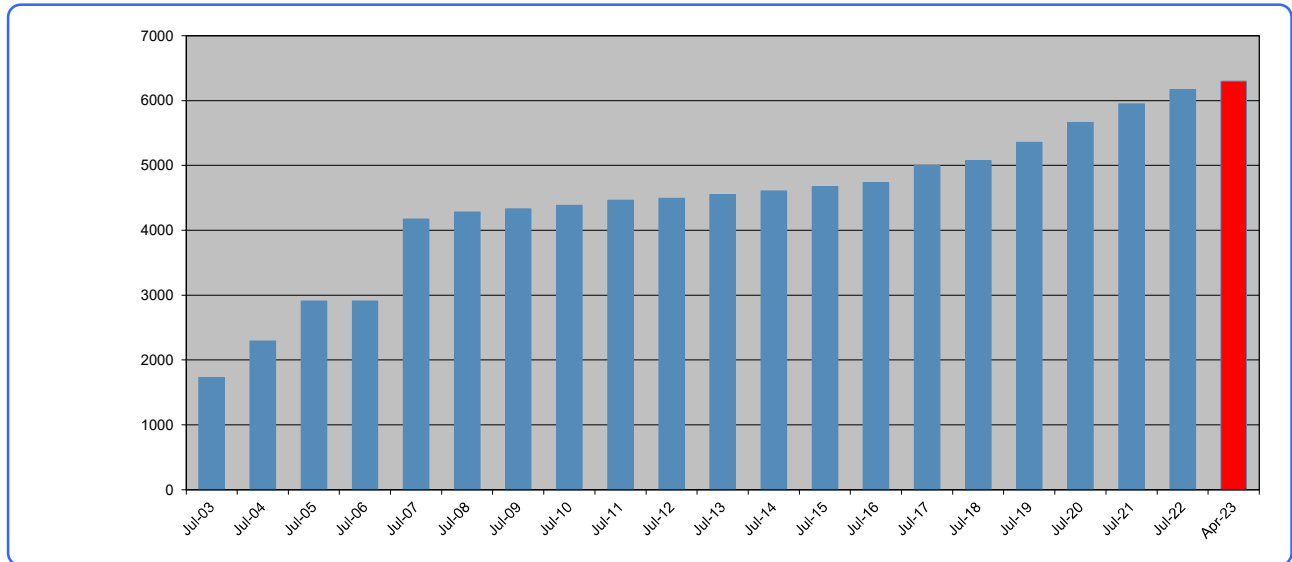


ATTACHMENT B

TEMESCAL VALLEY WATER DISTRICT CUSTOMER COUNT PER YEAR(RESIDENTIAL)

(Excludes SID#1 and SID#2 sewer customers)

DATE	Jul-03	Jul-04	Jul-05	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21	Jul-22	Apr-23
CUSTOMERS	1729	2295	2910	2910	4173	4279	4332	4386	4463	4492	4547	4605	4670	4736	5000	5076	5358	5662	5948	6173	6298



RESIDENTIAL	Total Homes	Completed Homes	
Wildrose Ranch	1043	1043	100%
Trilogy at Glen Ivy	1317	1317	100%
Painted Hills	204	204	100%
Canyon Oaks	26	26	100%
Montecito Ranch	306	306	100%
Sycamore Creek	1735	1735	100%
The Retreat	525	525	100%
Terramor	1487	1081	73% 15 MODELS
Harmony Grove	50	50	100%
Highlands #37155	79	0	0%
Serrano-Taylor Morris	80	11	14%
	6852	6298	92%

TOTAL CUSTOMER COUNT REPORT
March 31, 2023

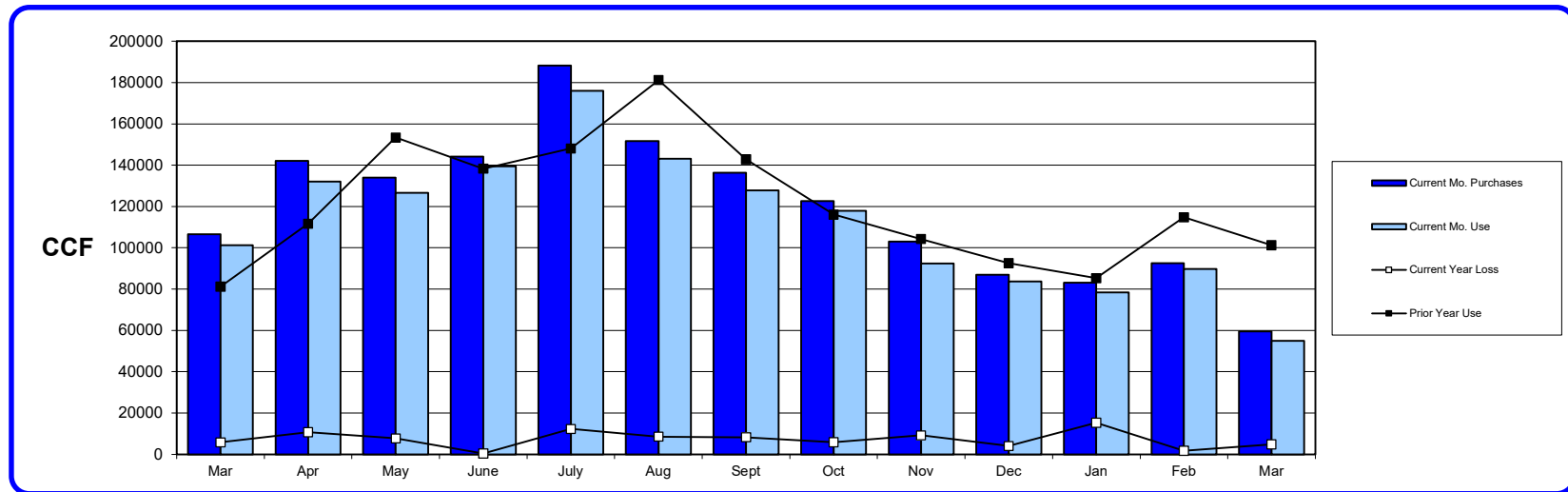
	Water & Sewer	Water Only	Sewer Only	Count
New homes added 17 Accts closed/transf 31 Empty Homes 0			Butterfield (305) Calif. Meadows (345)	
Residential	6279	2	650	6931
Commercial	96	0	2	98
Commercial-fireheld inactive	41			41
Public Govt	4	1	0	5
Irrigation-Industrial	0	68	0	68
Non-Potable Water other	0	155	0	155
Construction-Bulk Sales	0	6	0	6
Total Active Customers	6379	232	652	7304

DELINQUENT REPORT

Meters Read - Customers Billed	6611	
Received Delinquent Notice on current bill	400	
Turned Off for lack of payment	2	0.03%
Customers turned back on, amount paid	0	0.00%

WATER USAGE REPORT FOR THIRTEEN MONTHS

	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	TOTAL
Beg Water Levels	14012	13478	12806	12493	13272	13282	13283	13570	12382	13811	13005	12295	13482	
Ending Water Levels	13478	12806	12493	13272	13282	13283	13570	12382	13811	13005	12295	13482	13208	
Cur Yearly Purchases	106514	142162	133959	144158	188279	151648	136388	122599	102998	86901	83066	92611	59585	1550868
Cur Yr Monthly Use	101282	132069	126528	139475	175991	143103	127809	117899	92414	83718	78318	89669	54981	1463256
Prior Yr Monthly Use	81228	111662	153372	148077	148077	181209	142826	116129	104291	92551	85242	114797	101282	1580743



KEY

2019-2020
2020-2021
2021-2022
2022-2023

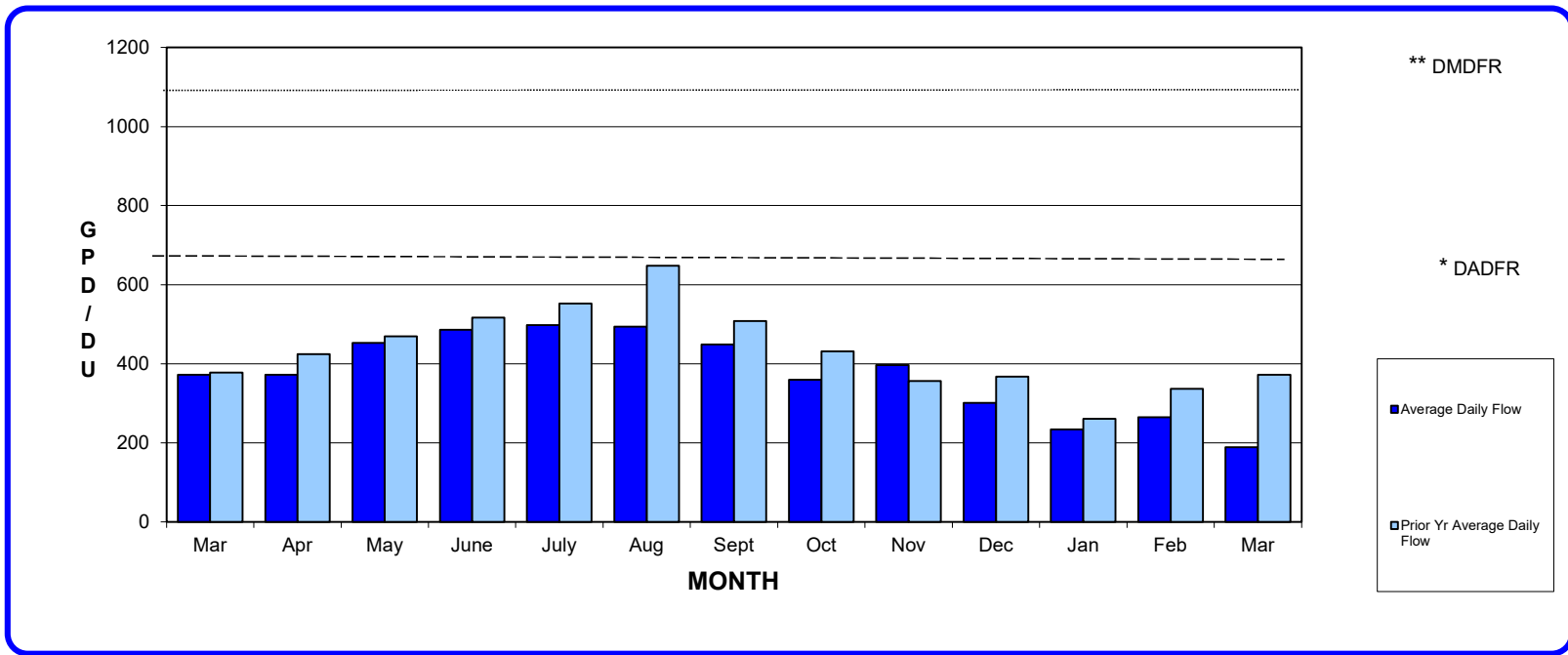
SUMMARY

Beginning Water in System	14012 CCF
Water Purchased in last 13 months	1550868 CCF
Water Used in last 13 months	1463256 CCF
Water Remaining in System	13208 CCF
(Loss)/Gain over last 13 months	(88416) CCF

-5.70%

RESIDENTIAL WATER USAGE AVERAGE DAILY FLOW

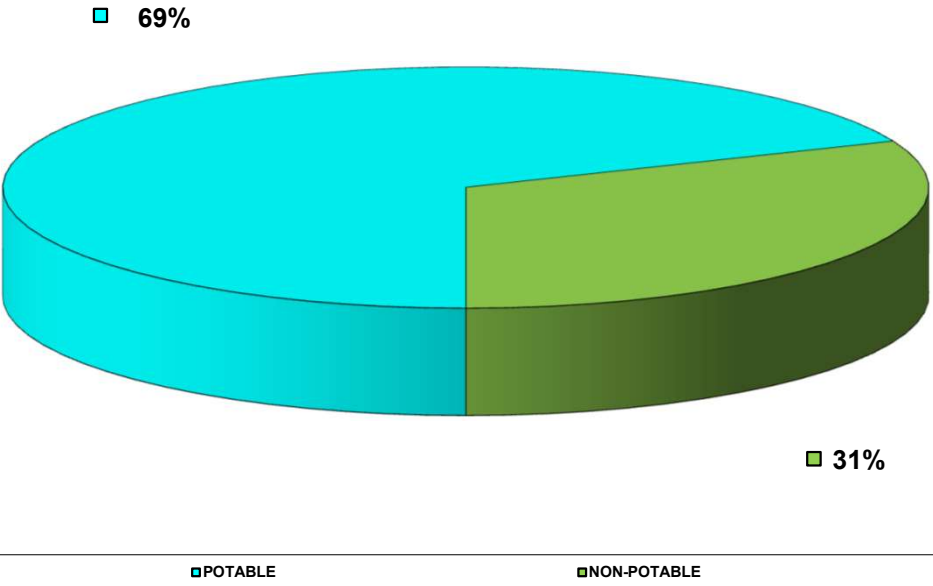
	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	YEARLY AVERAGE
Average Daily Flow	373	373	453	487	498	495	450	359	397	301	234	265	189	375
Prior Yr Average Daily Flow	378	425	470	517	552	648	508	432	357	368	261	337	373	437



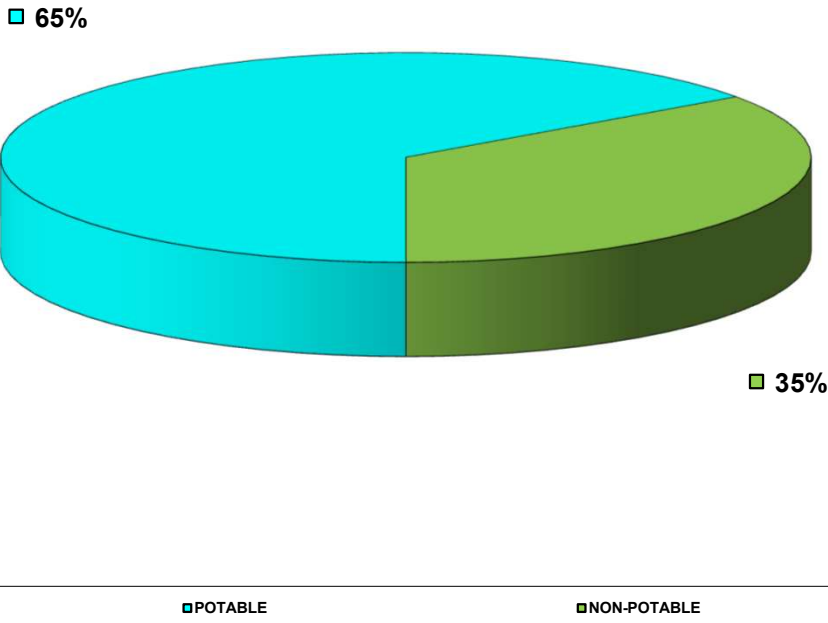
Key
2020-2021
2021-2022
2022-2023

- * DESIGN AVERAGE DAILY FLOW RATE IN GPD (650)
- ** DESIGN MAXIMUM DAILY FLOW RATE IN GPD (1140)

**Temescal Valley Water District
Volume of Water Sold
For Nine Months Ending March 31, 2023
F/Y 2022-2023**

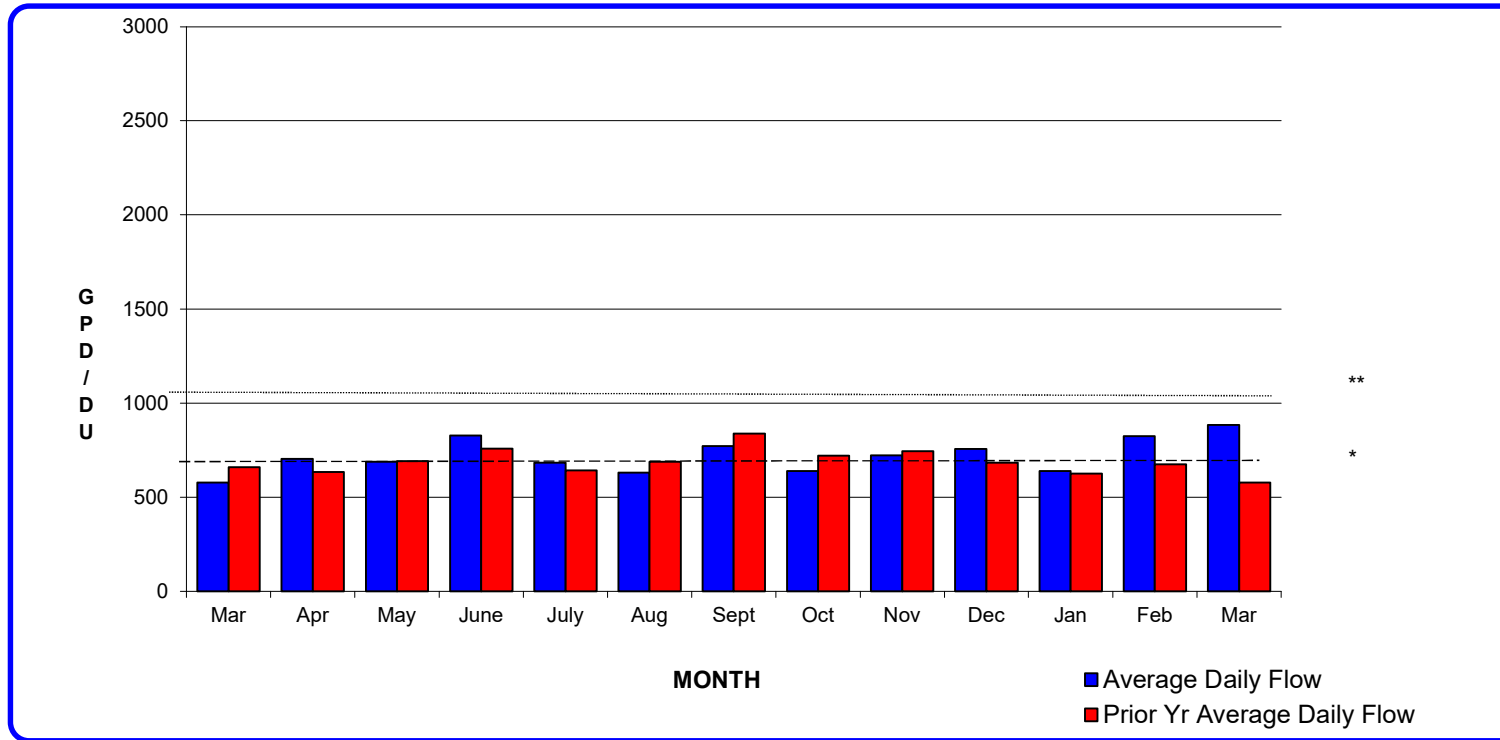


**Temescal Valley Water District
Water Volume Sold
For F/Y 2021-2022
Twelve Months**



COMMERCIAL WATER USAGE AVERAGE DAILY FLOW

	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	YEARLY AVERAGE
Average Daily Flow	577	704	688	827	683	632	771	639	723	757	640	823	885	731
Prior Yr Average Daily Flow	660	634	691	758	643	689	838	721	744	684	625	675	577	690



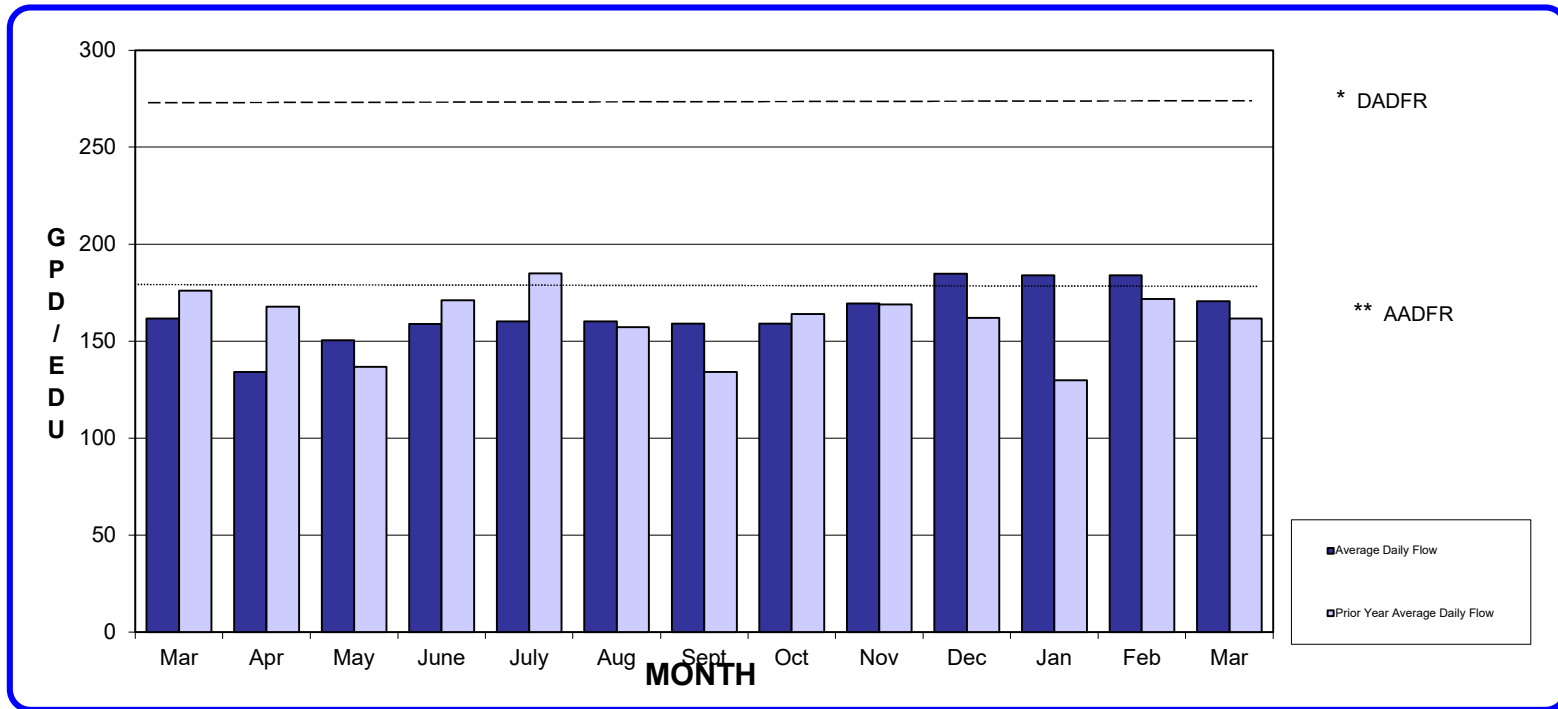
99436 99346.45 89.55 101225

Key
2020-2021
2021-2022
2022-2023

- * DESIGN AVERAGE DAILY FLOW RATE IN GPD (650)
- ** DESIGN MAXIMUM DAILY FLOW RATE IN GPD (1140)

RESIDENTIAL & COMMERCIAL SEWER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per DWELLING UNIT)

	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	12-Month Average
Average Daily Flow	162	134	151	159	160	160	159	159	169	185	184	184	171	178
Prior Year Average Daily Flow	176	168	137	171	185	157	134	164	169	162	130	172	162	159



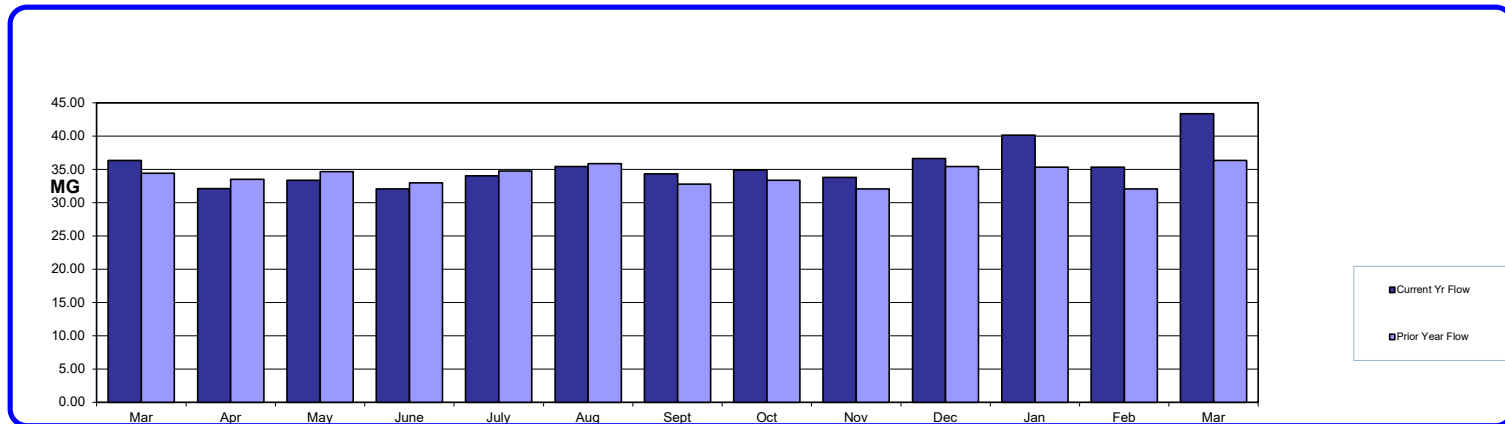
** ACTUAL AVERAGE DAILY FLOW RATE IN GPD

RECLAMATION PLANT DISCHARGE REPORT MONTHLY FLOW (Million Gallons)

	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total/yr
Current Yr Flow	36.36	32.12	33.35	32.08	34.01	35.45	34.37	34.89	33.77	36.63	40.14	35.34	43.38	425.53
Prior Year Flow	34.44	33.50	34.66	33.00	34.76	35.87	32.82	33.36	32.07	35.44	35.35	32.08	36.36	409.25

Potential Revenue

\$145,343	\$128,390	\$133,311	\$128,250	\$135,957	\$141,705	\$137,388	\$139,467	\$134,990	\$146,423	\$160,440	\$141,253	\$141,253	\$1,668,827
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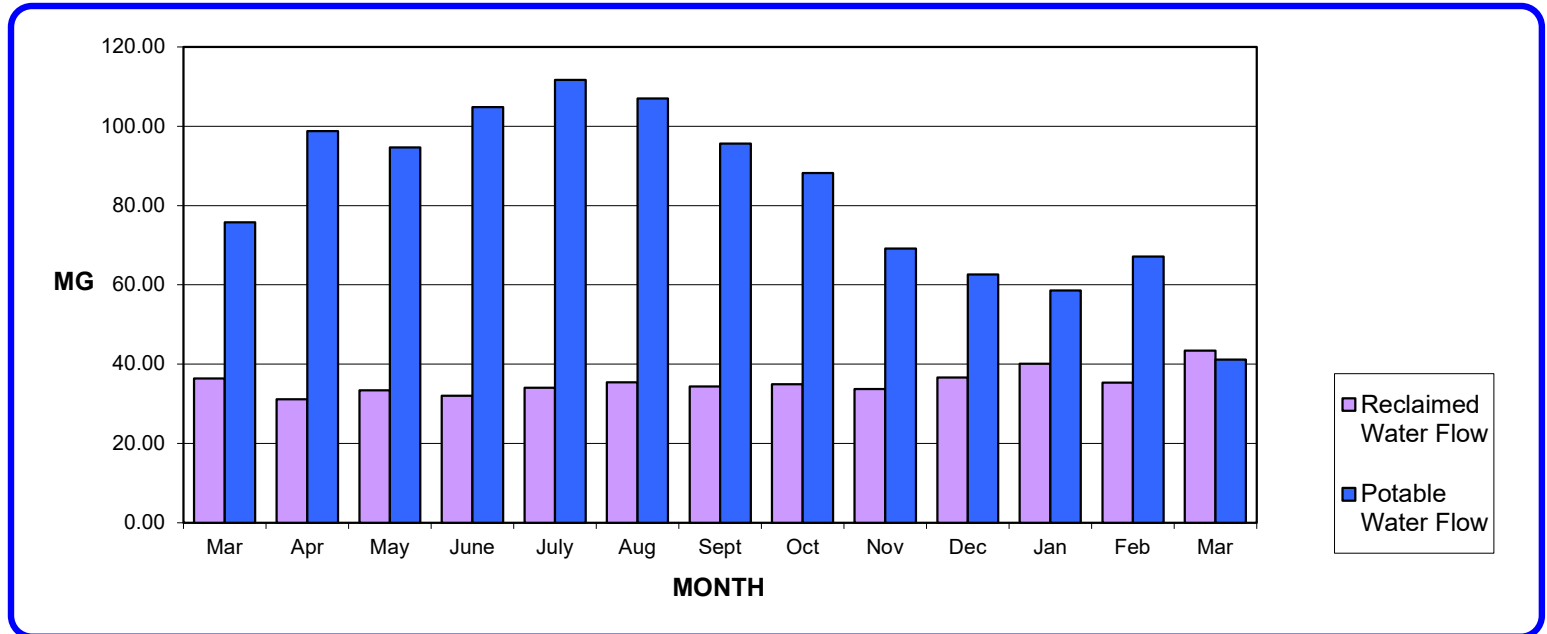


Key
2020-2021
2021-2022
2022-2023

Note - recycled water only

RECLAIMED WATER VERSUS POTABLE WATER MONTHLY FLOW (Million Gallons)

	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No. of Sewer Dwelling Units Connected	7058	7097	7097	7106	7135	7135	7149	7164	7188	7204	7243	7254	7265
Reclaimed Water Flow	36.36	31.12	33.35	32.05	34.01	35.43	34.37	34.89	33.77	36.63	40.14	35.34	43.38
Potable Water Flow	75.76	98.79	94.64	104.77	111.64	107.04	95.60	88.19	69.13	62.62	58.58	67.07	41.13



TEMESCAL VALLEY WATER DISTRICT
AVERAGE WATER UNITS PER MONTH BY ROUTE

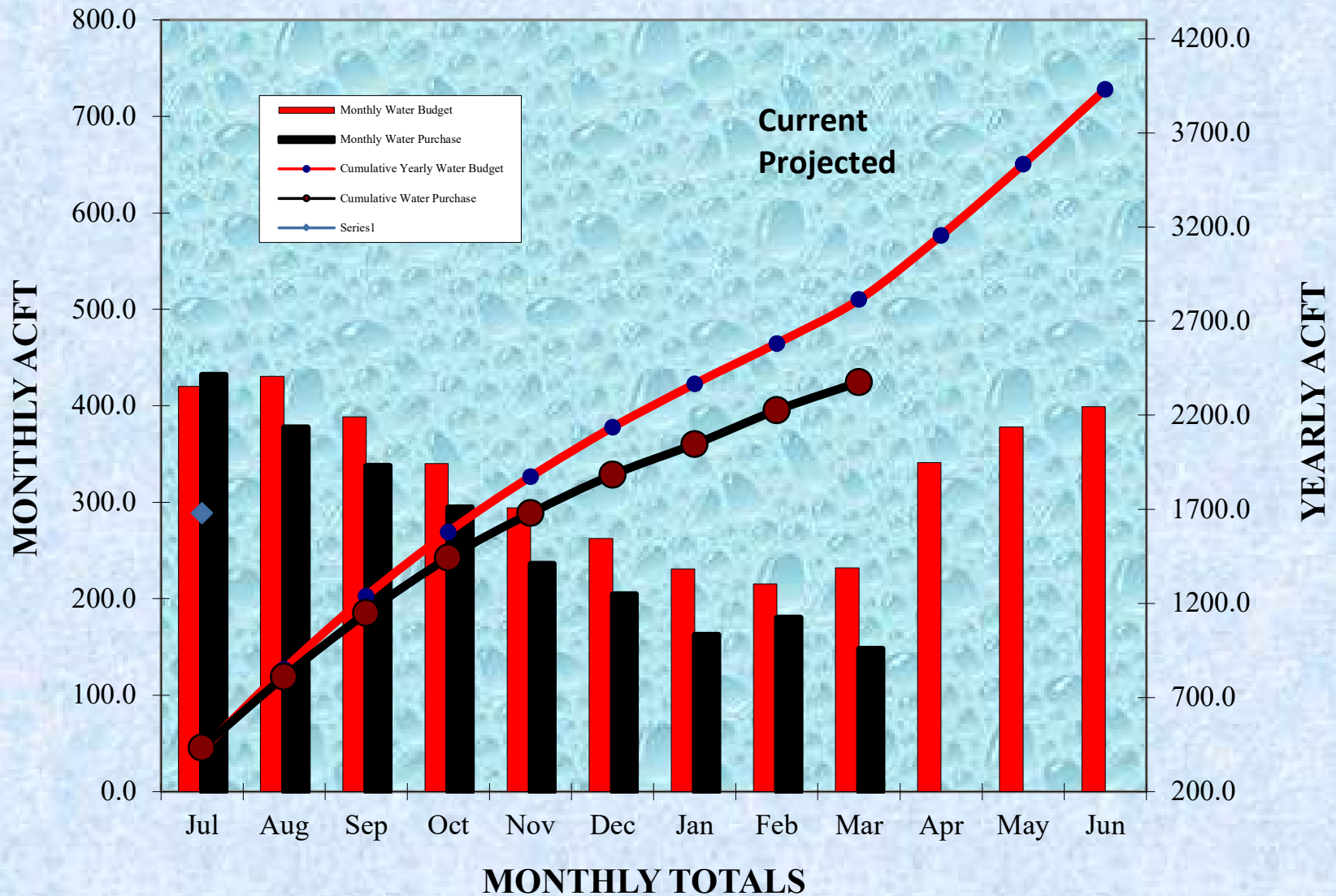
Month	Wildrose(2)	Montecito(3)	Trilogy(4)	Painted Hills(5)	Syc Crk(6)	Retreat(7)	Terramor(8)	Harm Gr(13)	Dist Avg	AVG IND-BK / IRR (1)	TOTAL		
											RECYCLED	NONPOT-Other	NONPOT-Trilogy Golf
AVG '07-'08	18.1	32.7	15.9	32.2	21.7	37.1	0.03	-	25.9	83.9			
AVG '08-'09	24.6	33.8	17.0	33.3	32.6	40.8	-	-	25.4	53.3			
AVG '09-'10	21.9	30.0	15.8	30.2	26.3	0.0	-	-	23.0	51.7			
AVG '10-'11	20.6	27.6	15.5	25.8	25.1	35.2	-	-	22.3	36.0			
AVG '11-'12	21.0	27.9	15.9	27.3	24.7	34.0	-	-	22.5	82.3			
AVG '12-'13	21.9	31.3	15.6	27.5	23.6	30.5	-	-	22.9	q			
AVG '13-'14	22.5	33.8	16.5	28.2	24.5	30.6	-	-	23.0	9.8			
AVG '14-'15	20.7	28.4	15.4	26.8	21.9	28.2	-	-	21.2	62.8			
AVG '15-'16	17.4	21.3	10.6	22.4	16.9	24.3	-	-	16.5	105.4	38,401.9	4,639.1	18,977.2
AVG '16-'17	18.4	26.4	16.7	24.8	18.5	27.1	26.4	-	19.4	211.0	46,977.4	8,442.6	16,068.4
AVG '17-'18	18.2	22.9	14.0	25.4	18.4	27.1	16.0	-	18.8	378.4	48,106.6	4,904.8	16,348.5
AVG '18-'19	20.3	26.4	15.7	27.1	19.2	27.3	12.9	0.3	19.5	145.9	39,101.6	4,511.4	12,445.3
AVG '19-'20	20.1	24.4	15.4	25.6	18.6	27.2	12.7	6.1	18.9	399.3	41,168.9	3,775.2	11,460.0
AVG '20-'21	21.5	28.2	17.6	25.9	19.6	30.5	13.8	7.9	19.7	54.9	49,744.3	4,450.3	12,932.8
AVG '21-'22	20.3	26.1	17.9	23.9	19.3	28.0	12.5	9.7	19.3	56.0	42,268.8	4,212.1	15,703.4
Jul-22	28.5	38.9	26.7	37.1	26.0	41.1	16.4	11.3	27.3	48.6	70,391.3	5,597.7	29,540.0
Aug-22	23.4	32.4	21.3	29.3	21.7	33.8	13.2	9.6	22.4	431.4	57,409.6	4,592.3	26,504.1
Sep-22	21.5	28.5	19.0	26.1	18.9	30.7	12.1	8.6	20.0	32.4	53,737.0	4,640.5	20,229.3
Oct-22	20.1	27.8	17.0	23.7	17.7	26.0	12.1	8.2	18.4	115.7	45,897.8	4,057.5	16,944.3
Nov-22	15.0	20.9	11.5	17.0	15.3	20.5	10.4	7.1	14.4	22.5	28,235.8	2,572.6	12,827.2
Dec-22	14.5	17.3	9.8	15.4	13.7	18.2	9.7	9.3	12.9	26.8	23,019.6	1,870.6	8,459.7
Jan-23	14.0	16.1	7.8	13.0	13.2	16.7	9.6	10.7	12.0	40.7	9,075.2	572.9	1,054.0
Feb-23	15.5	17.7	10.4	16.5	14.7	19.4	10.5	9.4	13.8	30.5	16,030.7	2,295.7	4,172.8
Mar-23	10.4	9.2	4.6	9.3	9.8	11.0	7.1	5.9	8.4	43.3	2,440.0	275.6	386.3
Apr-23													
May-23													
Jun-23													
AVG '22-'23													

NOTE: AVG UNITS PER MONTH

WHOLESALE BUDGET vs PURCHASE

Water Year July 2022 through June 2023

3930 ACFT PROJECTION)



Temescal Valley Water District Water District Budget Schedule 2023-2024

Budget Preparation by staff and Finance Committee review	April 24 – May 10
Budget Workshop 2022-2023	May 16 (Tuesday) – 8:30 AM
Regular Board Meeting Preliminary Budget Presented to Board	May 23
Advertise for Public Hearing	June 1 – June 15
Regular Board Meeting Conduct Budget Hearing for Adoption	June 27
Transmit Adopted Budget to County & State	June 30
Begin Tax Roll Preparations	July 5
Advertise for Public Hearing on Tax Roll	July 11 – July 22
Regular Board Meeting Conduct Tax Roll hearing Submit Adopted Tax Roll to County	July 25 August 11



April 25, 2023

Board of Directors
Temescal Valley Water District

RE: General Manager's Report

Dear Board:

The following is a brief status report on several issues that I have been involved in since the last meeting.

- Water Supply Availability - Restrictions
 - New access to Local Water with Sterling Pump Station – Western Letter
 - 7-29-2021 Western's Water Resource Manager – indicated MWD has more water in storage than in any time in its history, approx. 3 million acre feet. As of now there is no pressure from MWD to restrict water demands. They will illustrate alignment with the Governor's request for 15% voluntary reduction with increased marketing for efficient water use and participation in rebate programs. Western will be rolling out a regional outreach effort in partnership with Eastern MWD, Inland Empire UA, and Valley District. We will make these messages/materials available to you when available.
 - 8-19-2021 MWD has a current message that requests a voluntary 15% reduction
 - 4-21-22 SWRCB – Zero SWP allocation possible/ new restrictions on outdoor irrigation possible/Western not reliant on SWP this water year –
 - Restriction on Ornamental Turf coming in June.
 - Possible requirement to go to Conservation Stage II in June
 - Final State Water Resources Control Board requirement for Stage II and Turf
 - District in Stage II and working with HOAs on watering restrictions and Ornamental turf removal.
 - 11-17-22 Western has set up monthly meeting to start working on the water supply Allocation that will be implemented by MWD
 - 1-11-23 Western drought and allocation updates – next good update after February snowpack numbers.
 - **New April 12th power point presentation from Western on Water supply.**
- Working on non-potable water supply improvements
 - Park Canyon Drive RW line – Property owner has agreed to build the RW line along Park Canyon to our existing pipeline from the sump well.
 - Working on new well site near the Sump Booster site on the Temescal Valley Commerce Center.
 - 11-17-22 – finalizing plans for pipeline and new well site with developer design staff
 - Working on new well site at Brown Canyon Channel area on Leinen properties

Temescal Valley Water District

22646 Temescal Canyon Road | Temescal Valley, CA 92883-4106 | tel: 951.277.1414 | fax: 951.277.1419
www.temescalvwd.com



- Working on Conservation opportunities and RW/NP conversion locations
 - Reviewing all 2” potable irrigation meters for potential conversion to RW.
 - Map complete reviewing opportunities to convert to Non-potable or RW
 - Prioritized RW conversion sites and seeking approval to provide preliminary design and cost.
 - Proposed conversion sites identified, and information sheets prepared for Engineering Committee review
 - 11-17-22 Package on board agenda for review and approval of design timing
 - 12-15-22 Plan design for draft approved projects started
 - 12-15-22 Investigation Grant opportunities
 - Design complete for Projects in our control - COR Encroachment Permits requested
 - Report by Engineering committee and District Engineer
 - **Bids will be presented at the Board Meeting**
- Working with Land Developers on water and sewer fees for multiple infill projects.
 - Deleo adjacent to Tom’s Farms – no news
 - Retreat Infill – Kiley Court – Plans signed – new Will Serve sent
 - Temescal Canyon Road at Campbell Ranch Road – Taylor Morris purchased property, Received a construction meter for grading. Grading started. Signed plans for water, sewer, and RW. Grading continues. Sewer construction started. District fees have been paid and models in construction.
 - Butterfield sewer connected through the development – pump station removed and tanks cleaned. Next step is to demo the site.
 - Kiley Family Trust Property – Tract Map Stage - Public Hearing scheduled – W & S plans submitted – Requested water system study. Plans ready for signature
 - Signed plans returned 12-13-22
 - Reviewed and made recommendation on landscape plans with RW delivery options.
 - **Signed final plan set with revisions.**
 - Amazon Fulfillment Center (Rinker Property) – Map Stage – Preliminary W & S plans reviewed. Amazon dropped out but the developer is continuing with a plan for commercial buildings.
 - New building layout submitted review
 - 11-17-22 Reviewed new onsite and offsite improvement plans
 - Hunt Road development review in process, Infrastructure requirements and easements
 - **Received a proposed development of a Truck Stop on the property across from the AM PM and adjacent to the Freeway – old shopping center site.**
- Second review of Senior Living Development on Ben Day’s property.
 - Final review of Senior Living Development infrastructure completed
 - Approved final layout requested actual design plans.
 - **Actual Design plans on hold while the property is marketed.**
- Terramor CFD – CFD 4 annexation of Phase 2 completed - Constructing the WRF expansion. Annexation of final PA in Phase 2 completed – Working on Phase 3 Water, Sewer and RW plans. Working on second Bond issuance for IA 2. Bond Issuance for IA2 complete
 - Annexation of IA3 is started.
 - Annexation complete for phase 1 of ID 3



- 11-17-22 final reimbursement package on the 11-22 board mtg for review.
- Developer has requested we start the annexation of the final areas in IA3.
- **Annexation of Planning Areas 14A, 14b and 11A on Agenda**
- Terramor Review:
 - Phase 3 –Reviewed phase 3 water and sewer plans – ready for signature.
 - Phase 3 plans signed.
- Terramor Onsite Water, Sewer and RW improvements
 - Work continues Improvement Area 2 – Richmond America, Pardee and Pulte. Grading of Phase 3 pads will be complete in August. Developer currently building the upper zone booster.
 - Upper booster complete and in operation – final testing and connection to SCADA in the works
 - Work continues on the water, sewer and RW in ID 3
 - 12-15-22 Signed plans returned for all final phases in ID3
 - **Work continues on water and sewer improvement for Phase 3**
- WRF 225K GPD upgrade
 - The WRF is finished – a few final warrantee items outstanding. Warrantee items complete – retention released
 - 12-15-22 District reimbursed for Incidentals – project complete
 - Primary feed piping upgrade submittals approved
 - Received payment conformation from Wilson engineering
 - Warrantee work performed on Primary Sludge line and Digester Blower motors
 - Warrantee work performed on a digester Bower motor and electrical.
 - **Final re-pipe of the Primary inlet structure was completed.**
 - **This project is complete and off warrantee.**
- New Storage Building
 - Received three prices on the building – above Cap budget amount - looking for ways to reduce the cost.
 - Proposals on August meeting agenda
 - Building approved by Board -deposit paid – concrete slab scheduled in October – building in late November.
 - Slab and footings in construction.
 - 11-17-22 Slab is complete and building is scheduled to drop Nov 30
 - 12-15-22 Building is complete except for access doors, electrical and ramps
 - Ordered racking system
 - Rack system is installed.
 - Lighting installed.
 - **Most of the larger pumps and equipment are in the building.**
- AMI/AMR Meter Reading system upgrade
 - Research continues different data collection systems, software and meters.
 - Expecting final coverage proposal prior to September Board meeting.
 - Working on the RFP to be given to each of the system providers for review by the engineering Committee
 - **Working with Western on Grant opportunities prior to bidding/RFP**

MEMORANDUM

DATE: April 25, 2023
TO: Board of Directors
Temescal Valley Water District
FROM: Jeff Pape, General Manager
SUBJECT: Conservation Stage I Declaration

BACKGROUND

Due to the record rain and snowpack in California and the subsequent increase in the State Water Project allocation, the Governor has rescinded much of the drought restrictions that required the District to go to Stage II of our Conservation Program. The Governor's Executive Order N-5-23 (attached) removes the requirement that all Water Districts implement their Urban Water Management Plan Stage II Shortage plan.

The District's Conservation Program typically requires the General Manager to make a Determination and Declare the appropriate Stage that the District is in. Please see our conservation program attached.

RECOMENDATION

Determine and Declare that the District will move back to STAGE I – NORMAN CONSERVATION CONDITIONS, post the notice in the District's office and inform the customers of the new rules and regulations.

Respectfully submitted,

Jeff Pape,



General Manager

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-5-23

WHEREAS on April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, I proclaimed States of Emergency to exist due to drought conditions; and

WHEREAS the multi-year nature of the current drought, which began three years after the record-setting drought of 2012-2016, continues to have significant, immediate impacts on communities across California with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS the March 3, 2023, snow survey conducted by the Department of Water Resources and partner agencies found that most regions of the Sierra Nevada are above average for snow water content, and some regions are nearing record amounts of snow, and snow and rain has fallen across many regions of the state since then, with more precipitation forecasted; and

WHEREAS improved conditions have helped rehabilitate surface water supplies, but have not abated the severe drought conditions that remain in some parts of the State, including the Klamath River basin and the Colorado River basin, and many groundwater basins throughout the State remain depleted from overreliance and successive multi-year droughts; and

WHEREAS continued action by the State is needed to address ongoing consequences of the drought emergency, including groundwater supply shortages, domestic well failures, and drought-related harm to native fishes in the Klamath River and Clear Lake watersheds; and

WHEREAS the drought emergency has required a dynamic and flexible response from the State, and several provisions in my prior Proclamations and Orders have been terminated or superseded already, specifically Paragraphs 4 and 8 of my State of Emergency Proclamation dated April 21, 2021, Paragraphs 2, 4, and 7 of my State of Emergency Proclamation dated May 10, 2021, Paragraphs 3, 4, 5, 6, and 10 of my State of Emergency Proclamation dated July 8, 2021, and Paragraph 9 of Executive Order N-7-22; and

WHEREAS improved conditions warrant an even more targeted State response to the ongoing drought emergency and certain provisions in my State of Emergency Proclamations dated April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, and in Executive Orders N-10-21, N-7-22, and N-3-23 provide authority that is no longer needed to mitigate the effects of the drought conditions or direct actions by state agencies, departments, and boards that have already been completed; and

WHEREAS notwithstanding the rescission of certain emergency authorities for emergency drinking water action, state agencies have existing legal authority and funding to continue expedited work to advance the human right to water, and state agencies will continue all ongoing drought resilience planning work, including through coordination with local agencies and tribes; and

WHEREAS next winter's hydrology is uncertain and the most efficient way to preserve the State's improved surface water supplies is for Californians to continue their ongoing efforts to make conservation a way of life; and

WHEREAS to protect public health and safety, it is critical the State take certain immediate actions without undue delay to prepare for and mitigate the effects of the drought conditions, and under Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Order would prevent, hinder, or delay the mitigation of the effects of the drought conditions.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my State of Emergency Proclamations dated April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, and Executive Orders N-7-22 (March 28, 2022), N-3-23 (February 13, 2023), and N-4-23 (March 10, 2023), remain in full force and effect, except as modified by those Proclamations and Orders and herein. State agencies shall continue to implement all directions from those Proclamations and Orders and accelerate implementation where feasible.
2. The following provisions of my State of Emergency Proclamation dated April 21, 2021, are terminated:
 - a. Paragraph 2;
 - b. Paragraphs 5-7; and
 - c. Paragraphs 9-14.
3. The following provisions of my State of Emergency Proclamation dated May 10, 2021, are terminated:
 - a. Paragraph 1;
 - b. Paragraph 3;
 - c. Paragraph 5; and
 - d. Paragraphs 9-10.
4. The following provisions of my State of Emergency Proclamation dated July 8, 2021, are terminated:
 - a. Paragraph 2;
 - b. Paragraphs 7-8, except those portions of paragraph 7 withdrawing provisions of prior orders;
 - c. Paragraphs 11-12.

5. The following provisions of my State of Emergency Proclamation dated October 19, 2021, are terminated:
 - a. Paragraph 2;
 - b. Paragraphs 4-5;
 - c. Paragraph 8; and
 - d. Paragraph 10.

6. The following provisions of Executive Order N-10-21 are terminated:
 - a. Paragraph 1; and
 - b. Paragraph 3

7. The following provisions of Executive Order N-7-22 are terminated:
 - a. Paragraphs 1-3;
 - b. Paragraph 6; and
 - c. Paragraphs 14-15.

8. The following provisions of Executive Order N-3-23 are terminated:
 - a. Paragraph 1; and
 - b. Paragraph 3, except those portions of the paragraph withdrawing provisions of prior orders.


9. Paragraph 6 of my State of Emergency Proclamation dated May 10, 2021, and Paragraph 9 of my State of Emergency Proclamation dated July 8, 2021, are withdrawn and replaced with the following text:

To ensure critical instream flows for species protection in the Klamath River and Clear Lake watersheds, the State Water Resources Control Board (Water Board) and Department of Fish and Wildlife shall evaluate the minimum instream flows and other actions needed to protect salmon, steelhead, the Clear Lake Hitch, and other native fishes in critical streams systems in these watersheds and work with water users, tribes, and other parties on voluntary measures to implement those actions. To the extent voluntary actions are not sufficient, the Water Board, in coordination with the Department of Fish and Wildlife, shall consider emergency regulations to establish minimum instream flows to mitigate the effects of the drought conditions. For purposes of state agencies carrying out or approving any actions contemplated by this paragraph, Public Resources Code, Division 13 (commencing with Section 21000) and regulations adopted pursuant to that Division are suspended. Nothing in this Paragraph affects or limits the validity of actions already taken in the Klamath and Clear Lake watersheds or ongoing under Paragraph 6 of my State of Emergency Proclamation dated May 10, 2021, or Paragraph 9 of my State of Emergency Proclamation dated July 8, 2021.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 24th day of March 2023.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State

SECTION 39 DISTRICT WATER CONSERVATION PROGRAM

39.01 ESTABLISHMENT OF THE CONSERVATION PROGRAM

There is hereby established the District Water Conservation Program which shall be administered as provided in this Section 39. This program is adopted pursuant to Sections 375 through 377 of the California Water Code. Any violation of the provisions in this Section 39 is a misdemeanor (California Water Code Section 377).

39.02 NONAPPLICABILITY OF THIS PROGRAM TO CERTAIN ACTIVITIES

A. No provisions of this ordinance shall apply to fire hydrants, fire mains, sprinkler lines, or other equipment used solely for fire protection purposes.

B. No provisions of this ordinance shall apply to any hospital, health care or convalescent facility or any other type of facility where the health and welfare would be affected by restricted water use. This shall also apply to veterinary hospitals and facilities. However, this ordinance does apply to the outdoor grounds, yard and parking areas of these facilities.

39.03 DETERMINATION AND DECLARATION BY GENERAL MANAGER OF WATER SUPPLY CONDITIONS

A. The General Manager of the District, based upon Potable Water Availability as limited by TVWD's Wholesale Suppliers (Metropolitan Water District or Western Municipal Water District), State Water Resource Control Board and all other available data, shall determine and declare whether the District's Potable water supply and/or distribution system is in one of the following four conditions, notify all members of the Board of Directors and post a notice thereof in the lobby of the District's offices:

STAGE I - NORMAL CONSERVATION CONDITIONS: The District is able to meet all the water demands of its customers in the immediate future.

STAGE II - WATER ALERT: There is a probability that the District will not be able to meet all of the water demands of its customers for Human Consumption, Sanitation or Fire Protection or is restricted by the State, MWD or other Governing Authorities. Stage II conservation goal is 25%

STAGE III - WATER WARNING: The District is not able to meet all of the water demands of its customer due to Allocations or Supply Restrictions. Stage III conservation goal is 50%

STAGE IV - WATER EMERGENCY: A major failure of any storage supply or distribution facility.

B. As soon as a particular condition is declared to exist, the water conservation measures provided for herein for that condition shall apply to all District water services until a different condition is declared.

39.04 WATER CONSERVATION MEASURES

A. **STAGE I - NORMAL CONSERVATION CONDITIONS.** When the General Manager has declared that the District's water supply is in a NORMAL condition, customers are asked to use water wisely and to practice water conservation measures to prevent the waste and unreasonable use of water and to promote water conservation, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency: Customers are asked to achieve a voluntary 10% conservation from the 2014 base year's use.

1. All landscape or agricultural irrigation shall utilize automated irrigation time clocks or a hand-held hose only when equipped with shut-off nozzle or bucket;
2. The application of potable, non-potable or recycled water to outdoor landscapes in a manner that causes runoff, such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures is prohibited. Runoff is defined in this section as visible water running in a curb, gutter or swale;
3. The use of a hose to dispense potable water to wash a motor vehicle must be fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;
4. The use of potable water to wash parking lots, driveways or sidewalks is prohibited;
5. The application of potable water to outdoor landscaping during or within 48 hours after measurable rainfall is prohibited;
6. The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with current District regulations or other County of Riverside requirements is prohibited;
7. All Residential and non-Residential irrigation such as Parks, HOA maintained areas, recreation fields and school grounds shall be scheduled between the hours of 9 PM and 6 AM.

B. **STAGE II - WATER ALERT.** When the General Manager has declared that the District's water supply is in a WATER ALERT condition, customers are asked to achieve a mandatory 25% conservation from the 2014 base year's use. The following rules and regulations shall be in effect:

1. All provisions of Stage I shall apply or as modified by the current Stage;
2. The following residential irrigation schedule is in effect. Irrigation is limited to 10 minutes per station per day between the hours of 9 PM and 6 AM. *This provision does not apply to landscape irrigation systems using water efficient devices including drip/micro-irrigation systems or the use of hand-held hose equipped with a shut-off nozzle or bucket to water landscaped areas.*
 - Odd numbered houses may irrigate on Sunday, Tuesday, and Thursday.
 - Even numbered houses may irrigate on Monday, Wednesday, and Saturday;
3. Non-residential irrigation such as Parks, HOA irrigation meters, recreation fields, and school grounds irrigation are limited to 10 minutes per station per day between the hours of 9 PM and 6 AM and may water on Monday, Wednesday, and Friday. *With permission by TVWD this provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather-based controllers and drip/micro-irrigation systems upon the commitment to cut use by 25%;*
4. Agricultural use of potable water shall be via micro sprinklers, stream rotors only between midnight and 9 am of the following day on Mondays, Wednesdays and Fridays;
5. Discontinue landscape irrigation during measurable rainfall for a period of 48 hours;
6. There shall be no washing down of driveways, parking lots, or other paved surfaces;
7. Private car, RV, boat, trailer or truck washing shall be done using a bucket and hoses with shutoff nozzle;
8. Restaurants will be asked not to serve water to customers unless specifically requested and then only in disposable cups;
9. Swimming pools shall utilize recirculating system for filtration;
10. District will not issue new potable construction meters;
11. No potable water will be used for artificial lakes, ponds or streams until the WATER ALERT has been declared over;
12. District will not issue new temporary meters;
13. Potable construction water shall not be used for earthwork, general construction purposes or irrigation. Testing of Potable lines accepted;
14. No potable water irrigation of turf on public street medians;
15. No new non-residential irrigation with potable water will be allowed;

C. **STAGE III - WATER WARNING.** When the General Manager has declared that the District's water supply is in a WATER WARNING condition, customers are asked to achieve a mandatory 50% conservation from the 2014 base year's use. The following rules and regulations shall be in effect:

1. All provisions of Stage I shall apply or as modified by the current Stage;
2. All landscape or agricultural irrigation shall utilize automated irrigation time clocks or a hand-held hose only when equipped with shut-off nozzle or bucket;
3. The following residential irrigation schedule is in effect. Irrigation is limited to 5 minutes per station per day between the hours of 9 PM and 6 AM. *This provision does not apply to landscape irrigation systems using water efficient devices including drip/micro-irrigation systems or the use of hand-held hose equipped with a shut-off nozzle or bucket to water landscaped areas;*
 - a. Odd numbered houses may irrigate two (2) days a week on Monday and Thursday;
 - b. Even numbered houses may irrigate two (2) days a week on Tuesday, and Friday;
4. Non-residential irrigation such as Parks, HOA irrigation meters, recreation fields, and school ground irrigation is limited to 5 minutes per station per day between the hours of 9 PM and 6 AM and may only water on Monday and Friday. *With permission by TVWD this provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather-based controllers and drip/micro-irrigation systems upon the commitment to cut water used by 50%;*
5. Agricultural use of potable water is prohibited;
6. Discontinue landscape irrigation during measurable rainfall for a period of 4 days;
7. There shall be no washing down of driveways, parking lots, or other paved surfaces;
8. Private car, RV, boat, trailer or truck washing shall be done using a bucket only;
9. Restaurants will be asked not to serve water to customers unless specifically requested and then bottled water only;
10. Swimming pools shall be equipped with full covers and utilize recirculating system for filtration. No dumping and refilling of pools shall be allowed until the Stage III has been lifted;
11. District will not issue new potable construction meters;
12. No potable water will be used for artificial lakes, ponds or streams until the Stage III has been declared over;
13. District will not issue new temporary meters and all temporary meters will be shut off;
14. Potable construction water shall not be used for earthwork, general construction purposes or irrigation. Testing of Potable lines accepted;
15. No potable water irrigation of turf on public street medians;
16. Irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip/micro irrigation systems is prohibited;

D. **STAGE IV - WATER EMERGENCY.** When the General Manager has determined that the District's water supply is in a WATER EMERGENCY condition, potable water shall only be for indoor use such as sanitation, hygiene and human consumption. The following rules and regulations shall be in effect:

1. No lawn watering or landscape irrigation shall be done with potable water;
2. No watering of parks, recreation fields, school grounds, or golf courses unless watered with reclaimed or non-potable water;
3. No washing down of driveways, parking lots, or other paved surfaces shall be done;
4. Washing of private car, RV, boat, trailer or truck shall be done only at commercial establishments using recycled or reclaimed water;
5. Restaurants shall not serve water to customers unless specifically requested and then only bottled water in disposal cups;
6. Filling of swimming pools shall be prohibited;
7. District will not issue new meters;
8. All construction meters shall be turned off and locked;
9. Agricultural customers and commercial nurseries shall stop all irrigation and watering;
10. Watering livestock shall be permitted at any time;

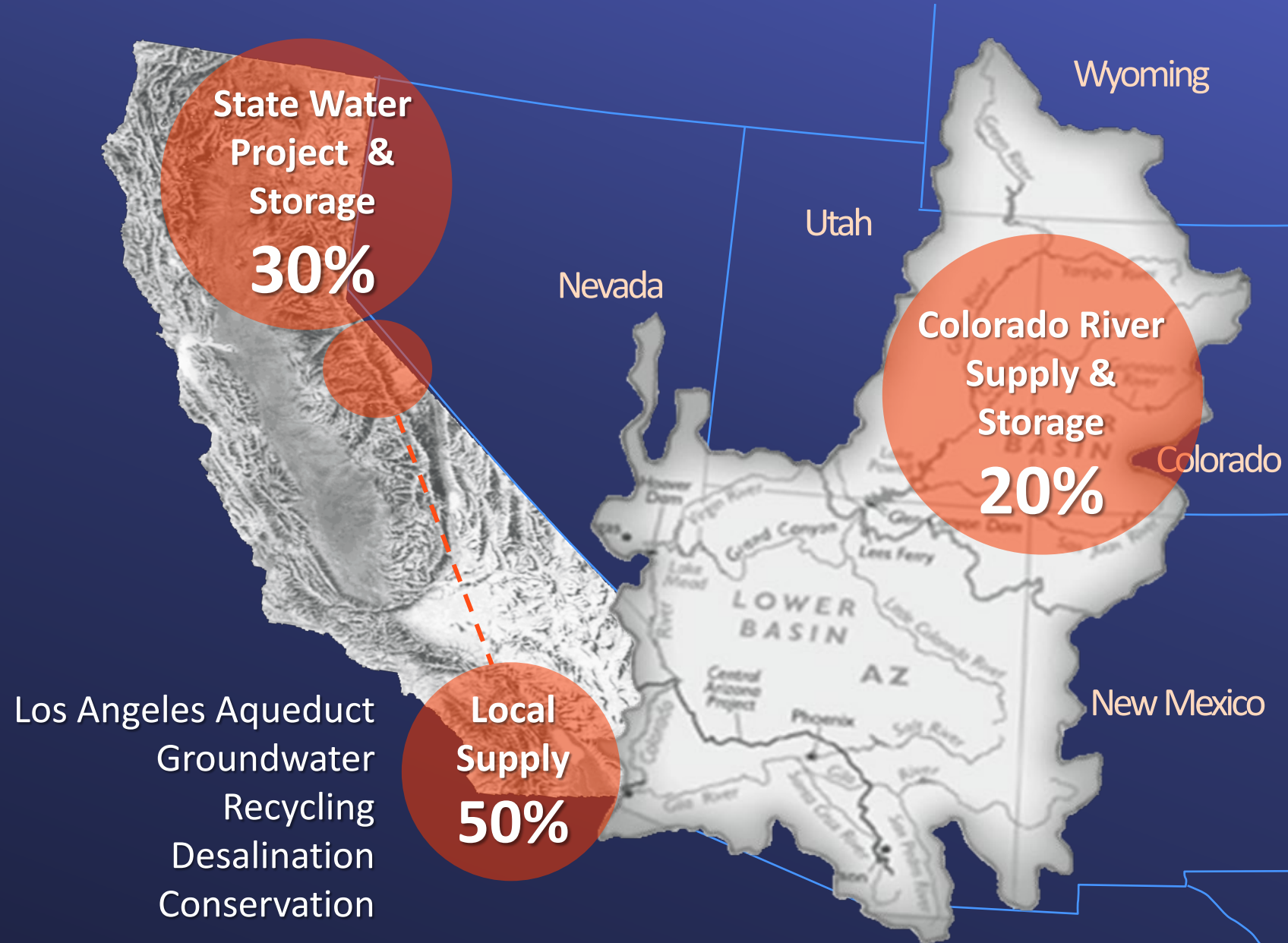


MWD Update

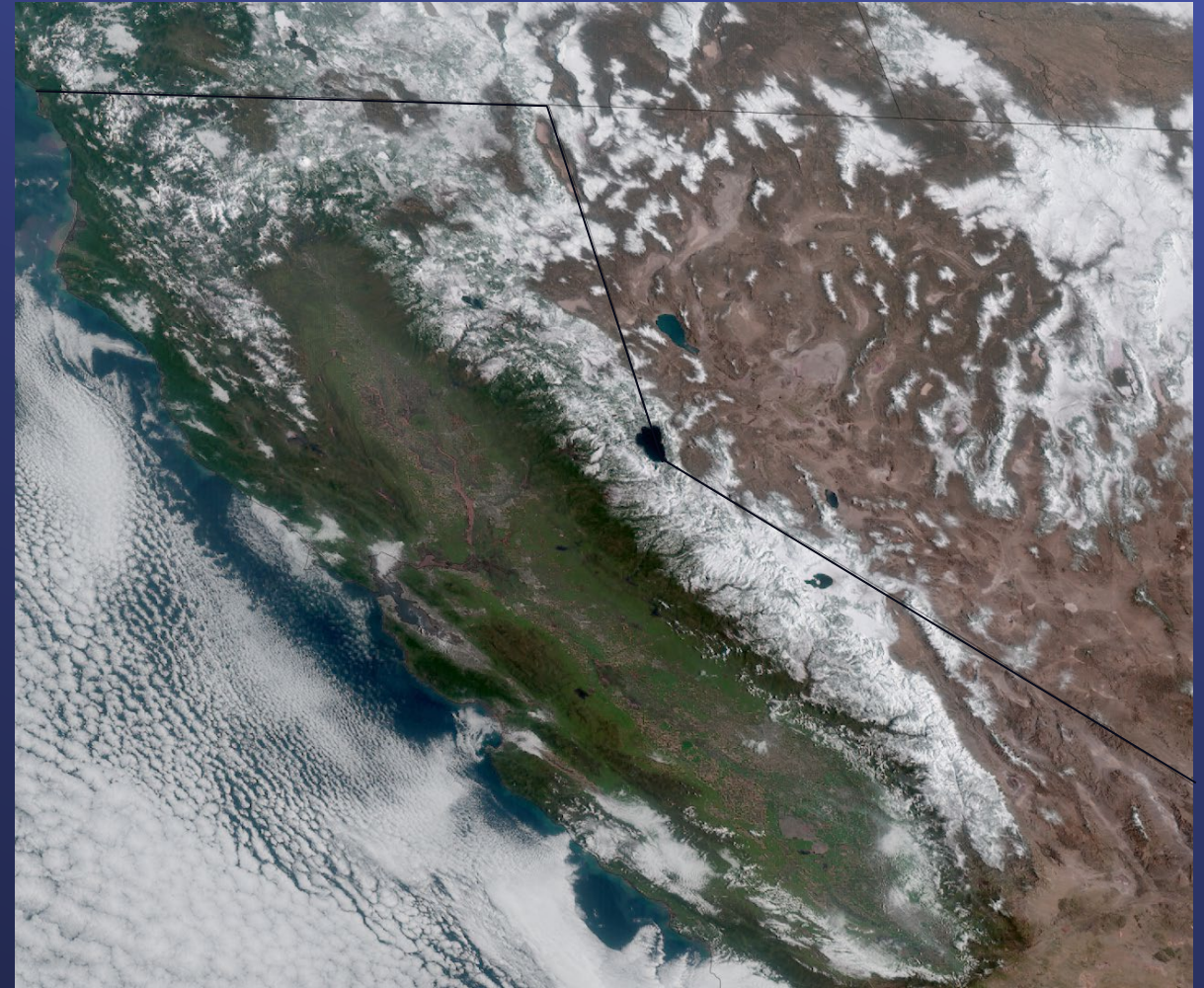
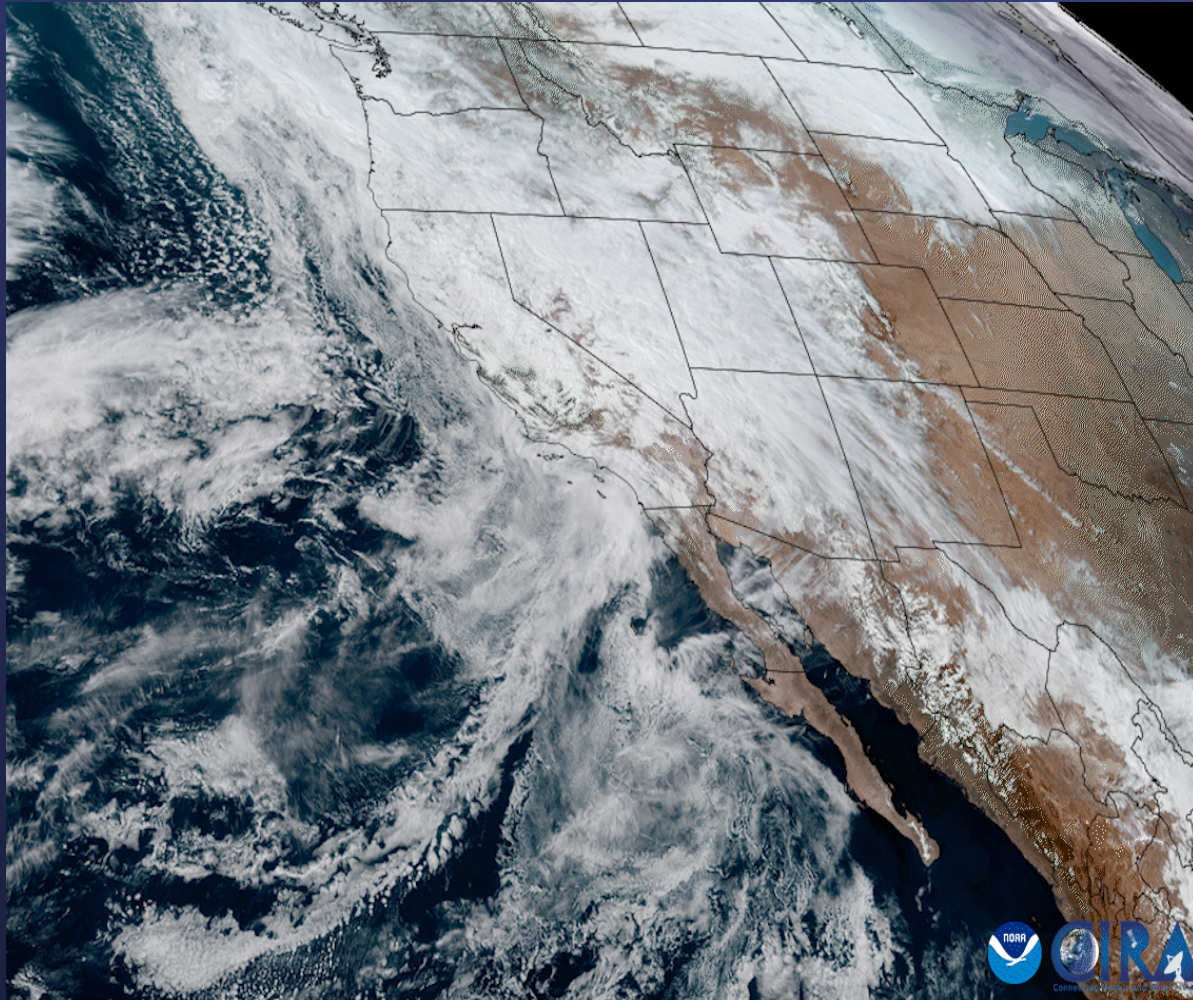
1. Water Supply Conditions
2. Storage Workshop

April 12, 2023

Metropolitan Water District Sources of supplies

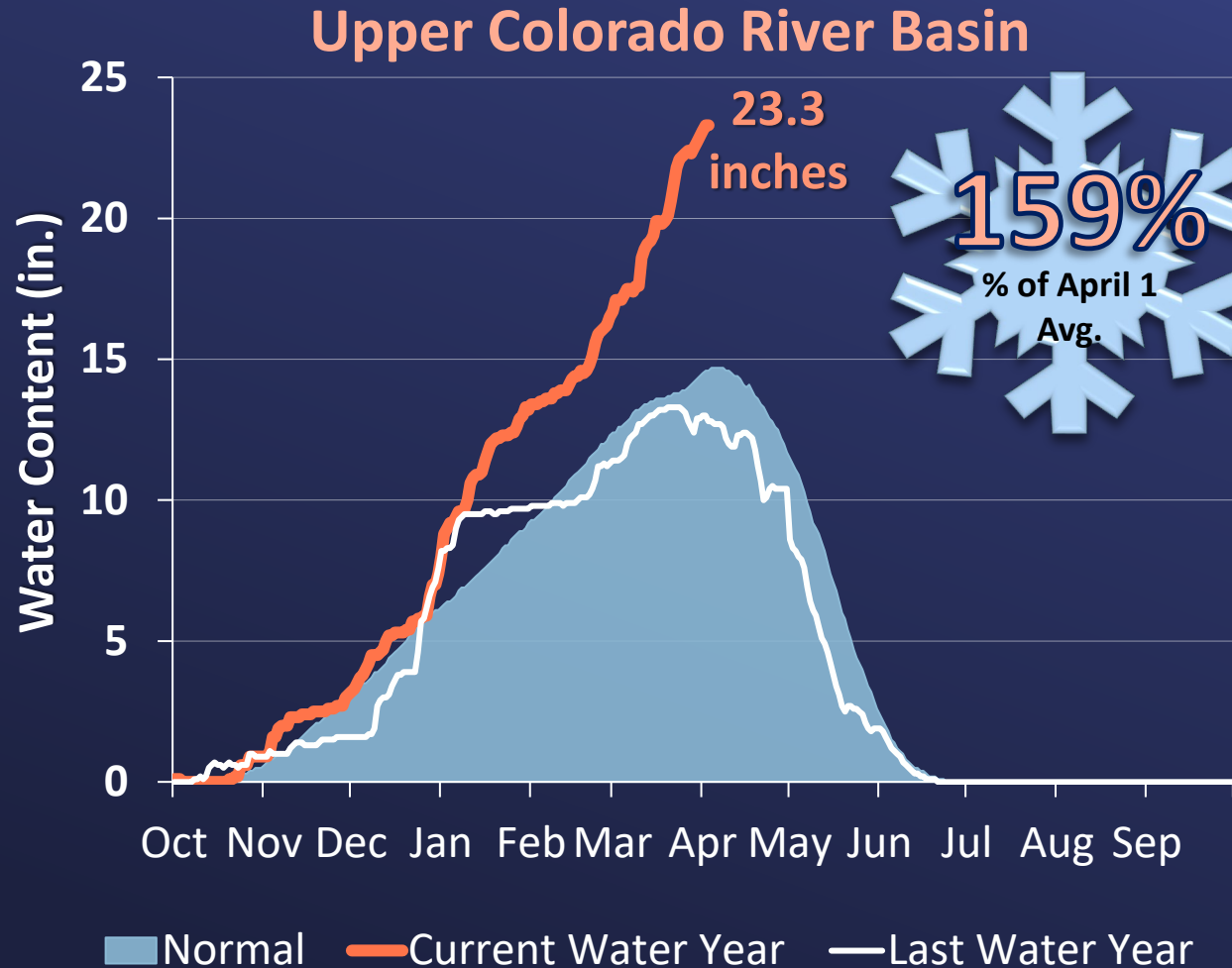


California Pummeled with More Atmospheric River Events



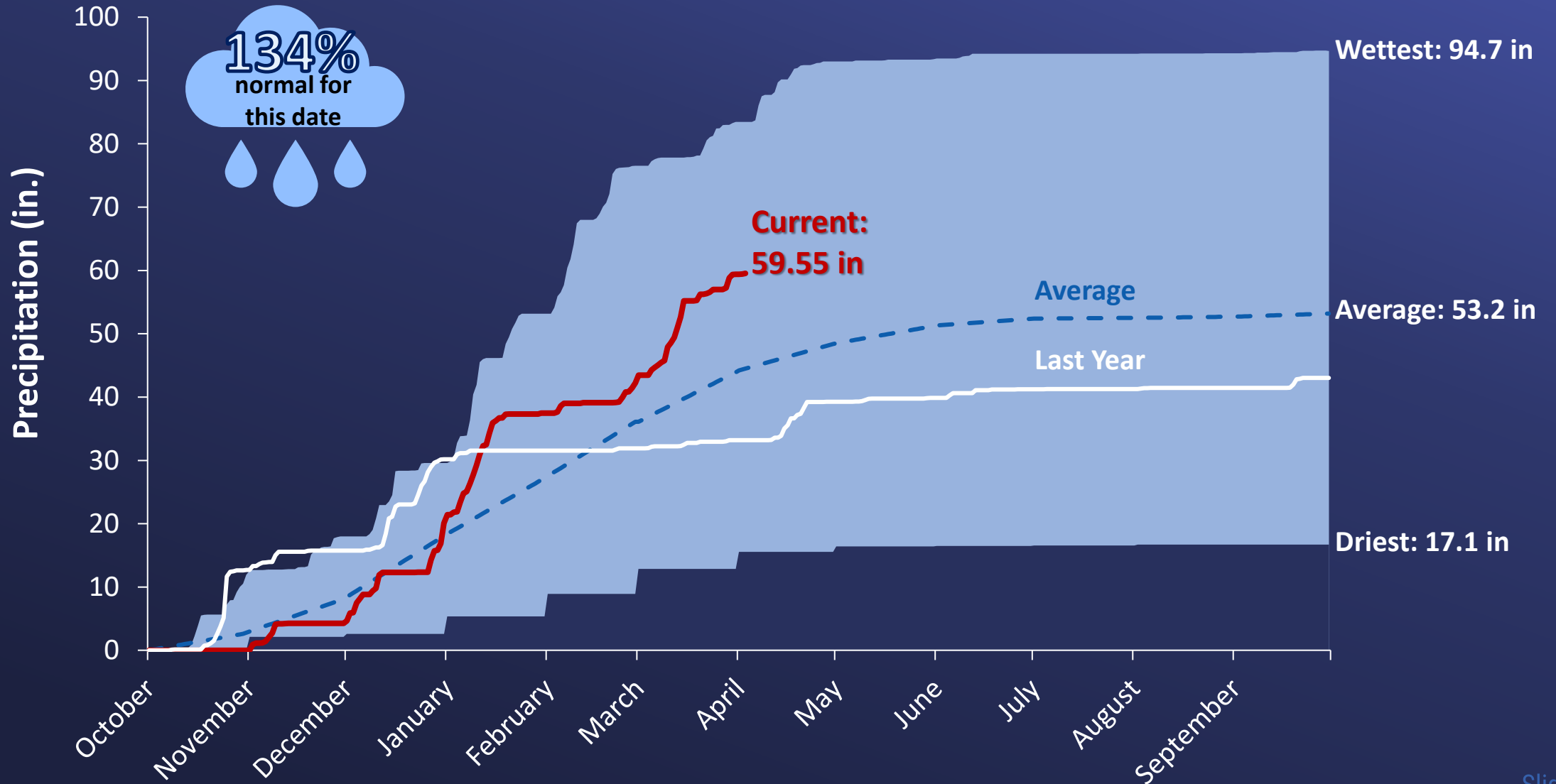
Near Record Snowpack for Upper Colorado River Basin

As of 04/03/2023



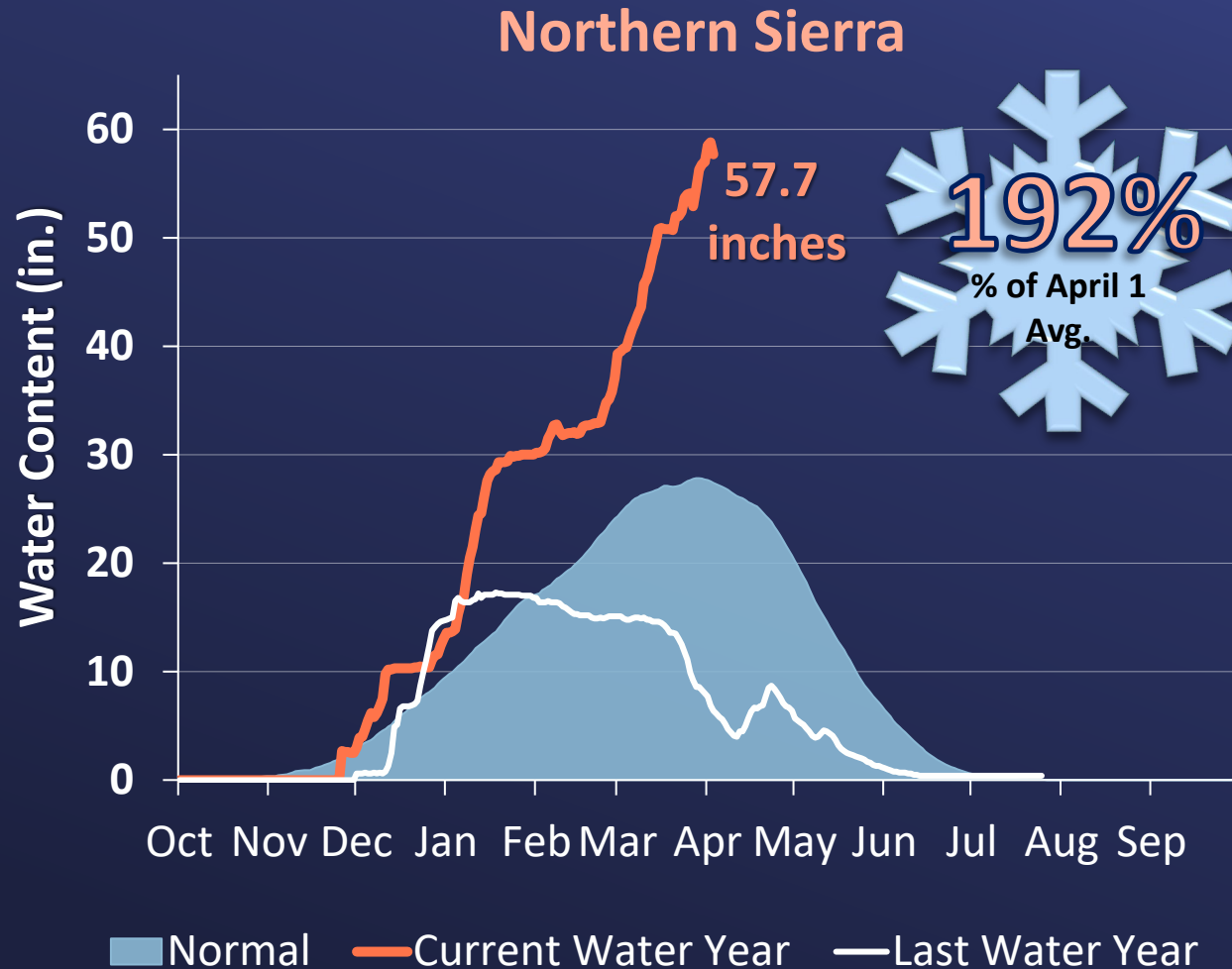
Northern Sierra Precipitation: 8 -Station Index

As of 04/03/2023



Near Record Snowpack for Northern Sierra

As of 04/03/2023



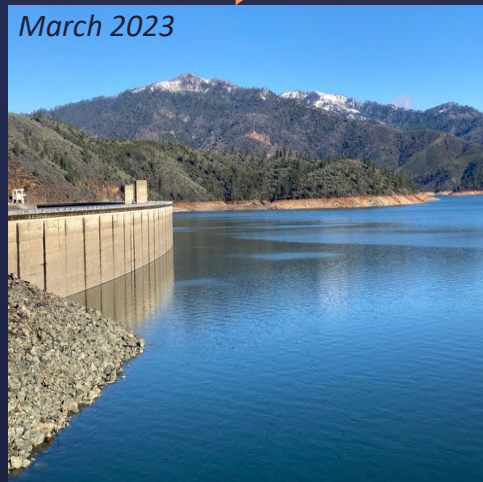
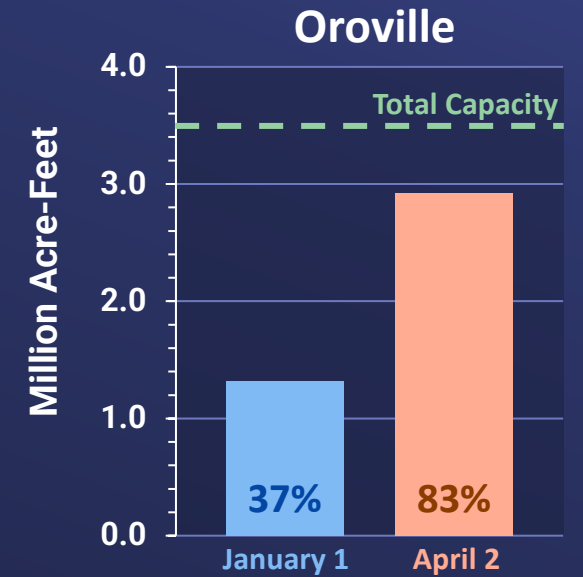
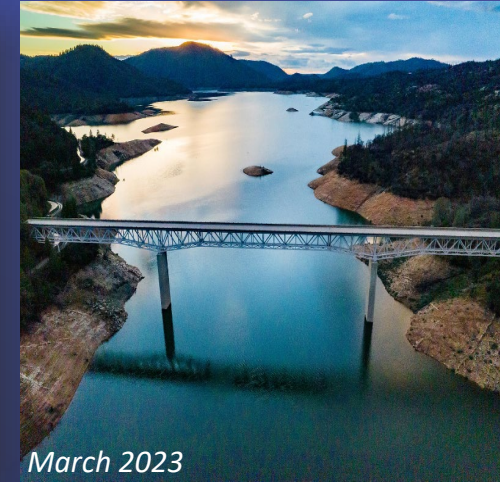
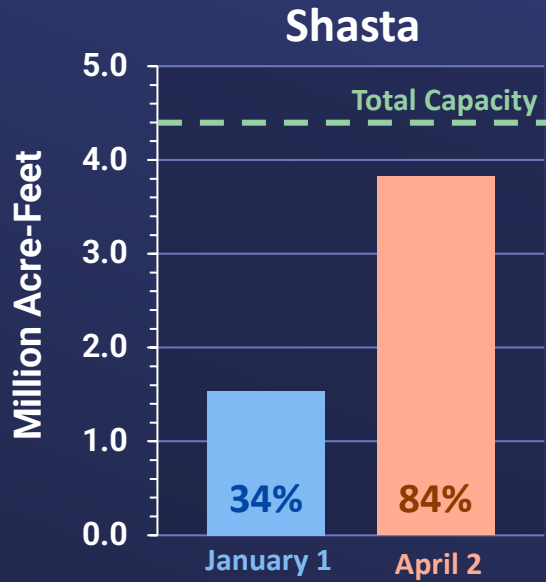
Credit: California Department of Water Resources

Significant Snowpack Gains throughout the Sierra Nevada

As of 04/03/2023



Major Water Systems are Improving by Capturing Winter Storms



Note: Displaying percent of total capacity.

DWR Continues Releases from Oroville Spillway



Credit: California Department of Water Resources



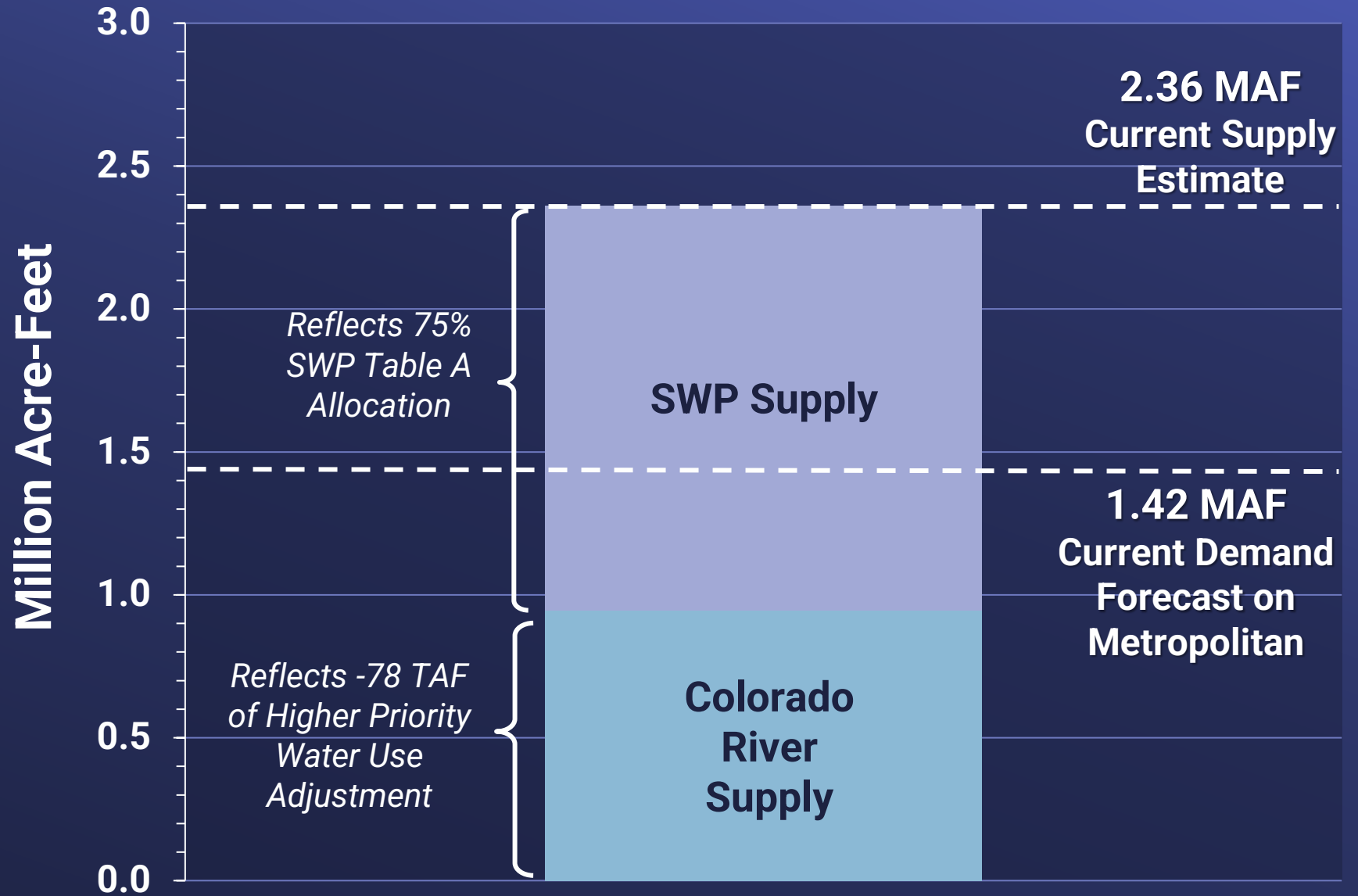
SWP Allocation Increasing as Major Water Systems Improve



* Current 2023 SWP Table A Allocation, as of March 24, 2023. Additional increases possible before 2023 SWP Table A Allocation is final.

2023 Water Supply Demand Balance

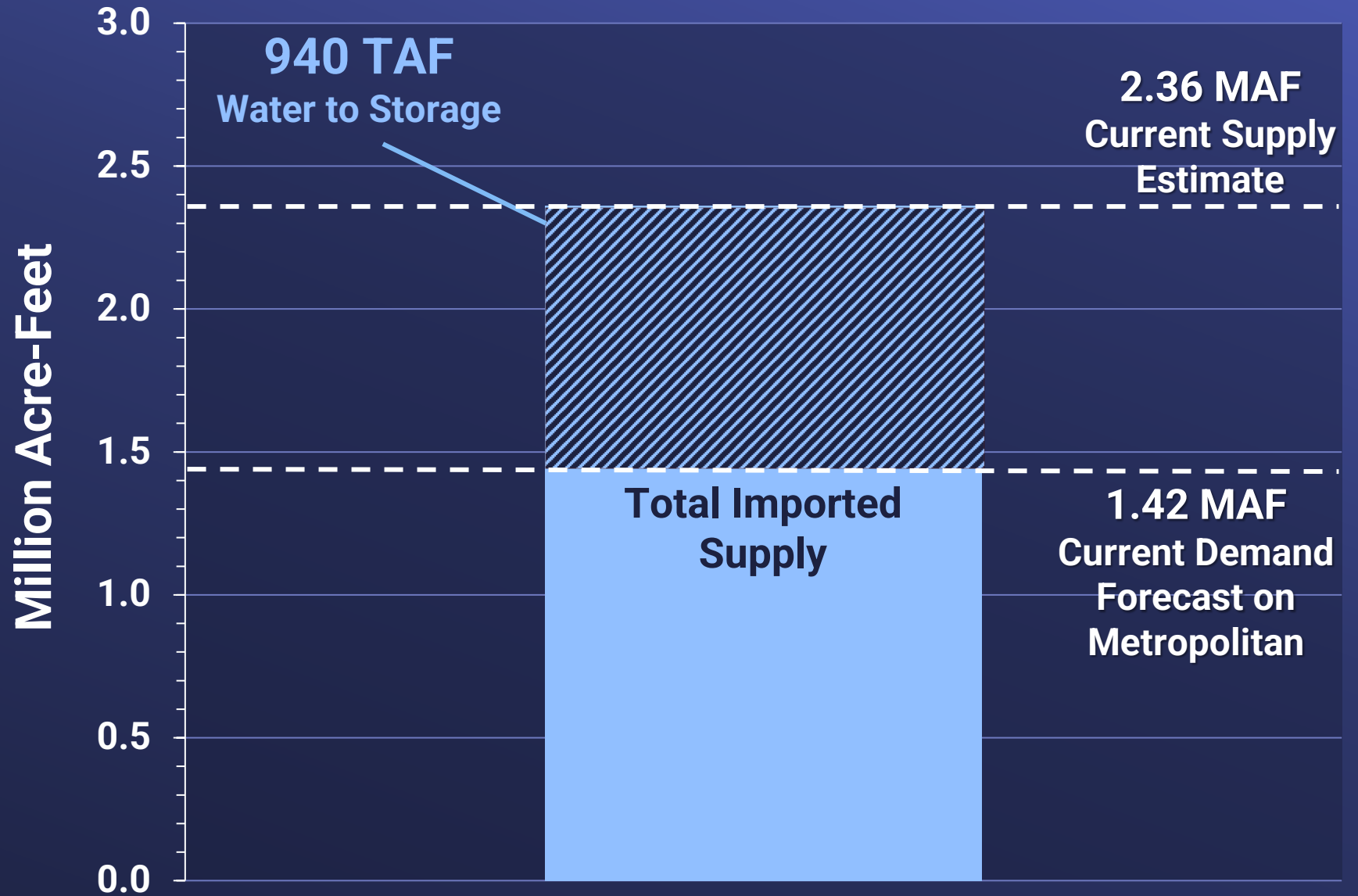
Improved Conditions Allow for Puts into Storage



Notes: 1) Demand includes deliveries to local storage & groundwater basins.
2) Puts to storage will increase as increases in SWP Table A Allocation and Article 21 supplies occur.
3) Data as of April 4, 2023.

2023 Water Supply Demand Balance

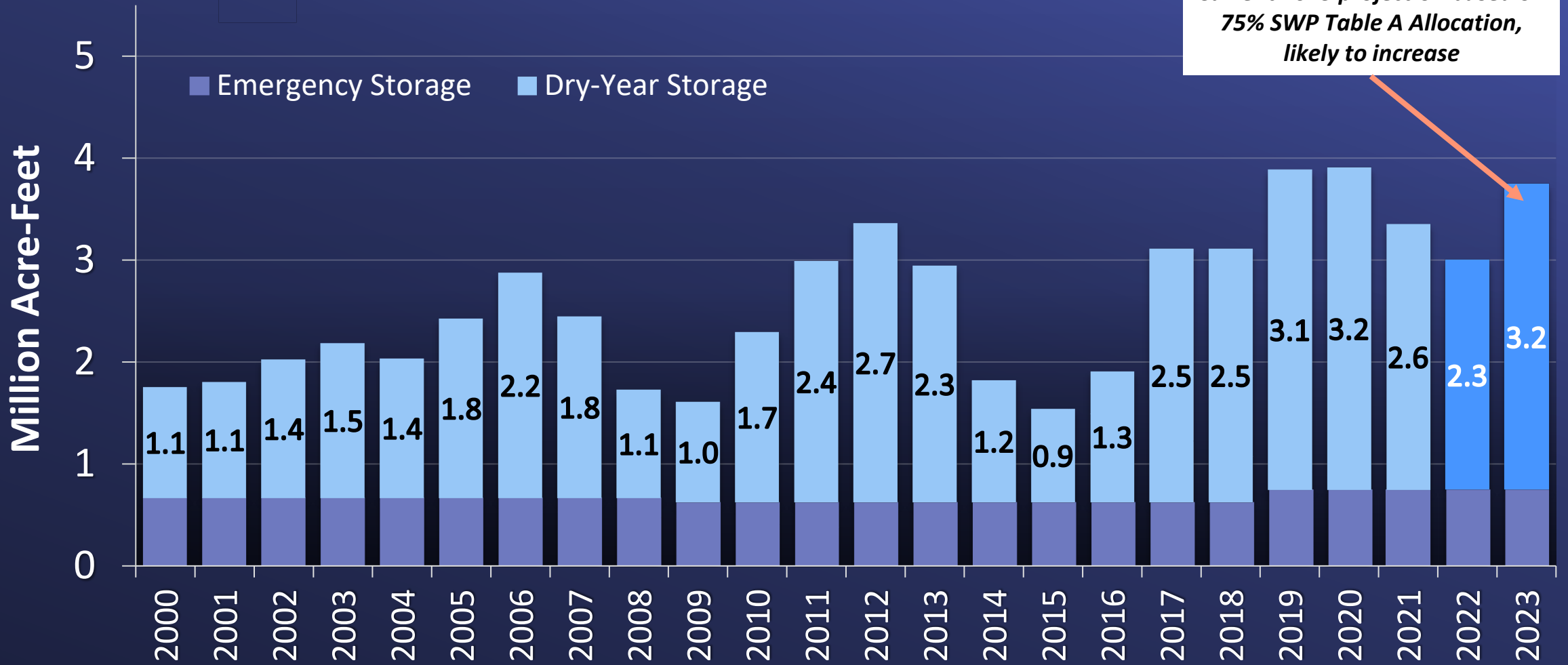
Improved Conditions Allow for Puts into Storage



Notes: 1) Demand includes deliveries to local storage & groundwater basins.
2) Puts to storage will increase as increases in SWP Table A Allocation and Article 21 supplies occur.
3) Data as of April 4, 2023.

Metropolitan Storage Levels

End of Year Balances



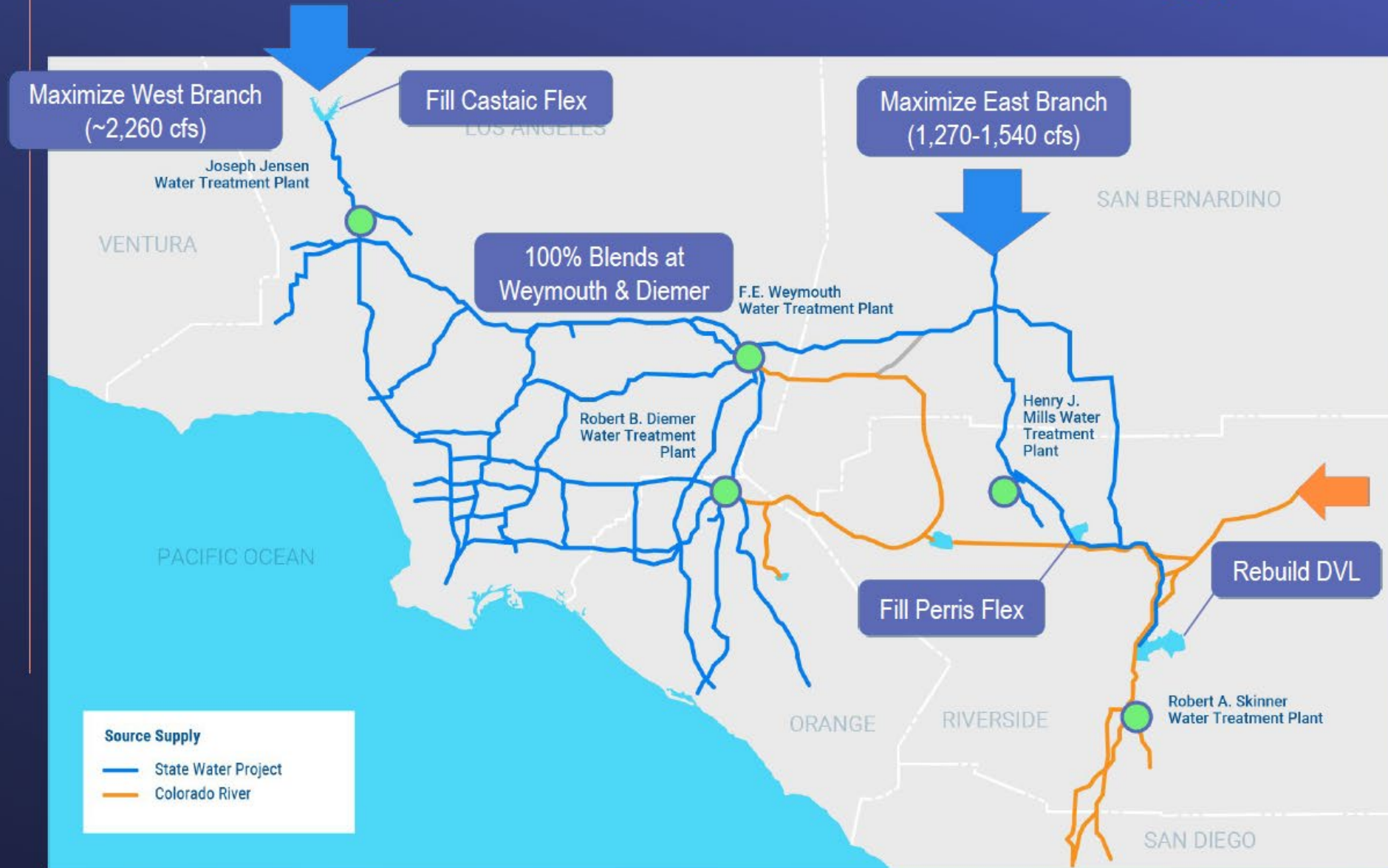
Note:

2022 and 2023 end of year balances are preliminary as they are subject to DWR adjustments and USBR final accounting.

Storage Workshop – April 6th

Maximizing SWP Use and Article 21 Supplies

Current
Surplus
Operations



Background

- Diverse portfolio of water storage facilities and agreements inside and outside the region
 - **Examples:**
 - Surface Storage
 - Groundwater Storage
 - Pre-delivery Accounts
- Metropolitan has tools to help manage supplies locally during wet and surplus years
 - Replenishment Deliveries
 - Conjunctive Use Program (CUP)
 - Cyclic Program (Cyclic)
 - Cyclic Cost Offset Program (CCOP)
- Efforts to maximize local capture of supplies
 - Additional member agency coordination

Discussion

- Are there other ways Metropolitan can help member agencies increase groundwater storage?
- Are there improvements to existing programs that could help increase groundwater stored locally?
- What challenges do you face that do not allow you to maximize storage in your groundwater basin?
- How can Metropolitan help in the future?



Thoughts or Questions?



DRAFT
**Resolution 3280 Implementing Water
Shortage Stage 1**

Anticipated Action in May 2023



STATE REFOCUSSES RESTRICTIONS

Allocation:

Dec 2022	Jan 2023	Feb 2023	March 2023
5%	30%	35%	75%

Changes

- Voluntary 15% water conservation target ends
- Ends requirement for local water agencies to implement Level 2 of drought contingency plans

Maintained

- Preserves current groundwater supply-focused emergency orders
- Maintains wasteful water use ban
- *Make conservation a way of life* message continues
- Maintains orders on watersheds remaining in drought such as Klamath River and Colorado River basins

Retains state of emergency for all 58 counties to allow for continued drought response and recovery efforts



WESTERN WATER – STAGE 1 RECOMMENDATION

Ordinance 394, adopted January 19, 2022

- Board of Directors, via Resolution, can change Stages at anytime
- Western has been in Stage 2 since 2017 under previous ordinance
- Ordinance 394 applies only to Western’s retail service area

Potential Stage 1 Recommendation – May 17th Board

- Voluntary Reduction of up to 10%
- Under Stage 1 – Water Supply Watch, customers are encouraged to:
 - Use water efficiently
 - Take advantage of Western’s water use efficiency programs
 - Mandates the implementation of several permanent water waste prohibitions, even when there is no foreseeable threat of a water shortage
 - Water waste is in violation of California Law at any stage

ROUNDTABLE ON SHORTAGE STAGES

Considering changing stages?

Timeline?

Special considerations?

Support needed?



Communication and Outreach

PUBLIC SENTIMENT



Matthew Griesinger @GriesiM... · 3/27/23 · ...
 How about we capture some of this precipitation and use it to drought-proof ourselves. Refilling our aquifers and reservoirs should be a priority.
 CC: @GavinNewsom
 23 likes 326 retweets

ITS ALL ABOUT WATER SUPPLY

Shifting approach based on evolving conditions

Key Messages

- **Acknowledge** current weather conditions and ongoing statewide water supply challenges
- **Appreciate customer efforts** to partner with us to get us through driest years on record
- **Educate on current water supply** conditions including boom or bust climate conditions
- **Share what our statewide system needs** and what Western Water is doing to advance statewide solutions
- **Retain targeted approach** by focusing on what customers can do to continue using water as efficiently as possible
- **Offer customer support programs** for continued water efficiency, which is our way of life in Southern California

STRATEGIES FOR BREAKING THROUGH

- Simplified messaging
- Acknowledge realities
- Values-based, data-driven
- Timely and relevant
- Empathy and humor that humanizes
- Use of interactive, visual content
- Experimentation of tactics
- Coordinate voices



TIK TOK



LIFE ISN'T THE SAME WITHOUT WATER



Water supply conditions



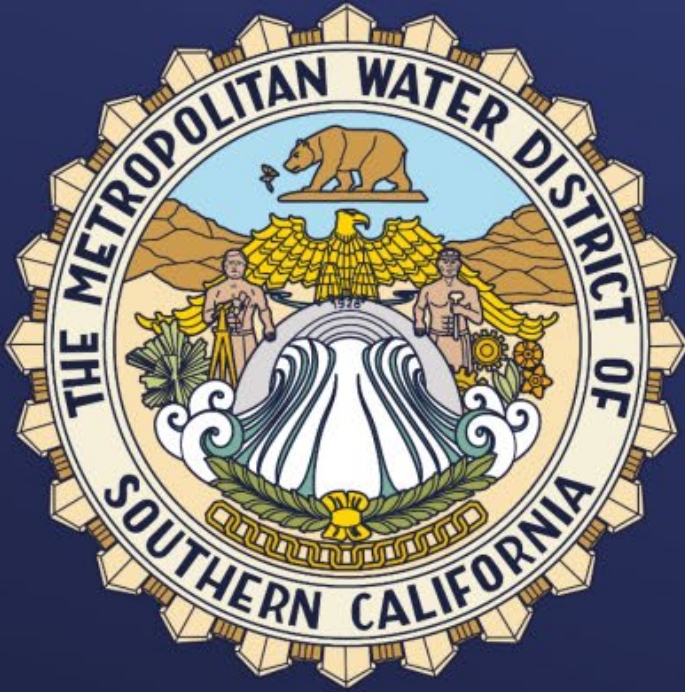
Just use less



Climate change and water management solutions

Questions





Finance, Audit, Insurance, and Real Property Committee

Approve Resolutions Fixing and Adopting the Readiness-to-Serve (RTS) Charge and Capacity Charge for 2024

Item 7-9
April 11, 2023

Background

- April 11, 2022:
 - Board adopted charges for Calendar Year (CY) 2023
 - Readiness-to-Serve (RTS) charge set at \$154M
 - Capacity charge set at \$10,600 per cubic foot per second (CFS)
 - Board approved biennial budget for Fiscal Years (FYs) 2022/23 and 2023/24, with revenue assumptions from charges for CY 2024, as follows:
 - RTS charge set at \$167M
 - Capacity charge set at \$11,200 per CFS
- FYs 2022/23 & 2023/24 Cost of Service Report Published May 2022 to support 2023 & 2024 RTS & Capacity Charge.

Fixed Charges Determinations

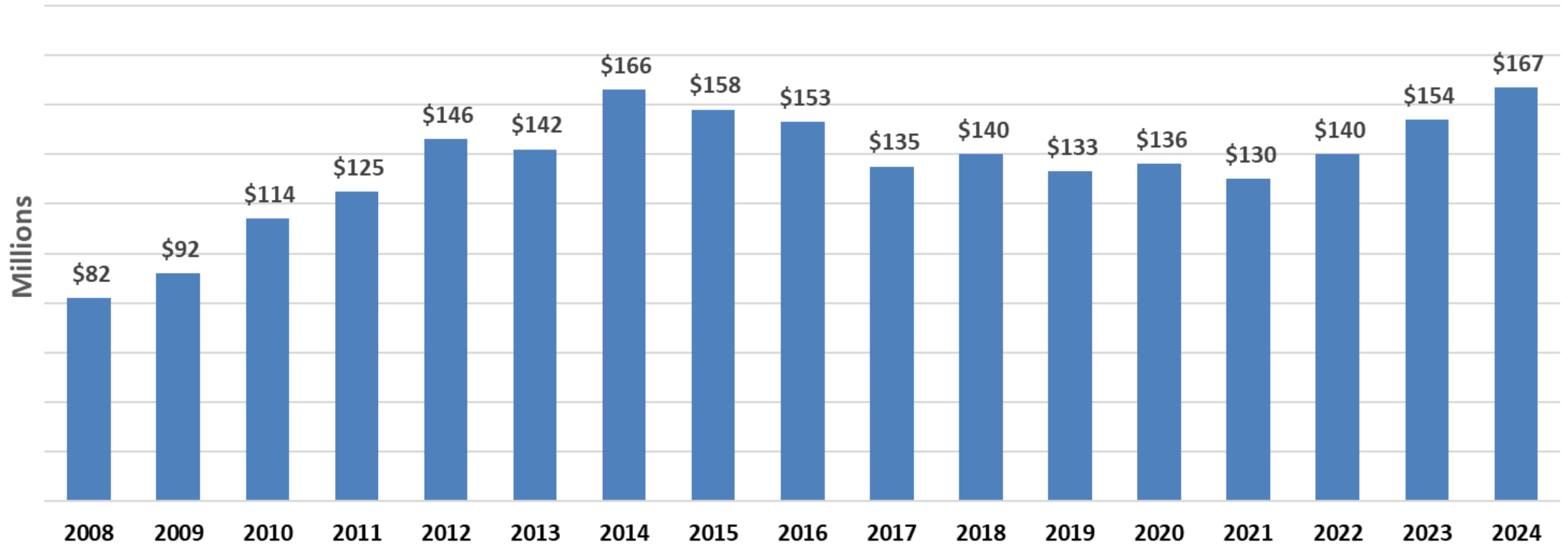
RTS charge recovers capital costs of the portion of Metropolitan's system available for emergency service and available capacity during outages and hydrologic variability

- RTS charge for CY 2024 allocated to member agencies based on their ten-year rolling average firm demands for Fiscal Year (FY) 2012/13 to FY 2021/22

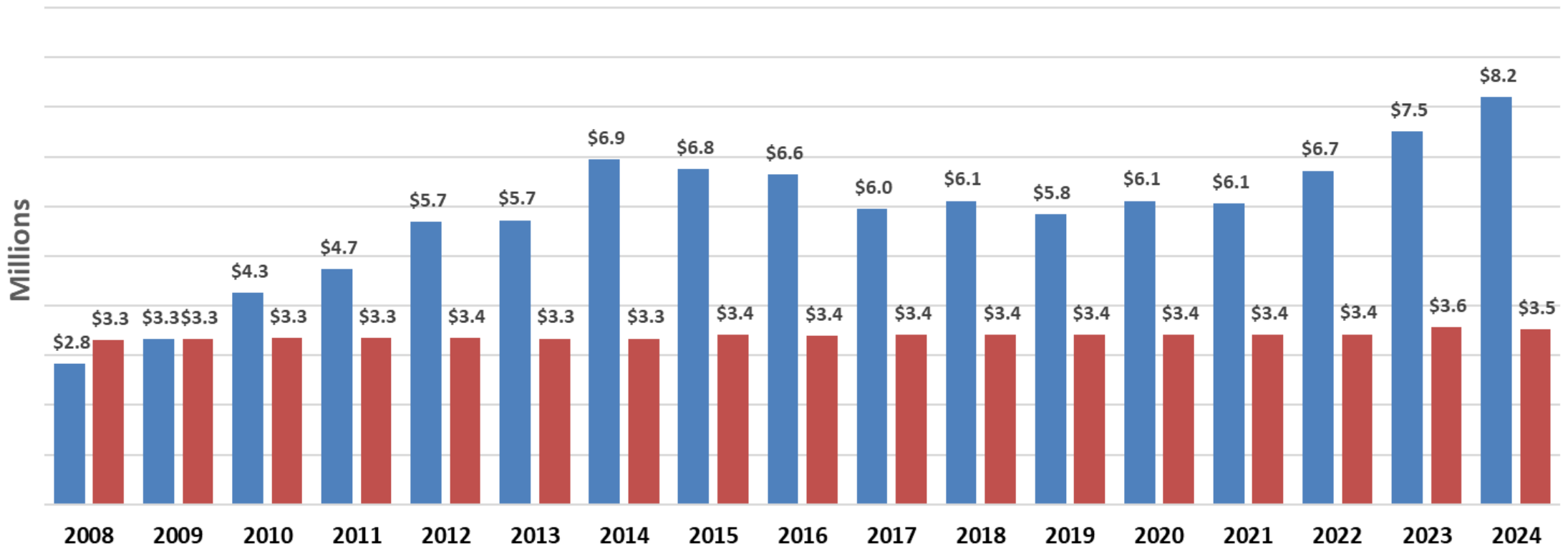
Capacity charge recovers capital costs of the portion of Metropolitan's system for peaking capacity

- Capacity charge for CY 2024 charged on the member agencies' peak day demand between May and September for 2020 to 2022

MWD CY Readiness-to-Serve (RTS) Charge Collected from All Members



Western Share of CY RTS Charge & Standby Revenue Offset



MWD's RTS Charge total increased by 8.4% over CY 2023; Western's share increased 9.3%. However, the CY 2024 Net RTS Charge (RTS minus Standby Revenue offset) grew 19%.

Thank you



April 20, 2023

Board of Directors
Temescal Valley Water District

Re: Water and Sewer Operations – March 2023

Dear Board Members:

Temescal Valley Water District operations personnel perform the following tasks on a regular and routine basis:

- Managed 136.79 acre-feet of water through system.
- Collected weekly potable water samples as required by the State Water Resources Control Board, Division of Drinking Water.
- Collected routine wastewater monitoring samples as required by Regional Water Quality Control Board.
- Submitted monthly SMR and Report to the Regional Water Quality Control Board for: Temescal Valley Wastewater Reclamation Facility.
- Submitted monthly reports to the State Water Resources Control Board, Division of Drinking Water for: TVWD distribution system monitoring.
- Meters read 6,611.
- 2 shut off.
- Responded to 99 service calls.
- Installed 17 meters for the various developers.
- Responded to 84 USA Dig Alerts to mark District underground utilities.

In addition to the above regular and routine tasks we also performed the following operational tasks.

- 0 loads of biosolids were hauled off this month.
- We had the district facilities sprayed with pre-emergent as part of our annual weed abatement.
- We lights installed in our warehouse and started the process of moving inventory into racks.

- Second storm water sample pulled.
- We brought in a crane company to pull our FEB pumps for annual maintenance. After cleaning, staff placed the pumps back in service.
- Digester Blower #4 back in service.
- Preventative maintenance performed on SBR blowers, Barscreen and odor control fans.
- Staff supervised the replacement of a 100-amp breaker at Leroy Sewer Lift Station.
- We brought in a vactor service company to clean all sewer lift stations.

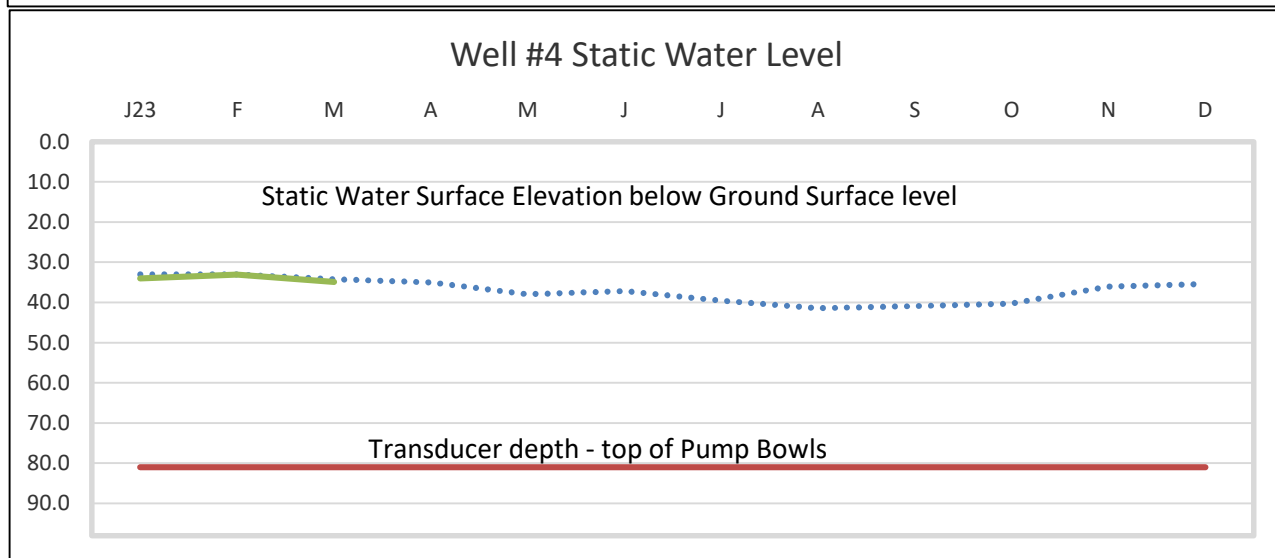
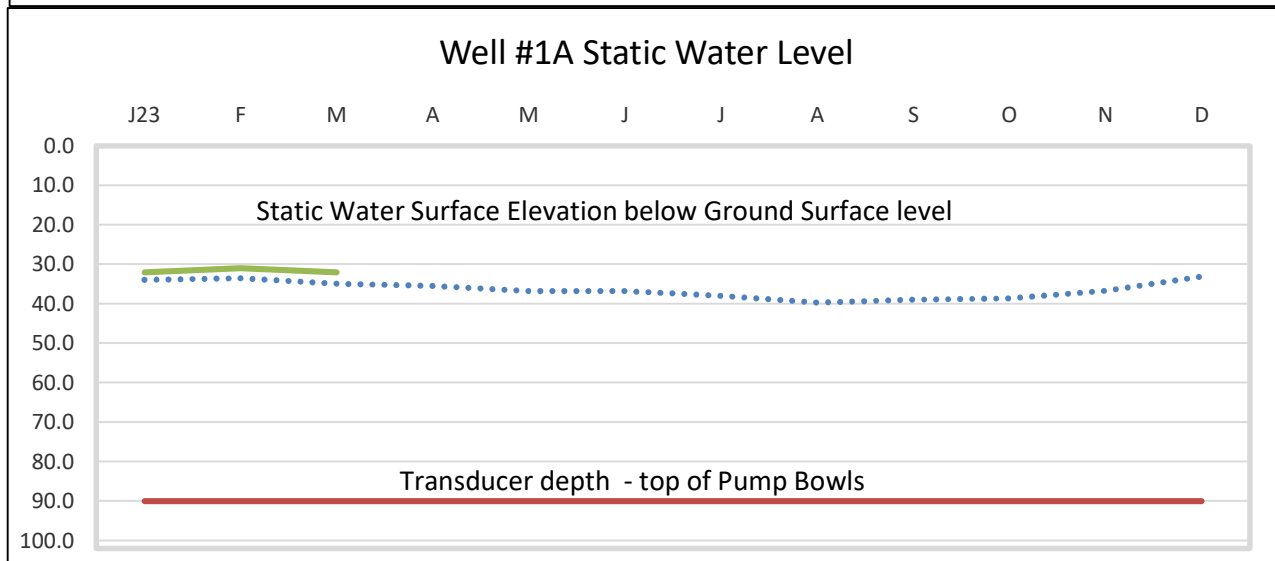
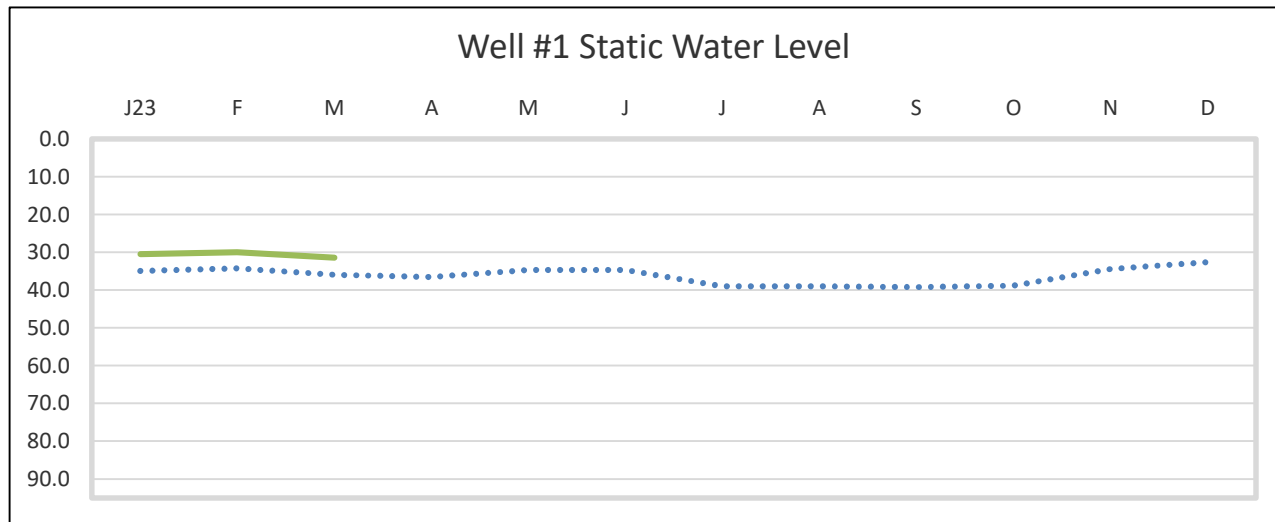
Sincerely,

Paul Bishop, Superintendent

12 month data of wells 1A, 4, and Static

Top of each chart (0) is ground level

All measurements are from ground level to water surface



**TEMESCAL VALLEY WATER DISTRICT
ENGINEERING DEPARTMENT**

DISTRICT ENGINEER'S MONTHLY REPORT

Date: April 21, 2023
To: Jeff Pape, General Manager
From: Justin Scheidel, District Engineer
Subject: Engineering Activities Update for the Month of April 2023

Following is a summary of the status of current engineering projects:

PLAN CHECKING & DEVELOPER RELATED PROJECTS

Terramor (10555-17 Tracts 38051-1, 2, and 3): Mylars have been signed and are ready for construction.

Track 37155: Mylars have been signed and are ready for construction.

Temescal Canyon Road Commerce Center (Rinker Property): Provided a preliminary review of the Temescal Canyon Road utility relocation plans which are required to realign the road just east of I-15. The proposed relocations are currently being reviewed by the General Manager for overall compliance.

AS-NEEDED ENGINEERING SERVICES

Status

General Engineering Initiated During FY 2022/23

Project 1401.2201:	As-Needed Potable Water Engineering for FY 2022/23: Development of the district engineering report and attendance of the District's board meeting.
Project 1401.2202:	As-Needed Wastewater Engineering for FY 2022/23: Conducted as-built research for various projects to be designed by developers and other municipalities.
Project 1401.2203:	As-Needed Non-Potable Water Engineering for FY 2022/23: Conducted as-built research for various projects to be designed by developers and other municipalities.
Project 1401.2204:	Potable Water Studies for FY 2022/23: No activity this month.
Project 1401.2205:	GIS/Map Updates for FY 2022/23: No activity this month.
Project 1401.2206:	Wastewater Studies for FY 2022/23: No activity this month.

CAPITAL IMPROVEMENT PROJECTS

Status

Project 1401.2008: DWR LAM Validation: The second batch of information provided by DWR has been reviewed, corrected, and returned to DWR for processing. We are currently waiting on direction from DWR regarding the next steps.

90% Complete

Project 1401.2009: Manhole Rehabilitation Project: This project is currently on hold.

Project 1401.2207: Wildrose Reservoir Design: The 90% design has been completed and reviewed by the General Manager. The project is currently under internal review and edits will be made as required to place the project out to public bid.

95% Complete

Project 1401.2208: Sludge Study: Sampling event No. 1 and the resulting data analysis has been completed. The results have been used to create a model of each treatment process within the WWTP. A draft report has been developed to describe results of the model. The model and draft report will be updated in the coming month to include data from Sampling event No. 2.

50% Complete

Project 1401.2209: Recycled Water Conversion Study: Projects 3, 4, 5, 6, 7, 8, and 9 were placed out to public bid and the bid opening was held on 4/20/23. Attached to this report is a letter which further details the project, and requests further board action.

85% Complete

MEMORANDUM

DATE: April 21, 2023
TO: Board of Directors
Temescal Valley Water District
FROM: District Engineer
SUBJECT: Ad-hoc Committee to Review the Submitted Bid

BACKGROUND

With the goal of reducing potable water consumption throughout the District, a preliminary assessment of the current potable water irrigation meters was conducted to determine the feasibility of converting these meters to the non-potable water system. This assessment identified the ten most feasible projects consisting of:

- Project 1: The Retreat Recycled Conversion and Booster Pump Replacement
- Project 2: The Medical Center/TVWD Recycled Water Pipeline
- Project 3: The Wildrose Business Park Recycled Water System Extension
- Project 4: The Wildrose Community Park Recycled Conversion Project
- Project 5: The Wildrose Ranch HOA Irrigation Conversion
- Project 6: The Todd Academy School Yard Conversion
- Project 7: The Sycamore Creek Community Park Conversion
- Project 8: The Sycamore Creek Fire Station Recycled Conversion
- Project 9: The Sycamore Creek HOA Recycled Water Conversion
- Project 10: The Trilogy HOA Agricultural Water Conversion

The design for projects 3, 4, 5, 7, 8, and 9 have been completed, the projects were combined into a single biddable document and placed out to public bid. The public bid opening was held on 4/20/23 and a total of four bids were received which are summarized below:

Weka Inc:	\$783,063.00
Advanced Construction Services	\$869,590.00
KIP Incorporated	\$899,095.00
TE Roberts Inc.	\$1,709,989.00

As demonstrated above, the lowest responsive bidder for the project was Weka Inc. with a total bid amount of \$783,063. The architecture of the bid documents allows the District to include or remove the individual projects identified above from the larger construction project at their discretion. This allows the District to determine which projects are suitable for construction based on budgets, projects costs for construction, cost per acre-foot converted, and potential funding support from other sources.

RECOMMENDATION

The Board assign an ad-hoc committee to review funding sources, determine which projects to include in the overall construction project, and award the projects that are viable and cost efficient to Weka Inc.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Justin Scheidel". The signature is fluid and cursive, with the first name "Justin" being more prominent than the last name "Scheidel".

Justin Scheidel
District Engineer

BID PROPOSAL

PROPOSAL TO: TEMESCAL VALLEY WATER DISTRICT

The undersigned bidder hereby proposes to furnish all labor, materials, equipment, tools, and services necessary to perform all work required under the Bidding Schedule(s) of the Owner's Specifications entitled:

2023 NON-POTABLE CONVERSION PROJECT

In accordance with the intent of said Specifications, Drawings and all addenda issued by said Owner prior to opening of the proposals.

Said bidder agrees that, within 10 working days after receipt of the contract from said Owner, he will execute said contract in the required form, of which the Notice Inviting Bids, Instructions to Bidders, Proposal, Information Required of Bidder, Specifications, Drawings, and all addenda issued by said Owner prior to opening of proposals, are a part, and will secure the required insurance and bonds and furnish the required insurance certificates, and that upon failure to do so within said time, then the proposal guarantee furnished by said bidder shall be forfeited to said Owner as liquidated damages for such failure; provided, that if said bidder shall execute the contract, secure the required insurance and bonds, and furnish the required insurance certificates within said time, his check, if furnished, shall be returned.


Said bidder fully understands the scope of the work and has checked carefully all words and figures inserted in the Bid and he/she further understands that the Owner will in no way be responsible for any errors or omissions in the preparation of this Bid.

The undersigned is licensed in accordance with the Laws of the State of California:

License: CSLB Number: 670100 Class: A

Said bidder further agrees to complete all work required under the contract within the time stipulated in said Specifications, and to accept in full payment therefore the price(s) named in the above-mentioned Bidding Schedule(s).

Dated: 4-18-23

WEKA Inc.
(Bidder)


(Signature)

BID SCHEDULE OF UNIT PRICES

TEMESCAL VALLEY WATER DISTRICT

2023 NON-POTABLE CONVERSION PROJECT

Bid Schedule shall be complete in its entirety or will be rejected.

Refer to Section 01025 – Measurement and Payment for definition of Bid Line Items

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
1. BASE CONTRACT				
1. General Requirements	1	LS	LS	\$ <u>6,903.00</u>
2. Mobilization/Demobilization (Not to exceed 5% of Contract)	1	LS	LS	\$ <u>35,000.00</u>
3. Excavation Safety Measures	1	LS	LS	\$ <u>2,800.00</u>
4. All Work Required to Complete the Wildrose Business Park Conversion	1	LS	LS	\$ <u>208,413.00</u>
5. All Work Required to Complete the Wildrose Community Park Conversion	1	LS	LS	\$ <u>72,895.00</u>
6. All Work Required to Complete the Wildrose Ranch HOA Conversion	1	LS	LS	\$ <u>115,953.00</u>
7. All Work Required to Complete the Sycamore Creek Community Park Conversion	1	LS	LS	\$ <u>211,249.00</u>
8. All Work Required to Complete the Sycamore Creek Fire Station Conversion	1	LS	LS	\$ <u>49,117.00</u>
9. All Work Required to Complete the Sycamore Creek HOA Conversion	1	LS	LS	\$ <u>79,233.00</u>
10. As-built, Record Drawings and O&M Manuals	1	LS	LS	\$ <u>1,000.00</u>
11. All other Work Required to Complete the Project	1	LS	LS	\$ <u>500.00</u>
TOTAL – SCHEDULE OF UNIT PRICES				\$ <u>783,063.00</u>

The project will only be awarded to one contractor who is the lowest responsive bidder based on the total project cost included on this bid proposal form. The district reserves the right to award all of the project sites, or individual selected sites, as deemed necessary by the District. The contractor shall bid each project site as a standalone project which can be removed from the overall project without affecting the price or production required to construct the other sites.

BID BOND

KNOW ALL MEN BY THESE PRESENTS,

That Weka, Inc. as Principal,
and Markel Insurance Company as Surety, are

held and firmly bound unto Temescal Valley Water District
hereinafter called Owner, in the sum of Ten percent (10%) of the total amount bid by the Principal
dollars, (not less than ten percent of the total bid amount) for the payment of which sum well and truly to
be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and
severally, firmly by these presents.

WHEREAS, said Principal has submitted a bid to said Owner to perform all work required under the
Bidding Schedule(s):

Items 1-11

of the Owner's Specifications entitled Contract Documents and Specifications for

2023 NON-POTABLE CONVERSION PROJECT

NOW THEREFORE, if said Principal is awarded a contract by said Owner and, within the time and in the
manner required under the heading "Instructions to Bidders" bound with said Specifications, enters into a
written contract on the form of agreement bound with said Specifications and furnishes the required
bonds, one to guarantee faithful performance and the other to guarantee payment for labor and materials,
then this obligation shall be null and void, otherwise it shall remain in full force and effect. In the event
suit is brought upon this bond by said Owner and judgment is recovered, said Surety shall pay all costs
incurred by said Owner in such suit, including a reasonable attorney's fee to be fixed by the court.

SIGNED AND SEALED, this 18th day of April, 2023.

Weka, Inc. (SEAL) Markel Insurance Company (SEAL)
(Principal) (Surety)

By: [Signature] By: Shannon Lopez
(Signature) (Signature) Attorney-in-Fact

(SEAL AND NOTARIAL ACKNOWLEDGMENT OF SURETY)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

State of California

County of San Bernardino

On April 18, 2023 before me Beth D. Kolpien, Notary Public.

personally appeared Shannon Lopez

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Beth D. Kolpien (Seal)



JOINT LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SureTec Insurance Company, a Corporation duly organized and existing under the laws of the State of Texas and having its principal office in the County of Harris, Texas and Markel Insurance Company (the "Company"), a corporation duly organized and existing under the laws of the state of Illinois, and having its principal administrative office in Glen Allen, Virginia, does by these presents make, constitute and appoint:

George A. DeCristo, Shannon Lopez, Beth Kolpien, Epi Carter, Samantha Orf

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on their own behalf, individually as a surety or jointly, as co-sureties, and as their act and deed any and all bonds and other undertaking in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

Fifty Million and 00/100 Dollars (\$50,000,000.00)

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolutions adopted by the Board of Directors of SureTec Insurance Company and Markel Insurance Company:

"RESOLVED, That the President, any Senior Vice President, Vice President, Assistant Vice President, Secretary, Assistant Secretary, Treasurer or Assistant Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the SureTec Insurance Company and Markel Insurance Company, as the case may be, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Markel Insurance Company and SureTec Insurance Company have caused their official seal to be hereunto affixed and these presents to be signed by their duly authorized officers on the 14th day of December, 2022.

SureTec Insurance Company

By: [Signature]
Michael C. Keimig, President



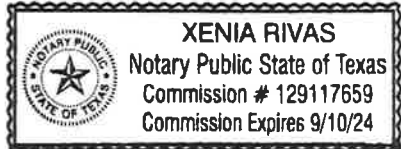
Markel Insurance Company

By: [Signature]
Lindey Jennings, Vice President

State of Texas
County of Harris:

On this 14th day of December, 2022 A. D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICERS OF THE COMPANIES, to me personally known to be the individuals and officers described in, who executed the preceding instrument, and they acknowledged the execution of same, and being by me duly sworn, disposed and said that they are the officers of the said companies aforesaid, and that the seals affixed to the proceeding instrument are the Corporate Seals of said Companies, and the said Corporate Seals and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said companies, and that Resolutions adopted by the Board of Directors of said Companies referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



By: [Signature]
Xenia Rivas, Notary Public
My commission expires 9/10/2024

We, the undersigned Officers of SureTec Insurance Company and Markel Insurance Company do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, we have hereunto set our hands, and affixed the Seals of said Companies, on the 18th day of April, 2023.

SureTec Insurance Company

By: [Signature]
M. Brent Beaty, Assistant Secretary

Markel Insurance Company

By: [Signature]
Andrew Marquis, Assistant Secretary

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino)

On April 19, 2023 before me, Kari Saputo, Notary Public
(insert name and title of the officer)

personally appeared Jared Himle
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kari Saputo (Seal)



INFORMATION REQUIRED OF BIDDER

2023 NON-POTABLE CONVERSION PROJECT

GENERAL INFORMATION

The bidder shall furnish the following information. Additional sheets may be attached if necessary.

1. Contractor's Name and Address:
WEKA, Inc.
236 W Orange Show Rd., Suite 114
San Bernardino, CA 92408
2. Type of Firm (check One):
Individual _____
Partnership _____
Corporation X
3. Telephone: (909)-425-8700
4. Contractor's license: Classification A No. 670100
5. Names and titles of all owners/officers of the firm:
Jared Himle - President & CEO
Trent Himle - Vice President & Secretary
6. Number of years as a contractor in construction work of this type: 30 Years
7. Answer the three (3) questions below and submit a brief description of the character of the work previously executed as required in the Instructions to Bidders as well as the locations of the major projects, giving the year in which it was done, the manner of its execution, name, telephone number, and address of owner, overall cost when constructed, and such other information as will tend to show ability to prosecute vigorously the work required by this Specification. Attach additional sheets if necessary. *Please see attached Project List.*
 1. Have you or any of your subcontractors been determined to have committed any serious or willful violations of Part 1 (commencing with Section 6300) of Division 5 of the Labor Code during the past five (5) years? No If yes, explain.
N/A
 2. What are the most recent workers' compensation experience modification factors for your firm and each of the proposed subcontractors?
WEKA Inc. .70 for 2023

3. Have you and each of the proposed subcontractor(s) adopted injury prevention programs under Section 3201.4 or 6401.7 of the California Labor Code?

Yes

8. Person who inspected site of the proposed work for your firm:

Name: Steve Miller Date of Inspection: 4-18-23

9. Proposed Project Manager

Name: Neil Kaufman

Qualifications: Please see attached Resumes.

10. NOTE: If required by the Owner, the bidder shall furnish a notarized financial statement, references, resume of superintendent, and other information sufficiently comprehensive to permit an appraisal of his current financial condition.

INFORMATION REQUIRED OF BIDDER

2023 NON-POTABLE CONVERSION PROJECT

LIST OF SUBCONTRACTORS

The bidder shall list below the name and business address of each subcontractor who will perform work under this contract in excess of one-half percent of the total bid price and shall also list the portion of the work which will be done by such subcontractor. After opening proposals, no changes or substitutions will be allowed without the written approval of the Owner.

Aggregate total of all subcontractors shall not exceed fifty percent (50%) of the total contract price.

1. Subcontractor's Name & Address:

N/A

Work to be performed:

2. Subcontractor's Name & Address:

Work to be performed:

3. Subcontractor's Name & Address:

Work to be performed:

4. Subcontractor's Name & Address:

Work to be performed:

5. Subcontractor's Name & Address:

Work to be performed:

6. Subcontractor's Name & Address:

Work to be performed:

7. Subcontractor's Name & Address:

Work to be performed:

8. Subcontractor's Name & Address:

Work to be performed:

Note: Attach additional sheets if required.

INFORMATION REQUIRED OF BIDDER

2023 NON-POTABLE CONVERSION PROJECT

NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA

COUNTY OF San Bernardino

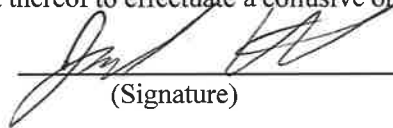


NON-COLLUSION AFFIDAVIT

Jared Himle, being first duly sworn, deposes and says that
(Name of Affiant)

he/she is President & CEO of WEKA Inc.
(Title) (Name of Bidder)

the party making the foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.



(Signature)

Jared Himle

(Typed Name)

SUBSCRIBED BEFORE ME on this _____ day of _____ 2023.

(SEAL)

See Attached

Notary Public

Commission Expires: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino

Subscribed and sworn to (or affirmed) before me on this 19th
day of April, 2023, by Jared Himle

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature Kari Saputo

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

2023 NON-POTABLE CONVERSION PROJECT

FOR THE TEMESCAL VALLEY WATER DISTRICT

If this bid is due on or after March 1, 2015, then pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Bidder hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.

Name of Bidder: WEKA Inc.

DIR Registration Number: 1000003472

Bidder further acknowledges:

1. Bidder shall maintain a current DIR registration for the duration of the project.
2. Bidder shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Bidder WEKA Inc.

Signature 

Name and Title Jared Himle - President & CEO

Dated 4-18-23

Registration Number	Legal Entity Name	Registration Start Date	Registration Expiration Date	Status	Mailing Address	DBA Name	Craft Name
1000003472	WEKA, INC.	7/1/2022	6/30/2023	Active	236 W. Orange Show Road #114 San Bernardino United States of America 92408-2036		Teamster, Laborer, Operating Engineer

IRAN CONTRACTING ACT CERTIFICATION

(Public Contract Code section 2200 et seq.)

2023 NON-POTABLE CONVERSION PROJECT

FOR THE TEMESCAL VALLEY WATER DISTRICT

As required by California Public Contract Code section 2204, the Contractor certifies subject to penalty for perjury that the option checked below relating to the Contractor's status in regard to the Iran Contracting Act of 2010 (Public Contract Code section 2200 *et seq.*) is true and correct:

- The Contractor is not:
 - (i) identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code section 2203; or
 - (ii) a financial institution that extends, for 45 days or more, credit in the amount of \$20,000,000 or more to any other person or entity identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code section 2203, if that person or entity uses or will use the credit to provide goods or services in the energy sector in Iran.
- Agency has exempted the Contractor from the requirements of the Iran Contracting Act of 2010 after making a public finding that, absent the exemption, Agency will be unable to obtain the goods and/or services to be provided pursuant to the Contract.
- The amount of the Contract payable to the Contractor for the Work does not exceed \$1,000,000.

Name of Bidder WEKA Inc.

Signature



Name and Title Jared Himle - President & CEO

Dated

4-18-23

Note: In accordance with Public Contract Code section 2205, false certification of this form shall be reported to the California Attorney General and may result in civil penalties equal to the greater of \$250,000 or twice the Contract Price, termination of the Contract and/or ineligibility to bid on contracts for three years.



CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE



License Number **670100**
Business Name **WEKA INC**

Entity **CORP**

Classification(s) **A**

Expiration Date **04/30/2025**



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