



East Valley Water District
Community Facilities District No. 2021-1
(Mediterra)

Special Tax & Bond Accountability Report
Fiscal Year 2022/2023

KOPPEL & GRUBER
PUBLIC FINANCE

334 Via Vera Cruz, Suite 256
San Marcos, California 92078
760-510-0290
info@kgpf.net

Prepared for:

East Valley Water District
31111 Greenspot Road
Highland, CA 92346
T. 909.889.9501

District Administration

Brian Tompkins, Chief Financial Officer
Rudy Guerrero, Finance Supervisor
31111 Greenspot Road
Highland, CA 92346
T: 909.889.9501

Special Tax Administrator

Koppel & Gruber Public Finance
Scott Koppel / Nick Farrel
334 Via Vera Cruz, Suite 256
San Marcos, CA 92078
T. 760.510.0290
F. 760.510.0288

TABLE OF CONTENTS

BACKGROUND.....	1
SECTION I. SUMMARY.....	2
SECTION II. BOND PROCEEDS	3
SECTION III. SPECIAL TAX COLLECTIONS AND EXPENDITURES.....	4
SECTION IV. EXPENDITURES TO FUND AUTHORIZED FACILITIES	5

BACKGROUND

The Local Agency Special Tax and Bond Accountability Act (“Accountability Act”) was enacted by California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. According to the requirements of the Accountability Act (*Sections 50075.1 and 53410 of the Government Code of the State of California*), an annual report must be filed by the local agency levying a special tax and/or issuing a bond measure on or before each January 1, commencing January 1, 2001 and shall contain a description of the following:

- (1) The amount of funds collected and expended to fund authorized facilities.
- (2) The status of any project required or authorized to be funded by the special tax and/or bond measure.

The report is being prepared for Community Facilities District No. 2021-1 (Mediterra) (“CFD No. 2021-1” or “CFD”) of the East Valley Water District (“District”) for fiscal year ended June 30, 2023 pursuant to and in accordance with the requirements outlined in the Accountability Act.

SECTION I. SUMMARY

On October 13, 2021, the District’s Board of Directors (“the Board”) adopted a Resolution of intention to form CFD No. 2021-1, to authorize the levy of special taxes and to incur bonded indebtedness for the purpose of financing public improvements to meet the needs of new development. After conducting a noticed public hearing on December 8, 2021, the Board adopted resolutions approving the proposed rate and method of apportionment of special taxes and establishing CFD No. 2021-1, which includes two Improvement Areas (“IA”), pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”).

On December 8, 2021, an election was held within CFD No. 2021-1 in which the landowner(s) eligible to vote unanimously approved the levy of special taxes and the incurrence of bonded indebtedness in an amount not to exceed \$16,500,000 for the CFD, including \$8,000,000 for IA No. 1 and \$8,500,000 for IA No. 2.

Bonds were issued on August 23, 2023 for IA No. 1 in the amount of \$5,720,000 (the “2023 Bonds”). The annual debt service on the 2023 Bonds will be repaid by the Special Tax levied on properties within IA No. 1.

SECTION II. BOND PROCEEDS

The 2023 Bonds were issued in the aggregate principal amount of \$5,720,000. Proceeds of the Bonds were issued to finance certain capital facilities fees of the District relating to public facility improvements serving property within CFD No. 2021-1 IA No. 1, fund the administrative expense account, fund the capitalized interest account, fund the reserve fund and pay cost of issuance of the 2023 Bonds. The table below summarizes the application of the Bond proceeds and Special Tax revenues on hand at the time of issuance:

2023 BOND PROCEEDS

FUND/ACCOUNT/SUBACCOUNT	BOND PROCEEDS
Project Fund	\$4,639,607
Administrative Expenses Account	20,000
Capitalized Intertest Account	256,866
Reserve Fund	480,846
Costs of Issuance Fund ¹	348,800
TOTAL ²	\$5,746,119

1 Includes fees of the Trustee, the Special Tax Consultant, the Appraiser, legal fees, printing costs, Underwriter's discount, and other costs of issuance.

2 Total amount is comprised of the principal amount of the bonds issued in the amount of \$5,720,000, inclusive of \$142,649 in previously paid Special Taxes on hand at the time of issuance and exclusive of the Net Original Issue Discount in the amount of \$116,530.

SECTION III. SPECIAL TAX COLLECTIONS AND EXPENDITURES

The table below provides a summary of the Special Taxes deposited, interest accrued, transfers and other transactions within the fund established for collection and disbursement of the Special Tax.

**FACILITIES SPECIAL TAX
IMPROVEMENT AREA NO. 1**

DESCRIPTION	AMOUNT
BEGINNING BALANCE AS OF JULY 1, 2022	\$0.00
<i>Sources of Funds</i>	
Special Tax Receipts	\$142,649.04
Interest Accrued	0.00
Miscellaneous Transfers (in)	0.00
<i>Subtotal: Sources</i>	<i>\$142,649.04</i>
<i>Uses of Funds</i>	
Administrative Expenses ¹	(\$0.00)
Debt Service	(0.00)
Miscellaneous Transfers (out)	(0.00)
<i>Subtotal: Uses</i>	<i>(\$0.00)</i>
ENDING BALANCE AS OF JUNE 30, 2023	\$142,649.04

¹ The Administrative Expenses for Fiscal Year 2022/2023 will be reimbursed through the proceeds of the bond issuance in August 2023.

SECTION IV. EXPENDITURES TO FUND AUTHORIZED FACILITIES

A Project Fund account was established in connection with the issuance of the 2023 Bonds, into which a portion of the proceeds from the 2023 Bonds were deposited with the designated use towards construction of facilities. However, the Bonds were issued and subsequently the funds were deposited after the end of the 2022/2023 Fiscal Year and therefore there are no expenditures reportable within the scope of the 2022/2023 report.