



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

Special Tax Accountability Report
(SB 165)
Fiscal Year 2024/2025

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

KOPPEL & GRUBER
PUBLIC FINANCE

334 Via Vera Cruz, Suite 256

San Marcos, California 92078

760-510-0290

info@kgpf.net

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SECTION I. BACKGROUND AND OVERVIEW

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*), the Local Agency Special Tax and Bond Accountability Act Compliance (the “Report”) must be filed annually by the local agency levying a special tax and/or issuing a bond measure on or before each January 1, commencing January 1, 2002 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 information contained in this Report has been compiled and is being presented pursuant to and in accordance with the requirements outlined in the Accountability Act for Fiscal Year 2024/2025.

A. Community Facilities District Background

On October 13, 2021, the Board of Directors (“Board”) of the East Valley Water District (“District”) adopted a resolution of intention to form Community Facilities District No. 2021-1 (Mediterra) (“CFD No. 2021-1”), along with two separate improvement areas (“Improvement Area No. 1” or “IA 1”, and “Improvement Area No. 2” or “IA 2”), to levy special taxes for the purpose of financing public improvements to meet the needs of new development or pay debt service on bonds issued to finance such facilities. After conducting a noticed public hearing, the Board adopted an ordinance establishing CFD No. 2021-1, providing for the levy of special taxes, approving the proposed rates and methods of apportionment of special taxes, and approving the issuance of bonded indebtedness to finance the authorized facilities (“Facilities”).

On December 8, 2021, an election was held within CFD No. 2021-1 in which the landowner(s) eligible to vote approved the levy of special taxes and the issuance of bonds in an amount not to exceed \$16,500,000.

B. Authorized Facilities

Special Tax collected within CFD No. 2021-1 is to provide for the cost of (1) financing the construction and acquisition to provide capacity in the water system and/or sewer system (“Facilities”) (2) paying principal and interest on bonds sold to finance the Facilities, and (3) incidental expenses related to financing, forming and administering CFD No. 2021-1.

C. Bond Issuance Summary

Bonds were issued on August 23, 2023 in the amount of \$5,720,000 (the “2023 Bonds”). The annual debt service on the 2023 Bonds is being repaid by the facilities Special Tax levied on properties within Improvement Area No. 1.

The tables below summarizes the application of the Bond proceeds:

2023 Bond Proceeds IA 1

| Fund/Account/Sub-Account | Bond Proceeds |
|---------------------------------|----------------------|
| Project Account | \$4,639,607 |
| Administrative Expenses Account | 20,000 |
| Capitalized Interest Account | 256,866 |
| Reserve Fund | 480,846 |
| Cost of Issuance Account | 348,800 |
| Total | \$5,746,119 |

SECTION II. COLLECTION OF SPECIAL TAXES

A. District Fund

The following table shows the amount of Special Taxes collected and the expenditures made to fund the authorized facilities and incidental expenses of CFD No. 2021-1 from July 1, 2024 through June 30, 2025.

| District Fund | |
|---|------------------------------|
| Item | Balance |
| Beginning Balance as of July 1, 2024 | \$76,662.06 |
| <u>Sources of Funds</u> | |
| Special Tax Collections | \$308,068.05 |
| Interest Accrued | 0.00 |
| Miscellaneous Transfers (in) ⁿ | 13,440.03 |
| <i>Subtotal: Sources</i> | <i>\$321,508.08</i> |
| <u>Uses of Funds</u> | |
| Administrative Expenses | \$(11,271.36) |
| Transfers to Fiscal Agent | (251,767.54) |
| Miscellaneous Transfers (out) | (0.00) |
| <i>Subtotal: Uses</i> | <i>\$(263,038.90)</i> |
| Ending Balance as of June 30, 2025 | \$135,131.24 |

¹Represents a reimbursement of Administrative Expenses.

B. Special Tax Fund

After the issuance of bonds, CFD No. 2021-1 Special Taxes collected by the District shall be deposited in the Special Tax Funds established by the Indenture of Trust (“Indenture”), or any supplements thereto, executed in connection with the issuance of debt. The table below provides a summary of the Special Taxes deposited, interest accrued, transfers and other transactions within the Special Tax Funds for all Improvement Areas and Bond issues for Fiscal Year ended June 30, 2025.

Special Tax Fund Improvement Area No. 1

| Item | Balance |
|---|-----------------------|
| Beginning Balance as of July 1, 2024 | \$101,526.16 |
| <u>Sources of Funds</u> | |
| Special Tax Receipts | \$251,767.54 |
| Interest Accrued | 3,698.63 |
| Miscellaneous Transfers (in) | 9,393.32 |
| <i>Subtotal: Sources</i> | <i>\$264,859.49</i> |
| <u>Uses of Funds</u> | |
| Administrative Expenses | \$(0.00) |
| Transfers to Bond Fund (Debt Service) | (284,883.82) |
| Miscellaneous Transfers (out) | (0.00) |
| <i>Subtotal: Uses</i> | <i>\$(284,883.82)</i> |
| Ending Balance as of June 30, 2025 | \$81,501.83 |

C. Status of Authorized Facilities Projects

An account entitled "Project Fund" was established in connection with the issuance of the 2023 Bonds, into which a portion of the proceeds from the 2023 Bonds were deposited and disbursed for the costs of the authorized facilities. The amount deposited in the Project Fund, interest accrued, transfers and expenditures made to fund the authorized facilities from the 2023 Bonds are summarized below.

**Project Fund
Improvement Area No. 1**

| Item | Balance |
|---|-----------------------|
| Beginning Balance as of July 1, 2024 | \$3,027,579.09 |
| <u>Sources of Funds</u> | |
| Interest Accrued | 121,663.45 |
| Miscellaneous Transfers (in) | 0.00 |
| <i>Subtotal: Sources</i> | <i>\$121,663.45</i> |
| <u>Uses of Funds</u> | |
| Facilities | \$(786,256.67) |
| Miscellaneous Transfers (out) ² | (0.00) |
| <i>Subtotal: Uses</i> | <i>\$(786,256.67)</i> |
| Ending Balance as of June 30, 2025 | \$2,362,985.87 |