



Annual Disclosure Report Fiscal Year Ending June 30, 2023

Eastern Municipal Water District
Community Facilities District No. 2001-01 (French Valley)
Improvement Area A

2015 Special Tax Refunding Bonds

Prepared For



March 2024



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The information herein for Eastern Municipal Water District's (the "District") Community Facilities District No. 2001-01 Improvement Area A ("CFD 2001-01 IA A") was prepared by Webb Municipal Finance, LLC and Eastern Municipal Water District, as Administrators. Except as otherwise noted all information is current as of September 2, 2023.

Community Facilities District No. 2001-01 (French Valley) Improvement Area A

Project Location

The property in Improvement Area A is located north of the City of Temecula and east of the City of Murrieta in an unincorporated area of the county known as “French Valley,” located on the east side of Pourroy Road, approximately one-quarter mile north of Thompson Road. Improvement Area A is being developed in two phases and, upon buildout, is expected to consist of 1,081 single family detached homes.

Project Description

The Improvement Area A project includes the acquisition or construction of certain water and sewer system improvements by or for the District that are required in order to provide water and sewer service to the property within Improvement Area A, the acquisition of capacity in improvements provided through the District’s water and sewer Financial Participation Charge Program, improvements to be owned, operated, or maintained by the Valley-wide Park and Recreation District, and improvements to be owned, operated or maintained by the Temecula Valley Unified School District.

Improvement Area A 2015 Special Tax Refunding Bonds

The Bonds of Improvement Area A are secured only by the Net Special Taxes of such Improvement Area and amounts on deposit in the Special Tax Fund established by the Resolution relating to such Improvement Area. *The Net Special Taxes of the Improvement Area are not pledged to secure the Bonds issued on behalf of the other Improvement Area.* CFD 2001-01 IA A currently has three outstanding series of bonds detailed below.

The Improvement Area A 2015 Special Tax Refunding Bonds (the “2015 IA A Bonds”) were issued in the amount of \$11,320,000, with interest rates ranging from 2.00% to 5.00%, on February 19, 2015. The 2015 IA A Bonds were issued to refund the outstanding Improvement Area A 2006 Special Tax Bonds, previously issued by CFD 2001-01 IA A, in the amount of \$13,445,000. Interest on the 2015 IA A Bonds is payable semi-annually on March 1 and September 1 and the final maturity of the Bonds is September 1, 2036. As of September 2, 2023, the principal amount of the 2015 IA A Bonds outstanding is \$8,575,000.

The Improvement Area A 2002 Special Tax Bonds (“2002 IA A Bonds”), in the amount of \$3,485,000 were subsequently refunded by the Western Riverside Water and Wastewater Financing Authority Local Agency Revenue Refunding Bonds, 2013 Series B (“2013 PFA”). The report for the 2013 PFA, is available in the Investor Relations section on the Eastern Municipal Water District’s website at <https://www.emwd.org/node/824>.

The 2013 PFA Bonds, in the amount of \$1,255,000, were partially refunded by the Western Riverside Water and Wastewater Financing Authority Local Agency Revenue Refunding Bonds, 2021 Series A-1 and 2021 Series A-2.

Eastern Municipal Water District was authorized to issue bonds in an aggregate principal amount of up to \$24,000,000 for Improvement Area A. The District has covenanted that it will not issue any additional bonds payable in excess of the amount currently issued.

CUSIP Numbers – 2015 Special Tax Refunding Bonds

Year	CUSIP	Year	CUSIP	Year	CUSIP
2024	27627MHG5	2027	27627MHK6	2030	27627MHN0
2025	27627MHH3	2028	27627MHL4	2036	27627MHU4
2026	27627MHJ9	2029	27627MHM2		

Table 2-1
Fund Balances as of September 2, 2023

Fund Description	Fund Balance
<u>2015 Series</u>	
Special Tax Holding Fund	\$0.00
Special Tax Fund	\$59,690.27
Interest Account	\$21,813.71
Principal Account	\$48.17
Reserve Fund	\$909,698.64
Administrative Expense Fund	\$7,055.28
Total	\$998,306.07

Special Tax Fund

The Special Tax Revenues deposited in the Special Tax Fund will be held in trust and deposited into the following funds and accounts in the following order of priority:

1. Administrative Expense Fund in an amount equal to the Administrative Expense Requirement
2. Interest Account
3. Principal Account
4. Redemption Account
5. Reserve Account
6. Administrative Expenses in excess of the Administrative Expense Requirement
7. Rebate Fund
8. Special Tax Holding Fund

Reserve Account of the Special Tax Fund

The Reserve Account must be maintained at the Reserve Requirement which is defined as, an amount equal to the least of 80% of (a) 10% of the initial principal amount of the 2015 IA A Bonds, (b) Maximum Annual Debt Service on the then Outstanding 2015 IA A Bonds, or (c) 125% of Average Annual Debt Service on the then Outstanding 2015 IA A Bonds. In the event that Special Tax revenue is insufficient to pay debt service, money may be transferred from this Account to the Special Tax Fund. The Reserve Account will then be replenished by increasing the next annual special tax levy to the extent permitted by law.

The current Bond Reserve Requirement is \$905,600.00. As of September 2, 2023, the balance in the Reserve Fund was \$909,698.64. The Reserve Fund is fully funded.

Improvement Fund

The Improvement Fund was established under the Indenture as a separate fund. The moneys in the Capacity and Improvement Account have been or will be disbursed.

A Special Tax is levied and collected each year to pay the principal and interest obligations on the Bonds of CFD 2001-01 IA A. The amount levied each year is determined by the Rate and Method of Apportionment (the "RMA") and can vary from year to year but shall not exceed the maximum authorized (or permitted) Special Tax rates. The amounts levied for Improvement Area A are detailed in the table below.

Improvement Area A Special Taxes

The amount levied for the 2023-24 tax year was \$1,322,169.28 and is based on 1,081 building permits issued within the following tax classes. The Special Tax rates for the 2023-24 tax year are:

Table 3-1
Special Tax Rates
Fiscal Year 2023-24

Land Use Category	Description	FY 2023-24 Amount Levied Per Category ¹	Assigned Tax Rate	Number of Parcels Charged
D1	Single Family (2,901 sq. ft. or greater)	\$834,641.92	\$1,640.00	656
D2	Single Family (2,701 sq. ft. to 2,900 sq. ft.)	\$192,200.68	\$1,568.00	158
D3	Single Family (2,501 sq. ft. to 2,700 sq. ft.)	\$118,460.76	\$1,497.00	102
D4	Single Family (2,301 sq. ft. to 2,500 sq. ft.)	\$108,536.00	\$1,399.00	100
D5	Single Family (2,101 sq. ft. to 2,300 sq. ft.)	\$34,783.00	\$1,281.00	35
D6	Single Family (1,901 sq. ft. to 2,100 sq. ft.)	\$27,510.00	\$1,182.00	30
D7	Single Family (1,900 sq. ft. or less)	\$0.00	\$1,092.00	0
Total		\$1,316,132.36		1,081

Rate and Method of Apportionment

There have been no changes to the Rate and Method of Apportionment of the Special Tax for CFD 2001-01 IA A.

¹ Reflects amounts levied to pay the 2013 PFA Bonds', 2015 IA A Bonds', and 2021 PFA Bonds' debt service requirements.

Development Status

The following table presents the development status for CFD 2001-01 IA A.

Table 4-1
Development Status

Development Status ²	Parcels	Total Special Tax FY 2023-24 ³	% of Total Special Tax	Total AV FY 2023-24 ⁴	% of Total AV
Developed	1,081	\$1,316,132.36	100.00%	\$551,029,981	100.00%
Approved	0	\$0.00	0.00%	\$0	0.00%
Total	1,081	\$1,316,132.36	100.00%	\$551,029,981	100.00%

Building Permit Status

Improvement Area A is fully developed. All Final Maps have been recorded and include 1,081 parcels. As of April 1, 2023, 1,081 building permits have been issued for single family residential units.

Construction Status of Public Improvements

The improvements are complete. Reimbursements for completed and accepted public facilities were processed as requests were made. There were no changes in the types of public facilities constructed or acquired from those described in the Official Statement.

² "Developed" is defined as any parcel that is classified as Developed Property pursuant to the Rate and Method of Apportionment.

³ Reflects amounts levied to pay both the 2013 PFA Bonds', 2021 PFA Bonds', and 2015 IA A Bonds' debt service requirements.

⁴ Assessed Valuation (AV) is based on information provided in the Riverside County Assessor's records for Fiscal Year 2023-24 and may or may not accurately reflect true market value.

Information Concerning Delinquent Parcels

CFD 2001-01 IA A's Special Tax delinquency information is illustrated below:

Table 5-1
Special Tax Delinquency Information

Fiscal Year	Amount Levied	Parcels Levied	Delinquencies as of June 30 of Fiscal Year in which Special Taxes were Levied			Delinquencies as of November 30, 2023		
			Parcels Delinquent	Amount Delinquent	Percent Delinquent	Parcels Delinquent	Amount Delinquent	Percent Delinquent
2009/10	\$1,378,414.52	918	34	\$42,382.00	3.07%	0	\$0.00	0.00%
2010/11	\$1,516,255.98	1,081	16	\$23,147.00	1.53%	0	\$0.00	0.00%
2011/12	\$1,481,206.76	1,081	13	\$16,143.00	1.09%	0	\$0.00	0.00%
2012/13	\$1,480,726.56	1,081	4	\$3,884.50	0.26%	0	\$0.00	0.00%
2013/14	\$1,452,553.38	1,081	3	\$3,920.50	0.27%	0	\$0.00	0.00%
2014/15	\$1,504,183.66	1,081	3	\$3,280.00	0.22%	0	\$0.00	0.00%
2015/16	\$1,356,117.78	1,081	5	\$5,476.50	0.40%	0	\$0.00	0.00%
2016/17	\$1,370,118.34	880 ⁵	8	\$8,697.59	0.63%	0	\$0.00	0.00%
2017/18	\$1,349,358.30	940	7	\$7,692.95	0.57%	0	\$0.00	0.00%
2018/19	\$1,343,888.60	1,040	11	\$10,505.13	0.78%	0	\$0.00	0.00%
2019/20	\$1,347,659.82	1,080	14	\$13,386.88	0.99%	0	\$0.00	0.00%
2020/21	\$1,345,735.40	1,081	18	\$13,977.16	1.04%	1	\$593.75	0.04%
2021/22	\$1,330,672.78	1,081	15	\$14,258.38	1.07%	2	\$2,460.58	0.18%
2022/23	\$1,322,169.28	1,081	12	\$9,963.78	0.75%	3	\$2,444.86	0.18%
Total	\$19,579,061.16					4	\$5,499.19	0.03%

Foreclosure Covenant

Pursuant to Section 53356.1 of the Mello-Roos Act, the Community Facilities District has covenanted under the Indenture with and for the benefit of the Bond owners to order, and cause to be commenced, on or before October 1 of the Fiscal Year immediately following the Fiscal Year in which a delinquency in the payment of Special Tax occurs, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the Superior Court to foreclosure the lien of any Special Tax or installment thereof not paid when due, provided that the Community Facilities District need not commence or pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of Special Taxes in an amount less than \$5,000 if both (i) the aggregate amount of such delinquent Special Taxes does not exceed five percent (5%) of the total Special Taxes due and payable for the Fiscal Year in question and (ii) the balance on deposit in the Reserve Account is not less than the Reserve Requirement.

Collection and Foreclosure Actions

As of September 30, 2023, no foreclosure actions have been filed with the Superior Court.

Financial Statements

PLEASE NOTE: Audited financial statements of the Eastern Municipal Water District are available at the following internet address: www.emwd.org

⁵ Parcels levied decreased from 1,081 in FY 2015-16 to 880 in FY 2016-17 as the sum of the Developed properties' assigned special tax rate was sufficient to satisfy the Special Tax Requirement.

The following events as set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission are considered material by the District.

Section 5a

Significant Events	Occurred in FY 2022-23	Date of Event
1. Principal and interest payment delinquencies;	No	Not Applicable
2. Unscheduled draws on debt service reserves reflecting financial difficulties;	No	Not Applicable
3. Unscheduled draws on credit enhancements reflecting financial difficulties;	No	Not Applicable
4. Substitution of credit or liquidity providers, or their failure to perform;	No	Not Applicable
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;	No	Not Applicable
6. Defeasances;	No	Not Applicable
7. Tender offers;	No	Not Applicable
8. Bankruptcy, insolvency, receivership or similar proceedings; and	No	Not Applicable
9. Rating Changes.	No	Not Applicable

Section 5b

Significant Events	Occurred in FY 2022-23	Date of Event
1. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;	No	Not Applicable
2. Appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;	No	Not Applicable
3. Nonpayment related defaults;	No	Not Applicable
4. Modifications to the rights of Bondholders;	No	Not Applicable
5. Notices of prepayment; and	No	Not Applicable
6. Release, substitution or sale of property securing repayment of the Bonds.	No	Not Applicable

APPENDIX A

Debt Service Schedule



Eastern Municipal Water District

CFD 2001-01 IA A (2015 Refund) (Original)

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
3/1/2015			\$11,320,000.00	\$15,237.92	\$15,237.92		0.0000%
9/1/2015	2.0000%	\$295,000.00	\$11,025,000.00	\$228,568.75	\$523,568.75	\$538,806.67	0.0000%
3/1/2016			\$11,025,000.00	\$225,618.75	\$225,618.75		0.0000%
9/1/2016	2.0000%	\$285,000.00	\$10,740,000.00	\$225,618.75	\$510,618.75	\$736,237.50	0.0000%
3/1/2017			\$10,740,000.00	\$222,768.75	\$222,768.75		0.0000%
9/1/2017	2.0000%	\$290,000.00	\$10,450,000.00	\$222,768.75	\$512,768.75	\$735,537.50	0.0000%
3/1/2018			\$10,450,000.00	\$219,868.75	\$219,868.75		0.0000%
9/1/2018	2.0000%	\$295,000.00	\$10,155,000.00	\$219,868.75	\$514,868.75	\$734,737.50	0.0000%
3/1/2019			\$10,155,000.00	\$216,918.75	\$216,918.75		0.0000%
9/1/2019	2.0000%	\$300,000.00	\$9,855,000.00	\$216,918.75	\$516,918.75	\$733,837.50	0.0000%
3/1/2020			\$9,855,000.00	\$213,918.75	\$213,918.75		0.0000%
9/1/2020	2.0000%	\$305,000.00	\$9,550,000.00	\$213,918.75	\$518,918.75	\$732,837.50	0.0000%
3/1/2021			\$9,550,000.00	\$210,868.75	\$210,868.75		0.0000%
9/1/2021	4.0000%	\$315,000.00	\$9,235,000.00	\$210,868.75	\$525,868.75	\$736,737.50	0.0000%
3/1/2022			\$9,235,000.00	\$204,568.75	\$204,568.75		0.0000%
9/1/2022	4.0000%	\$325,000.00	\$8,910,000.00	\$204,568.75	\$529,568.75	\$734,137.50	0.0000%
3/1/2023			\$8,910,000.00	\$198,068.75	\$198,068.75		0.0000%
9/1/2023	4.0000%	\$335,000.00	\$8,575,000.00	\$198,068.75	\$533,068.75	\$731,137.50	0.0000%
3/1/2024			\$8,575,000.00	\$191,368.75	\$191,368.75		0.0000%
9/1/2024	4.0000%	\$345,000.00	\$8,230,000.00	\$191,368.75	\$536,368.75	\$727,737.50	0.0000%
3/1/2025			\$8,230,000.00	\$184,468.75	\$184,468.75		0.0000%
9/1/2025	4.0000%	\$360,000.00	\$7,870,000.00	\$184,468.75	\$544,468.75	\$728,937.50	0.0000%
3/1/2026			\$7,870,000.00	\$177,268.75	\$177,268.75		0.0000%
9/1/2026	3.0000%	\$380,000.00	\$7,490,000.00	\$177,268.75	\$557,268.75	\$734,537.50	0.0000%
3/1/2027			\$7,490,000.00	\$171,568.75	\$171,568.75		0.0000%
9/1/2027	3.0000%	\$390,000.00	\$7,100,000.00	\$171,568.75	\$561,568.75	\$733,137.50	0.0000%
3/1/2028			\$7,100,000.00	\$165,718.75	\$165,718.75		0.0000%
9/1/2028	3.0000%	\$400,000.00	\$6,700,000.00	\$165,718.75	\$565,718.75	\$731,437.50	0.0000%
3/1/2029			\$6,700,000.00	\$159,718.75	\$159,718.75		0.0000%
9/1/2029	3.1250%	\$410,000.00	\$6,290,000.00	\$159,718.75	\$569,718.75	\$729,437.50	0.0000%
3/1/2030			\$6,290,000.00	\$153,312.50	\$153,312.50		0.0000%
9/1/2030	3.1250%	\$420,000.00	\$5,870,000.00	\$153,312.50	\$573,312.50	\$726,625.00	0.0000%
3/1/2031			\$5,870,000.00	\$146,750.00	\$146,750.00		0.0000%
9/1/2031	5.0000%	\$430,000.00	\$5,440,000.00	\$146,750.00	\$576,750.00	\$723,500.00	0.0000%
3/1/2032			\$5,440,000.00	\$136,000.00	\$136,000.00		0.0000%
9/1/2032	5.0000%	\$460,000.00	\$4,980,000.00	\$136,000.00	\$596,000.00	\$732,000.00	0.0000%
3/1/2033			\$4,980,000.00	\$124,500.00	\$124,500.00		0.0000%
9/1/2033	5.0000%	\$1,155,000.00	\$3,825,000.00	\$124,500.00	\$1,279,500.00	\$1,404,000.00	0.0000%
3/1/2034			\$3,825,000.00	\$95,625.00	\$95,625.00		0.0000%
9/1/2034	5.0000%	\$1,215,000.00	\$2,610,000.00	\$95,625.00	\$1,310,625.00	\$1,406,250.00	0.0000%
3/1/2035			\$2,610,000.00	\$65,250.00	\$65,250.00		0.0000%
9/1/2035	5.0000%	\$1,275,000.00	\$1,335,000.00	\$65,250.00	\$1,340,250.00	\$1,405,500.00	0.0000%
3/1/2036			\$1,335,000.00	\$33,375.00	\$33,375.00		0.0000%
9/1/2036	5.0000%	\$1,335,000.00	\$0.00	\$33,375.00	\$1,368,375.00	\$1,401,750.00	0.0000%
Totals:		\$11,320,000.00		\$7,278,856.67	\$18,598,856.67	\$18,598,856.67	

Bond Issue Date: 2/19/2015

Original Bond Principal: \$11,320,000.00



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