



# Annual Disclosure Report Fiscal Year Ending June 30, 2022

**Eastern Municipal Water District**

**Community Facilities District 2016-74 Improvement Area C  
(Menifee Town Center)  
2020 Special Tax Bonds**

Prepared For



March 2023



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### CUSIP Numbers

Year	CUSIP	Year	CUSIP	Year	CUSIP	Year	CUSIP
2023	27627MUH8	2029	27627MUP0	2035	27627MUV7	2045	27627MVB0
2024	27627MUJ4	2030	27627MUQ8	2036	27627MUW5	2050	27627MVC8
2025	27627MUK1	2031	27627MUR6	2037	27627MUX3		
2026	27627MUL9	2032	27627MUS4	2038	27627MUY1		
2027	27627MUM7	2033	27627MUT2	2039	27627MUZ8		
2028	27627MUN5	2034	27627MUU9	2040	27627MVA2		

The information herein for the Eastern Municipal Water District's (the "District") Community Facilities District No. 2016-74 Improvement Area C ("CFD 2016-74 IA C") 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, 2022.

## **Community Facilities District No. 2016-74 (Menifee Town Center) Improvement Area C**

### **Project Location**

CFD 2016-74 IA C is located in the central portion of the City of Menifee along the north side of La Piedra Road generally southeast of Civic Plaza Drive and Park Plaza Avenue. CFD 2016-74 IA C contains approximately 13.05 gross acres and is planned for a total of 125 single-family detached homes.

### **Project Description**

The project includes the acquisition or construction of: (i) 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 CFD 2016-74 IA C and payments to the District of CFD 2016-74 IA C's proportionate share of the costs of the District's water, sewer, and sewer treatment facilities; (ii) certain capital improvements to be owned and operated by the City of Menifee; and (iii) certain school facilities to be owned and operated by the Menifee Union School District and needed by the Menifee Union School District in order to mitigate the impact on school facilities of the student population to be generated as a result of development of the property within CFD 2016-74 IA C.

### **2020 Special Tax Bonds**

The Bonds are secured only by the Net Special Taxes and amounts on deposit in the Special Tax Fund established by the Indenture.

The Improvement Area C 2020 Special Tax Bonds (the "Bonds") in the amount of \$4,145,000 with interest rates ranging from 2.50% to 5.00% were issued on May 27, 2020. As of September 2, 2022, \$3,965,000 remains outstanding. Interest on the Bonds is payable semi-annually on March 1 and September 1. The final maturity of the Bonds is September 1, 2050.

The District was authorized to issue bonds in an aggregate principal amount of up to \$5,000,000. The District has covenanted that it will not issue any additional bonds payable in excess of the amount currently issued.

Table 2-1  
Fund Balances as of September 2, 2022

Fund Description	Fund Balance
Administrative Expense Fund	\$8,295.75
City of Menifee Account	\$688,763.42
EMWD Capacity Fund	\$31,542.70
Interest Account	\$595.58
Reserve Fund	\$234,296.06
School Facilities Account	\$288.76
Special Tax Fund	\$1,012.18
Improvement Fund	\$126,567.44
Principal Account	\$5.07
Special Tax Holding Fund	\$0.00
<b>Total</b>	<b>\$1,091,366.96</b>

### 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 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 (a) Maximum Annual Debt Service on the Outstanding Bonds, (b) 10% of the initial principal amount of the Bonds, or (c) 125% of Average Annual Debt Service on the Outstanding 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.

As of September 2, 2022, the Reserve Requirement for the Bonds is \$233,900.00. As of September 2, 2022, the balance in the Reserve Fund for the Bonds was \$234,296.06. The Reserve Fund is fully funded.

### Improvement Fund

The Improvement Fund was established under the Indenture as a separate fund. The moneys in the Improvement and Capacity Accounts 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 2016-74 IA C. 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 amount levied is detailed in the table below.

### Special Taxes

The amount levied for the 2022-23 tax year was \$266,339.20 and is based on 125 parcels within the following tax classes. The Special Tax rates for the 2022-23 tax year are:

**Table 3-1**  
**Special Tax Rates**  
**Fiscal Year 2022-23**

Land Use Category	Description	FY 2022-23 Amount Levied Per Category	Assigned/Max Tax Rate	Number of Parcels Charged
SFR-1	Single Family (1,600 sq. ft. or less)	\$47,869.90	\$2,275	23
SFR-2	Single Family (1,601 sq. ft. to 1,700 sq. ft.)	\$50,500.32	\$2,300	24
SFR-3	Single Family (1,701 sq. ft. to 1,800 sq. ft.)	\$70,192.98	\$2,325	33
SFR-4	Single Family (1,801 sq. ft. to 1,900 sq. ft.)	\$0.00	\$2,350	0
SFR-5	Single Family (Greater than 1,900 sq. ft.)	\$97,776.00	\$2,375	45
<b>Total</b>		<b>\$266,339.20</b>		<b>125</b>

### Development Status

The table below presents the value-to-lien by development status for CFD 2016-74 IA C.

Table 4-1  
Value-to-Lien by Development Status

Development Status	Parcels	Total Special Tax FY 2022-23	Total AV FY 2022-23	Bonds Outstanding	Aggregate Value-to-Lien
Developed	125	\$266,339.20	\$48,933,424	\$3,965,000	12.34:1
<b>Total</b>	<b>125</b>	<b>\$266,339.20</b>	<b>\$48,933,424</b>	<b>\$3,965,000</b>	<b>12.34:1</b>

### Rate and Method of Apportionment

There have been no changes to the Rate and Method of Apportionment of the Special Tax for CFD 2016-74 IA C.

### Building Permit Status

CFD 2016-74 IA C fully developed. All Final Maps have been recorded and include 125 parcels. As of April 1, 2022, 125 building permits have been issued for single family residential units.

### Construction Status of Public Improvements

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

## Information Concerning Delinquent Parcels

CFD 2016-74 IA C's Special Tax delinquency information is illustrated below:

Table 5-1  
Special Tax Delinquency Information

			Delinquencies as of June 30 of Fiscal Year in which Special Taxes were Levied			Delinquencies as of November 30, 2022		
Fiscal Year	Amount Levied	Parcels Levied	Parcels Delinquent	Amount Delinquent	Percent Delinquent	Parcels Delinquent	Amount Delinquent	Percent Delinquent
2019/20	\$163,000.00	70	2	\$3,562.50	2.19%	1	\$2,375.00	1.46%
2020/21	\$264,899.20	118	2	\$3,409.43	1.29%	2	\$3,409.43	1.29%
2021/22	\$263,244.94	125	2	\$3,198.73	1.22%	1	\$2,147.56	0.82%
<b>Total</b>	<b>\$691,144.14</b>					<b>2</b>	<b>\$7,931.99</b>	<b>1.15%</b>

## Foreclosure Covenant

Pursuant to Section 53356.1 of the Mello-Roos Act, the Community Facilities District has covenanted in the Indenture, with and for the benefit of the Owners of the Bonds, that it will 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 the Special Tax occurs, and thereafter diligently prosecute to judgement (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, provided that the Community Facilities District is not required to commence or pursue such proceedings if both (i) the aggregate amount of such delinquent Special Taxes does not exceed 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 and the balance in the Additional Special Tax Reserve Account is not less than the Additional Special Tax Reserve Requirement (except the Community Facilities District will nevertheless be required to commence and pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of the Special Taxes in the amount of \$5,000 or more).

## Collection and Foreclosure Actions

As of September 30, 2022, 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](http://www.emwd.org)**

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

**Section 5**

<b>Significant Events</b>	<b>Occurred in FY 2021-22</b>	<b>Date of Event</b>
1. Principal and interest payment delinquencies;	No	Not Applicable
2. Non-payment related defaults, if material;	No	Not Applicable
3. Unscheduled draws on debt service reserves reflecting financial difficulties;	No	Not Applicable
4. Unscheduled draws on credit enhancements reflecting financial difficulties;	No	Not Applicable
5. Substitution of credit or liquidity providers, or their failure to perform;	No	Not Applicable
6. 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 security, or other material events affecting the tax status of the security;	No	Not Applicable
7. Modifications to rights of security holders, if material;	No	Not Applicable
8. Bond calls, if material;	No	Not Applicable
9. Defeasances;	No	Not Applicable
10. Release, substitution, or sale of property securing repayment of the securities, if material;	No	Not Applicable
11. Rating changes;	No	Not Applicable
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;	No	Not Applicable
13. The consummation of a merger, consolidation, or acquisition involving an obligation person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business;	No	Not Applicable
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and	No	Not Applicable
15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.	No	Not Applicable
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.	No	Not Applicable



**APPENDIX A**

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**Debt Service Schedule**



Eastern Municipal Water District

689972 - CFD 2016-74 IA C

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
3/1/2021			\$4,145,000.00	\$37,678.33	\$37,678.33		0.0000%
9/1/2021	3.0000%	\$90,000.00	\$4,055,000.00	\$144,300.00	\$234,300.00	\$271,978.33	0.0000%
3/1/2022			\$4,055,000.00	\$70,800.00	\$70,800.00		0.0000%
9/1/2022	3.0000%	\$90,000.00	\$3,965,000.00	\$70,800.00	\$160,800.00	\$231,600.00	0.0000%
3/1/2023			\$3,965,000.00	\$69,450.00	\$69,450.00		0.0000%
9/1/2023	3.0000%	\$95,000.00	\$3,870,000.00	\$69,450.00	\$164,450.00	\$233,900.00	0.0000%
3/1/2024			\$3,870,000.00	\$68,025.00	\$68,025.00		0.0000%
9/1/2024	4.0000%	\$95,000.00	\$3,775,000.00	\$68,025.00	\$163,025.00	\$231,050.00	0.0000%
3/1/2025			\$3,775,000.00	\$66,125.00	\$66,125.00		0.0000%
9/1/2025	4.0000%	\$100,000.00	\$3,675,000.00	\$66,125.00	\$166,125.00	\$232,250.00	0.0000%
3/1/2026			\$3,675,000.00	\$64,125.00	\$64,125.00		0.0000%
9/1/2026	4.0000%	\$105,000.00	\$3,570,000.00	\$64,125.00	\$169,125.00	\$233,250.00	0.0000%
3/1/2027			\$3,570,000.00	\$62,025.00	\$62,025.00		0.0000%
9/1/2027	4.0000%	\$105,000.00	\$3,465,000.00	\$62,025.00	\$167,025.00	\$229,050.00	0.0000%
3/1/2028			\$3,465,000.00	\$59,925.00	\$59,925.00		0.0000%
9/1/2028	2.5000%	\$110,000.00	\$3,355,000.00	\$59,925.00	\$169,925.00	\$229,850.00	0.0000%
3/1/2029			\$3,355,000.00	\$58,550.00	\$58,550.00		0.0000%
9/1/2029	5.0000%	\$110,000.00	\$3,245,000.00	\$58,550.00	\$168,550.00	\$227,100.00	0.0000%
3/1/2030			\$3,245,000.00	\$55,800.00	\$55,800.00		0.0000%
9/1/2030	5.0000%	\$115,000.00	\$3,130,000.00	\$55,800.00	\$170,800.00	\$226,600.00	0.0000%
3/1/2031			\$3,130,000.00	\$52,925.00	\$52,925.00		0.0000%
9/1/2031	2.7500%	\$120,000.00	\$3,010,000.00	\$52,925.00	\$172,925.00	\$225,850.00	0.0000%
3/1/2032			\$3,010,000.00	\$51,275.00	\$51,275.00		0.0000%
9/1/2032	3.0000%	\$125,000.00	\$2,885,000.00	\$51,275.00	\$176,275.00	\$227,550.00	0.0000%
3/1/2033			\$2,885,000.00	\$49,400.00	\$49,400.00		0.0000%
9/1/2033	3.0000%	\$125,000.00	\$2,760,000.00	\$49,400.00	\$174,400.00	\$223,800.00	0.0000%
3/1/2034			\$2,760,000.00	\$47,525.00	\$47,525.00		0.0000%
9/1/2034	3.0000%	\$130,000.00	\$2,630,000.00	\$47,525.00	\$177,525.00	\$225,050.00	0.0000%
3/1/2035			\$2,630,000.00	\$45,575.00	\$45,575.00		0.0000%
9/1/2035	3.1250%	\$135,000.00	\$2,495,000.00	\$45,575.00	\$180,575.00	\$226,150.00	0.0000%
3/1/2036			\$2,495,000.00	\$43,465.63	\$43,465.63		0.0000%
9/1/2036	3.1250%	\$135,000.00	\$2,360,000.00	\$43,465.63	\$178,465.63	\$221,931.26	0.0000%
3/1/2037			\$2,360,000.00	\$41,356.25	\$41,356.25		0.0000%
9/1/2037	3.2500%	\$140,000.00	\$2,220,000.00	\$41,356.25	\$181,356.25	\$222,712.50	0.0000%
3/1/2038			\$2,220,000.00	\$39,081.25	\$39,081.25		0.0000%
9/1/2038	3.2500%	\$145,000.00	\$2,075,000.00	\$39,081.25	\$184,081.25	\$223,162.50	0.0000%
3/1/2039			\$2,075,000.00	\$36,725.00	\$36,725.00		0.0000%
9/1/2039	3.3750%	\$145,000.00	\$1,930,000.00	\$36,725.00	\$181,725.00	\$218,450.00	0.0000%
3/1/2040			\$1,930,000.00	\$34,278.13	\$34,278.13		0.0000%
9/1/2040	3.3750%	\$150,000.00	\$1,780,000.00	\$34,278.13	\$184,278.13	\$218,556.26	0.0000%
3/1/2041			\$1,780,000.00	\$31,746.88	\$31,746.88		0.0000%
9/1/2041	3.5000%	\$155,000.00	\$1,625,000.00	\$31,746.88	\$186,746.88	\$218,493.76	0.0000%
3/1/2042			\$1,625,000.00	\$29,034.38	\$29,034.38		0.0000%
9/1/2042	3.5000%	\$160,000.00	\$1,465,000.00	\$29,034.38	\$189,034.38	\$218,068.76	0.0000%
3/1/2043			\$1,465,000.00	\$26,234.38	\$26,234.38		0.0000%
9/1/2043	3.5000%	\$165,000.00	\$1,300,000.00	\$26,234.38	\$191,234.38	\$217,468.76	0.0000%
3/1/2044			\$1,300,000.00	\$23,346.88	\$23,346.88		0.0000%

Eastern Municipal Water District

689972 - CFD 2016-74 IA C

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
9/1/2044	3.5000%	\$170,000.00	\$1,130,000.00	\$23,346.88	\$193,346.88	\$216,693.76	0.0000%
3/1/2045			\$1,130,000.00	\$20,371.88	\$20,371.88		0.0000%
9/1/2045	3.5000%	\$175,000.00	\$955,000.00	\$20,371.88	\$195,371.88	\$215,743.76	0.0000%
3/1/2046			\$955,000.00	\$17,309.38	\$17,309.38		0.0000%
9/1/2046	3.6250%	\$180,000.00	\$775,000.00	\$17,309.38	\$197,309.38	\$214,618.76	0.0000%
3/1/2047			\$775,000.00	\$14,046.88	\$14,046.88		0.0000%
9/1/2047	3.6250%	\$185,000.00	\$590,000.00	\$14,046.88	\$199,046.88	\$213,093.76	0.0000%
3/1/2048			\$590,000.00	\$10,693.75	\$10,693.75		0.0000%
9/1/2048	3.6250%	\$190,000.00	\$400,000.00	\$10,693.75	\$200,693.75	\$211,387.50	0.0000%
3/1/2049			\$400,000.00	\$7,250.00	\$7,250.00		0.0000%
9/1/2049	3.6250%	\$195,000.00	\$205,000.00	\$7,250.00	\$202,250.00	\$209,500.00	0.0000%
3/1/2050			\$205,000.00	\$3,715.63	\$3,715.63		0.0000%
9/1/2050	3.6250%	\$205,000.00	\$0.00	\$3,715.63	\$208,715.63	\$212,431.26	0.0000%
<b>Totals:</b>		<b>\$4,145,000.00</b>		<b>\$2,582,340.93</b>	<b>\$6,727,340.93</b>	<b>\$6,727,340.93</b>	

Bond Issue Date: 5/27/2020  
 Original Bond Principal: \$4,145,000.00



3788 McCray Street  
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951.200.8600



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