



Annual Disclosure Report Fiscal Year Ending June 30, 2023

**Eastern Municipal Water District
Community Facilities District No. 2016-74 Improvement Area D
(Menifee Town Center)**

2022 Special Tax Bonds

Prepared For



March 2024



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2022 Series CUSIP Numbers

Year	CUSIP	Year	CUSIP
2024	27627MP35	2030	27627MP92
2025	27627MP43	2031	27627MQ26
2026	27627MP50	2032	27627MQ34
2027	27627MP68	2038	27627MQ42
2028	27627MP76	2043	27627MQ59
2029	27627MP84	2051	27627MQ67

The information herein for the Eastern Municipal Water District Community Facilities District No. 2016-74 Improvement Area D (“CFD 2016-74 IA D” or the “District”) 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. 2016-74 IA D (Menifee Town Center) 2022 Special Tax Bonds

Project Location

CFD 2016-74 IA D is located in the City of Menifee, north of Holland Road, east of Sherman Road, south of La Piedra Road and west of Haun Road. CFD 2016-74 IA D contains approximately 33.75 gross acres and approximately 21.21 taxable acres. The residential project in CFD 2016-74 IA D is a development containing two neighborhoods being marketed as “Union Place at Menifee Town Center” and “Park Ridge at Menifee Town Center” and is planned for a total of 155 single-family detached homes.

Project Description

The CFD 2016-74 IA D project includes the acquisition or construction of: (i) certain water and sewer system improvements by or for the Water District that are required in order to provide water and sewer service to the property within Improvement Area D and payments to the Water District of the Improvement Area D’s proportionate share of the costs of the Water 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 the development of the property within CFD 2016-74 IA D.

2022 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 D 2022 Special Tax Bonds (the “Bonds”) in the amount of \$6,665,000 with interest rates ranging from 3.00% to 4.00% were issued on February 1, 2022. As of September 2, 2023, \$6,430,000 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, 2051.

The District was authorized to issue bonds in an aggregate principal amount of up to \$9,000,000. 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, 2023

Fund Description	Fund Balance
<u>2021 Series</u>	
Administrative Expense Fund	\$13,104.18
City of Menifee Account	\$2,676,768.64
Capacity Fund	\$562,747.48
Interest Account	\$9,518.42
Principal Account	\$19.40
Reserve Fund	\$396,687.27
Special Tax Fund	\$40,729.92
School Facilities Account	\$1,240,173.04
Total	\$4,939,748.35

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
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 that is equal to the least of (i) 10% of the initial principal amount of the Bonds, (ii) Maximum Annual Debt Service on the then Outstanding Bonds, or (iii) 125% of Average Annual Debt Service on the then Outstanding Bonds.

The Reserve Requirement as of September 2, 2023, for the 2021 Bonds was \$391,800.00. As of September 2, 2023, the balance in the Reserve Fund was \$396,687.27. The Reserve Fund is fully funded.

Improvement Fund

The Improvement Funds were established under the Indenture as separate funds. The moneys in the Improvement and Capacity Funds 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. 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 the Community Facilities District are detailed in the table below.

CFD 2016-74 IA D Special Taxes

The amount levied for the 2023-24 tax year was \$413,136.12 and is based on 155 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	Assigned Tax Rate	Number of Parcels Charged
SFR-1	Single Family (Less than 2,100 sq. ft.)	\$207,090.60	\$2,960	79
SFR-2	Single Family (2,101 sq. ft. to 2,300 sq. ft.)	\$63,976.32	\$3,010	24
SFR-3	Single Family (2,301 sq. ft. to 2,500 sq. ft.)	\$70,458.96	\$3,060	26
SFR-4	Single Family (Greater than 2,500 sq. ft.)	\$71,610.24	\$3,110	26
Total		\$413,136.12		155

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 D.

Development Status and Bond Information

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

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

Development Status	Parcels	Total Special Tax FY 2023-24	Total AV FY 2023-24	Outstanding Bonds	Aggregate Value-to-Lien
Developed Property	155	\$413,136.12	\$84,585,352	\$6,430,000	13.15:1
Total	155	\$413,136.12	\$84,585,352	\$6,430,000	13.15:1

Building Permit Status

CFD 2016-74 IA D is fully developed. All Final Maps have been recorded and include 155 parcels. As of April 1, 2023, 155 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 D 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, 2023		
Fiscal Year	Amount Levied	Parcels Levied	Parcels Delinquent	Amount Delinquent	Percent Delinquent	Parcels Delinquent	Amount Delinquent	Percent Delinquent
2021/22	\$300,900.00	100	0	\$0.00	0.00%	0	\$0.00	0.00%
2022/23	\$425,211.72	155	1	\$2,698.08	0.63%	0	\$0.00	0.00%
Total	\$726,121.72						\$0.00	0.00%

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 Bond owners of the applicable 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 a Special Tax occurs in the applicable Improvement Area, 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 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 5% of the total Special Taxes due and payable for the Fiscal Year in question and (ii) the balance on deposit in the applicable 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.

The following events as described in Section 5 of the Disclosure Certificate and set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission are considered material by the District.

Section 5

Significant Events	Occurred in FY 2022-23	Date of Event
1. Principal and interest payment delinquencies;	No	Not Applicable
2. Non-payment related defaults, if material;	No	Not Applicable
3. Tender offers;	No	Not Applicable
4. Bond calls, if material;	No	Not Applicable
5. Defeasances;	No	Not Applicable
6. Rating changes;	No	Not Applicable
7. 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
8. Unscheduled draws on debt service reserves reflecting financial difficulties;	No	Not Applicable
9. Unscheduled draws on credit enhancements reflecting financial difficulties;	No	Not Applicable
10. Substitution of credit or liquidity providers, or their failure to perform;	No	Not Applicable
11. Modifications to rights of security holders, if material;	No	Not Applicable
12. Release, substitution, or sale of property securing repayment of the securities, if material;	No	Not Applicable
13. 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
14. Bankruptcy, insolvency, receivership or similar event of the obligated person;	No	Not Applicable
15. 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
16. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and	No	Not Applicable
17. 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

APPENDIX A

Debt Service Schedule



680342 - CFD 2016-74 IA D

Eastern Municipal Water District

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
9/1/2022	3.0000%	\$100,000.00	\$6,565,000.00	\$141,673.89	\$241,673.89	\$241,673.89	0.0000%
3/1/2023			\$6,565,000.00	\$129,950.00	\$129,950.00		0.0000%
9/1/2023	3.0000%	\$135,000.00	\$6,430,000.00	\$129,950.00	\$264,950.00	\$394,900.00	0.0000%
3/1/2024			\$6,430,000.00	\$127,925.00	\$127,925.00		0.0000%
9/1/2024	3.0000%	\$135,000.00	\$6,295,000.00	\$127,925.00	\$262,925.00	\$390,850.00	0.0000%
3/1/2025			\$6,295,000.00	\$125,900.00	\$125,900.00		0.0000%
9/1/2025	4.0000%	\$140,000.00	\$6,155,000.00	\$125,900.00	\$265,900.00	\$391,800.00	0.0000%
3/1/2026			\$6,155,000.00	\$123,100.00	\$123,100.00		0.0000%
9/1/2026	4.0000%	\$145,000.00	\$6,010,000.00	\$123,100.00	\$268,100.00	\$391,200.00	0.0000%
3/1/2027			\$6,010,000.00	\$120,200.00	\$120,200.00		0.0000%
9/1/2027	4.0000%	\$150,000.00	\$5,860,000.00	\$120,200.00	\$270,200.00	\$390,400.00	0.0000%
3/1/2028			\$5,860,000.00	\$117,200.00	\$117,200.00		0.0000%
9/1/2028	4.0000%	\$155,000.00	\$5,705,000.00	\$117,200.00	\$272,200.00	\$389,400.00	0.0000%
3/1/2029			\$5,705,000.00	\$114,100.00	\$114,100.00		0.0000%
9/1/2029	4.0000%	\$160,000.00	\$5,545,000.00	\$114,100.00	\$274,100.00	\$388,200.00	0.0000%
3/1/2030			\$5,545,000.00	\$110,900.00	\$110,900.00		0.0000%
9/1/2030	4.0000%	\$170,000.00	\$5,375,000.00	\$110,900.00	\$280,900.00	\$391,800.00	0.0000%
3/1/2031			\$5,375,000.00	\$107,500.00	\$107,500.00		0.0000%
9/1/2031	4.0000%	\$175,000.00	\$5,200,000.00	\$107,500.00	\$282,500.00	\$390,000.00	0.0000%
3/1/2032			\$5,200,000.00	\$104,000.00	\$104,000.00		0.0000%
9/1/2032	4.0000%	\$180,000.00	\$5,020,000.00	\$104,000.00	\$284,000.00	\$388,000.00	0.0000%
3/1/2033			\$5,020,000.00	\$100,400.00	\$100,400.00		0.0000%
9/1/2033	4.0000%	\$185,000.00	\$4,835,000.00	\$100,400.00	\$285,400.00	\$385,800.00	0.0000%
3/1/2034			\$4,835,000.00	\$96,700.00	\$96,700.00		0.0000%
9/1/2034	4.0000%	\$195,000.00	\$4,640,000.00	\$96,700.00	\$291,700.00	\$388,400.00	0.0000%
3/1/2035			\$4,640,000.00	\$92,800.00	\$92,800.00		0.0000%
9/1/2035	4.0000%	\$200,000.00	\$4,440,000.00	\$92,800.00	\$292,800.00	\$385,600.00	0.0000%
3/1/2036			\$4,440,000.00	\$88,800.00	\$88,800.00		0.0000%
9/1/2036	4.0000%	\$210,000.00	\$4,230,000.00	\$88,800.00	\$298,800.00	\$387,600.00	0.0000%
3/1/2037			\$4,230,000.00	\$84,600.00	\$84,600.00		0.0000%
9/1/2037	4.0000%	\$215,000.00	\$4,015,000.00	\$84,600.00	\$299,600.00	\$384,200.00	0.0000%
3/1/2038			\$4,015,000.00	\$80,300.00	\$80,300.00		0.0000%
9/1/2038	4.0000%	\$225,000.00	\$3,790,000.00	\$80,300.00	\$305,300.00	\$385,600.00	0.0000%
3/1/2039			\$3,790,000.00	\$75,800.00	\$75,800.00		0.0000%
9/1/2039	4.0000%	\$230,000.00	\$3,560,000.00	\$75,800.00	\$305,800.00	\$381,600.00	0.0000%
3/1/2040			\$3,560,000.00	\$71,200.00	\$71,200.00		0.0000%
9/1/2040	4.0000%	\$240,000.00	\$3,320,000.00	\$71,200.00	\$311,200.00	\$382,400.00	0.0000%
3/1/2041			\$3,320,000.00	\$66,400.00	\$66,400.00		0.0000%
9/1/2041	4.0000%	\$250,000.00	\$3,070,000.00	\$66,400.00	\$316,400.00	\$382,800.00	0.0000%
3/1/2042			\$3,070,000.00	\$61,400.00	\$61,400.00		0.0000%
9/1/2042	4.0000%	\$260,000.00	\$2,810,000.00	\$61,400.00	\$321,400.00	\$382,800.00	0.0000%
3/1/2043			\$2,810,000.00	\$56,200.00	\$56,200.00		0.0000%
9/1/2043	4.0000%	\$270,000.00	\$2,540,000.00	\$56,200.00	\$326,200.00	\$382,400.00	0.0000%
3/1/2044			\$2,540,000.00	\$50,800.00	\$50,800.00		0.0000%
9/1/2044	4.0000%	\$280,000.00	\$2,260,000.00	\$50,800.00	\$330,800.00	\$381,600.00	0.0000%
3/1/2045			\$2,260,000.00	\$45,200.00	\$45,200.00		0.0000%

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Eastern Municipal Water District

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
9/1/2045	4.0000%	\$290,000.00	\$1,970,000.00	\$45,200.00	\$335,200.00	\$380,400.00	0.0000%
3/1/2046			\$1,970,000.00	\$39,400.00	\$39,400.00		0.0000%
9/1/2046	4.0000%	\$300,000.00	\$1,670,000.00	\$39,400.00	\$339,400.00	\$378,800.00	0.0000%
3/1/2047			\$1,670,000.00	\$33,400.00	\$33,400.00		0.0000%
9/1/2047	4.0000%	\$310,000.00	\$1,360,000.00	\$33,400.00	\$343,400.00	\$376,800.00	0.0000%
3/1/2048			\$1,360,000.00	\$27,200.00	\$27,200.00		0.0000%
9/1/2048	4.0000%	\$320,000.00	\$1,040,000.00	\$27,200.00	\$347,200.00	\$374,400.00	0.0000%
3/1/2049			\$1,040,000.00	\$20,800.00	\$20,800.00		0.0000%
9/1/2049	4.0000%	\$335,000.00	\$705,000.00	\$20,800.00	\$355,800.00	\$376,600.00	0.0000%
3/1/2050			\$705,000.00	\$14,100.00	\$14,100.00		0.0000%
9/1/2050	4.0000%	\$345,000.00	\$360,000.00	\$14,100.00	\$359,100.00	\$373,200.00	0.0000%
3/1/2051			\$360,000.00	\$7,200.00	\$7,200.00		0.0000%
9/1/2051	4.0000%	\$360,000.00	\$0.00	\$7,200.00	\$367,200.00	\$374,400.00	0.0000%
Totals:		\$6,665,000.00		\$4,728,623.89	\$11,393,623.89	\$11,393,623.89	

Bond Issue Date: 2/1/2022

Original Bond Principal: \$6,665,000.00



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