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MEMBERS OF THE PUBLIC WISHING TO SUBMIT WRITTEN COMMENT TO THE COMMITTEE UNDER PUBLIC COMMENT OR ON A SPECIFIC AGENDA ITEM MAY SUBMIT COMMENTS TO OUR BOARD SECRETARY BY EMAIL AT DWASHBURN@RAINBOWMWD.COM OR BY MAIL TO 3707 OLD HIGHWAY 395, FALLBROOK, CA 92028. ALL WRITTEN COMMENTS RECEIVED **AT LEAST ONE HOUR IN ADVANCE OF THE MEETING** WILL BE READ TO THE COMMITTEE DURING THE APPROPRIATE PORTION OF THE MEETING. THESE PUBLIC COMMENT PROCEDURES SUPERSEDE THE DISTRICT'S STANDARD PUBLIC COMMENT POLICIES AND PROCEDURES TO THE CONTRARY.

ENGINEERING AND OPERATIONS COMMITTEE MEETING

RAINBOW MUNICIPAL WATER DISTRICT
Wednesday, August 2, 2023
Engineering and Operations Committee Meeting - Time: 3:30 p.m.

District Office	3707 Old Highway 395	Fallbrook, CA 92028
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Notice is hereby given that the Engineering and Operations Committee will be holding a regular meeting beginning at 3:30 p.m. on Wednesday, August 2, 2023.

AGENDA

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL: Flint Nelson (Chair) _____ Steve McKesson _____ (Vice Chair)**
Members: Helene Brazier _____ Robert Marnett _____ Mig Gasca _____
Alternates: Tracy Largent _____
- 4. INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

CHAIR TO READ ALOUD - *“If at any point, anyone would like to ask a question or make a comment and have joined this meeting with their computer, they can click on the “Raise Hand” button located at the bottom of the screen. We will be alerted that they would like to speak. When called upon, please unmute the microphone and ask the question or make comments in no more than three minutes.*

*Those who have joined by dialing a number on their telephone, will need to press *6 to unmute themselves and then *9 to alert us that they would like to speak.*

A slight pause will also be offered at the conclusion of each agenda item discussion to allow public members an opportunity to make comments or ask questions.”

- 5. SEATING OF ALTERNATES**

6. ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
7. PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)
- *8. APPROVAL OF MINUTES
 - A. June 7, 2023
9. GENERAL MANAGER COMMENTS
10. ENGINEERING AND CIP PROGRAM MANAGER COMMENTS
11. OPERATIONS MANAGER COMMENTS
12. COMMITTEE MEMBER COMMENTS
13. BOARD ACTION UPDATES
14. GROUNDWATER STUDY UPDATE (ENGINEERING)
- *15. DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONTRACT CHANGE ORDER WITH HOCH CONSULTING FOR DESIGN OF THE HUTTON (WEST LILAC), TURNER (RANCHO AMIGOS), AND DENTRO DE LOMAS PUMP STATIONS IN THE AMOUNT OF \$40,323.50 (DIVISION 1) (ENGINEERING)
- *16. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE FORM OF AN ACQUISITION AGREEMENT BETWEEN THE DISTRICT AND NEIGHBORHOOD 1 AT THE HAVENS, LLC/BONSALL OAKS LLC DEVELOPER UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) (DIVISION 1) (ENGINEERING)
- *17. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE FORM OF AN ACQUISITION AGREEMENT BETWEEN THE DISTRICT AND OCEAN BREEZE RANCH, LLC. DEVELOPER UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) (DIVISION 1) (ENGINEERING)
- *18. AS-NEEDED SERVICES EXPENDITURES SUMMARY
19. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING
20. ADJOURNMENT

ATTEST TO POSTING:



 Julie Johnson
 Secretary of the Board

7-27-23 @ 9:00 a.m.

 Date and Time of Posting
 Outside Display Cases

**MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JUNE 7, 2023**

1. **CALL TO ORDER** – The Engineering and Operations Committee Meeting of the Rainbow Municipal Water District on June 7, 2023, was called to order by Chairperson Nelson at 3:30 p.m. in the Board Room of the District, 3707 Old Highway 395, Fallbrook, CA 92028. Chairperson Nelson, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Brazier (*via teleconference*), Member Gasca, Member Marnett, Member McKesson, Member Nelson.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Information Technology Manager Khattab, Operations Manager Gutierrez, Engineering and CIP Program Manager Williams.

Also Present Via Teleconference or Video Conference:

Alternate Largent, Human Resources Manager Harp, Construction and Meters Supervisor Lagunas, Administrative Analyst Rubio.

Two members of the public were present in person, via teleconference or video conference.

Mr. Nelson noted for the record Michael Ayers, one of the Division 1 Board vacancy candidates, was present in the audience to observe today’s committee meeting.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

There were no members of the public in attendance teleconference or video conference; therefore, the instructions were not read aloud.

5. **SEATING OF ALTERNATES**

No alternates were seated.

6. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

There were no amendments to the agenda.

7. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

Julie Johnson thanked the members for all this committee has done starting with first allowing her to serve as a member because it provided her with an opportunity to learn so much from doing so through phenomenal committee and staff members. She noted she will now be in a new role as a member of the Directors and Board Secretary through which she hopes to continue to do her community part for the importance of the District. She reiterated her appreciation for the committee members, noting they are volunteers as well as the voice on which many depend. She

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concluded with stating she will no longer be serving on this committee; thus, she wanted to come today to thank everyone and how much she will miss everyone.

Mr. Nelson mentioned Ms. Johnson was a very faithful and loyal member of this committee who did not have a great deal of background but took the initiative to learn and make valuable contributions.

***8. APPROVAL OF MINUTES**

A. May 3, 2023

Mr. Gasca pointed out “on-needed” should be “as-needed” and a “0” needs to be added to 100 on Page 7. Mr. Nelson mentioned he had contacted Ms. Washburn regarding the word “weary” needing to be changed to “wary”.

Motion:

To approve the minutes as amended.

Action: Approve, Moved by Member Brazier, Seconded by Member Gasca.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Member Brazier, Member Gasca, Member Marnett, Member McKesson, Member Nelson.

9. GENERAL MANAGER COMMENTS

Mr. Kennedy reported preparations are being made for SDCWA’s budget and rate increase hearing which will take place later this month. He talked about the steps taken to get the proposed rate increases reduced to under 10% as well as details related to SDCWA’s rate calculating processes. Discussion ensued.

10. ENGINEERING AND CIP PROGRAM MANAGER COMMENTS

Mr. Williams stated after monitoring and having geotechnical services contractors look into it further, it has been confirmed the Morro Tank is moving. He noted staff will continue to monitor the tank for the next 9-12 months at which time it will be determined whether the tank needed to be emptied or taken offline. He pointed out this tank does provide operational flexibility to have it online, even at 50%. He confirmed the tank is in Division 2.

Mr. McKesson inquired as to how the movement was first recognized. Mr. Williams stated it was through visual inspection, staff’s suspicion, and setting equipment to determine what was taking place.

Mr. Gasca asked whether the movement was soil related. Mr. Kennedy explained the tank is cut into the side of slope. Mr. Gasca inquired as to how the soil samples were taken as well as what was found. Mr. Williams noted the report will be provided in the future; however, he wanted to make the committee aware of the situation now.

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Mr. Nelson inquired as to whether taking remedial action based on potential costs, should RMWD permanently fix the problem or continue to temporarily fix the problem. Mr. Kennedy pointed out there may be other operational strategies to consider that meet the flow needs and serve the zone without a tank.

Mr. Gasca asked whether the steel tank provides redundancy for anything aside from anything or only services the one zone. Mr. Gutierrez clarified it only serves the one zone and how having it in serves allows RMWD to get more water into Morro Reservoir from the Metropolitan Water District connection.

Mr. Williams mentioned staff was working with the Bonsall Oaks development to enter into a Joint Use Agreement between RMWD and SDG&E which was in the process of being finalized. Mr. Kennedy pointed out the challenge is that the developer was trying to get this done as soon as possible; therefore, it will most likely not be presented to this committee for Board recommendation. Discussion followed.

11. OPERATIONS MANAGER COMMENTS

Mr. Gutierrez provided an update on the Rice Canyon 18" waterline project which is now feeding both Meadowood and Citro which allows the demand taken from Pala Mesa to be redirected to Morro. Mr. Kennedy added this also provided redundancy in the event of pipeline shutdowns.

Mr. Gutierrez noted crews will be conducting warranty inspections on the 15" clay pipe on North River Road from Highway 76 to Stallion. He explained it was time to clean the line and run the camera through. He pointed out it was a joint project with the company that installed the liners; therefore, they will pay for the cleaning and videoing of the pipe. He concluded with noting RMWD crews will be conducting internal operations to hold flows on a modified work shift of 3:00-11:30 a.m. to avoid accruing overtime.

Mr. Gasca asked how much of a decrease of water purchase off SDCWA will be realized with Rice Canyon feeding both Meadowood and Citro. Mr. Kennedy explained why RMWD would not experience any cost savings, but how the Rice Canyon does provide other more useful benefits.

Mr. Gutierrez reported there was a recent main line break on Rainbow Glen, crews just finished installing a PRV station EFI shelter out at Via Miraposa which was now active, and there are still four EFI shelters remaining to be installed this year. He mentioned the contractor was finishing up the weed abatement and mowing at the Pala Mesa site as well as how the heli-hydrant has been reactivated but was not used for two recent small fires that appeared to have been started due to weed abatement. He concluded with noting he met with North County Fire at the Pala Mesa regarding utilizing gentle slopes in that area at which ten local fire agencies can participate in rope rescue training later this year.

Mr. Marnett asked whether RMWD has any liability associated with the rope rescue training should anyone get hurt. Mr. Gutierrez stated he would speak with Ms. Harp to confirm. Mr. Ayers asked whether the site was subject to damage. Mr. Gutierrez stated it was not.

12. COMMITTEE MEMBER COMMENTS

Ms. Brazier passed along a ratepayer’s comment applicable to the detachment efforts regarding how they and their neighbors do not understand the part about RMWD paying for an emergency supply that it does not have. She mentioned the ratepayer thought they would have their questions answered as part of the public meetings and materials regarding detachment, but that was not the case. Mr. Kennedy suggested Ms. Brazier have the ratepayer contact him directly so that their questions could be answered.

13. BOARD ACTION UPDATES

Mr. Williams reported the Board approved three agreements for on-call construction and maintenance services and inspection services, two agreements for on-call environmental services, and the Notice of Completion for the Sumac Communication Tower PV and Back-Up Battery project.

14. METERS UPDATE (OPERATIONS)

Mr. Gutierrez provided an update on the replacement of some underperforming meters due to a decoupling effect nobody had anticipated. He mentioned the steps taken as part of the replacement process including bench testing. He noted orders have been placed for new E-Coders which were found to be more effective; however, due to a delay in receiving these, a different manufacturer will provide a few different meters. He stated 72 meters of the approximately 500 have already been changed out, 70 more will be replaced shortly, and the remaining meters will be installed upon delivery in August.

Mr. Gasca asked whether customers were purchasing replacement meters when they burn theirs up. Mr. Kennedy explained they were not due to there not being any language in the Administrative Code. Mr. Gasca stated if customers are abusing the equipment, they need to replace it. Mr. Nelson agreed with Mr. Gasca; however, he wanted to know why RMWD did not address the matter and replace the smaller meter with a larger one once it was realized those customers were pushing too much water through their smaller meter. Mr. Kennedy stated when a customer has a specific size meter installed based on their request, the customer then owns the capacity. He pointed out RMWD has changed the rate structures based on capacity as opposed to meter sizes; therefore, RMWD reserves the right to change out the smaller meter with a larger one without increasing the customer’s capacity rights at no charge to the customer.

Mr. Nelson stated Mr. Gasca was exactly right in that something ought to be done to get pipe sizes and meter sizes hooked up with flow rates. Mr. Gasca pointed out when considering the costs associated with manpower and penalties for continually burning up smaller meters, these customers may be more inclined to install a larger meter. Mr. Kennedy said he would need to speak to Legal Counsel regarding what RMWD can do to address these types of situations without legal ramifications. Discussion followed.

Mr. Gasca stated if RMWD is replacing meters without charging the customers, then those customers are taking advantage of the rest of other ratepayers, which is something that needs to stop. Ms. Brazier agreed that all the ratepayers are paying for the misuse.

Mr. Kennedy offered to research this further and bring some options back to the committee for consideration. Discussion ensued.

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Mr. Gasca inquired as to whether the 70 meters currently in stock would be slated to go to the highest priority. Mr. Gutierrez confirmed this is correct noting staff has a list of over 500 meters that have been identified as needing to be replaced of various sizes and that the 70 currently on hand are all 1” meters. Mr. Gasca inquired as to the estimated income recovery. Mr. Kennedy stated over \$1M once all the meters have been replaced. Mr. Gutierrez added now that it’s known how much water was being lost, immediate action will be taken to capture it.

***15. NOC FAIRVIEW DEVELOPMENT (ENGINEERING)**

Mr. Williams explained staff was seeking a recommendation from the committee for the Board to approve this Notice of Completion at their June meeting. He noted this development is in Division 1 and is comprised of seventy-three detached condominiums for which all water and sewer facilities have been installed and accepted by the inspector.

Motion:

To recommend the Board approve Option 1 – Accept the Fairview Development improvements as complete and as shown on the approved plans, approve Filing the Notice of Completion, add installation costs of \$1,223,873 to the District’s valuation, and make a finding that the action herein does not constitute a “project” as defined by CEQA.

Action: Approve, Moved by Member Brazier, Seconded by Member McKesson.

Vote: Motion carried by unanimous roll call vote (summary: Ayes = 5).

Ayes: Member Brazier, Member Gasca, Member Marnett, Member McKesson, Member Nelson.

16. DETACHMENT UPDATE (GENERAL MANAGER)

Mr. Kennedy updated the committee on what took place at the June 5, 2023 LAFCO public hearing regarding the detachment. He mentioned although the pace was much slower than anticipated, LAFCO staff were solid in their analysis and did a great job presenting the information to the Commission very clearly.

Discussion ensued.

Mr. Kennedy mentioned the amount of time allotted for each entity to present information to the Commission. He stated for the record there were a number of misstatements of facts made by SDCWA that have been disproven repeatedly of which the most egregious that others were going to detach such as Valley Center Municipal Water District (VCMWD) regardless of how many times VCMWD has stated otherwise. He mentioned another SDCWA misstatement is that if RMWD was a part of Eastern Municipal Water District, it would be subject to the State Water Project Only Area cutbacks even though it was known to be untrue.

Mr. Gutierrez shared he heard SDCWA state that RMWD has not taken any State Project Water in the last five years; however, his old office used to be located at a water treatment facility to where SDCWA would send notices out to all member agencies regarding what percentage of State Water Project was coming down south to Lake Skinner.

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Mr. Kennedy added early that morning the Chair at Metropolitan Water District (MWD) sent an email to LAFCO to put on the record to question whether RMWD and FPUD would have to reannex into MWD as part of this process. He said he would be writing a response letter showing there is no Board interaction required when the agencies are already members of MWD and that something like this would be handled through the normal reorganization process.

Mr. Kennedy pointed out after SDCWA concluded making their comments, one of the arguments was that part of the detachment fee, RMWD would be credited approximately \$40M for the pump stations for which it paid but never received even though SDCWA has admitted in their documents they will save \$40M should RMWD and FPUD detach. He also noted in the draft agreements sent before the detachment process started, the concept SDCWA used for the North County pump stations was that SDCWA pay for the stations, but the ownership be transferred to the member agency to own and operate going forward to which RMWD and FPUD did not agree.

Mr. Gasca mentioned SDCWA stated repeatedly the detachment would impact the delta. Mr. Kennedy explained why this was untrue. Discussion ensued.

Mr. Kennedy following the lunch break, public testimony was heard from the room full of individuals who wanted to make their points. Mr. Gasca noted he believed the Avocado Commission showing up to comment in support of Option 1 impressed many of the LAFCO Commissioners.

Mr. Gasca stated he, too, addressed the Commissioners, starting with thanking their staff for their detailed and comprehensive report.

Mr. Kennedy pointed out following the commentary, the Commission Chair made a motion to accept Option #2, detachment with an exit fee. He reported which commissioners supported or opposed the detachment. He mentioned Commissioner MacKenzie was confused about some of details related to the exit fees; therefore, the Commissioners voted to continue the matter to August 7, 2023.

Mr. Marnett inquired as to whether an opportunity was presented to rebut all of the misstatements. Mr. Kennedy explained under the LAFCO processes of the law, once the public hearing is closed, no more public comment is allowed. Discussion followed.

Mr. Kennedy concluded with talking about potential changes to AB530 that were being sought; however, after speaking with Legal Counsel, it appears these changes would not impact the District. Mr. Gasca pointed out the report has been accepted; therefore, a decision will need to be made in a timely manner.

Mr. Gutierrez stated he liked the tone Mr. Kennedy and Mr. Bebee utilized when addressing the Commission. He said he found the tone to be very informative, factual, and appreciative of LAFCO's staff and time as opposed to the more accusatory tone used by others. Discussion followed.

***17. AS-NEEDED EXPENDITURE REPORT**

Mr. Williams confirmed there were no new tasks issued and that some no longer applicable tasks have been hidden in the spreadsheet provided but were not removed.

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18. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED ENGINEERING AND OPERATIONS COMMITTEE MEETING

Mr. Nelson asked Mr. Williams to share with the committee as to why it may not be appropriate for this committee to meet in July. Mr. Williams noted although there may be a few Notices of Completions for this committee and Board to consider, these were project-dependent and may not be ready until August. He also mentioned the Groundwater Study work has been postponed due to a number of conflicting schedules for all parties involved. The committee members unanimously agreed to cancel the July committee meeting.

19. ADJOURNMENT

The meeting was adjourned by Chairperson Nelson.

The meeting was adjourned at 5:04 p.m.

Flint Nelson, Committee Chairperson

Dawn M. Washburn, Board Secretary

BOARD OF DIRECTORS

August 22, 2023

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE A CONTRACT CHANGE ORDER WITH HOCH CONSULTING FOR DESIGN OF THE HUTTON (WEST LILAC), TURNER (RANCHO AMIGOS), AND DENTRO DE LOMAS PUMP STATIONS IN THE AMOUNT OF \$40,323.50 (DIVISION 1)

BACKGROUND

The Hutton, Turner, and Gopher Canyon tanks and associated pressure zones regularly receive water from San Diego County Water Authority (SDCWA) connections 3, 6, and 11. The SDCWA aqueduct is shutdown at least once per year for scheduled inspection and maintenance. These scheduled shutdowns impact the District's water supply. During these shutdowns, the District must rent, install and operate temporary pump stations in up to four strategic locations to pump water to its tanks. Rental pumps take about two to three weeks for delivery, setup and testing for water quality results and often must be placed alongside a road or home(s), which creates noise concerns. In addition to the scheduled SDCWA shutdown(s), there have also been emergency, unscheduled shutdowns in recent years, during which the District must perform the same sequence above.

The Board approved a design contract with Hoch Consulting (Hoch) on January 26, 2021, in the amount of \$166,148 for the replacement of the temporary pumps which supply the Hutton and Turner tanks located within Division 1. During the design of the two (2) pump stations, the project team determined that the design criteria established by earlier modelling efforts by HDR were not fully inclusive of the information needed to model the demands in the District's southern zone. Staff determined that a macro approach to the District's comprehensive hydraulic model was necessary to determine the sizing of the Hutton and Turner pump stations. Staff also discovered that there were limitations for the Turner Pump Station site (age of pipe, suction discharge limitation, and size of pipe). Change Order No.1 (CO#1) was a no-cost change order in November 2021 to reallocate funds to support efforts to calibrate the hydraulic model and run new design scenarios.

Based on Hoch Consulting's findings, staff determined that because of the Rancho Amigos Pump Station limitations, the Hutton Zone could be expanded, the Turner Zone shrunk and that a third pump station, Dentre De Lomas, was necessary. Based on revised modeling results, these three pump stations were determined to all be necessary to meet the District's current and future demands. This level of modeling by Hoch was unanticipated and not part of the original design contract with Hoch Consulting. In August of 2022, the Board of Directors approved Change Order No.2 (CO#2) in the amount of \$299,061 to include the design efforts for a third pump station and extend the contract through February 2023. Hoch's redesign of the West Lilac Pump Station resulted in a decrease in pump size and cost savings of \$286,000.

During design of the three (3) pump stations, additional engineering services were required for a Facility Out of Service Analysis for the Weese/Gopher Pump Station to address any constraints on potential infrastructure updates. In January 2023, the General Manager approved Change Order No.3 (CO#3) in the amount of \$14,582.50 and extend the contract to June 30, 2023 as it was within his signing authority. In June 2023, the General Manager approved Change Order No.4 (CO#4) for a no-cost contract extension

through July 31, 2024, for coverage of the rest of design services and potential support during the construction phase of the project.

CONTRACT SUMMARY			
Original Contract Amount	Previous Change Orders	This Change Order	Total Contract Amount
\$166,149.00	CO# 01: \$0		\$166,149.00
	*CO# 02: \$299,061.00		\$465,210.00
	CO# 03: \$14,582.50		\$479,792.50
	CO# 04: \$0.00		\$479,792.50
		CO# 05: \$40,323.50	\$520,116.00

DESCRIPTION

Staff is requesting additional engineering services from Hoch to provide EFI submittal reviews for the District’s proposed three (3) pump stations, West Lilac, Rancho Amigos, and Dentre De Lomas in addition to on-going modeling and coordination support.

The table below summarizes the increase in scope and cost. Hoch’s Scope of Work is Attachment 1 to this report and provides more detail on the increased scope of services and cost breakdown.

#	TASK	SCOPE DESCRIPTION	INCREASE COST
1.	Task 100-Project Management & Quality Control	Additional hours for contract extension.	\$2,437.50
2.	Task 101-Meetings, Research, Project Schedule	Includes additional meetings, data collection & review, and project schedule.	\$3,120
3.	Task 200a.1- Design Criteria	Additional review, modeling, and analysis for feasible study to serve enough water from MET connections to Morro and South Zones.	\$14,926
4.	Task 200g:-EFI Submittal Review	Review of the EFI submittals.	\$7,020
5	Task 200b: Contract Documents	Update construction contract documents.	\$12,820
		TOTAL	\$40,323.50

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area One: Water Resources. Designing and constructing the West Lilac, Rancho Amigos, and Dentre De Lomas Pump Stations for regular use in transporting water from the Morro Zone to the Hutton and Turner Tanks will allow the District to ensure the availability of water during SDCWA Aqueduct shutdowns.

ENVIRONMENTAL

In accordance with California Environmental Quality Act (CEQA) guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA.

BOARD OPTIONS/FISCAL IMPACTS

Funds were budgeted in the Five-Year CIP Plan for PN: 600013. This project falls under the Wholesale Water Efficiency Capital Project Budget with an approved budget of \$6,000,000 for this fiscal year. Sufficient funds are available currently to cover this increase of \$40,323.50.

Option 1:

- Authorize the General Manager to execute Change Order No.5 to the Professional Services Agreement with Hoch Consulting to provide additional scope of services in the amount of \$40,323.50.
- Make a determination that the action identified herein does not constitute a “project” as defined by CEQA.

Option 2:

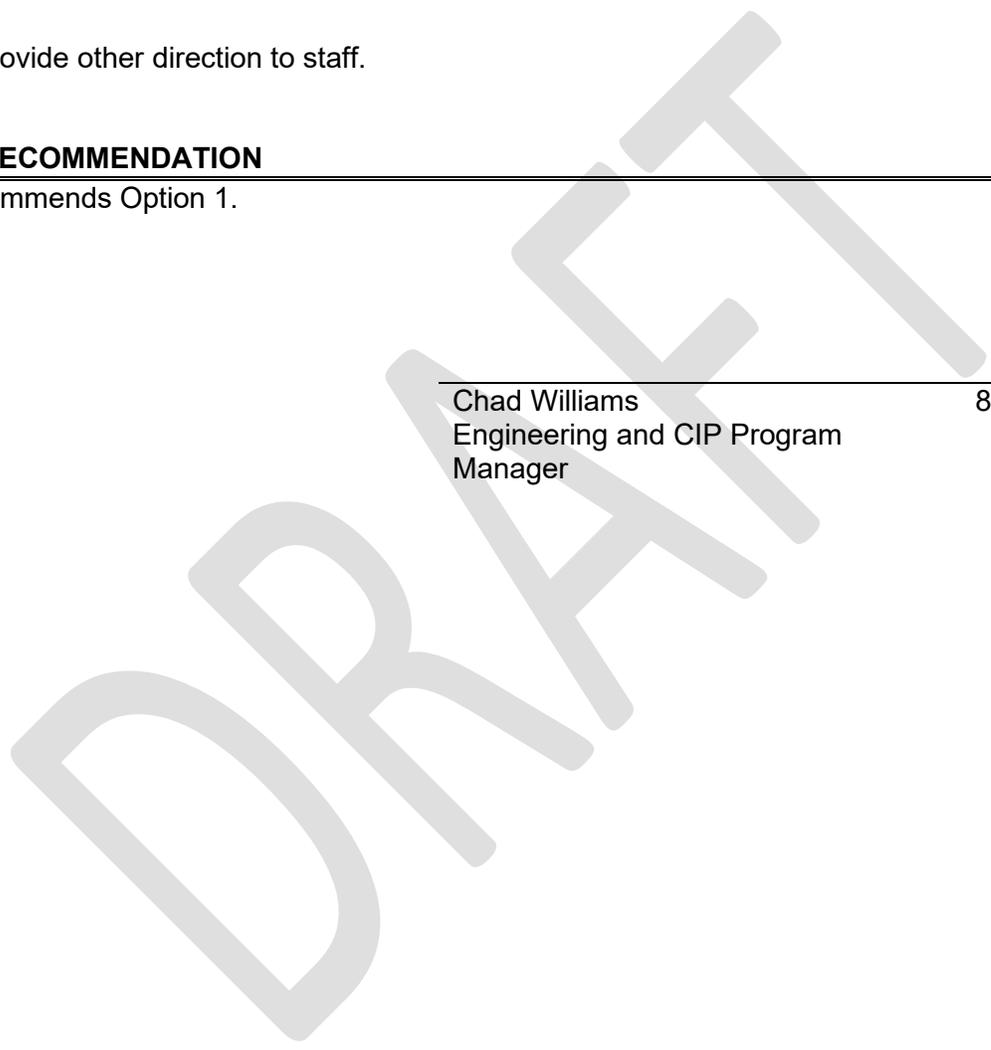
- Provide other direction to staff.

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad Williams
Engineering and CIP Program
Manager

8/22/2023





Hoch Consulting
804 Pier View Way, Suite 100
Oceanside, CA 92054
(tel.) 858-431-9767
ahoch@hochconsulting.com
www.hochconsulting.com

June 12, 2023

Rainbow Municipal Water District
Mr. Chad Williams
Engineering & CIP Program Manager
3707 Old Highway 395
Fallbrook, CA 92028

Subject: Hutton and Turner Pump Station Project – Amendment No. 4 Proposal

Dear Mr. Williams:

The District has requested that Hoch provide a proposal to review the EFI submittals, additional modelling support, and additional coordination. Our amendment proposal includes the additional services, schedule, and fees, which are further described below:

Proposed Scope:

Task 100a: Project Management

Hoch proposes additional project management related to contract extensions due to additional scope discussed further in this amendment proposal. The total proposed increase for this task is \$2,437.50.

Task 101a: Meetings/Research/Project Schedule

Our scope, as defined in Amendment 2, assumed review, QA/QC, and approval of the EFI designs would be performed by District staff or others. As requested by the District, Hoch proposes to attend additional project meetings necessary to coordinate with EFI and the District related to pump station review, QA/QC, and approval as well as meetings and coordination related to changes in the design of the West Lilac Pump station based on our modelling work associated with Amendment 3 and as are further proposed below in Task 200a.1. The total proposed increase for this task is \$3,120.

Task 200a.1: Design Criteria

Our scope, as defined in Amendment 1, included determination of the appropriate MET connection flow rates that were needed to stabilize the south zone tanks during max month demand conditions. During a recent meeting, Hoch learned that the published capacities of the MET connections were significantly higher than their physical capacity to deliver water. Accordingly, the previous model assumptions were determined as infeasible without additional improvements. Hoch and our subconsultant Mission Consulting will provide additional review, modelling, and analyses required to determine a feasible strategy to serve enough water from the District's MET connections to the District's Morro and South Zones. The total proposed increase for this task is \$14,926.

Task 200g: EFI Submittal Review

Our scope, as defined in Amendment 2, assumed Review, QA/QC, and approval of the EFI designs would be performed by District staff or others. Hoch will review EFI submittals, anticipated to include (1) Dentre Pump Station, (2) Rancho Amigos Pump Station, (3) Rancho Amigos Generator, and (4) West Lilac Pump

Station for conformance with the design intent and historic coorespondence. As specifications were not developed for this portion of the project, Hoch will use the Rainbow Heights Pump Station specifications as a surrogate for the quality of materials and equipment desired by the District. Hoch comments will be provided in spreadsheet form and as redlines to the original submittals. This level of effort includes review of one resubmittal for the West Lilac Pump Station, which is anticipated to change due to new system hydraulics determined under Task 200a.1 and review of the factory pump test curves prior to shipment. The total proposed increase for this task is \$7,020.

Task 200b: Contract Documents

Hoch and our subconsultant Gerry Green, Inc. will update the contract documents with revisions to the West Lilac Pump Station due to modifications required as a result of updated hydraulic conditions determined under Task 200a.1 and associated changes to the EFI pump station (e.g. modifying the suction header from below grade to above grade & reduced service entrance station breaker size), which require integration into the contract drawings. The total proposed increase for this task is \$12,820.

Budget:

Hoch Consulting proposes to perform the additional scope of services on a time-and-material basis not to exceed \$40,323.50, bringing the total contract value to \$520,115.50 as is summarized in the attached amended fee proposal.

We greatly appreciate the opportunity to work for RMWD and look forward to a highly successful project. If you have any questions about this proposal, please do not hesitate to contact me.

Sincerely,

Hoch Consulting



Adam Hoch, P.E., QSD, QISP
President/Principal Engineer
License No. C77635

Attachments: Amendment 4 Fee Proposal

Rainbow MWD - Hutton and Turner Pump Stations Amendment 4 Fee Proposal											Hoch Consulting
Project Task	Hoch Consulting Labor					Subconsultants				Direct Costs†	Total Fees*
	Director of Engineering	Prinicpal Engineer	Senior Designer	Associate Engineer	Total Hoch Consulting Labor	Briest Consulting	Gerry Green, Inc.	Kelsey Structural	Mission Consulting	Reproduction & Postage	Amendment 4 Proposal
	\$210.00	\$195.00	\$165.00	\$135.00							
Base Proposal											
Task 100: Project Management & Quality Control	52	123	0	13	\$ 36,660.00	\$ 8,880.00	\$ -	\$ -		\$ -	\$ 46,872.00
Task 100a: Project Management	40	85		13	\$ 26,730.00						\$ 26,730.00
Task 100b: Quality Assurance/Quality Control	12	38			\$ 9,930.00	\$ 8,880.00					\$ 20,142.00
Task 101: Meetings/Research/Project Schedule	86	84	44	107	\$ 56,145.00	\$ 1,850.00	\$ 1,200.00	\$ 900.00		\$ -	\$ 60,687.50
Task 101a: Meetings and Coordination	30	74	36	49	\$ 33,285.00	\$ 1,850.00	\$ 1,200.00	\$ 900.00			\$ 37,827.50
Task 101b: Data Collection & Review	24	8	8	32	\$ 12,240.00						\$ 12,240.00
Task 101c: Project Schedule	32	2		26	\$ 10,620.00						\$ 10,620.00
Task 200: Design Phase/Submittals	211	272	416	432	\$ 224,310.00	\$ 1,480.00	\$ 68,800.00	\$ 34,600.00	\$ 43,960.00	\$ 7,000.00	\$ 402,476.00
Task 200a: Preliminary Design Report	40	30	152	180	\$ 63,630.00	\$ 1,480.00	\$ 2,600.00				\$ 68,322.00
Task 200a.1: Design Criteria	120	164	80	112	\$ 85,500.00				\$ 43,960.00		\$ 136,054.00
Task 200b: Contract Documents	50	36	168	96	\$ 58,200.00		\$ 66,200.00	\$ 34,600.00		\$ 1,000.00	\$ 175,120.00
Task 200c: Utility Coordination		4	12	40	\$ 8,160.00						\$ 8,160.00
Task 200f: Landscaping	1	2	4	4	\$ 1,800.00					\$ 6,000.00	\$ 7,800.00
Task 200g: EFI Submittal Review		36			\$ 7,020.00						\$ 7,020.00
Task 201: Opinion of Probable Cost	12	12	12	24	\$ 10,080.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,080.00
Task 201a: Cost Estimate	12	12	12	24	\$ 10,080.00						\$ 10,080.00
Total Base Proposal	361	491	472	576	\$ 327,195.00	\$ 12,210.00	\$ 70,000.00	\$ 35,500.00	\$ 43,960.00	\$ 7,000.00	\$ 520,115.50
†Anticipated Direct Costs Include Reproduction and Landscaping Design Services											
* Includes 15% Markup on Subconsultants											

BOARD OF DIRECTORS

August 22, 2023

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE THE FORM OF AN ACQUISITION AGREEMENT BETWEEN THE DISTRICT AND NEIGHBORHOOD 1 AT THE HAVENS, LLC/BONSALL OAKS LLC DEVELOPER UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) (DIVISION 1)

BACKGROUND

The California Statewide Communities Development Authority (CSCDA) is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 391 cities and 56 counties throughout California, including the Rainbow Municipal Water District (District).

The Statewide Community Infrastructure Program (SCIP) was initially created by CSCDA in 2002 to allow owners of property in participating CSCDA member agencies to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and/or the development impact fees owed to the District will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner’s property to repay the portion of the bonds issued to finance the fees paid with respect to the property. With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued; or the fees will be funded directly from the proceeds of the SCIP bonds. The 142-page CSCDA SCIP Manual is available at the District for review.

The District presented Resolution No. 20-06 on May 26, 2020 to the Board of Directors (Board), authorizing the District to join the SCIP; authorizing the CSCDA to accept applications from property owners, conduct special assessment proceedings and levy assessments within the territory of the District; approving a form of acquisition agreement; and authorizing related actions; this original resolution was adopted on May 26, 2020.

The District also presented Resolution No. 22-18 on June 28, 2022 to the Board, authorizing the Resolution of Intention to be adopted by the Authority in connection with assessment proceedings (the “ROI”). The territory within which assessments would be levied for SCIP (provided that each Participating Developer consented to such assessment) would be coterminous with the District’s official boundaries of record at the time of adoption of such ROI (the “Proposed Boundaries”). Reference was made to such boundaries for the plat or map required to be included in the Amended and Restated Resolution pursuant to Section 10104 of the Streets and Highways Code; this amended and restated resolution was adopted on June 28, 2022.

The Bonsall Oaks development was originally set to have 164 single family homes, a wine tasting room and a bed and breakfast. On November 23, 2021, part of the development was sold to Neighborhood 1 at the Havens, LLC, and the development was divided into different neighborhoods/planning areas. The

name of the development was also changed to Provence. The individual neighborhoods are scheduled to be built one at a time and only Neighborhood 1 is currently under construction.

DESCRIPTION

Neighborhood 1 at the Havens, LLC/Bonsall Oaks, LLC Developer for the Provence development, formally known as the Bonsall Oaks development, which is a proposed project of 59 units, located on the North side of Gopher Canyon Road, across the street from Vista Valley Country Club. The Developer has started the process to join the SCIP Program and is currently listed under the SCIP 2023B (Series D). The estimated amount of water and sewer capacities fees to be paid to the District by issuance of this program is \$2,000,000. The supporting documentation is provided as Attachment 1, which includes the Interested Parties List, Project Funding Matrix, Rate and Method of Apportionment, Cashflow Analysis, Timetable and Vicinity Map.

Under the SCIP, the District and the Developer will be required to enter into an Acquisition Agreement to negotiate the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law. District staff and General Counsel have been working with the Developer on the draft Acquisition Agreement provided as Attachment 2.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. By taking this action, the SCIP provides another financing mechanism for facilitating this project. This will allow the District more flexibility in addressing the pipe rehabilitation and pressure reduction programs.

Strategic Focus Area Four: Fiscal Responsibility. This action will help bring additional water and sewer customers to the District, increasing revenue needed for maintenance and CIP.

Strategic Focus Area Five: Customer Service. This action eases impacts for the developer on constructing projects in the District. Additional water and sewer accounts will benefit all RMWD ratepayers by increasing District revenues from fixed charges.

ENVIRONMENTAL

In accordance with California Environmental Quality Act (CEQA) guidelines Section 15378, the action before the Board does not constitute a “project” as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

There are minimal direct costs to the District as the Developer is responsible for paying the costs related to this action.

Option 1:

- Make a determination that approval of the Acquisition Agreement does not constitute a project that is subject to CEQA guidelines.
- Authorize the General Manager and General Counsel to continue negotiating with the Developer and execute the Acquisition Agreement on behalf of the District.
-

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad Williams
Engineering and CIP Program Manager

8/22/2023

DRAFT

ATTACHMENT 1



CSCDA
SCIP
Statewide Community Infrastructure Program

FOUNDED AND SPONSORED BY
California State
Association of
Counties
CAC
LEAGUE
OF CALIFORNIA
CITIES



CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
SCIP REVENUE BONDS, SERIES 2023 (E & F)
SCIP 2023B

INTERESTED PARTIES LIST
(AS OF MAY 2, 2023)

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SCIP 2023D Project Matrix							Latest Data Available from Engineer's Report/Application																				
Series	CFD / AD	County	Local Agency	Project	Developer	Land Use	Land Use Type	Units	Gross Fees	Gross Imprvmts	Total Gross	Est. Dev. Contrib.	Net Total Funded	Engineer's Report	Est. Par Amount	Percent	Assessment Per Lot	Direct Debt Per Lot	Acreage	Assessed Value	Appraised Value	Building Permit Values	Overlap Debt	Total Value to Debt	Assessed Value to Debt	Remainin \$ Per Lot	
2023D		Contra Costa	Antioch, City of	Deer Valley	Meritage Homes of California, Inc.	Single-Family	Residential	120	-	9,568,489	9,568,489	7,787,593	1,780,896	-	2,250,000	5.80%	18,762	18,750	38.00	-	-	-	-	-	-	-	-
2023D		Kern	Bakersfield, City of	Morningstar Ranch (Phase 2)	LGI Homes - California, LLC	Single-Family	Residential	77	856,086	-	856,086	-	856,086	-	1,095,000	2.83%	14,236	14,221	40.20	-	-	-	-	-	-	-	-
2023D	CFD	Sacramento	Elk Grove, City of	Sheldon Farms North Commercial	Capital Rivers Commercial	Retail / Medical	Commercial	n/a	1,269,453	45,350	1,314,803	32,860	1,281,943	-	1,630,000	4.21%	n/a	n/a	5.70	-	-	-	-	-	-	-	
2023D	CFD	Sacramento	Elk Grove, City of	Sheldon Grove	The New Home Company	Single-Family	Residential	122	6,404,239	-	6,404,239	4,204,239	2,200,000	-	2,775,000	7.15%	22,748	22,746	19.81	-	-	-	-	-	-	-	
2023D	22-07	Sacramento	Galt, City of	Parlin Oaks	Blue Mountain Communities	Single-Family	Residential	144	4,183,632	-	4,183,632	1,890,671	2,292,961	2,882,780	2,885,000	7.43%	20,019	20,035	7.50	-	15,550,000	-	-	5.39	-	36,111	
2023D	22-08	Sacramento	Sacramento, County of	Park Place	Northwest Home Company, Inc.	Single-Family	Residential	48	1,020,665	-	1,020,665	-	1,020,665	1,325,861	1,325,000	3.42%	27,622	27,604	3.25	-	4,700,000	-	-	3.55	-	31,250	
2023D	CFD	Sacramento	Sacramento, County of	The Lakes at Antelope (Unit 1)	KB Home Sacramento Inc.	Single-Family	Residential	38	953,306	400,000	1,353,306	153,306	1,200,000	-	1,530,000	3.94%	40,255	40,263	5.80	-	-	-	-	-	-	-	
2023D		Sacramento	Sacramento, County of	Sycamore Grove	FDC Nor-Cal Corp	Single-Family	Residential	24	1,268,342	-	1,268,342	-	1,268,342	1,616,504	1,615,000	4.19%	67,354	67,292	7.14	-	-	-	-	-	-	-	
2023D		San Bernardino	Yucaipa, City of	4th Street Senior Housing Project	Shaoul Levy	Multi-Family (Senior housing)	Residential	32	1,143,223	-	1,143,223	-	1,143,223	-	1,455,000	3.75%	45,443	45,469	2.49	-	-	-	-	-	-	-	
2023D		San Diego	San Diego, City of	3 Roots - District 3	Lennar Homes of California, LLC	Multi-Family	Residential	360	7,641,751	-	7,641,751	-	7,641,751	-	9,540,000	24.58%	26,493	26,500	23.07	-	-	-	-	-	-	-	
2023D	CFD	San Diego	San Diego, County of	Provence (Phase 1)	Neighborhood 1 at the Havens, LLC	Single-Family	Residential	59	3,292,570	-	3,292,570	-	3,292,570	-	4,125,000	10.63%	69,934	69,915	13.60	-	-	-	-	-	-	-	
2023D	22-02	San Joaquin	Manteca, City of	Denali - Unit 2 (Phase 1)	Trumark Homes	Single-Family	Residential	142	-	11,286,638	11,286,638	7,421,967	3,864,671	4,848,746	4,850,000	12.50%	34,146	34,155	41.37	-	20,590,000	-	-	4.25	-		
2023D		San Joaquin	Manteca, City of	The Trails of Manteca (Units 1 - 3)	Lennar Homes of California, LLC	Single-Family	Residential	203	-	3,534,055	3,534,055	1,504,055	2,030,000	-	2,560,000	6.60%	12,616	12,611	31.64	-	-	-	-	-	-	-	
2023D		Shasta	Redding, City of	Sonata	Generation Communities, LLC	Single-Family	Residential	58	1,427,844	-	1,427,844	527,844	900,000	-	1,155,000	2.97%	19,883	19,914	3.83	-	-	-	-	-	-	-	
Total								1,427	\$29,461,110	\$24,834,531	\$54,295,642	\$23,522,534	\$30,773,107	\$10,673,891	\$38,790,000	100.00%			243.40	\$0	\$40,840,000	\$0	\$0	1.05	-		

 Preliminary Engineer's Report/Draft Appraisal
 Final Engineer's Report/Final Appraisal
 Community Facilities District

Matrix				g Dev. Costs	Value after	Adj.	Notes
County	Local Agency	Project	Developer	\$ Total	Dev. Costs	VTL	
Contra Costa	Antioch, City of	Deer Valley	Meritage Homes of California, Inc.	-			
Kern	Bakersfield, City of	Morningstar Ranch (Phase 2)	LGI Homes - California, LLC	-			
Sacramento	Elk Grove, City of	Sheldon Farms North Commercial	Capital Rivers Commercial	-			
Sacramento	Elk Grove, City of	Sheldon Grove	The New Home Company	-			
Sacramento	Galt, City of	Parlin Oaks	Blue Mountain Communities	5,199,984	20,749,984	7.19	
Sacramento	Sacramento, County of	Park Place	Northwest Home Company, Inc.	1,500,000	6,200,000	4.68	
Sacramento	Sacramento, County of	The Lakes at Antelope (Unit 1)	KB Home Sacramento Inc.	-			
Sacramento	Sacramento, County of	Sycamore Grove	FDC Nor-Cal Corp	-			
San Bernardino	Yucaipa, City of	4th Street Senior Housing Project	Shaoul Levy	-			
San Diego	San Diego, City of	3 Roots - District 3	Lennar Homes of California, LLC	-			
San Diego	San Diego, County of	Provence (Phase I)	Neighborhood 1 at the Havens, LLC	-			
San Joaquin	Manteca, City of	Denali - Unit 2 (Phase I)	Trumark Homes	-	20,590,000	4.25	
San Joaquin	Manteca, City of	The Trails of Manteca (Units 1 - 3)	Lennar Homes of California, LLC	-			
Shasta	Redding, City of	Sonata	Generation Communities, LLC	-			
Total				\$6,699,984	\$47,539,984	1.23	

Engineer's Report/Draft Appraisal
 #1's Report/Final Appraisal
 Facilities District

**RATE AND METHOD OF APPORTIONMENT FOR
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2023-06 (PROVENCE)
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in California Statewide Communities Development Authority Community Facilities District No. 2023-06 (Provence), County of San Diego, State of California ("CFD No. 2023-06") and collected each Fiscal Year commencing in Fiscal Year 2023-2024, in an amount determined by the CSCDA Program Manager, through the application of this Rate and Method of Apportionment as described below. All Taxable Property in CFD No. 2023-06, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area expressed in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, parcel map, condominium plan, record of survey, or other recorded County map or the land area calculated to the reasonable satisfaction of the CSCDA Program Manager using the boundaries set forth on such map or plan.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 (commencing with Section 53311) of the California Government Code.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2023-06, including, but not limited to, the following: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the CSCDA Program Manager or designee thereof or both); the costs of collecting the Special Tax (whether by the County or otherwise); the costs of remitting the Special Tax levies to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to CSCDA, CFD No. 2023-06, or any designee thereof of complying with arbitrage rebate requirements, or responding to questions from the Securities and Exchange Commission or Internal Revenue Service pertaining to any CFD No. 2023-06 Bonds or any audit of any CFD No. 2023-06 Bonds by the Securities and Exchange Commission or Internal Revenue Service; the costs to CSCDA, CFD No. 2023-06, or any designee thereof of complying with CSCDA, CFD No. 2023-06, or major property owner disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax levy disclosure statements and responding to public inquiries regarding the Special Tax levies; the costs of CSCDA, CFD No. 2023-06, or any designee thereof related to the reduction of the Special Tax in accordance with Section C herein; the costs of CSCDA, CFD No. 2023-06, or any designee thereof related to an appeal of the levy or application of the Special Tax; the costs associated with the release of funds from an

escrow account; and CSCDA's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by CSCDA or CFD No. 2023-06 for any other administrative purposes of CFD No. 2023-06, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Tax levies.

"Assessor" means the Assessor of the County.

"Assessor's Parcel" means a lot or parcel to which an Assessor's parcel number is assigned as determined from an Assessor's Parcel Map or the applicable assessment roll.

"Assessor's Parcel Map" means an official map of the Assessor designating parcels by Assessor's Parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.b, below.

"Authorized Facilities" means the facilities authorized to be financed by CFD No. 2023-06.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C.1.c, below.

"Building Permit" means a permit issued by the County, or other governmental agency, for the construction of one or more residential or non-residential structure or facilities.

"Buildout" means, for CFD No. 2023-06, that all expected Building Permits for residential dwelling units and/or non-residential development to be constructed within CFD No. 2023-06 have been issued, as determined by the CSCDA Program Manager.

"CFD No. 2023-06" means California Statewide Communities Development Authority Community Facilities District No. 2023-06 (Provence), County of San Diego, State of California.

"CFD No. 2023-06 Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, authorized by CFD No. 2023-06 under the Act and issued by CSCDA and secured by Special Taxes.

"Contractual Impositions" means (a) a voluntary contractual assessment established and levied on an Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 *et seq.*), as amended from time to time, (b) a special tax established and levied on an Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof.

"Commission" means the governing board of CSCDA acting as the legislative body of CFD No. 2023-06.

"County" means the County of San Diego.

"CSCDA" means the California Statewide Communities Development Authority.

"CSCDA Program Manager" means the Community Facilities District program manager for CSCDA, or its designee.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of

Taxable Public Property and Taxable Property Owner Association Property, for which the Final Subdivision was recorded on or before January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied, and for which a Building Permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2023 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

"Dwelling Unit" means one (1) residential unit of any configuration, including, but not limited to, a single family attached or detached dwelling, condominium, townhome, or otherwise.

"Final Mapped Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, located in a Final Subdivision recorded as of January 1 of the Fiscal Year preceding the Fiscal Year for which the Special Taxes are being levied.

"Final Subdivision" means (i) a subdivision of property by recordation of a final map, parcel map, or lot line adjustment approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which building permits may be issued, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 4285 that creates an individual lot(s) for which a building permit(s) may be issued without further subdivision. The term "Final Subdivision" shall not include any Assessor's Parcel Map or subdivision map or portion thereof that does not create individual lots for which a building permit may be issued, including Assessor's Parcels that are designated as remainder parcels.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Formation Proceedings" means the date on which the Commission approved documents to form CFD No. 2023-06, including all resolutions, ordinances, reports and notices.

"Goals and Policies" means the Mello-Roos Community Facilities Act of 1982 Goals and Policies, as adopted by the Commission.

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2023-06 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Land Use Class" means any of the land use classes listed in Table 1, herein.

"Lower Income Households Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel within the boundaries of CFD No. 2023-06 that is subject to a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessment roll finalized as of the last preceding January 1.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C herein, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Minimum Sale Price" means the minimum price at which parcels of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such parcels that are sold at a discount to expected sales prices

for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a Building Permit(s) has been issued permitting the construction of one or more non-residential structures or facilities.

"Outstanding Bonds" means all CFD No. 2023-06 Bonds which remain outstanding under the Indenture.

"Price Point Consultant" means any consultant or firm of such consultants selected by the CSCDA Program Manager that (a) has substantial experience in performing price point studies for residential dwelling units within community facilities districts or otherwise estimating or confirming pricing for residential dwelling units in community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential dwelling units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 2023-06 or CSCDA, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 2023-06, (ii) CSCDA, (iii) any owner of real property in CFD No. 2023-06, or (iv) any real property in CFD No. 2023-06, and (e) is not connected with CFD No. 2023-06 or CSCDA as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2023-06 or CSCDA.

"Price Point Study" means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

"Property Owner Association Property" means, (i) any property within the boundaries of CFD No. 2023-06 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year, (ii) any property located in a Final Subdivision that was recorded as of the January 1 preceding the Fiscal Year in which the Special Tax is being levied and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street, or (iii) any property which, as of the January 1 preceding the Fiscal Year for which the Special Tax is being levied, has been conveyed, irrevocably dedicated, or irrevocably offered to a property owner's association, including any master or sub-association, provided such conveyance, dedication, or offer is submitted to the CSCDA Program Manager by May 1 preceding the Fiscal Year for which the Special Tax is being levied.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For each of the Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property categories, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre within each of these Taxable Property categories is equal for all Assessor's Parcels in that specific Taxable Property category.

"Public Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 2023-06 that is (i) owned by, irrevocably offered or dedicated to the federal government, the State, the County, or any local government or other public agency, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any

purpose other than that set forth in the easement.

"Rate and Method of Apportionment" means this Rate and Method of Apportionment for CFD No. 2023-06.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area for an Assessor's Parcel shall be as set forth in the Building Permit(s) issued for such Assessor's Parcel and/or as set forth in the appropriate records kept by the Building Division of the County, or any other applicable County department, as determined by the CSCDA Program Manager. Such determination shall be final following the issuance of a certificate of occupancy for the residential Dwelling Unit.

"Residential Property" means all Assessor's Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more Dwelling Units.

"Special Tax" or "Special Taxes" means the special tax authorized to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2023-06 to fund the Special Tax Requirement as set forth in Section C herein.

"Special Tax Requirement" means that amount of Special Taxes required, if any, in any Fiscal Year to (i) pay debt service on Outstanding Bonds payable in the calendar year commencing in such Fiscal Year, (ii) pay any amounts required to establish or replenish any reserve funds for all CFD No. 2023-06 Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year, (iii) pay for Administrative Expenses, (iv) without duplicating any amounts described in clause (ii), above, pay for reasonably anticipated annual Special Tax delinquencies based on the delinquency rate for the Special Taxes levied in the previous Fiscal Year, as said levy for delinquencies shall be limited by the Act, and (v) pay directly for the acquisition or construction of Authorized Facilities, provided that the inclusion of such amount does not increase the Special Tax levy beyond the first step in Section D herein, less (vi) a credit for funds available per the Indenture to reduce the Special Tax levy, as determined by the CSCDA Program Manager, so long as the amount required is not less than zero.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2023-06 that are not exempt from the Special Tax pursuant to applicable law or Section E herein.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Tax pursuant to Section E herein.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt from the Special Tax pursuant to Section E herein.

"Total Tax Burden" means, for a parcel of residential property within a Land Use Class, for the Fiscal Year in which the Total Tax Burden is being calculated, the sum of (a) the Assigned Special Tax for such Fiscal Year, plus (b) the *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental fees, charges (other than fees or charges for services such as sewer and trash), taxes and assessments (which, for purposes of clarity, do not include

Contractual Impositions) collected by the County on *ad valorem* tax bills and that the CSCDA Program Manager estimates would be levied or imposed on such residential property in such Fiscal Year if the residential dwelling unit thereon or therein had been completed and sold, and was subject to such fees, charges, taxes and assessments in such Fiscal Year.

"Trustee" means the trustee or fiscal agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Mapped Property, Taxable Property Owner Association Property, or Taxable Public Property.

Please refer to additional definitions in Section H herein relating to the Prepayment of Special Tax.

B ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, commencing with Fiscal Year 2023-2024, all Taxable Property within CFD No. 2023-06 shall be classified as Developed Property, Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property or Taxable Public Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D below.

C MAXIMUM SPECIAL TAX RATE

At least 30 days prior to the issuance of the first series of CFD No. 2023-06 Bonds, the Assigned Special Tax for Residential Property (set forth in Table 1 below) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, the CSCDA Program Manager shall request a Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of residential property within each Land Use Class. If based upon such Price Point Study the CSCDA Program Manager calculates that the Total Tax Burden applicable to one or more Land Use Classes of Residential Property constructed or to be constructed within CFD No. 2023-06 exceeds the CSCDA's maximum overlapping debt burden objective set forth in the Goals and Policies in effect at the time of the Formation Proceedings, the CSCDA Program Manager shall reduce the Assigned Special Tax for such Land Use Classes of Residential Property to the amount necessary so that the Total Tax Burden is equal to such maximum overlapping debt burden level without need for any additional Commission proceedings. Each Assigned Special Tax reduction for a Land Use Class of Residential Property shall be calculated separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Special Tax for any Land Use Class of Residential Property, the CSCDA Program Manager shall also reduce the Backup Special Tax in accordance with Section C.1.c herein. Upon determining the reductions, if any, in the Assigned Special Tax and Backup Special Tax required pursuant to this Section C, the CSCDA Program Manager shall complete the Certificate to Amend Special Tax substantially in the form attached hereto as Exhibit A (the "Certificate to Amend") and shall deliver such Certificate to Amend to CSCDA. Upon receipt thereof, if in satisfactory form, CSCDA shall execute such Certificate to Amend. The reduced Assigned Special Tax and Backup Special Tax specified in such Certificate to Amend shall become effective upon the execution of such Certificate to Amend by CSCDA. The Assigned Special Tax and Backup Special Tax reductions permitted pursuant to this Section C shall be reflected in an amended notice of Special Tax lien which the CSCDA Program Manager shall cause to be recorded with the San Diego County Recorder as soon as practicable after execution of the Certificate to

Amend by CSCDA. If based upon such Price Point Study the CSCDA Program Manager calculates that the Total Tax Burden applicable to each Land Use Class of Residential Property constructed or to be constructed within CFD No. 2023-06 does not exceed the CSCDA's maximum overlapping debt burden objective set forth in the Goals and Policies in effect at the time of the Formation Proceedings, then there shall be no reduction in the Assigned Special Tax, nor shall there be a reduction in the Backup Special Tax.

C.1 Developed Property

C.1.a Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

C.1.b Assigned Special Tax

Residential Property shall be assigned to Land Use Classes 1 through 3 as listed in Table 1 below based on the Residential Floor Area for the Dwelling Unit located on such Assessor's Parcel. Non-Residential Property shall be assigned to Land Use Class 4. The Fiscal Year 2023-2024 Assigned Special Tax that shall be levied for each Land Use Class is shown below in Table 1.

Table 1
Assigned Special Tax for Developed Property
CFD No. 2023-06 (Provence)
Fiscal Year 2023-2024

Land Use Class	Description	Residential Floor Area (square feet)	Assigned Special Tax
1	Residential Property	2,600 or greater	\$5,108 per Dwelling Unit
2	Residential Property	2,200 to less than 2,600	\$4,897 per Dwelling Unit
3	Residential Property	Less than 2,200	\$4,580 per Dwelling Unit
4	Non-Residential Property	NA	\$24,650 per Acre

C.1.c Backup Special Tax

The Fiscal Year 2023-2024 Backup Special Tax for an Assessor's Parcel of Developed Property within CFD No. 2023-06 shall equal the lesser of (a) \$27,390 per Acre, or (b) in connection with any reduction in the Assigned Special Tax as set forth in Section C herein, the amount per Acre calculated pursuant to the formula below:

$$BFST = AFST \div ATP$$

These terms have the following meaning:

BFST = the reduced Backup Special Tax for Developed Property

AFST = The total estimated Assigned Special Taxes based on the reduced Assigned Special Taxes for Developed Property permitted pursuant to Section C herein which could be levied on all expected development assuming Buildout.

ATP =The sum of the Acreage of all Taxable Property within a Final Subdivision(s) (assuming Buildout) (after excluding Public Property and Property Owner Association Property as set forth in Section E herein) multiplied by 90%.

Furthermore, all Assessor's Parcels within CFD No. 2023-06 shall be relieved simultaneously and permanently from the obligation to pay and disclose the Backup Special Tax if the CSCDA Program Manager calculates that (i) the annual debt service required for the Outstanding Bonds, when compared to the Assigned Special Tax that shall be levied against all Assessor's Parcels of Developed Property in CFD No. 2023-06, results in 110% debt service coverage (i.e., the Assigned Special Tax that shall be levied against all Developed Property in CFD No. 2023-06 in each remaining Fiscal Year based on the then existing development is at least equal to the sum of (a) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (b) Administrative Expenses), and (ii) all authorized CFD No. 2023-06 Bonds have already been issued or the Commission has covenanted that it shall not issue any additional CFD No. 2023-06 Bonds (except refunding bonds) to be supported by the Special Tax in CFD No. 2023-06.

C.1.d Increase in the Assigned Special Tax and Backup Special Tax

The Fiscal Year 2023-2024 Assigned Special Taxes, identified in Table 1, above, as such table may be amended and restated in full pursuant to this Rate and Method of Apportionment, and the Fiscal Year 2023-2024 Backup Special Tax for CFD No. 2023-06 shall increase annually, commencing on July 1, 2024 and on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2.00%) of the amount in effect for the previous Fiscal Year.

C.1.e Multiple Land Uses

In some instances, an Assessor's Parcel may contain Developed Property, Final Mapped Property and Undeveloped Property. In such cases, the Acreage of the Assessor's Parcel shall be allocated between Developed Property, Final Mapped Property and/or Undeveloped Property based on the portion of the Assessor's Parcel for which Building Permits had been issued prior to May 1 of the prior Fiscal Year and the portion of the Assessor's Parcel for which Building Permits had not been issued prior to May 1 of the prior Fiscal Year.

Furthermore, Developed Property may contain more than one Land Use Class. In such cases, the Acreage that is considered Developed Property shall be allocated between Residential Property and Non-Residential Property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The Maximum Special Tax that can be levied on such Assessor's Parcel shall be the sum of the Maximum Special Tax that can be levied on each type of property located on that Assessor's Parcel.

The CSCDA Program Manager's allocation to each type of property shall be final.

C.2 Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

The Fiscal Year 2023-2024 Maximum Special Tax for each Assessor's Parcel of Final Mapped Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$27,390 per Acre, and shall increase annually thereafter, commencing on July 1, 2024 and on July 1 of each Fiscal Year thereafter, by an amount

equal to two percent (2.00%) of the applicable Maximum Special Tax for the previous Fiscal Year.

D METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2023-2024, and for each following Fiscal Year, the CSCDA Program Manager shall determine the Special Tax Requirement and shall levy the Special Taxes as prioritized below until the amount of Special Taxes levied equals the Special Tax Requirement. The Special Taxes shall be levied in each Fiscal Year as follows:

Annual Levy

First: The Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Assigned Special Tax for Developed Property;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Mapped Property until (i) the total Special Tax levied under the first two steps listed in this Section D equals the Special Tax Requirement, or (ii) the Special Tax levied on Final Mapped Property equals 100% of the Maximum Special Tax for Final Mapped Property, whichever occurs first;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property until (i) the total Special Tax levied under the first three steps listed in this Section D equals the Special Tax Requirement, or (ii) the Special Tax levied on Undeveloped Property equals 100% of the Maximum Special Tax for Undeveloped Property, whichever occurs first;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property for which the Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to 100% of the Maximum Special Tax for each such Assessor's Parcel of Developed Property until (i) the total Special Tax levied under the first four steps listed in this Section D equals the Special Tax Requirement, or (ii) the Special Tax levied on all Developed Property equals 100% of the Maximum Special Tax for Developed Property, whichever occurs first;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property and Taxable Public Property until (i) the total Special Tax levied under the first five steps listed in this Section D equals the Special Tax Requirement, or (ii) the Special Tax levied on all Taxable Property Owner Association Property and Taxable Public Property equals 100% of the Maximum Special Tax for Taxable Property Owner Association Property and Taxable Public Property, whichever occurs first;

Notwithstanding the above, the CSCDA Program Manager or its designee may, in any Fiscal Year, levy Proportionately less than 100% of the Assigned Special Tax in the first step (above), when (i) CSCDA is no longer required to levy the Special Tax beyond the first step (above) in order to meet the Special Tax Requirement; and (ii) all authorized CFD No. 2023-06 Bonds have already been issued or the Commission has covenanted that it shall not issue any additional CFD No. 2023-06

Bonds (except refunding bonds) to be supported by the Special Tax in CFD No. 2023-06.

Further notwithstanding the above, under no circumstances shall the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued (in accordance with Section 53321(d)(3) of the California Government Code), be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2023-06 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. To the extent that the levy of the Special Tax on Residential Property is limited by the provision in the previous sentence, the levy of the Special Tax on each Assessor's Parcel of Non-Residential Property shall continue in equal percentages up to 100% of the applicable Maximum Special Tax.

E EXEMPTIONS

All property in CFD No. 2023-06 exempted by law or by the provisions hereof shall be exempt from the Special Tax. Furthermore, Taxable Property that is acquired by a public entity after the Formation Proceedings shall remain subject to the applicable Special Tax, except as provided in Section 53317.3 of the Act.

Notwithstanding the above, Public Property or Property Owner Association Property that is not exempt from the Special Tax under this Section E shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step in Section D herein, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property and Property Owner Association Property.

In addition, no Special Tax shall be levied on Lower Income Households Welfare Exemption Property, provided that if, in any Fiscal Year, applicable law does not require that an Assessor's Parcel that is Lower Income Households Welfare Exemption Property be exempt from the Special Tax, then the Special Tax shall be levied on such Assessor's Parcel in accordance with this Rate and Method of Apportionment as if such Assessor's Parcel were not classified as Lower Income Households Welfare Exemption Property.

F REVIEW/APPEAL PROCESS

Any taxpayer may file a written appeal of the Special Tax on his/her property with CSCDA, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CSCDA Program Manager or its designee shall review the appeal, meet with the appellant if the CSCDA Program Manager deems necessary, and advise the appellant of its determination within sixty (60) days after receipt of the appeal. If the CSCDA Program Manager agrees with the appellant, the CSCDA Program Manager shall make a recommendation to CSCDA to eliminate or reduce the Special Tax on the appellant's property or to provide a refund to appellant. The approval of CSCDA or its designee must be obtained prior to any such elimination or reduction. If the CSCDA Program Manager disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has thirty (30) days in which to appeal to CSCDA by filing a written notice of appeal with the CSCDA Program Manager, provided that the appellant is current in his/her payments of the Special Taxes. The second appeal must specify the reasons for the appellant's disagreement with the CSCDA Program Manager's determination. The CSCDA Program Manager shall schedule the appeal to be heard before CSCDA within sixty (60) days after

receipt of the second appeal.

Interpretations may be made by CSCDA, without Resolution or Ordinance of the Commission, for purposes of clarifying any vagueness or ambiguity as it relates to the Special Taxes, this Rate and Method of Apportionment, Land Use Classes, or any other definition applicable to CFD No. 2023-06.

Without Commission approval, the CSCDA Program Manager may make minor, non-substantive administrative and technical changes to the provisions of this document that do not materially affect this Rate and Method of Apportionment, and manner of collection of the Special Tax for purposes of administrative efficiency or convenience or to comply with new applicable federal, state, or local law.

G MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2023-06 may directly bill the Special Tax, may collect Special Tax levies at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H PREPAYMENT OF SPECIAL TAX

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 2023-06 is permitted to prepay the Special Tax. The obligation of the Assessor's Parcel to pay the Special Tax may be fully prepaid and permanently satisfied or partially prepaid as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or for an Assessor's Parcel of Final Mapped Property or Undeveloped Property for which a Building Permit has been issued after January 1, 2023, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CSCDA Program Manager with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the CSCDA Program Manager shall notify such owner of the prepayment amount for such Assessor's Parcel. The CSCDA Program Manager may charge such owner a reasonable fee for providing this service. If there are Outstanding Bonds, prepayment must be made not less than thirty (30) days prior to a date that notice of redemption of CFD No. 2023-06 Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture that is specified in the report of the Special Tax Prepayment Amount (defined below).

The following additional definitions apply to this Section H:

"CFD Public Facilities Costs" means either [\$3,295,510] in 2023 dollars, which shall increase by the Construction Inflation Index on July 1, 2024, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CSCDA Program Manager as sufficient to provide funding for the Authorized Facilities under the authorized bonding program for CFD No. 2023-06, or (ii) shall be determined by CSCDA concurrently with a covenant that it shall not issue any more CFD No. 2023-06 Bonds (except refunding bonds) to be supported by the Special Tax levy under this Rate and Method of Apportionment.

"Construction Inflation Index" means the annual percentage change in the Engineering News Record Building Cost Index for the City of Los Angeles, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this

index ceases to be published, the Construction Inflation Index shall be another index as determined by the CSCDA Program Manager that is reasonably comparable to the Engineering News Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs of Authorized Facilities previously paid from the Improvement Fund, (ii) monies currently on deposit in the Improvement Fund available to pay costs of Authorized Facilities, (iii) monies currently on deposit in an escrow fund established pursuant to the Indenture and expected to be available to fund Authorized Facilities, and (iv) the amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of these funds.

“Improvement Fund” means a fund or account specifically identified in the Indenture (or prior to the issuance of the first series of CFD No. 2023-06 Bonds a fund or account held by CSCDA) to hold funds which are currently available for expenditure to acquire or construct Authorized Facilities.

“Previously Issued Bonds” means, for any Fiscal Year, all Outstanding Bonds that are outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

H.1 Prepayment in Full

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount
Plus Redemption Premium
Plus Future Facilities Amount
Plus Defeasance Amount
Plus Administrative Fees and Expenses
Less Reserve Fund Credit
Less Capitalized Interest Credit
Equals: Special Tax Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount shall be calculated according to the following paragraphs:

1. Confirm that no Special Tax delinquencies apply to such Assessor’s Parcel.
2. For Assessor’s Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax for the Assessor’s Parcel to be prepaid. For Assessor’s Parcels of Final Mapped Property or Undeveloped Property for which a Building Permit has been issued after January 1, 2023, compute the Assigned Special Tax and Backup Special Tax for that Assessor’s Parcel as though it was already designated as Developed Property, based upon the Building Permit which has already been issued for such Assessor’s Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax levy for CFD No. 2023-06 based on the Developed Property Assigned Special Taxes which could be levied on all expected development assuming Buildout of CFD No. 2023-06, excluding any Assessor’s Parcels for which the Special Tax has been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the total estimated Backup Special Taxes at Buildout for the entire CFD No. 2023-06,

excluding any Assessor's Parcels for which the Special Tax has been prepaid.

4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Previously Issued Bonds to compute the amount of Previously Issued Bonds to be redeemed (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%) set forth in the Indenture, if any, on the Previously Issued Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Previously Issued Bonds specified in the report of the Special Tax Prepayment Amount.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Compute the minimum amount the CSCDA Program Manager reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount, less any interest earnings attributed to the Future Facilities Amount, and less any interest earnings attributed to the Administrative Fees and Expenses (defined below) from the date of prepayment until the redemption date for the Previously Issued Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. The administrative fees and expenses of CFD No. 2023-06 are as calculated by the CSCDA Program Manager and include the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2023-06 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Previously Issued Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Previously Issued Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. No Reserve Fund Credit shall be granted if the amount then on deposit in the reserve fund for the Previously Issued Bonds is below 100% of the reserve requirement (as defined in the Indenture).
14. If any capitalized interest for the Previously Issued Bonds will not have been expended as of the date immediately following the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be

calculated by multiplying the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the expected balance in the capitalized interest fund or account under the Indenture after such first interest and/or principal payment date (the "Capitalized Interest Credit").

15. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Special Tax Prepayment Amount").

H.2 Prepayment in Part

The owner of any Assessor's Parcel who desires a partial prepayment of the Special Tax shall notify the CSCDA Program Manager of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE - A) \times F + A.$$

These terms have the following meaning:

- PP = The partial prepayment;
- PE = The Special Tax Prepayment Amount calculated according to Section H.1;
- F = The percentage, expressed as a decimal, by which the owner of the Assessor's Parcel is partially prepaying the Special Tax; and
- A = The Administration Fees and Expenses calculated according to Section H.1.

H.3 General Provisions Applicable to the Prepayment of Special Tax

H.3.a Use of the Special Tax Prepayment Amount

The Special Tax Prepayment Amount, less (i) the Administrative Fees and Expenses calculated according to Sections H.1 and H.2 which shall be retained by CFD No. 2023-06, and (ii) the Future Facilities Amount calculated according to Section H.1 which shall be deposited into the Improvement Fund, shall be deposited into specific funds established under the Indenture, to fully or partially redeem as many Outstanding Bonds as possible, and, if amounts are less than \$5,000, to make debt service payments on the Outstanding Bonds.

H.3.b Full Prepayment of Special Tax

Upon confirmation of the payment of the current Fiscal Year's entire Special Tax obligation, the CSCDA Program Manager may remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid in accordance with Section H.1, the CSCDA Program Manager shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

H.3.c Partial Prepayment of Special Tax

With respect to any Assessor's Parcel that is partially prepaid, the CSCDA Program Manager shall (i) distribute or cause to be distributed the funds remitted to it according to Section H.3.a and (ii) indicate in the records of CFD No. 2023-06 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such

Assessor's Parcel, equal to the outstanding percentage (1.00 – F) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D herein.

H.3.d Debt Service Coverage

Notwithstanding the foregoing, no prepayment of the Special Tax shall be allowed unless the amount of Special Tax that may be levied on Taxable Property (assuming Buildout) within CFD No. 2023-06 in each future Fiscal Year (after excluding Public Property and Property Owner Association Property, as set forth in Section E herein), after the proposed prepayment, is at least equal to the sum of (i) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (ii) Administrative Expenses.

I TERM OF SPECIAL TAX

The Special Tax shall be levied for a period not to exceed fifty years commencing with Fiscal Year 2023-2024, provided however that Special Taxes will cease to be levied in an earlier Fiscal Year if the CSCDA Program Manager has determined that all required interest and principal payments on the CFD No. 2023-06 Bonds have been paid and the Commission has covenanted that it shall not issue any additional CFD No. 2023-06 Bonds (except refunding bonds) to be supported by the Special Tax in CFD No. 2023-06.

EXHIBIT A
CERTIFICATE TO AMEND SPECIAL TAX
CFD NO. 2023-06 CERTIFICATE

1. Pursuant to Section C of the Rate and Method of Apportionment (the "Rate and Method") for California Statewide Communities Development Authority ("CSCDA") Community Facilities District No. 2023-06 ("CFD No. 2023-06"), the Assigned Special Tax and the Backup Special Tax for Developed Property within CFD No. 2023-06 has been reduced as described herein.

(a) The information in Table 1 of the Rate and Method relating to the Assigned Special Tax for Developed Property within CFD No. 2023-06 shall be amended and restated in full as follows:

Table 2
Assigned Special Tax for Developed Property
CFD No. 2023-06 (Provence)
Fiscal Year 20XX-20XX

Land Use Class	Description	Residential Floor Area (square feet)	Assigned Special Tax
1	Residential Property	2,600 or greater	\$_[_____] per Dwelling Unit
2	Residential Property	2,200 to less than 2,600	\$_[_____] per Dwelling Unit
3	Residential Property	Less than 2,200	\$_[_____] per Dwelling Unit
4	Non-Residential Property	NA	\$_[_____] per Acre

(b) The Fiscal Year 20XX-20XX Backup Special Tax for Developed Property, as stated in Section C.1.c of the Rate and Method, shall be reduced to \$_[_____] per Acre.

2. Upon execution of this certificate by CSCDA, the CSCDA Program Manager shall cause an amended notice of Special Tax lien for CFD No. 2023-06 to be recorded reflecting the modifications set forth herein.

All capitalized terms used herein shall have the meanings set forth in the Rate and Method.

By execution hereof, the undersigned acknowledges, on behalf of CSCDA and CFD No. 2023-06, receipt of this certificate and modification of the Rate and Method as set forth in this certificate.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____

Date: _____

**California Statewide Communities Development Authority
Community Facilities District No. 2023-06 (Provence)
Summary of Projected Special Taxes**

PROJECTED AD VALOREM TAX RATES AND OVERLAPPING PROPERTY TAXES

	Plan Types within Provence (Phase I)			
	Plan 1	Plan 2	Plan 3	
<u>Residential Development Information</u> ^[1]				
Projected Unit Count	19	20	20	
Estimated Unit Size	1,942	2,419	2,842	
Estimated Sales Price	\$885,000	\$945,000	\$985,000	
	Percent	Projected	Projected	Projected
	of Total AV	Amount	Amount	Amount
<u>Ad Valorem Property Taxes</u> ^[2]				
Base Property Tax Rate	1.0000%	\$8,850	\$9,450	\$9,850
Palomar Community Coll Prop M 11/07/06, Ser 2006B	0.0024%	\$21	\$22	\$23
MWD D/S Remainder of SDCWA 15019999	0.0035%	\$31	\$33	\$34
Unified Bond Bonsall Prop C 11/08/2005, 2018 Ref	0.0032%	\$28	\$30	\$31
Palomar Community Coll Prop M 11/07/06, 2020 Ref	0.0038%	\$34	\$36	\$37
Palomar Community Coll Prop M 11/07/06, Ser 2017D	0.0038%	\$34	\$36	\$38
Palomar Community Coll Prop M 11/07/06, 2015 Ref	0.0032%	\$29	\$30	\$32
Unified Bond Bonsall Prop C 11/08/2005, Ser 2007B	0.0061%	\$54	\$58	\$60
Palomar Community Coll Prop M 11/07/06, 2017 Ref	0.0024%	\$21	\$22	\$23
Unified Bond Bonsall Prop C 11/08/2005, 2015 Ref	0.0131%	\$116	\$124	\$129
Palomar Community Coll Prop M 11/07/06, 2021 Ref	0.0030%	\$27	\$29	\$30
Palomar Health 2005A - Debt Service	0.0370%	\$327	\$350	\$364
Palomar Community Coll Prop M 11/07/06, Ser 2006C	0.0005%	\$4	\$4	\$4
Subtotal Ad Valorem Tax Rate	1.0820%	\$9,576	\$10,225	\$10,658
		Projected	Projected	Projected
		Amount	Amount	Amount
<u>Parcel Charges, Assessments and Special Taxes</u> ^[3,4]				
MWD Water Standby Charge		\$31	\$31	\$31
Mosquito Surveillance		\$2	\$2	\$2
Vector Disease Control		\$2	\$2	\$2
Water Availability I.D. #1		\$28	\$28	\$28
CWA Water Availability		\$27	\$27	\$27
SD County Street Lighting Zone A		\$2	\$2	\$2
Proposed CFD No. 2023-06 Assigned Special Tax ^[5]		\$4,580	\$4,897	\$5,108
Subtotal Parcels Charges, Assessments and Special Taxes		\$4,673	\$4,990	\$5,201
Projected Total Property Taxes		\$14,248	\$15,214	\$15,858
Projected Total Property Tax Rate		1.61%	1.61%	1.61%

Notes:

[1] Based on information provided by Corman Leigh.

[2] Based on the fiscal year 2022-2023 ad valorem rates for the tax rate area(s) encompassing the Project. Rates subject to change in future years.

[3] Based on charges identified on the fiscal year 2022-2023 property tax bills for the Project, property tax bills for adjacent properties, and discussions with representatives of the project. Rates subject to change in future years.

[4] Assumes no annexations into any applicable maintenance districts, as directed by Corman Leigh, and as discussed with San Diego County.

[5] Proposed CFD No. 2023-06 special tax sufficient to fund eligible impact fees for the Project. Preliminary, subject to change.

California Statewide Communities Development Authority Community Facilities District No. 2023-06 (Provence) Projected Special Taxes and Bonded Indebtedness

I. DEVELOPMENT ASSUMPTIONS & PROPOSED FISCAL YEAR 2023-2024 SPECIAL TAXES

<i>Proposed</i> <u>Residential Land Use Class</u>	<i>Estimated</i> <u>Unit Size</u> ^[1]	<i>Anticipated</i> <u>No. of Units</u> ^[1]	<i>Proposed</i> <u>Assigned</u> <u>Special Tax</u>	<i>Proposed</i> <u>Assigned</u> <u>Special Taxes</u>
Residential Property (=> 2,600 SF)	2,842	20	\$5,108	\$102,160
Residential Property (2,200 - 2,599 SF)	2,419	20	\$4,897	\$97,940
Residential Property (< 2,200 SF)	1,942	19	\$4,580	\$87,020
Residential Total / Average	2,409	59	\$4,866	\$287,120

II. ESTIMATED ACREAGE SUMMARY & PROPOSED SPECIAL TAX PER ACRE ASSUMPTIONS

11.65 = Project Net Taxable Acreage ^[2]
\$24,650 = Average Assigned Special Tax (Per Acre) Fiscal Year 2023-2024
\$27,390 = Undeveloped Special Tax (Per Acre) Fiscal Year 2023-2024
\$27,390 = Backup Special Tax (Per Acre) Fiscal Year 2023-2024

III. CFD BONDING ASSUMPTIONS ^[3]

1-Nov-2023 = Estimated Closing Date
5.50% = Average Coupon
30 = Bond Term
111.81% = Minimum Debt Service Coverage
\$25,000 = First Year Administration Expense
2.00% = Special Tax and Annual Administration Escalation
2.50% = Reinvestment Interest Rate

IV. ESTIMATED SOURCES AND USES

Projected Bonded Indebtedness ^[4]	\$ 4,235,000
9.30% = Less: Reserve Requirement	(\$394,016)
4.51% = Less: Capitalized Interest (10 Months)	(\$191,074)
2.00% = Less: Estimated Underwriter's Discount	(\$84,700)
2.00% = Less: Estimated Legal Services and Issuer Costs	(\$84,700)
\$185,000 = Less: Estimated Fixed Costs of Issuance	(\$185,000)
Estimated Bond Financed Facilities - Total	\$3,295,510
Estimated Bond Financed Facilities - Per Unit	\$55,856

Notes:

[1] Based on information provided by Corman Leigh.

[2] Represents acreage from recorded Amended Map No. 16566 for Lots 2 - 60.

[3] Preliminary, subject to change based on market conditions at time of issuance(s).

[4] Assumes that a minimum 3 to 1 land value to lien ratio is satisfied.

**California Statewide Communities Development Authority
Community Facilities District No. 2023-06 (Provence)
Estimated Debt Service Coverage**

Period Ending	Principal Payment	Interest Payment	Total Debt Service	Priority Administration Expenses ^[1]	Assigned Special Taxes ^[2]	Debt Service Coverage ^[3]
09/01/24	\$0	\$194,104	\$194,104	\$25,000	\$287,120	135.04%
09/01/25	\$5,000	\$232,925	\$237,925	\$25,500	\$292,862	112.37%
09/01/26	\$10,000	\$232,650	\$242,650	\$26,010	\$298,720	112.39%
09/01/27	\$15,000	\$232,100	\$247,100	\$26,530	\$304,694	112.57%
09/01/28	\$20,000	\$231,275	\$251,275	\$27,061	\$310,788	112.91%
09/01/29	\$25,000	\$230,175	\$255,175	\$27,602	\$317,004	113.41%
09/01/30	\$35,000	\$228,800	\$263,800	\$28,154	\$323,344	111.90%
09/01/31	\$40,000	\$226,875	\$266,875	\$28,717	\$329,811	112.82%
09/01/32	\$50,000	\$224,675	\$274,675	\$29,291	\$336,407	111.81%
09/01/33	\$55,000	\$221,925	\$276,925	\$29,877	\$343,135	113.12%
09/01/34	\$65,000	\$218,900	\$283,900	\$30,475	\$349,998	112.55%
09/01/35	\$75,000	\$215,325	\$290,325	\$31,084	\$356,998	112.26%
09/01/36	\$85,000	\$211,200	\$296,200	\$31,706	\$364,138	112.23%
09/01/37	\$95,000	\$206,525	\$301,525	\$32,340	\$371,420	112.46%
09/01/38	\$105,000	\$201,300	\$306,300	\$32,987	\$378,849	112.92%
09/01/39	\$120,000	\$195,525	\$315,525	\$33,647	\$386,426	111.81%
09/01/40	\$130,000	\$188,925	\$318,925	\$34,320	\$394,154	112.83%
09/01/41	\$145,000	\$181,775	\$326,775	\$35,006	\$402,037	112.32%
09/01/42	\$160,000	\$173,800	\$333,800	\$35,706	\$410,078	112.15%
09/01/43	\$175,000	\$165,000	\$340,000	\$36,420	\$418,280	112.31%
09/01/44	\$190,000	\$155,375	\$345,375	\$37,149	\$426,645	112.77%
09/01/45	\$210,000	\$144,925	\$354,925	\$37,892	\$435,178	111.94%
09/01/46	\$225,000	\$133,375	\$358,375	\$38,649	\$443,882	113.07%
09/01/47	\$245,000	\$121,000	\$366,000	\$39,422	\$452,759	112.93%
09/01/48	\$265,000	\$107,525	\$372,525	\$40,211	\$461,815	113.17%
09/01/49	\$290,000	\$92,950	\$382,950	\$41,015	\$471,051	112.30%
09/01/50	\$310,000	\$77,000	\$387,000	\$41,835	\$480,472	113.34%
09/01/51	\$335,000	\$59,950	\$394,950	\$42,672	\$490,081	113.28%
09/01/52	\$365,000	\$41,525	\$406,525	\$43,526	\$499,883	112.26%
09/01/53	\$390,000	\$21,450	\$411,450	\$44,396	\$509,881	113.13%
TOTAL	\$4,235,000	\$5,168,854	\$9,403,854	NA	NA	NA

Notes:

[1] Estimate, pending confirmation from district.

[2] Based on the levy of Assigned Special Taxes assuming full development, incorporating a 2% annual escalation.

[3] Assigned Special Taxes assuming full development, less Priority Administrative Expenses, divided by Total Debt Service.

**California Statewide Communities Development Authority
Community Facilities District No. 2023-06 (Provence)
Proposed Budget of Development Impact Fees**

Proposed Impact Fee Description	Applicable Impact Fee Unit / Bldg. SF	Number of Units / Bldg. SF	Estimated Impact Fee Total
<u>Rainbow Municipal Water District</u>			<u>\$1,994,082</u>
Water Capacity Fee ^[1]	\$26,760.00	59	\$1,578,840
Sewer Capacity Fee ^[2]	\$7,038.00	59	\$415,242
<u>Bonsall Unified School District</u>			<u>\$850,932</u>
School Development Impact Fee ^[3]	\$4.79	142,118	\$680,746
Estimated 25% Premium ^[3]	\$1.20	142,118	\$170,186
<u>County of San Diego</u>			<u>\$448,497</u>
Transportation Impact Fees ^[4]	\$5,896.21	59	\$347,876
Fire Mitigation Impact Fees ^[5]	\$1,705.44	59	\$100,621
PROPOSED IMPACT FEE TOTAL	NA	NA	\$3,293,511

Notes:

[1] Represents the rate for a 1" meter size and is comprised of the RMWD material and capacity fee and SDCWA capacity and treatment fee components (effective January 1, 2018).

[2] Represents the \$415,242 in sewer capacity fees paid in September 2021, for which the project proponent is seeking reimbursement. Amount reflects 50% of fees due upon approval of Sewer Service Agreement dated September 16, 2021, excluding \$1,038,366 in fees previously paid in 1999 and credited to project proponent.

[3] Pursuant to the Mitigation Agreement approved by the Bonsall Unified School District on September 28, 2022, the project proponent is responsible for 125% of then-current Level 1 or 2 fees, currently at \$4.79 per sq. ft. of assessable residential development, or \$5.99 per sq. ft., which is due at building permit issuance.

[4] Traffic impact fee is comprised of the San Diego County Transportation Impact Fee ("TIF") and the San Diego Association of Governments ("SANDAG") Regional Transportation Congestion Improvement Program ("RTCIP") fee. The TIF portion is 3,208.00 per unit and the RTCIP portion is \$2,688.21 per unit, for a total of \$5,896.21 per unit (effective July 1, 2022).

[5] Based on information provided by Corman Leigh and subject to review and confirmation.



CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
SCIP REVENUE BONDS, SERIES 2023 (E & F)
SCIP 2023B

TIMETABLE
(AS OF APRIL 28, 2023)

APRIL						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

JULY						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

MAY						
S	M	T	W	T	F	S
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUNE						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

SEPTEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

1 CSCDA Meeting (1st & 3rd Thursdays) **1** Holiday

<u>DATE*</u>	<u>TASK</u>	<u>PARTY</u>
04/26/2023	<ul style="list-style-type: none"> Invoices Sent Out 	Dev
05/01/2023	<ul style="list-style-type: none"> Developer's Questionnaire's Distributed Appraisal Questionnaire's Distributed 	DC App
05/22/2023 (week of)	<ul style="list-style-type: none"> Draft Preliminary Engineer's Reports Distributed Questionnaires Due 	Eng Dev
05/29/2023 (week of)	<ul style="list-style-type: none"> Commence Local Agency Due Diligence Calls 	LA / UW
06/08/2023	<ul style="list-style-type: none"> Agenda Deadline for February 17th Meeting 	All
06/12/2023 (week of)	<ul style="list-style-type: none"> Distribute Draft Appraisals 	App
06/15/2023	<ul style="list-style-type: none"> Approve Preliminary Engineer's Reports (Resolution of Intention) 	CSCDA
06/19/2023 (week of)	<ul style="list-style-type: none"> Draft Preliminary Official Statement Developer Sections Distributed 	DC

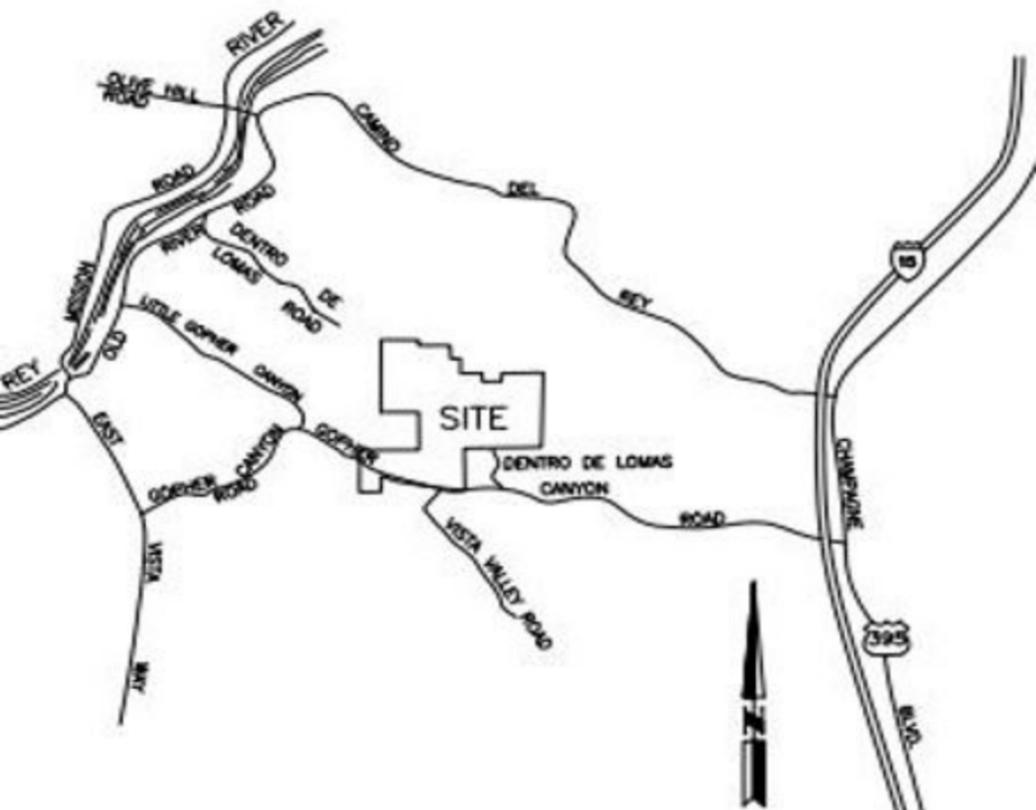
*Preliminary; Subject to change

<u>DATE*</u>	<u>TASK</u>	<u>PARTY</u>
06/26/2023 (beginning week of)	<ul style="list-style-type: none"> Commence Developer Due Diligence Calls 	Dev / UW
07/24/2023	<ul style="list-style-type: none"> Distribute Revised Preliminary Official Statement and Legals 	DC
07/27/2023	<ul style="list-style-type: none"> Agenda Deadline for Public Hearing Date (Ballots Due) 	All
08/01/2023	<ul style="list-style-type: none"> Final Appraisals Due 	App
08/03/2023	<ul style="list-style-type: none"> Public Hearing/Form Districts/Authorize Sale of Bonds 	All
08/07/2023	<ul style="list-style-type: none"> Post Preliminary Official Statement 	DC / UW
08/22/2023	<ul style="list-style-type: none"> Pre-Pricing 	UW / CSCDA
08/23/2023	<ul style="list-style-type: none"> Price and Sell Bonds 	UW / CSCDA
09/06/2023	<ul style="list-style-type: none"> Pre-Closing (Local Agency and Developer Certificates Due) 	All
09/13/2023	<ul style="list-style-type: none"> Close / Deliver Funds 	All

WORKING GROUP PARTICIPANTS		
<u>ROLE</u>	<u>PARTICIPANTS</u>	<u>SHORT NAME</u>
Issuer	<ul style="list-style-type: none"> California Statewide Communities Development Authority 	CSCDA
Bond & Disclosure Counsel	<ul style="list-style-type: none"> Orrick, Herrington & Sutcliffe 	B&DC
Underwriter	<ul style="list-style-type: none"> RBC Capital Markets 	UW
Underwriter's Counsel	<ul style="list-style-type: none"> Kutak Rock 	UWC
Engineer	<ul style="list-style-type: none"> David Taussig & Associates 	Eng
Appraiser	<ul style="list-style-type: none"> Integra Realty Resources 	App
Local Agency	<ul style="list-style-type: none"> All Local Agencies 	LA
Developer	<ul style="list-style-type: none"> All Developers 	Dev
Trustee	<ul style="list-style-type: none"> Wilmington Trust 	Trust
Printer	<ul style="list-style-type: none"> Elabra 	Printer

BONSALL OAKS

**T.M. NO. 4736 RPL4
COUNTY OF SAN DIEGO**



VICINITY MAP

ATTACHMENT 2

FORM OF ACQUISITION AGREEMENT

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM**

ACQUISITION AGREEMENT

**BY AND BETWEEN
RAINBOW MUNICIPAL WATER DISTRICT
AND
[DEVELOPER]**

Dated as of _____, 20__

ACQUISITION AGREEMENT

Recitals

- A. The parties to this Acquisition Agreement (the “Agreement”) are the RAINBOW MUNICIPAL WATER DISTRICT, (the “Local Agency”), and [DEVELOPER], a [indicate type of legal entity] (the “Developer”).
- B. The effective date of this Agreement is _____, 20__.
- C. The Developer has applied for the financing of, among other things, certain public capital improvements to be owned by the Local Agency (collectively, the “Acquisition Improvements”) through the California Statewide Communities Development Authority (the “Authority”) and its Statewide Community Infrastructure Program (“SCIP”). [For CFDS:][The Acquisition Improvements are to be owned and operated by the Local Agency, and the financing is to be accomplished through a community facilities district which will be administered by the Authority under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the “Act”). On [____], 20[_], the Local Agency entered into a Joint Community Facilities Agreement authorizing the Authority to form a community facilities district (the “District”) within the territorial limits of the Local Agency to finance, among other things, the Acquisition Improvements. On [____], 20[_], the Authority formed the District and, on the same date, a landowner election was conducted in which all of the votes were cast unanimously in favor of conferring the District authority on the Authority Commission.] [For Assessment Districts:][The Acquisition Improvements are to be owned and operated by the Local Agency, and the financing is to be accomplished through an assessment district (the “District”) which will be administered by the Authority under and pursuant to Municipal Improvement Act of 1913 (Streets and Highways Code Sections 10000 and following) (the “1913 Act”) and the issuance of improvement bonds (the “Local Obligations”) under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the “1915 Act” and, together with the “1913 Act” the “Act”).]
- D. The administration, payment and reimbursement of the capital facilities fees is agreed to be governed by the provisions of the SCIP Manual of Procedures as it may be amended from time to time. The administration, payment and reimbursement of the Acquisition Improvements shall be as provided herein.
- E. Under SCIP, the Authority intends to levy [assessments] [special taxes] and issue bonds, in one or more series, to fund, among other things, all or a portion of the costs of the Acquisition Improvements. The portion of the proceeds of the [special taxes and] bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the “Available Amount”.
- F. The Authority will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A is a description of the Acquisition Improvements, which includes authorized discrete and usable portions, if any, of the public capital improvements, [pursuant to Section 53313.51 of the Act,] to be acquired from the Developer.
- G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire such completed Acquisition Improvements with the Available Amount.
- H. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor.
- I. Attached to this Agreement are Exhibit A (*Acquisition Improvements and the Eligible Portions*

thereof) and Exhibit B (*Form of Requisition*), which are incorporated into this Agreement for all purposes. In consideration of Recitals A through I, inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.

Agreement

ARTICLE I

DEFINITIONS; DISTRICT FORMATION AND FINANCING PLAN

Section 1.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the Local Agency Engineer not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition and Construction Fund” means the “Rainbow Municipal Water District Acquisition and Construction Fund” established by the Authority pursuant to Section 1.03 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements and which fund may be held as a subaccount within a fund established under the Authority Trust Agreement and may be commingled with acquisition and construction fund monies available for other public capital improvements.

“Acquisition Improvement” shall have the meaning assigned to such term in the recitals and are further described in Exhibit A.

“Acquisition Price” means the total amount eligible to be paid to the Developer upon acquisition of an Acquisition Improvement as provided in Section 2.03 not to exceed the Actual Cost of the Acquisition Improvement.

“Act” has the meaning ascribed thereto in Recital C.

“Actual Cost” means the total cost of an Acquisition Improvement, as documented by the Developer to the satisfaction of the Local Agency and as certified by the Local Agency Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement including grading, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer’s cost of any real property or interest therein that is either necessary for the construction of such Acquisition Improvement (e.g., temporary construction easements, haul roads, etc.), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the Local Agency or its designee, (e) the Developer’s cost of environmental evaluation or mitigation required for such Acquisition Improvement, (f) the amount of any fees actually paid by the Developer to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Acquisition Improvement, (g) the Developer’s cost for construction and project management, administration and supervision services for such Acquisition Improvement, (h) the Developer’s cost for professional services related to such Acquisition Improvement, including engineering, accounting, legal, financial, appraisal and similar professional services, and (i) the costs of construction financing incurred by

the Developer with respect to such Acquisition Improvement.

“Actual Cost Certificate” means a certificate prepared by the Developer detailing the Actual Cost of an Acquisition Improvement, or an Eligible Portion thereof, to be acquired hereunder, as may be revised by the Local Agency Engineer pursuant to Section 2.03.

“Agreement” means this Acquisition Agreement, dated as of [_____], 20[___].

“Authority” means the California Statewide Communities Development Authority.

“Authority Trust Agreement” means a Trust Agreement entered into by the Authority and an Authority Trustee in connection with the issuance of bonds.

“Authority Trustee” means the financial institution identified as trustee in an Authority Trust Agreement.

“Available Amount” shall have the meaning assigned to the term in Recital E.

“Bonds” means bonds or other indebtedness issued by the Authority as tax-exempt or taxable bonds or other indebtedness, in one or more series, that is to be repaid by the District.

“Code” means the Streets and Highways Code or the Government Code of the State of California, as applicable.

“Developer” means [*Developer*], its successors and assigns.

“Disbursement Request Form” means a requisition for payment of funds from the Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof in substantially the form contained in Exhibit B hereto.

“District” shall have the meaning assigned to the term in Recital C.

“Eligible Portion” shall have the meaning ascribed to it in Section 2.03 below.

“Installment Payment” means an amount equal to ninety percent (90%) of the Actual Cost of an Eligible Portion.

“Local Agency” means the Rainbow Municipal Water District.

“Local Agency Engineer” means the Engineer of the Local Agency or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the Developer’s development of the property in the District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within the District.

[“Special Taxes” means annual special taxes, and prepayments thereof, authorized by the District to be levied by the Commission of the Authority.]

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the Local Agency of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

Section 1.02. Participation in SCIP. [*For CFDs:*][The Local Agency has entered into a Joint Community Facilities Agreement with the Authority for the purpose of accepting applications from time to time of developers within the Local Agency’s jurisdictional boundaries.] Developer has applied for financing through SCIP of the Acquisition Improvements, and such

application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Acquisition Account (as defined in Section 1.03 below), neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of SCIP financing for the Acquisition Improvements.

Section 1.03. Deposit and Use of Available Amount.

(a) Upon completion of the SCIP financing, the Available Amount will be deposited by the Authority in the Acquisition Account.

(b) The Authority will cause the SCIP Trustee to establish and maintain an account (the "Acquisition Account") for the purpose of holding all funds for the Acquisition Improvements. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided herein and pursuant to the Authority Trust Agreement. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements, as specified in Article II hereof. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the Local Agency as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, (ii) shall be applied by the Authority [to call Bonds or to reduce Special Taxes as the Authority shall determine][as provided in Section 10427.1 of the Code to pay a portion of the assessments levied on the Project property in the District].

Section 1.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to SCIP subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer's or the Local Agency's duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer's and the Local Agency's rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section 2.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the

design consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section 2.02. Letting and Administration of Construction Contracts; Indemnification. State law requires that all Acquisition Improvements not completed prior to the formation of the District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the requirements set forth in Exhibit C hereto with respect to the bidding and contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

Section 2.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency each Acquisition Improvement to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already publicly owned), when the Acquisition Improvement is has been constructed and is complete to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvement. Exhibit A, attached hereto and incorporated herein, contains a list of the Acquisition Improvements. Portions of an Acquisition Improvement eligible for Installment Payments prior to completion of the entire Acquisition Improvement are described as eligible, discrete and usable portions in Exhibit A (each, an "Eligible Portion"). At the time of completion of each Acquisition Improvement, or Eligible Portion thereof, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate, and by executed Title Documents for the transfer of the Acquisition Improvement where necessary. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. If the further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items and the determination shall be final and conclusive.

Certain soft costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project. In those instances, the total costs under such contracts will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Amounts allocated to an Acquisition Improvement will be further allocated among the Eligible Portions of that Acquisition Improvement, if any, in the same proportion as the amount to be reimbursed for hard costs for each Eligible Portion bears to the amount to be reimbursed for hard costs for the entire Acquisition Improvement. Costs will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. The costs of certain

environmental mitigation required to mitigate impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer.

In the event that the Actual Cost is in excess of the Available Amount, the Local Agency shall withdraw the Available Amount from the Acquisition Account and transfer said amount to the Developer. In the event that the Actual Cost is less than the Available Amount, the Local Agency shall withdraw an amount from the Acquisition Account equal to the Actual Cost, and shall transfer said amount to the Developer. Any amounts then remaining in the Acquisition Account shall be applied as provided in Section 1.03.

In no event shall the Local Agency be required to pay the Developer more than the amount on deposit in the Acquisition Account at the time such payment is requested.

Section 2.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for an Acquisition Improvement from the Acquisition and Construction Fund shall in every case be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that the Acquisition Improvement satisfies all Local Agency regulations and ordinances and is otherwise complete and ready for acceptance by the Local Agency, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already publicly owned) comprising the Acquisition Improvement, and the property which is subject to the [assessments/Special Taxes] of the District, is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) All due and payable property taxes, and installments of [assessments/Special Taxes] shall be current on property owned by the Developer or under option to the Developer that is subject to the lien of the District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the Local Agency (or applicable governmental agency) and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to or greater than the Acquisition Price.

Section 2.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the

Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

ARTICLE III

MISCELLANEOUS

Section 3.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority, and each of its respective officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees in the performance of this Agreement, or arising out of any contract for the design, engineering and construction of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official statement relating to the SCIP financing (provided that the Developer shall have been furnished a copy of such official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of its respective officers, directors, employees or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

Section 3.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement) in constructing the Acquisition Improvements.

Section 3.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the SCIP financing for the Acquisition Improvements. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section 3.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or

acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section 3.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's or the Developer's agents and employees.

Section 3.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

Section 3.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the Local Agency:

Rainbow Municipal Water District
[Address to come]

If to the Developer:

[Developer]
[Address to come]

Either party may change its address by giving notice in writing to the other party.

Section 3.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 3.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 3.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section 3.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 3.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 3.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section 3.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Board [Vice] President

ATTEST:
Secretary the Board of Directors

By: _____

[DEVELOPER],
a [here indicate type of legal entity]

By: _____
Signature

Print Name

Exhibit A to the Acquisition Agreement

DESCRIPTION OF ACQUISITION IMPROVEMENTS AND BUDGETED AMOUNTS

[To be completed based on Final Engineer's Report]

Funding includes amounts for incidental costs associated with the capital improvements, including, but not limited to, contingency, design, engineering, and construction management.

<u>ACQUISITION IMPROVEMENTS</u>	<u>TOTAL AMOUNT*</u>
[.....]	\$[.....]
[.....]	\$[.....]

* Estimated. Acquisition Price will be determined based on Actual Cost as further described in this Acquisition Agreement.

Exhibit B to the Acquisition Agreement

FORM OF SCIP REQUISITION

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the RAINBOW MUNICIPAL WATER DISTRICT hereby requests a withdrawal from the [DEVELOPER] ACQUISITION ACCOUNT, as follows:

Request Date: [Insert Date of Request]
Name of Developer: [Developer]
Withdrawal Amount: [Insert Acquisition Price]
Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]
Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

1. The Withdrawal is being made in accordance with a permitted use of such monies pursuant to the Acquisition Agreement, and the Withdrawal is not being made for the purpose of reinvestment.
2. None of the items for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Withdrawal Amount is greater than the funds held in the Acquisition Account, the SCIP Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the Withdrawal is being made prior to the date bonds have been issued on behalf of SCIP, this withdrawal form serves as the declaration of official intent of the RAINBOW MUNICIPAL WATER DISTRICT, pursuant to Treasury Regulations 1.150-2, to reimburse with respect expenditures made from the Acquisition Account listed above in the amount listed above.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____
Title: _____

BOARD OF DIRECTORS

August 22, 2023

SUBJECT

DISCUSSION AND POSSIBLE ACTION TO APPROVE THE FORM OF AN ACQUISITION AGREEMENT BETWEEN THE DISTRICT AND OCEAN BREEZE RANCH, LLC. DEVELOPER UNDER THE STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM (“SCIP”) (DIVISION 1)

BACKGROUND

The California Statewide Communities Development Authority (CSCDA) is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of CSCDA include approximately 391 cities and 56 counties throughout California, including the Rainbow Municipal Water District (District).

The Statewide Community Infrastructure Program (SCIP) was initially created by CSCDA in 2002 to allow owners of property in participating CSCDA member agencies to finance the development impact fees that would be payable by property owners upon receiving development entitlements or building permits. The program has since been expanded to include financing of public capital improvements directly. If a property owner chooses to participate, the selected public capital improvements and/or the development impact fees owed to the District will be financed by the issuance of tax-exempt bonds by CSCDA. CSCDA will impose a special assessment on the owner’s property to repay the portion of the bonds issued to finance the fees paid with respect to the property. With respect to impact fees, the property owner will either pay the impact fees at the time of permit issuance and will be reimbursed from the SCIP bond proceeds when the SCIP bonds are issued; or the fees will be funded directly from the proceeds of the SCIP bonds. The 142-page CSCDA SCIP Manual is available at the District for review.

The District presented Resolution No. 20-06 to the Board of Directors (Board) on May 26, 2020, authorizing the District to join the SCIP; authorizing the CSCDA to accept applications from property owners, conduct special assessment proceedings and levy assessments within the territory of the District; approving a form of acquisition agreement; and authorizing related actions; this original resolution was adopted on May 26, 2020.

The District also presented Resolution No. 22-18 to the Board on June 28, 2022, authorizing the Resolution of Intention to be adopted by the Authority in connection with assessment proceedings (the “ROI”). The territory within which assessments would be levied for SCIP (provided that each Participating Developer consented to such assessment) would be coterminous with the District’s official boundaries of record at the time of adoption of such ROI (the “Proposed Boundaries”). Reference was made to such boundaries for the plat or map required to be included in the Amended and Restated Resolution pursuant to Section 10104 of the Streets and Highways Code; this amended and restated resolution was adopted on June 28, 2022.

DESCRIPTION

Ocean Breeze Ranch, LLC., the Developer for the Ocean Breeze Ranch development a proposed project of 381 units, which is located south of Pala Road (Highway 76), west of Interstate 15 and north of West Lilac Road. The Developer has started the process to join the SCIP Program and is currently in the early stages of the application process. The estimated amount of water and sewer capacities fees to be paid to the District by issuance of this program is \$12,000,000. The Developer's proposed letter of application, bond sizing/total tax rate analysis, and vicinity map are provided in Attachment 1.

Under the SCIP the District and the Developer will be required to enter into an Acquisition Agreement to negotiate the terms and conditions under which financing for public capital improvements will be provided and to establish the procedure for disbursement of bond proceeds to pay for completed facilities. It also authorizes miscellaneous related actions and makes certain findings and determinations required by law. District staff and General Counsel have been working with the Developer on the draft Acquisition Agreement provided as Attachment 2.

POLICY/STRATEGIC PLAN KEY FOCUS AREA

Strategic Focus Area Two: Asset Management. By taking this action, the SCIP provides another financing mechanism for facilitating this project. This will allow the District more flexibility in addressing the pipe rehabilitation and pressure reduction programs.

Strategic Focus Area Four: Fiscal Responsibility. This action will help bring additional water and sewer customers to the District, increasing revenue needed for maintenance and CIP.

Strategic Focus Area Five: Customer Service. This action eases impacts for the developer on constructing projects in the District. Additional water and sewer accounts will benefit all RMWD ratepayers by increasing District revenues from fixed charges.

ENVIRONMENTAL

In accordance with California Environmental Quality Act (CEQA) guidelines Section 15378, the action before the Board does not constitute a "project" as defined by CEQA and further environmental review is not required at this time.

BOARD OPTIONS/FISCAL IMPACTS

There are minimal direct costs to the District as the Developer is responsible for paying the costs related to this action.

Option 1:

- Make a determination that approval of the Acquisition Agreement does not constitute a project that is subject to CEQA guidelines.
- Authorize the General Manager and General Counsel to continue negotiating with the Developer and execute the Acquisition Agreement on behalf of the District.

Option 2:

- Provide other direction to staff

STAFF RECOMMENDATION

Staff recommends Option 1.

Chad Williams
Engineering and CIP Program Manager

8/22/2023



James Hamill
Managing Director
1700 N. Broadway, Suite 405
Walnut Creek, CA 94596

March 28, 2022

RE: Proposed CSCDA CFD for Rainbow Municipal Water District

Mr. Hamill,

On behalf of Ocean Breeze Ranch, LLC (“Developer”), please accept this letter as a formal request for the formation of a CSCDA CFD to finance the Rainbow Municipal Water District (“RMWD”) fees and facilities. The property lies within the jurisdictional boundaries of RMWD and County of San Diego (“County”) and is proposed to be developed with 381 single-family detached homes (“Project”) within two planning areas.

The Developer wishes to form a new CSCDA CFD with RMWD to finance (see Exhibit B for more details):

- Water and Sewer Capacity fees
- In-tract Water and Sewer facilities

Please refer to Exhibit A for the overall tax rate and estimated amount of proceeds that could be generated. We appreciate your consideration and look forward to discussing the next steps and timeline for this request. Should you have any questions or comments, please feel free to contact me at (949) 388-9269 Ext. 1143.

Sincerely,
Manju Pokharel
DPFG

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PRELIMINARY DRAFT
SUBJECT TO CHANGE

Exhibit ~~A~~ A
Ocean Breeze Ranch, LLC (Bonsall)
Proposed CSCDA Rainbow Municipal Water District CFD
Bond Sizing and Total Tax Rate Analysis
March 28, 2022



I. Home Prices and Combined Tax Rates:

Plan No.	Proposed RMWD CFD SF Category	Home Size (Sq. Ft.)	No. Units	Base Home Price	BOND SIZING & TOTAL TAX RATE ANALYSIS								
					Ad Valorem Tax Rate 1.04696%	Other Fixed Charges and Assess.	ESTIMATED County Maintenance CFD Special Tax	Existing Total Tax per Unit	Existing Total Tax Rate	Proposed CSCDA RMWD CFD Special Tax	Total Tax w/ Proposed CSCDA CFD	Total Tax Rate w/ Proposed CSCDA CFD	Proposed CSCDA RMWD CFD Revenue
(a)		(a)	(a)	(a)	(b)	(c)	(d)			(e)			
Planning Area 1													
1	< 2,900	2,752	48	\$1,087,040	\$ 11,381	\$ 373	\$ 1,140	\$ 12,894	1.19%	\$ 4,140	\$ 17,034	1.57%	\$ 198,711
2	2,900 - 3,199	3,054	48	1,175,790	12,310	373	1,140	13,823	1.18%	4,601	18,425	1.57%	220,864
3	> 3,199	3,400	48	1,275,000	13,349	373	1,140	14,862	1.17%	5,117	19,979	1.57%	245,629
Planning Area 2													
1	< 2,900	2,752	79	1,087,040	11,381	373	1,140	12,894	1.19%	4,140	17,034	1.57%	327,044
2	2,900 - 3,199	3,054	79	1,175,790	12,310	373	1,140	13,823	1.18%	4,601	18,425	1.57%	363,506
3	> 3,199	3,400	79	1,275,000	13,349	373	1,140	14,862	1.17%	5,117	19,979	1.57%	404,264
		3,069	381	\$1,179,277	\$ 12,347	\$ 373	\$ 1,140	\$ 13,860	1.18%	\$ 4,619	\$ 18,479	1.57%	\$ 1,760,018

II. POTENTIAL CSCDA RMWD CFD - BOND SIZING AND CONSTRUCTION PROCEEDS:

Total Annual Special Taxes for Bonding (Annual CFD Revenue less \$40,000 annual administration / 110% Coverage)	\$ 1,563,653
Bond Amount (4.50% Interest, 30 Year Term, 29 Year Amortization)	\$ 25,050,000
Underwriter Discount (2.0%)	\$ (501,000)
Reserve Fund (Annual Debt Service)	(1,563,653)
Capitalized Interest (12 mos)	(1,127,250)
Incidental Costs (Estimate)	(294,850)
Total Net Construction Proceeds	\$ 21,563,248
<i>Per Unit</i>	\$ 56,596

III. Allocation of Net Construction Proceeds:

RMWD Water and Sewer Capacity Fees (100% of \$31,502 per unit)	31,502	12,002,389
RMWD Water and Sewer Facilities (100% of \$25,094 per unit)	25,094	9,560,859
Total Allocation of Net Construction Proceeds	\$ 56,596	21,563,248

IV. Footnotes:

- (a) Product, mix, and pricing per Colliers International on 3/1/2022.
- (b) Includes 1.00% plus the following:
 - A tax of 0.02402% is charged for fiscal year 2021-22 by the Bonsall Elementary School District to all parcels to pay debt service for outstanding bonds.
 - A tax of 0.01944% is charged for fiscal year 2021-22 by the Palomar Community College District to all parcels to pay debt service for outstanding bonds.
 - A tax of 0.00350% is charged for fiscal year 2021-22 by the Metropolitan Water District to all parcels to pay debt service for outstanding bonds.
- (c) Includes the following estimates:
 - County of San Diego levies an annual assessment of \$8.36 per parcel for vector control services.
 - San Diego County Water Authority levies a standby charge of \$10.00 per acre, or \$10.00 per parcel if less than an acre.
 - County of San Diego levies a standby charge of \$10.54 per acre, or \$10.54 per parcel if less than an acre.
 - County of San Diego levies an annual assessment of \$2.28 per parcel for mosquito surveillance services.
 - MWD levies a standby charge of \$11.50 per acre, or \$11.50 per parcel if less than an acre.
 - County of San Diego levies an annual assessment of \$321 per parcel for stormwater maintenance.
 - County of San Diego Street Lighting District Zone A levies an annual assessment of \$10.00 per parcel for street light maintenance.
- (d) Represents the ESTIMATED future County of San Diego Maintenance CFD special tax for the maintenance of Public Neighborhood Park (Lot C), Trail Head Park (Lot O) per the Conditions of Approval. This special tax escalates each fiscal year by the annual percentage change in the CPI, but not less than 2% and not greater than 6%. This special tax is a PRELIMINARY ESTIMATE and subject to change until a maintenance exhibit is prepared and a maintenance budget is prepared by the County.
- (e) Represents the proposed special tax for proposed CSCDA RMWD CFD to finance water and sewer fees and facilities.

Exhibit B
Ocean Breeze Ranch, LLC (Bonsall)
Proposed CSCDA Rainbow Municipal Water District CFD
Preliminary List of Authorized Facilities

PROPOSED CSCDA RMWD CFD						
Description of Eligible Fees	Rate	per	No. of Units	Total	per DU	
<u>Rainbow Municipal Water District - Fees</u>						
Water Capacity Fees (3/4" Meter)	\$ 10,401	Meter	381	\$ 3,962,781	\$ 10,401	
Meter Fee (3/4" Meter)	225	Meter	381	85,725	225	
Sewer Capacity Fee (2,001 - 3,000 SF)	18,051	DU	127	2,292,477	6,017	
Sewer Capacity Fee (3,001 - 4,500 SF)	22,289	DU	254	5,661,406	14,859	
Total RMWD Fees				\$ 12,002,389	\$ 31,502	
<u>Rainbow Municipal Water District - Facilities</u>						
Sanitary Sewer System	\$ 13,005	DU	381	\$ 4,954,956	\$ 13,005	
Water Line & Fire Hydrant System	8,816	DU	381	3,358,834	8,816	
Prevailing Wage (15%)	3,273	DU	381	1,247,069	3,273	
Total RMWD Facilities				\$ 9,560,859	\$ 25,094	
Total RMWD Fees and Facilities				\$ 21,563,248	\$ 56,596	

\\ARTIC\DWG\1007001\OBR_FIGURE 1.DWG 09-01-16 10:26:49 LAYOUT: LAYOUT

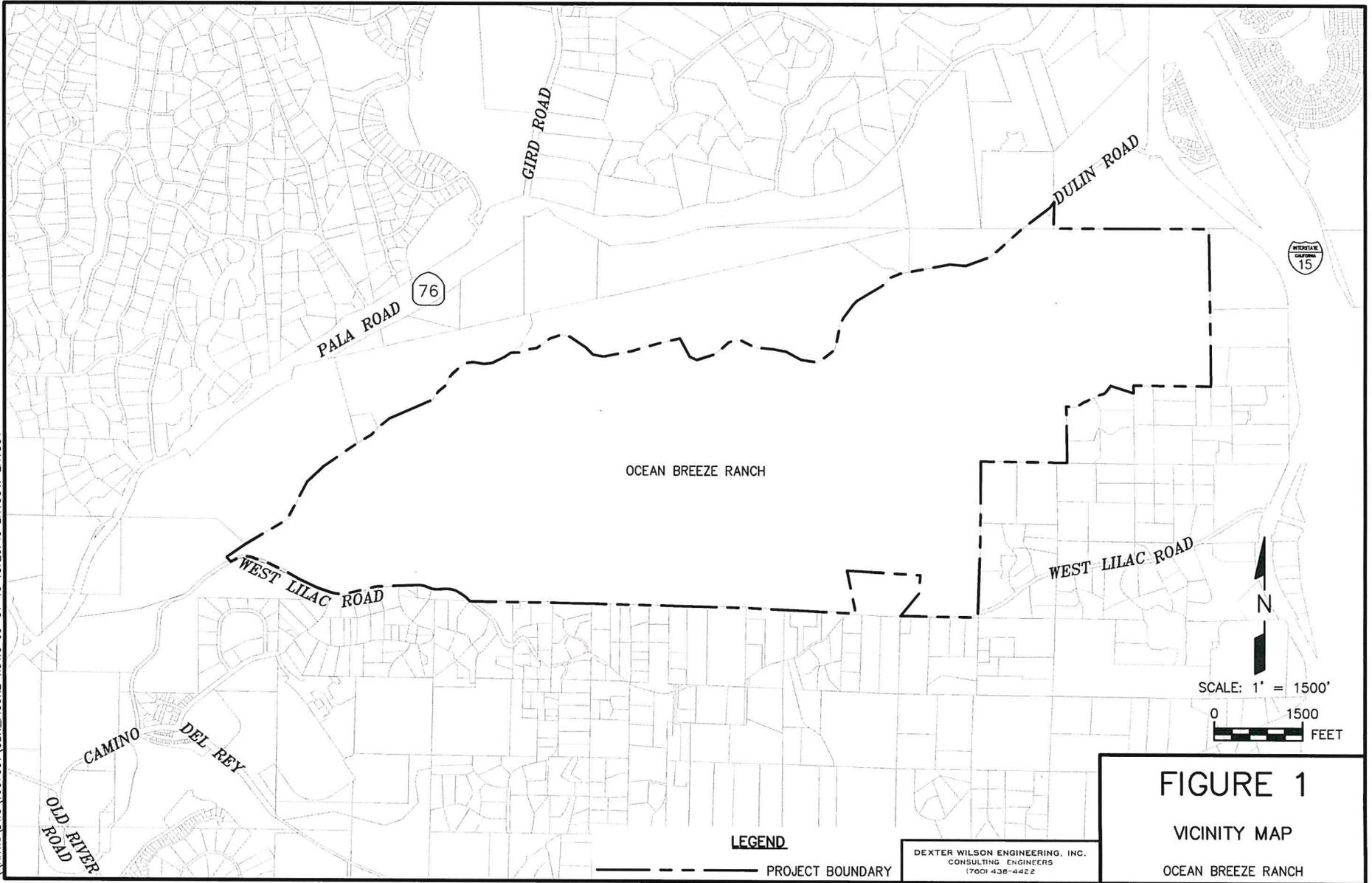


FIGURE 1

VICINITY MAP

OCEAN BREEZE RANCH

DEXTER WILSON ENGINEERING, INC.
CONSULTING ENGINEERS
(760) 438-4422

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
STATEWIDE COMMUNITY INFRASTRUCTURE PROGRAM

ACQUISITION AGREEMENT

BY AND BETWEEN
RAINBOW MUNICIPAL WATER DISTRICT
AND
OCEAN BREEZE RANCH, LLC

For the project known as Ocean Breeze Ranch

Dated as of **[INSERT DATE FOLLOWING BOARD APPROVAL]**

DRAFT

ACQUISITION AGREEMENT

Recitals

A. The parties to this Acquisition Agreement (the “Agreement”) are the RAINBOW MUNICIPAL WATER DISTRICT, (the “Local Agency”), and OCEAN BREEZE RANCH, LLC, a limited liability company (the “Developer”).

B. The effective date of this Agreement is _____.

C. The Developer has applied for the financing of, among other things, certain public capital improvements to be owned by the Local Agency (collectively, the “Acquisition Improvements”) through the California Statewide Communities Development Authority (the “Authority”) and its Statewide Community Infrastructure Program (“SCIP”). The Acquisition Improvements are to be owned and operated by the Local Agency, and the financing is to be accomplished through a community facilities district which will be administered by the Authority under and pursuant to the Mello-Roos Community Facilities Act of 1982 – California Government Code Sections 53311 and following (the “Act”). In anticipation of the formation of a community facilities district by the Authority, the Developer and the Local Agency propose to enter into this Agreement.

D. The administration, payment and reimbursement of the capital facilities fees is agreed to be governed by the provisions of the SCIP Manual of Procedures as it may be amended from time to time. The administration, payment and reimbursement of the Acquisition Improvements shall be as provided herein.

E. Under SCIP, the Authority intends to levy special taxes and issue bonds, in one or more series, to fund, among other things, all or a portion of the costs of the Acquisition Improvements. The portion of the proceeds of the special taxes and bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the “Available Amount”.

F. The Authority will provide financing for the acquisition by the Local Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the Available Amount. Attached hereto as Exhibit A is a description of the Acquisition Improvements, which includes authorized discrete and usable portions, if any, of the public capital improvements, pursuant to Section 53313.51 of the Act, to be acquired from the Developer.

G. The parties anticipate that, upon completion of the Acquisition Improvements and subject to the terms and conditions of this Agreement, the Local Agency will acquire such completed Acquisition Improvements with the Available Amount.

H. Any and all monetary obligations of the Local Agency arising out of this Agreement are the special and limited obligations of the Local Agency payable only from the Available Amount, and no other funds whatsoever of the Local Agency shall be obligated therefor.

I. Attached to this Agreement are Exhibit A (*Acquisition Improvements and the Eligible Portions thereof*) and Exhibit B (*Form of Requisition*), which are incorporated into this Agreement for all purposes.

In consideration of Recitals A through I, inclusive, and the mutual covenants, undertakings and obligations set forth below, the Local Agency and the Developer agree as stated below.

Agreement

ARTICLE I

DEFINITIONS; DISTRICT FORMATION AND FINANCING PLAN

Section I.01. Definitions. As used herein, the following capitalized terms shall have the meanings ascribed to them below:

“Acceptable Title” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except those items which are reasonably determined by the Local Agency Engineer not to interfere with the intended use and therefore are not required to be cleared from the title.

“Acquisition and Construction Fund” means the “Rainbow Municipal Water District Acquisition and Construction Fund” established by the Authority pursuant to Section 1.03 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements and which fund may be held as a subaccount within a fund established under the Authority Trust Agreement and may be commingled with acquisition and construction fund monies available for other public capital improvements.

“Acquisition Improvement” shall have the meaning assigned to such term in the recitals and are further described in Exhibit A.

“Acquisition Price” means the total amount eligible to be paid to the Developer upon acquisition of an Acquisition Improvement as provided in Section 2.03 not to exceed the Actual Cost of the Acquisition Improvement.

“Act” has the meaning ascribed thereto in Recital C.

“Actual Cost” means the total cost of an Acquisition Improvement, as documented by the Developer to the satisfaction of the Local Agency and as certified by the Local Agency Engineer in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement including grading, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and

insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer's cost of any real property or interest therein that is either necessary for the construction of such Acquisition Improvement (e.g., temporary construction easements, haul roads, etc.), or is required to be conveyed with such Acquisition Improvement in order to convey Acceptable Title thereto to the Local Agency or its designee, (e) the Developer's cost of environmental evaluation or mitigation required for such Acquisition Improvement, (f) the amount of any fees actually paid by the Developer to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Acquisition Improvement, (g) the Developer's cost for construction and project management, administration and supervision services for such Acquisition Improvement, (h) the Developer's cost for professional services related to such Acquisition Improvement, including engineering, accounting, legal, financial, appraisal and similar professional services, and (i) the costs of construction financing incurred by the Developer with respect to such Acquisition Improvement.

"Actual Cost Certificate" means a certificate prepared by the Developer detailing the Actual Cost of an Acquisition Improvement, or an Eligible Portion thereof, to be acquired hereunder, as may be revised by the Local Agency Engineer pursuant to Section 2.03.

"Agreement" means this Acquisition Agreement, dated as of **INSERT DATE FOLLOWING BOARD APPROVAL.**

"Authority" means the California Statewide Communities Development Authority.

"Authority Trust Agreement" means a Trust Agreement entered into by the Authority and an Authority Trustee in connection with the issuance of bonds.

"Authority Trustee" means the financial institution identified as trustee in an Authority Trust Agreement.

"Available Amount" shall have the meaning assigned to the term in Recital E.

"Bonds" means bonds or other indebtedness issued by the Authority as tax-exempt or taxable bonds or other indebtedness, in one or more series, that is to be repaid by the District.

"Code" means the Streets and Highways Code or the Government Code of the State of California, as applicable.

"Developer" means Ocean Breeze Ranch, LLC, its successors and assigns.

"Disbursement Request Form" means a requisition for payment of funds from the Acquisition and Construction Fund for an Acquisition Improvement, or an Eligible Portion thereof in substantially the form contained in Exhibit B hereto to be submitted to the Authority Trustee by the Local Agency.

"District" shall have the meaning assigned to the term in Recital C.

"Eligible Portion" shall have the meaning ascribed to it in Section 2.03 below.

"Installment Payment" means an amount equal to ninety percent (90%) of the Actual Cost of an Eligible Portion.

4144-4536-9655.1

“Local Agency” means the Rainbow Municipal Water District.

“Local Agency Engineer” means the Engineer of the Local Agency or his/her designee who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

“Project” means the Developer’s development of the property in the District, including the design and construction of the Acquisition Improvements and the other public and private improvements to be constructed by the Developer within the District.

“Special Taxes” means annual special taxes, and prepayments thereof, authorized by the District to be levied by the Commission of the Authority.

“Title Documents” means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the Local Agency of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the Local Agency, where applicable.

Section I.02. Participation in SCIP. The Local Agency has approved a form of Joint Community Facilities Agreement with the Authority for the purpose of accepting applications from time to time of developers within the Local Agency’s jurisdictional boundaries. Developer has applied for financing through SCIP of the Acquisition Improvements, and such application has been approved by the Local Agency. Developer and Local Agency agree that until and unless such financing is completed by the Authority and the Available Amount is deposited in the Acquisition Account (as defined in Section 1.03 below), neither the Developer nor the Local Agency shall have any obligations under this agreement. Developer agrees to cooperate with the Local Agency and the Authority in the completion of SCIP financing for the Acquisition Improvements.

Section I.03. Deposit and Use of Available Amount.

(a) Upon the recording of the map but no later than 60 days thereafter, one third of the total “Water and Sewer Fee Obligation” which shall not be less than \$4,00,796.33 (referred to as the “1st Payment”) shall be due to the Local Agency. Furthermore, upon issuance of the first building permit, but no later than 60 days thereafter, a second payment equal to the amount of the 1st payment shall be due to the Local Agency. Additionally, a third payment, which will be equal to the remaining fee obligation for the entire Project, will be due no later than 60 days following one year after the date of the second payment. If funds are not available in the Acquisition and Construction Fund, the Developer shall advance the funds to Local Agency.

(b) Upon the issuance of the Bonds, the Authority will cause the SCIP Trustee to establish and maintain an account (the “Acquisition Account”) for the purpose of holding all funds for the “Water and Sewer Fee Obligation”. All earnings on amounts in the Acquisition and Construction Fund shall remain in the Acquisition and Construction Fund for use as provided

herein and pursuant to the Authority Trust Agreement. Money in the Acquisition and Construction Fund shall be available to respond to delivery of a Disbursement Request Form by the Local Agency and to be paid to the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements, as specified in Article II hereof in accordance with the following priority:

(1) First, to fund the “Water and Sewer Fee Obligation” (as defined in and determined in accordance with Exhibit A), in the estimated amount of \$12,002,389 shall be set aside in a separate subaccount of the Acquisition and Construction Fund towards payment of the “Water and Sewer Fee Obligation”.

(2) Second, to reimburse the Developer advanced “Water and Sewer Fee Obligation”; and

(3) Third, to pay the Acquisition Improvements of any or all other with respect to the Project as approved by the Authority and, to the extent not so used, (i) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

(c) . Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the Acquisition and Construction Fund (less any amount determined by the Local Agency as necessary to reserve for claims against the account) (ii) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition with respect to the Project as approved by the Authority and, to the extent not so used, (ii) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

Section I.04. No Local Agency Liability; Local Agency Discretion; No Effect on Other Agreements. In no event shall any actual or alleged act by the Local Agency or any actual or alleged omission or failure to act by the Local Agency with respect to SCIP subject the Local Agency to monetary liability therefor. Further, nothing in this Agreement shall be construed as affecting the Developer’s or the Local Agency’s duty to perform their respective obligations under any other agreements, public improvement standards, land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer’s and the Local Agency’s rights and obligations under this Agreement.

ARTICLE II

DESIGN, CONSTRUCTION AND ACQUISITION OF ACQUISITION IMPROVEMENTS

Section II.01. Letting and Administering Design Contracts. The parties presently anticipate that the Developer has awarded and administered or will award and administer engineering design contracts for the Acquisition Improvements to be acquired from Developer. All eligible expenditures of the Developer for design engineering and related costs in connection with the Acquisition Improvements (whether as an advance to the Local Agency or directly to the design

consultant) shall be reimbursed at the time of acquisition of such Acquisition Improvements. The Developer shall be entitled to reimbursement for any design costs of the Acquisition Improvements only out of the Acquisition Price as provided in Section 2.03 and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Improvements.

Section II.02. Letting and Administration of Construction Contracts; Indemnification. State law requires that all Acquisition Improvements not completed prior to the formation of the District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the Local Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Developer agrees to comply with the requirements set forth in Exhibit C hereto with respect to the bidding and contracting for the construction of the Acquisition Improvements. The Developer agrees that all the contracts shall call for payment of prevailing wages as required by the Labor Code of the State of California. The Developer's indemnification obligation set forth in Section 3.01 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

Section II.03. Sale of Acquisition Improvements. The Developer agrees to sell to the Local Agency each Acquisition Improvement to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already publicly owned), when the Acquisition Improvement is has been constructed and is complete to the satisfaction of the Local Agency for an amount not to exceed the lesser of (i) the Available Amount or (ii) the Actual Cost of the Acquisition Improvement. Exhibit A, attached hereto and incorporated herein, contains a list of the Acquisition Improvements. The parties hereto acknowledge that the cost figures assigned to the Acquisition Improvements in Exhibit A are estimates of those costs and the Actual Costs may be higher or lower than the estimates as demonstrated to the satisfaction of the Local Agency Engineer. Portions of an Acquisition Improvement eligible for Installment Payments prior to completion of the entire Acquisition Improvement are described as eligible, discrete and usable portions in Exhibit A (each, an "Eligible Portion"). At the time of completion of each Acquisition Improvement, or Eligible Portion thereof, the Developer shall deliver to the Local Agency Engineer a written request for acquisition, accompanied by an Actual Cost Certificate, by executed Title Documents for the transfer of the Acquisition Improvement where necessary and by information submitted by the Developer demonstrating that Developer has met the conditions precedent to payment set forth in Section II.04 hereof. In the event that the Local Agency Engineer finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work or that Developer has failed to satisfy the conditions precedent to payment set forth in Section II.04 hereof, the Local Agency Engineer shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed or the condition precedent to payment that has not been satisfied and shall request further documentation from the Developer. If the further documentation is still not adequate, the Local Agency Engineer may revise the Actual Cost Certificate to delete any disallowed items or items

where the conditions to payment have not been satisfied and the determination shall be final and conclusive.

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Certain soft costs for the Acquisition Improvements, such as civil engineering, may have been incurred pursuant to single contracts that include work relating also to the private portions of the Project. In those instances, the total costs under such contracts will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement. Amounts allocated to an Acquisition Improvement will be further allocated among the Eligible Portions of that Acquisition Improvement, if any, in the same proportion as the amount to be reimbursed for hard costs for each Eligible Portion bears to the amount to be reimbursed for hard costs for the entire Acquisition Improvement. Costs will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer. The costs of certain environmental mitigation required to mitigate impacts of the public and private portions of the Project will be allocated to each Acquisition Improvement as approved by the Local Agency Engineer.

In the event that the Actual Cost is in excess of the Available Amount, the Local Agency shall withdraw the Available Amount from the Acquisition Account and transfer said amount to the Developer. In the event that the Actual Cost is less than the Available Amount, the Local Agency shall withdraw an amount from the Acquisition Account equal to the Actual Cost, and shall transfer said amount to the Developer. Any amounts then remaining in the Acquisition Account shall be applied as provided in Section 1.03.

In no event shall the Local Agency be required to pay the Developer more than the amount on deposit in the Acquisition Account at the time such payment is requested.

Section II.04. Conditions Precedent to Payment of Acquisition Price. Payment to the Developer or its designee of the Acquisition Price for an Acquisition Improvement from the Acquisition and Construction Fund shall in every case be conditioned first upon the determination of the Local Agency Engineer, pursuant to Section 2.03, that the Acquisition Improvement satisfies all Local Agency regulations, policies and ordinances and is otherwise complete and ready for acceptance by the Local Agency, and shall be further conditioned upon satisfaction of the following additional conditions precedent:

(a) The Developer shall have provided the Local Agency with lien releases or other similar documentation satisfactory to the Local Agency Engineer as evidence that none of the property (including any rights-of-way or other easements necessary for the operation and maintenance of the Acquisition Improvement, to the extent not already publicly owned) comprising the Acquisition Improvement, and the property which is subject to the Special Taxes of the District, is not subject to any prospective mechanics lien claim respecting the Acquisition Improvements.

(b) All due and payable property taxes, and installments of Special Taxes shall be current on property owned by the Developer or under option to the Developer that is subject to the lien of the District.

(c) The Developer shall certify that it is not in default with respect to any loan secured by any interest in the Project.

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(d) The Developer shall have provided the Local Agency with Title Documents needed to provide the Local Agency with title to the site, right-of-way, or easement upon which the subject Acquisition Improvements are situated. All such Title Documents shall be in a form acceptable to the Local Agency (or applicable governmental agency) and shall convey Acceptable Title. The Developer shall provide a policy of title insurance as of the date of transfer in a form acceptable to the Local Agency Engineer insuring the Local Agency as to the interests acquired in connection with the acquisition of any interest for which such a policy of title insurance is not required by another agreement between the Local Agency and the Developer. Each title insurance policy required hereunder shall be in the amount equal to or greater than the Acquisition Price.

Section II.05. SCIP Requisition. Upon a determination by the Local Agency Engineer to pay the Acquisition Price of the Acquisition Improvements pursuant to Section 2.04, the Local Agency Engineer shall cause a SCIP Requisition to be submitted to the Program Administrator. The Program Administrator will review the SCIP Requisition and forward it with instructions to the SCIP Trustee and the SCIP Trustee shall make payment directly to the Developer of such amount pursuant to the SCIP Trust Agreement. The Local Agency and the Developer acknowledge and agree that the SCIP Trustee shall make payment strictly in accordance with the SCIP Requisition and shall not be required to determine whether or not the Acquisition Improvements have been completed or what the Actual Costs may be with respect to such Acquisition Improvements. The SCIP Trustee shall be entitled to rely on the SCIP Requisition on its face without any further duty of investigation.

ARTICLE III

MISCELLANEOUS

Section III.01. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless the Local Agency, the Authority, and each of its respective officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from or alleged to have resulted from the acts or omissions of the Developer or its agents and employees in the performance of this Agreement, or arising out of any contract for the design, engineering and construction of the Acquisition Improvements or arising out of any alleged misstatements of fact or alleged omission of a material fact made by the Developer, its officers, directors, employees or agents to the Authority's underwriter, financial advisor, appraiser, district engineer or bond counsel or regarding the Developer, its proposed developments, its property ownership and its contractual arrangements contained in the official

statement relating to the SCIP financing (provided that the Developer shall have been furnished a copy of such official statement and shall not have objected thereto); and provided, further, that nothing in this Section 3.01 shall limit in any manner the Local Agency's rights against any of the Developer's architects, engineers, contractors or other consultants. Except as set forth in this Section 3.01, no provision of this Agreement shall in any way limit the extent of the responsibility of the Developer for payment of damages resulting from the operations of the Developer, its agents and employees. Nothing in this Section 3.01 shall be understood or construed to mean that the Developer agrees to indemnify the Local Agency, the Authority or any of its respective officers, directors, employees or agents, for any negligent or wrongful acts or omissions to act of the Local Agency, Authority its officers, employees, agents or any consultants or contractors.

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Section III.02. Audit. The Local Agency shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement) as well as compliance with the contracting procedures required by this Agreement in constructing the Acquisition Improvements.

Section III.03. Cooperation. The Local Agency and the Developer agree to cooperate with respect to the completion of the SCIP financing for the Acquisition Improvements. The Local Agency and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

Section III.04. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that such consent, approval or acceptance not be unreasonably withheld or delayed, unless such provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

Section III.05. Third Party Beneficiaries. The Authority and its officers, employees, agents or any consultants or contractors are expressly deemed third party beneficiaries of this Agreement with respect to the provisions of Section 3.01. It is expressly agreed that, except for the Authority with respect to the provisions of Section 3.01, there are no third party beneficiaries of this Agreement, including without limitation any owners of bonds, any of the Local Agency's or the Developer's contractors for the Acquisition Improvements and any of the Local Agency's, the Authority's or the Developer's agents and employees.

Section III.06. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer or the Local Agency from any condition of development or requirement imposed by any other agreement between the Local Agency and the Developer, and, in the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by the Local Agency and the Developer.

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Section III.07. Notices. All invoices for payment, reports, other communication and notices relating to this Agreement shall be mailed to:

If to the Local Agency:

Rainbow Municipal Water District
Tom Kennedy

General Manager

3707 Old Highway 395

Fallbrook, CA 92028

If to the Developer:

Ocean Breeze Ranch, LLC

Attn: Jim Conrad

5820 W. Lilac Road

Bonsall, CA 92003

Either party may change its address by giving notice in writing to the other party.

Section III.08. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section III.09. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section III.10. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement.

Section III.11. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section III.12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section III.13. Successors and Assigns. This Agreement is binding upon the heirs, assigns and successors-in-interest of the parties hereto. The Developer may not assign its rights or obligations hereunder, except to successors-in-interest to the property within the District, without the prior written consent of the Local Agency.

Section III.14. Remedies in General. It is acknowledged by the parties that the Local Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Local Agency.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Local Agency shall not be liable in damages to the Developer, or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written above.

RAINBOW MUNICIPAL WATER DISTRICT

By:
Authorized Officer

OCEAN BREEZE RANCH, LLC, a limited liability company

By:
Signature

Print Name

Exhibit A to the Acquisition Agreement

DESCRIPTION OF ACQUISITION IMPROVEMENTS, FEES AND BUDGETED AMOUNTS

Funding includes amounts for incidental costs associated with the capital improvements, including, but not limited to, contingency, design, engineering, and construction management.

WATER AND SEWER FEES	RATE	PER	NO. OF UNITS	TOTAL AMOUNT*
Water Capacity Fees (3/4" Meter)	\$10,401	Meter	381	\$3,962,781
Meter Fee (3/4" Meter)	\$225	Meter	381	\$85,725
Sewer Capacity Fee (Average)	\$ 20,876	EDU	381	\$7,953,883
Total RMWD Water and Sewer Fees				\$12,002,389

Funding of RMWD Water and Sewer Fee Obligation will be made in two payments as follows:

- (a) Within 60 days of map recordation , one third of the total "Water and Sewer Fee Obligation" but not less than \$4,000,796.33 shall be due to RMWD. Upon issuance of the first building permit, another payment equal to the 1st payment is due within 60 days. A third payment in the amount equal to the remaining fee obligation of the entire project is due within 60 days after one year from the date of second payment will be due to RMWD. If funds are not available in the Acquisition and Construction Fund, the Developer shall advance the funds to RMWD.
- (b) Upon the issuance of bonds, the net proceeds will be prioritized as follows:
 - First, to fund the Water and Sewer Fee Obligation
 - Second, reimburse the Developer advanced "Water and Sewer Fee Obligation",

ACQUISITION IMPROVEMENTS	TOTAL AMOUNT*
Sanitary Sewer System	\$5,867,527
Backbone Domestic Water Improvements	\$4,729,002
Prevailing Wage and Construction Management (15%)	\$1,589,479
Total Acquisition Improvements	\$12,186,008
TOTAL ACQUISITION IMPROVEMENTS AND WATER AND SEWER FEES	\$24,188,397

* Estimated. Water and Sewer Fees will be based on the applicable fee at the time the fees are being paid. Acquisition Price will be determined based on Actual Cost as further described in this Acquisition Agreement.

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Exhibit B to the Acquisition Agreement

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FORM OF SCIP REQUISITION

To: BLX Group LLC
SCIP Program Administrator
777 S. Figueroa St., Suite 3200
Los Angeles, California 90017
Attention: Vo Nguyen
Fax: 213-612-2499

Re: Statewide Community Infrastructure Program

The undersigned, a duly authorized officer of the RAINBOW MUNICIPAL WATER DISTRICT hereby requests a withdrawal from the Ocean Breeze Ranch, LLC ACQUISITION ACCOUNT, as follows:

Request Date: [Insert Date of Request]

Name of Developer: Ocean Breeze Ranch, LLC

Withdrawal Amount: [Insert Acquisition Price]

Acquisition Improvements: [Insert Description of Acquisition Improvement(s) from Ex. A]

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer]

The undersigned hereby certifies as follows:

1. The Withdrawal is being made in accordance with a permitted use of such monies pursuant to the Acquisition Agreement, and the Withdrawal is not being made for the purpose of reinvestment.
2. None of the items for which payment is requested have been reimbursed previously from other sources of funds.
3. If the Withdrawal Amount is greater than the funds held in the Acquisition Account, the SCIP Program Administrator is authorized to amend the amount requested to be equal to the amount of such funds.
4. To the extent the Withdrawal is being made prior to the date bonds have been issued on behalf of SCIP, this withdrawal form serves as the declaration of official intent of the RAINBOW MUNICIPAL WATER DISTRICT, pursuant to Treasury Regulations 1.150-2, to reimburse with respect expenditures made from the Acquisition Account listed above in the amount listed above.

RAINBOW MUNICIPAL WATER DISTRICT

By: _____

Title: _____

**AS-NEEDED CONTRACT EXPENDITURES REPORT
JULY 2023**

Note: This report only shows the current year and the previous year assignments, per the E&O Committee's request.

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE	
Title: On-Call Civil Engineering Services, PSA #22-25 Firm: Ardurra Expires: 11/2/25 CCO:									
CONTRACT AMOUNT:						\$ 150,000			
		2023-__							
					Unspecified		\$ 150,000.00	\$ -	
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Civil Engineering Services, PSA #22-26 Firm: Dexter Wilson Eng. Expires: 11/2/22 CCO:									
CONTRACT AMOUNT:						\$ 150,000.00			
		2023-__							
					Unspecified		\$ 150,000.00		
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Civil Engineering Services, PSA #22-27 Firm: Harris & Assoc. Expires: 11/2/25 CCO:									
CONTRACT AMOUNT:						\$ 150,000			
		2023-__							
					Unspecified		\$ 150,000.00		
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Civil Engineering Services, PSA #22-28 Firm: Water Works Engineers Expires: 11/2/25 CCO:									
CONTRACT AMOUNT:						\$ 150,000			
		2023-__							
					Unspecified		\$ 150,000.00	\$ -	
						TOTALS:	\$ 150,000	\$ 150,000.00	\$ -
Title: On-Call Real Estate Services, PSA #22-29 Firm: Anderson & Brabant Expires: 11/3/25 CCO:									
CONTRACT AMOUNT:						\$ 50,000			
		2023-__							
					Unspecified		\$ 50,000.00	\$ -	
						TOTALS:	\$ 50,000	\$ 50,000.00	\$ -

**AS-NEEDED CONTRACT EXPENDITURES REPORT
JULY 2023**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE	
Title: On-Call Real Estate Services, PSA #22-30 Firm: Epic Land Solutions Expires: 11/3/25 CCO:									
CONTRACT AMOUNT:						\$ 50,000			
		2023-01	Closed	2/13/2023	Bonsall Reservoir - Appraisal for Rental & Sale of Property. Beck Reservoir - Apparials for Sale of Property.		\$ 7,000.00	\$ 7,000.00	
					Unspecified		\$ 43,000.00	\$ -	
						TOTALS:	\$ 50,000	\$ 50,000.00	\$ 7,000.00
Title: On-Call Land Surveying Services, PSA #22-33 Firm: GIS Surveyors, Inc. (GSI) Expires: 1/3/2026 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
		2023-__							
					Unspecified		\$ 100,000.00	\$ -	
						TOTALS:	\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Land Surveying Services, PSA #22-34 Firm: KDM Meridian Expires: 1/3/2026 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
	CIP	2023-01	Open	2/9/2023	Live Oak Park Bridge - Staking of 8" and 16" Water main.		\$ 7,480.00	\$ 1,120.00	
					Unspecified		\$ 92,520.00	\$ -	
						TOTALS:	\$ 100,000	\$ 100,000.00	\$ 1,120.00
Title: On-Call Land Surveying Services, PSA #22-35 Firm: Right-of-Way Eng. Expires: 1/3/2026 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
	Non-CIP	2023-01	Open	2/1/2023	Genista Place - Staking of existing utility easements.		\$ 2,860.00	\$ 2,450.00	
	Non-CIP	2023-02	Open	2/6/2023	Via Monserate/Ramona - Staking of existing utility easements.		\$ 7,500.00	\$ 2,692.34	
	Non-CIP	2023-03	Open	2/28/2023	Via Mariposa - Staking of existing easment.		\$ 2,970.00	\$ 2,545.00	
					Unspecified		\$ 86,670.00	\$ -	
						TOTALS:	\$ 100,000	\$ 100,000.00	\$ 7,687.34
Title: On-Call Geotechnical Services, PSA #22-36 Firm: Atlas Tech Consultants Expires: 1/6/2026 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
		2023-__							
					Unspecified		\$ 100,000.00	\$ -	
						TOTALS:	\$ 100,000	\$ 100,000.00	\$ -

**AS-NEEDED CONTRACT EXPENDITURES REPORT
JULY 2023**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE	
Title: On-Call Geotechnical Services, PSA #22-37 Firm: Leighton Consultants Expires: 1/6/2026 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
		2023-__							
					Unspecified	\$ 100,000.00	\$	-	
						TOTALS:	\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Geotechnical Services, PSA #22-38 Firm: Ninyo & Moore Expires: 1/6/2026 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
	CIP	2023-01	Closed	4/4/2023	Sumac Communication Tower Photovoltaic & Battery System -		\$ 9,732.00	\$ 562.50	
					Unspecified	\$ 90,268.00		\$ 562.50	
						TOTALS:	\$ 100,000	\$ 90,268.00	\$ 562.50
Title: As-Needed Construction Management & Insp. Services, PSA #20-01 Firm: Harris & Associates Expires: 6/30/23 CO-01 \$20K BoD 6/22/21, CO-02 \$0 NCE 2/7/23, CO-03 \$25K 4/20/23.									
CONTRACT AMOUNT:						\$ 195,000			
	CIP	2020-01	Closed	3/13/2020	CM Support Services for the WSUP.		\$ 100,000.00	\$ 99,972.50	
	CIP	2020-02	Closed	4/7/2020	Constructability design review of PUP-1.		\$ 6,270.00	\$ 5,280.00	
	NON-CIP	2020-03	Closed	4/21/2020	Sewer North River Road - Emergency Repair.		\$ 11,000.00	\$ 8,548.61	
	CIP	2020-04	Closed	9/21/2020	District Wide Inspection Services.		\$ 20,000.00	\$ 19,981.73	
	CIP	2022-05	Open	1/6/2022	Continued District Wide Inspection Services.		\$ 57,730.00	\$ 53,176.18	
					Unspecified	\$ -		\$ -	
						TOTALS:	\$ 195,000	\$ 195,000.00	\$ 186,959.02
Title: On-Call Construction Management & Insp. Services, PSA #23-04 Firm: Acroctic Expires: 5/23/26 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
		2023-__							
					Unspecified	\$ 100,000.00		\$ -	
Title: On-Call Construction Management & Insp. Services, PSA #23-05 Firm: Ardurra Expires: 5/23/26 CCO:									
CONTRACT AMOUNT:						\$ 100,000			
		2023-__							
					Unspecified	\$ 100,000.00		\$ -	
						TOTALS:	\$ 100,000	\$ 100,000.00	\$ -

**AS-NEEDED CONTRACT EXPENDITURES REPORT
JULY 2023**

CONTRACT INFO	FUND SOURCE	ASSIGN. NO.	STATUS	DATED	DESCRIPTION	CONTRACT AMOUNT	AUTHORIZED ASSIGNMENT	INVOICED TO DATE
Title: On-Call Construction Management & Insp. Services, PSA #23-06 Firm: Valley CM Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-__						
					Unspecified		\$ 100,000.00	\$ -
					TOTALS:	\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Enviromental Services, PSA #23-07 Firm: Helix Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-__						
					Unspecified		\$ 100,000.00	\$ -
					TOTALS:	\$ 100,000	\$ 100,000.00	\$ -
Title: On-Call Enviromental Services, PSA #23-08 Firm: RECON Expires: 5/23/26 CCO:								
CONTRACT AMOUNT:						\$ 100,000		
		2023-__						
					Unspecified		\$ 100,000.00	\$ -
					TOTALS:	\$ 100,000	\$ 100,000.00	\$ -