

**AGENDA FOR THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
TEMESCAL VALLEY WATER DISTRICT
SEPTEMBER 27, 2016, 8:30 A.M. AT
THE DISTRICT'S ADMINISTRATIVE OFFICE
22646 TEMESCAL CANYON ROAD,
TEMESCAL VALLEY, CALIFORNIA 92883**

The following is a summary of the rules of order governing meetings of the Temescal Valley Water District Board of Directors:

AGENDA ITEMS

In case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity, which severely imperils public health, safety or both. Also, items, which arise after the posting of Agenda, may be added by a two-thirds vote of the Board of Directors.

PUBLIC COMMENT

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until placed on a future agenda in accordance with Board policy.

NOTICE TO PUBLIC

All matters listed under the Consent Calendar will be voted upon by one motion. There will be no separate discussion of these items, unless a Board Member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case, they will be considered separately under New Business.

**IF ANYONE WISHES TO SPEAK WITH THE BOARD
ABOUT ANY CONSENT CALENDAR MATTER(S),
PLEASE STATE YOUR NAME, ADDRESS,
AND APPROPRIATE ITEM NUMBER(S).**

AFFIDAVIT OF POSTING

I, Allison Harnden, Office Manager of the Temescal Valley Water District, hereby certify that I caused the posting of the Agenda at the District office at 22646 Temescal Canyon Road, Temescal Valley, California 92883 prior to September 24, 2016.

Allison Harnden, Office Manager

**AGENDA FOR REGULAR MEETING
September 27, 2016**

Page No.

1. **Roll Call and Call to Order.**
2. **Presentations and Acknowledgments.**
3. **Public Comment.**

BOARD ITEMS:

4. **Minutes of the August 23, 2016 Regular Meeting.** **6-8**
RECOMMENDATION: Approve Minutes as written.
5. **Payment Authorization Report.** **9-12**
RECOMMENDATION: Approve Report and authorize payment of the August 23-September 27, 2016 invoices.
6. **Revenue & Expenditure Reports. (Unaudited).**
 - a. **Revenue & Expenditure Reports.** **13-33**
RECOMMENDATION: Note and file.
 - b. **Lien update.** **34**
RECOMMENDATION: Note and file.
7. **California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority Agreement.** **35-50**
RECOMMENDATION: To be made by the Board.
8. **Raftelis Financial Consultants, Inc. presentation on TVWD Financial Plan.** **51-103**
RECOMMENDATION: To be made by the Board.

	<u>Page No.</u>
9. Trilogy Development.	
a. Homeowners Association update.	(-)
b. Golf Course update.	(-)
10. Sycamore Creek Development.	
a. Project Update.	(-)
b. 1738 homes to be built. 1348 houses occupied to date. 78% complete.	
11. Terramor Development (Forestar Toscana).	
a. Project Update.	(-)
b. Resolution No. R-16-11. Resolution of Intention to Establish Community Facilities District No. 4 (Terramor) of TVWD, To Authorize the Levy of a Special Tax to Pay the Cost of Acquiring or Constructing Certain Improvements and Expenses and to Pay Debt Service on Bonded Indebtedness. RECOMMENDATION: To be made by the Board.	104-230
c. Resolution No. R-16-12. Resolution of Intention to Incur Bonded Indebtedness within Community Facilities District No. 4 (Terramor). RECOMMENDATION: To be made by the Board.	231-234
d. 1443 estimated houses to be built.	
12. Water Utilization Reports.	235-247
RECOMMENDATION: Note and file.	
13. Committee Reports.	
a. Finance (Director Rodriguez). 1. Consideration of Contract Management Extension to Dudek. RECOMMENDATION: To be made by the Board.	(-) 248-275
b. Engineering (Director Destache).	(-)
c. Public Relations (Allison Harnden).	(-)

	<u>Page No.</u>
14. General Manager's Report.	
a. General Manager's Report.	276
1. SWRCB Update.	277-278
b. Operations Report.	279-281
15. District Engineer's Report.	282
a. Status of Projects.	
16. District Counsel's Report.	(-)
17. Seminars/Workshops.	(-)
18. Consideration of Correspondence.	283
An informational package containing copies of all pertinent correspondence for the Month of August will be distributed to each Director along with the Agenda.	
19. Adjournment.	(-)

**MINUTES OF THE
REGULAR MEETING OF THE
TEMESCAL VALLEY WATER DISTRICT**

August 23, 2016

PRESENT

C. Colladay
G. Destache
J. Butler
D. De Frates

ABSENT

P. Rodriguez

GUESTS

B. Paul
J. Watson
J. Watson
T. Davis

STAFF

J. Pape
M. McCullough
A. Harnden
K. Caldwell
N. Harper
D. Saunders

1. Roll Call and Call to Order.

The regular meeting of the Temescal Valley Water District was called to order by President Colladay at 8:30 a.m.

2. Presentations and Acknowledgments.

3. Public Comment.

BOARD ITEMS:

4. Minutes of the July 19, 2016 Regular Meeting.

ACTION: Director Destache moved to approve the Minutes as presented. Director Butler seconded. Motion carried unanimously.

5. Payment Authorization Report.

ACTION: Director De Frates moved to approve the financial report and to authorize payment of the July 19-August 23, 2016 invoices. Director Butler seconded. Motion carried unanimously.

6. Revenue & Expenditure Reports (Unaudited).

a. Revenue & Expenditure Report.

ACTION: Note and file.

b. Lien update.

ACTION: Note and file.

7. Trilogy Development.

- a. Homeowners Association update.
- b. Golf Course update.

8. Sycamore Creek Development.

- a. Project Update.
- b. 1738 homes to be built. 1348 houses occupied to date. 78% complete.

9. Terramor Development (Forestar Toscana).

- a. Project Update – The General Manager reported that they have an aggressive schedule and grading on the project continues.
- b. 1443 estimated houses to be built.

10. Water Utilization Reports.

ACTION: Note and file.

11. Committee Reports.

- a. Finance (Director Rodriguez).
- b. Engineering (Director Destache) – Director Destache reported that the engineering committee will be meeting next month.
- c. Public Relations (Allison Harnden) – Allison reported that a newsletter went out with the bills letting customers know that the SWRCB conservation standards had been lifted, but TVWD continues to ask its customers to achieve a voluntary 10% conservation from the 2014 base year's use and to follow state required restrictions. She also reported that she is working with CUSI on the new billing system and has created a new statement with a usage graph.

12. General Manager's Report.

- a. General Manager's Report.
 1. SWRCB Update.
 2. Sustainable Groundwater Management Act Update – The Board chose President Colladay and Director Destache to serve on an ad hoc GSA committee.
- b. Operations Report.

President Colladay asked staff to prepare a well report for next month's meeting.

13. District Engineer’s Report.

- a. Status of Projects.

14. District Counsel’s Report.

15. Seminars/Workshops.

16. Consideration of Correspondence.

An informational package containing copies of all pertinent correspondence for the Month of July was distributed to each Director along with the Agenda.

17. Adjournment.

There being no further business, the August 23, 2016 Regular Meeting of the Temescal Valley Water District Board of Directors was adjourned at 9:48 a.m. by President Colladay.

ATTEST:

APPROVED:

Paul Rodriguez, Secretary

Charles Colladay, President

Date: _____

Date: _____

TEMESCAL VALLEY WATER DISTRICT

PAYMENT AUTHORIZATION REPORT

Sep 27, 2016

Check #	Date	Payee ID	Payee	Amount	
18454	8/19/16	HO01	VOID	\$ -	
18455	8/19/16	ME01	MEYERS GROUP, LLC	6,524.21	TERRAMOR PRICE POINT ANALYSIS
18456	8/19/16	ST01	STAPLES CREDIT PLAN	605.01	
18457	8/19/16	TR01	TRAN CONTROLS SCADA SOLUTIONS, LLC.	6,153.29	MONTHLY/COMP REPAIR OFFICE
18458	8/19/16		VOID	-	
18459	8/19/16	HO01	HOME DEPOT CREDIT SERVICES	60.78	
18460	8/23/16	CO	CHARLES W. COLLADAY	202.52	
18461	8/23/16	DD	DAMON DE FRATES	147.82	
18462	8/23/16	DES	GRANT DESTACHE	202.52	
18463	8/23/16	JB	JOHN B. BUTLER	147.82	
18464	8/26/16	AD	PAYROLL	-	
18465	8/26/16	AS	PAYROLL	-	
18466	8/26/16	BE	PAYROLL	-	
18467	8/26/16	CC	PAYROLL	-	
18468	8/26/16	CG	PAYROLL	-	
18469	8/26/16	CL	PAYROLL	-	
18470	8/26/16	JH	PAYROLL	-	
18471	8/26/16	KC	PAYROLL	-	
18472	8/26/16	KN	PAYROLL	-	
18473	8/26/16	MM	PAYROLL	-	
18474	8/26/16	BE	PAYROLL	-	
18475	8/26/16	CG	PAYROLL	-	
18476	8/26/16	JH	PAYROLL	-	
18477	8/26/16	JH	PAYROLL	-	
18478	8/30/16	REFUNDS	MICHAEL CLANCY-RPLC CHK	300.00	
18479	8/30/16	BL02	BLUE SHIELD OF CALIFORNIA	108.61	
18480	8/30/16	DO01	DOWNS OIL CO., INC.	135.01	
18481	8/30/16	FM	MAIL FINANCE	1,507.43	
18482	8/30/16	HO02	VOID	-	
18483	8/30/16	PLIC	PROTECTIVE LIFE INSURANCE COMPANY	117.60	
18484	8/30/16	SO03	SOUTHERN CALIF EDISON CO.	55,477.69	
18485	8/30/16	ST02	STATE COMPENSATION INSUR.FUND	2,361.67	
18486-18500	8/30/16		VOID	-	
18501	8/31/16		EDUARDO LOPEZ-TRK MAINT	80.00	
18502	9/6/16	DO01	DOWNS OIL CO., INC.	188.83	
18503	9/6/16	GM	GLEN MUNCY (INSPECTION)	5,454.00	
18504	9/6/16	USB01	US BANK GOVERNMENT SERVICES	400.73	

TEMESCAL VALLEY WATER DISTRICT

PAYMENT AUTHORIZATION REPORT

Sep 27, 2016

Check #	Date	Payee ID	Payee	Amount
18505	9/9/16	AD	PAYROLL	-
18506	9/9/16	AS	PAYROLL	-
18507	9/9/16	BE	PAYROLL	-
18508	9/9/16	CC	PAYROLL	-
18509	9/9/16	CG	PAYROLL	-
18510	9/9/16	CL	PAYROLL	-
18511	9/9/16	JH	PAYROLL	-
18512	9/9/16	KC	PAYROLL	-
18513	9/9/16	KN	PAYROLL	-
18514	9/9/16	MM	PAYROLL	-
18515	9/9/16	BE	PAYROLL	-
18516	9/9/16	JH	PAYROLL	-
18517	9/9/16	FI01	FIDELITY INVESTMENT-EMP BENFIT	910.80
18518	9/9/16	MCC	MEL MCCULLOUGH-INS REIMB	697.00
18519	9/9/16	JH	JASON HODEL-MILEAGE	129.60
18520	9/13/16	MM	PAYROLL	-
18521	9/13/16	DD	DAMON DE FRATES-FIN MTG	147.82
18522	9/13/16	RO	PAUL RODRIGUEZ-FIN MTG	147.82
18523-18527	9/13/16		VOID	-
18528	9/13/16		COUNTY OF RIVERSIDE	30.00
18529	9/8/16	ACJS	MIKE ARAGON-BUILDING MAINT	300.00
18530	9/8/16	ACSI	ALEXANDER'S CONTRACT SERVICES, INC.	4,823.15
18531	9/8/16	CA16	CALIFORNIA CHOICE BENEFIT ADMINISTRATOR	5,519.20
18532	9/14/16	REFUNDS	ALI & TRACI ROUSHANZAMIR	163.71
18533	9/14/16	REFUNDS	ROBABEH NEMATOLLAH	166.60
18534	9/14/16	REFUNDS	CHRISTINE PONCE	105.25
18535	9/14/16	REFUNDS	ALISA L JONES	104.25
18536	9/14/16	REFUNDS	EDWIN J. LLOYD	31.78
18537	9/14/16	REFUNDS	CHARLIE KING COMPANY	1,098.35
18538	9/14/16	REFUNDS	JE WINKER & S FARNLANCHER	152.13
18539	9/14/16	REFUNDS	NANCY M AVAUX	125.69
18540	9/14/16	REFUNDS	MIKE & LISA LEESE	121.37
18541	9/14/16	REFUNDS	SAMUEL K CHO	206.32
18546	9/14/16	REFUNDS	CHRISTINE PONCE	64.42
18547	9/23/16	AD	PAYROLL	-
18548	9/23/16	AS	PAYROLL	-
18549	9/23/16	BE	PAYROLL	-

TEMESCAL VALLEY WATER DISTRICT
 PAYMENT AUTHORIZATION REPORT
 Sep 27, 2016

Check #	Date	Payee ID	Payee	Amount	
18550	9/23/16	CC	PAYROLL	-	
18551	9/23/16	CG	PAYROLL	-	
18552	9/23/16	CL	PAYROLL	-	
18553	9/23/16	JH	PAYROLL	-	
18554	9/23/16	KC	PAYROLL	-	
18555	9/23/16	KN	PAYROLL	-	
18556	9/23/16	MM	PAYROLL	-	
18557	9/23/16	BE	PAYROLL	-	
18558	9/23/16	JH	PAYROLL	-	
18559	9/23/16	KN	PAYROLL	-	
18560	9/23/16	JH	JASON HODEL-MILEAGE	32.70	
18561	9/23/16		KIMBERLY NEGRETE-MILEAGE	32.70	
18562	9/23/16	AP01	APPLIED INDUSTRIAL TECHNOLOGIE	214.12	
18563	9/23/16	ATT01	AT&T	477.29	
18564	9/23/16	ATTM	AT & T MOBILITY	498.00	
18565	9/23/16	BGM	BIG GIANT MEDIA	367.30	
18566	9/23/16	BL02	BLUE SHIELD OF CALIFORNIA	108.61	
18567	9/23/16	BLIC	BENEFICIAL LIFE INS COMPANY	759.54	
18568	9/23/16	BRE	BRITHINEE ELECTRIC	11,840.72	PLANT REPAIR
18569	9/23/16	BT	BT PIPELINE INC.	7,406.50	LEAK/LINE REPAIR
18570	9/23/16	CAM	CHANDLER INVESTMENT MANAGEMENT	1,000.00	
18571	9/23/16	CBE	CBE	21.13	
18572	9/23/16	CL01	CLAYSON, MANN, YAEGER & HANSEN	1,131.47	
18573	9/23/16	CO16	COUNTY OF RIVERSIDE	444.00	
18574	9/23/16	DO01	DOWNES OIL CO., INC.	168.72	
18575	9/23/16	DPCI	DON PETERSON CONTRACTING, INC.	1,378.00	
18576	9/23/16	DPI	DAKOTA PUMP INC	505.39	
18577	9/23/16	DSC	DATABASE SYSTEMS CORP.	201.37	
18578	9/23/16	DT	DALTON TRUCKING INC.	840.80	
18579	9/23/16	DU01	DUDEK & ASSOCIATES-CONT MGT	12,561.00	
18580	9/23/16	DU03	DUDEK & ASSOCIATES-PASS THRU	6,305.00	
18581	9/23/16	DU04	DUDEK & ASSOCIATES-ENGINEERING	1,341.56	
18582	9/23/16	DWEI	DEXTER WILSON ENGINEERING INC	7,642.71	PLANS/SPECS ELECT UPGRADE PLT
18583	9/23/16	EASI	ENGINEERED AIR SERVICES, INC.	535.06	
18584	9/23/16	EBS	EXCELSIOR BLOWER SYSTEMS, INC.	48.59	
18585	9/23/16	EMS	EMS ELECTRIC MOTOR	11,632.57	REPAIR INFLUENT EQ PUMPS
18586	9/23/16	EW01	EWING IRRIGATION PRODUCTS	226.58	

TEMESCAL VALLEY WATER DISTRICT

PAYMENT AUTHORIZATION REPORT

Sep 27, 2016

Check #	Date	Payee ID	Payee	Amount	
18587	9/23/16	GM	GLEN MUNCY (INSPECTION)	3,591.00	
18588	9/23/16	HDS	HD SUPPLY/WATERWORKS	20,792.08	METERS
18589	9/23/16	HO01	HOME DEPOT CREDIT SERVICES	20.00	
18590	9/23/16	IEI	INNERLINE ENGINEERING INC	1,470.00	
18591	9/23/16	KE02	KEN'S LOCK - WEST COAST LOCK & SUPPLY	38.88	
18592	9/23/16	LPWS	LEGEND PUMP & WELL SERVICES INC	4,850.00	WELL EXTENSION
18593	9/23/16	MC	MOOTE COMPANIES LLC	2,940.00	CAP IMP-CONT MGT FINAL
18594	9/23/16	NC	NORTHSTAR CHEMICAL	3,689.56	
18595	9/23/16	NCLC	NATIONAL COATIND AND LINING	7,065.00	MAINT PLT
18596	9/23/16	ON01	ONE STOP LANDSCAPE SUPPLY INC.	980.65	
18597	9/23/16	PFTS	PIRTEK FLUID TRANSFER SOLUTIONS	238.86	
18598	9/23/16	PLM01	PARRA LANDSCAPE MAINTENANCE	1,821.00	
18599	9/23/16	PPE	PRIVATE PEST EXTERMINATORS	150.00	
18600	9/23/16	RFC	RAFTELIS FINANCIAL CONSULTANTS	10,618.75	RATE STUDY
18601	9/23/16	RTL	RUTAN & TUCKER, LLP	1,237.50	
18602	9/23/16	SA02	SAM'S CLUB	180.82	
18603	9/23/16	ST01	STAPLES CREDIT PLAN	220.12	
18604	9/23/16	TNP	TOP NOTCH PLUMBING	3,720.00	BUILD REPAIR
18605	9/23/16	TR01	TRAN CONTROLS SCADA SOLUTIONS, LLC.	2,880.00	
18606	9/23/16		VOID	-	
18607	9/23/16	TR012	TRAN CONTROLS SCADA SOLUTIONS, LLC.	22,662.54	PLT REP/MAINT-NEW BILLING SERVER/SOFTV
18608	9/23/16		VOID	-	
18609	9/23/16	UBB	USA BLUEBOOK	1,556.45	
18610	9/23/16	UN01	UNDERGROUND SERVICE ALERT	54.00	
18611	9/23/16	VWS	VICTORY WELL SURVEYS	880.00	
18612	9/23/16	WA01	WASTE MANAGEMENT - INLAND EMPIRE	604.88	
18613	9/23/16	WE01	WESTERN MUNICIPAL WATER DISTR.	410,722.75	
18614	9/23/16	WTI	WTI COMMUNICATIONS INC.	520.47	
Total				\$ 666,447.54	

THESE INVOICES ARE SUBMITTED TO THE
 TEMESCAL VALLEY BOARD OF DIRECTORS FOR
 APPROVAL AND AUTHORIZATION FOR PAYMENT

Mel McCullough - Finance Manager

Mel McCullough - Finance Manager

**TEMESCAL VALLEY WATER DISTRICT
INTERNAL BALANCE SHEET
31-Aug-16**

ASSETS

Fixed Assets (net of accumulated depreciation)			
Land	\$	902,118	
Treatment Plants		9,691,002	
Capacity Rights		13,503,639	
Water System, Reservoir & Wells		9,573,590	
Water & Sewer Mains		27,337,244	
General Equipment Sewer/Water/ Furniture		444,380	
Buildings & Entrance Improvements		358,557	
		\$ 61,810,529	
Current Assets			
Cash - Wastewater	8,365,040		
Cash - Water	7,217,291		
Cash - ID #1	413,244		
Cash - ID #2	115,516		
Cash - Nonpotable	1,522,040		
Cash - Deposits	1,212,965	18,846,095	
Accounts Receivable-Services/Developers		1,398,520	
Assessment Receivable		90,343	
Interest Receivable		13,423	
Prepaid Expenses		34,848	
Inventory		159,953	
		20,543,183	
Other Assets			
Work-in-Process		520,972	
Deferred Outflows - Pension	\$	113,747	
TOTAL ASSETS		\$ 82,988,431	

LIABILITIES

Current Liabilities			
Accounts Payable	\$	541,250	
Security Deposits		327,542	
Payroll & Payroll Taxes Payable		46,996	
Capacity & Meter Deposits		129,530	
Fiduciary Payments Payable		429,785	
Developer Deposits		283,221	
Other Deposits		42,887	
		1,801,211	
Long-term Liabilities			
TVRP Note		2,105,436	
Deferred Inflows - Pension		84,186	
TOTAL LIABILITIES		\$ 3,990,833	

FUND EQUITY

Fund Balances			
Waste Water Fund Balance		26,403,469	
Water Fund Balance		42,662,307	
ID #1 Fund Balance		564,350	
ID #2 Fund Balance		646,103	
Recycled Water Fund Balance		8,721,368	
TOTAL FUND EQUITY		\$ 78,997,597	
TOTAL LIABILITIES & FUND EQUITY		\$ 82,988,430	

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	AUGUST			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>WASTEWATER DEPARTMENT</u>								
OPERATING REVENUE:								
MONTHLY SEWER SERVICE CHARGE	170,715	167,000	3,715	340,644	334,000	6,644	2,002,000	(1,661,356)
MONTHLY SERVICE CHARGE-ID #1	10,766	10,767	(1)	21,533	21,534	(1)	129,200	(107,667)
MONTHLY SERVICE CHARGE-ID #2	12,179	12,180	(1)	24,357	24,360	(3)	146,150	(121,793)
MONTHLY SEWER SERVICE CHG-R COM	9,080	9,400	(320)	18,644	19,000	(356)	115,000	(96,356)
MISC UTILITY CHARGES/ REVENUE	4,631	4,400	231	13,122	8,800	4,322	52,000	(38,878)
STANDBY CHARGES	1,992	-	1,992	1,992	-	1,992	110,000	(108,008)
CFD REIMBURSEMENTS	-	-	-	-	-	-	20,000	(20,000)
INSPECTION CHARGES	7,235	7,000	235	7,235	7,000	235	10,000	(2,765)
TOTAL WASTEWATER REVENUE	216,598	210,747	5,851	427,527	414,694	12,833	2,584,350	(2,156,823)
OPERATING EXPENSES:								
PLANT WAGES EXPENSE	8,984	9,700	(716)	17,762	18,700	(938)	165,000	(147,238)
PAYROLL TAXES EXP	134	230	(96)	361	480	(119)	3,000	(2,639)
EMPLOYEE BENEFITS-INS	1,295	1,300	(5)	2,282	2,600	(318)	15,500	(13,218)
EMPLOYEE BENEFITS-RETIREMENT	1,788	1,750	38	3,151	4,350	(1,199)	22,500	(19,349)
OVERTIME EXP	465	750	(285)	1,132	1,500	(368)	9,000	(7,868)
MILEAGE EXP	26	75	(49)	78	150	(72)	800	(722)
VACATION EXP	624	700	(76)	1,248	1,400	(152)	8,300	(7,052)
ELECTRICIAN LABOR COSTS	-	625	(625)	-	1,250	(1,250)	7,500	(7,500)
SCADA SYSTEM ADMIN/MAINT	1,239	750	489	1,239	1,500	(261)	9,000	(7,761)
LABORATORY TESTING COSTS	80	2,700	(2,620)	2,715	3,400	(685)	32,000	(29,285)
SLUDGE DISPOSAL/PUMPING COSTS	1,823	2,000	(177)	4,428	4,000	428	25,000	(20,572)
SLUDGE DISPOSAL BAG EXP	-	-	-	-	-	-	25,000	(25,000)
SLUDGE CHENMICAL EXP	-	-	-	-	-	-	20,000	(20,000)
CHEMICALS, LUBRICANTS & FUELS	3,893	8,000	(4,107)	20,690	16,000	4,690	95,000	(74,310)
EQUIPMENT RENTAL COSTS	-	200	(200)	675	400	275	2,000	(1,325)
EQUIPMENT REPAIRS & MAINT.	33,378	16,000	17,378	40,639	32,000	8,639	190,000	(149,361)
SEWER LINE REPAIRS	-	-	-	980	1,000	(20)	10,000	(9,020)
SEWER CLEANING AND VIDEO EXP	1,470	1,500	(30)	1,470	1,500	(30)	15,000	(13,530)
SECURITY AND ALARM EXP	641	700	(59)	641	700	(59)	4,000	(3,359)
PROPERTY MAINTENANCE	14,201	1,750	12,451	16,099	3,500	12,599	20,000	(3,901)
ENGINEERING/ADMIN. STUDIES	-	-	-	-	-	-	20,000	(20,000)
ENERGY COSTS	18,415	19,500	(1,085)	35,785	39,000	(3,215)	195,000	(159,215)
CONSUMABLE SUPPLIES & CLEANING	227	850	(623)	346	1,700	(1,354)	10,000	(9,654)
SMALL EQUIPMENT & TOOLS COST	623	250	373	623	500	123	3,000	(2,377)
PERMITS, FEES & TAXES	453	200	253	2,575	400	2,175	25,000	(22,425)
SAWPA BASIN MONITORING EXP	-	-	-	20,240	15,000	5,240	15,000	5,240
MAP UPDATING/GIS EXP	-	-	-	-	-	-	2,000	(2,000)
MISC. OPERATING EXP	-	100	(100)	55	100	(45)	1,000	(945)
BAD DEBT EXPENSES	-	-	-	-	-	-	1,500	(1,500)
CONTINGENCIES	-	-	-	-	-	-	36,000	(36,000)
TOTAL OPERATING EXPENSES	89,759	69,630	20,129	175,214	151,130	24,084	987,100	(811,886)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	AUGUST			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	5,024	8,350	(3,326)	11,667	16,700	(5,033)	100,000	(88,333)
GENERAL ENGINEERING EXP	1,342	1,400	(58)	1,342	2,800	(1,458)	16,000	(14,658)
ANNUAL ASSESSMENT EXP	-	-	-	2,868	2,000	868	2,000	868
PLAN CHECK & INSPECTION EXP	-	-	-	-	-	-	5,000	(5,000)
EMPLOYEE BENEFITS-INS	499	550	(51)	1,253	1,200	53	19,000	(17,747)
EMPLOYEE BENEFITS-RETIREMENT	689	750	(61)	1,731	1,875	(144)	21,000	(19,269)
WAGES EXPENSE	10,316	11,000	(684)	20,616	27,400	(6,784)	142,000	(121,384)
VACATION EXP	797	800	(3)	1,594	1,600	(6)	9,600	(8,006)
OVERTIME EXP	-	85	(85)	-	170	(170)	1,000	(1,000)
MILEAGE EXP ADMIN	65	45	20	92	90	2	500	(408)
PAYROLL TAX EXPENSES	139	200	(61)	438	500	(62)	2,500	(2,062)
CONTRACT STAFFING EXP	-	-	-	-	-	-	2,000	(2,000)
LEGAL EXPENSES	452	650	(198)	603	1,300	(697)	7,600	(6,997)
AUDIT EXPENSES	-	-	-	-	-	-	5,000	(5,000)
BOARD COMMITTEE MEETING EXP.	284	625	(341)	868	1,250	(382)	7,500	(6,632)
ELECTION & PUBLIC HEARING EXP	-	-	-	-	-	-	6,600	(6,600)
COMPUTER SYSTEM ADMIN	1,065	1,700	(635)	3,980	3,400	580	20,000	(16,020)
BANK CHARGES EXP	736	750	(14)	1,438	1,500	(62)	9,000	(7,562)
MISCELLANEOUS & EDUCATION EXP	-	85	(85)	464	170	294	1,000	(536)
TELEPHONE, FAX & CELL EXP	634	675	(41)	1,990	1,350	640	8,000	(6,010)
OFFICE SUPPLIES EXP	724	1,400	(676)	1,641	2,800	(1,159)	16,000	(14,359)
PRINTING EXPENSES	-	-	-	-	-	-	5,000	(5,000)
POSTAGE & DELIVERY EXPENSE	867	1,000	(133)	1,801	1,000	801	12,000	(10,199)
PUBLICATIONS, NOTICES & DUES	54	500	(446)	69	1,000	(931)	5,000	(4,931)
EQUIPMENT LEASE EXPENSES	221	500	(279)	507	1,000	(493)	6,000	(5,493)
INSURANCE EXPENSES	2,338	2,700	(362)	4,677	5,400	(723)	32,000	(27,323)
INVESTMENT EXP	400	500	(100)	800	1,000	(200)	4,800	(4,000)
COMMUNITY OUTREACH EXP	-	-	-	-	-	-	7,000	(7,000)
TOTAL ADMINISTRATIVE EXPENSES	26,646	34,265	(7,619)	60,439	75,505	(15,066)	473,100	(412,661)
TOTAL WASTEWATER EXPENSES	116,405	103,895	12,510	235,653	226,635	9,018	1,460,200	(1,224,547)
NET OPERATING REVENUE/EXPENSE	100,193	106,852	(6,659)	191,874	188,059	3,815	1,124,150	(932,276)
NON-OPERATING SOURCE OF FUNDS:								
OTHER REVENUE REIMB-MANDATE COSTS	-	-	-	-	-	-	-	-
CONNECTION FEES	-	-	-	-	-	-	-	-
INTEREST INCOME	1,650	1,000	650	3,740	2,000	1,740	12,000	(8,260)
PROPERTY TAX INCOME	2,123	2,000	123	2,505	2,000	505	65,000	(62,495)
TOTAL NON-OPER SOURCE OF FUNDS	3,773	3,000	773	6,245	4,000	2,245	77,000	(70,755)
TOTAL SEWER REVENUE/EXPENSE	103,966	109,852	(5,886)	198,119	192,059	6,060	1,201,150	(1,003,031)
TRANSFER TO CAPITAL FUND-REPLACEMENT				161,413				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				36,706				
				-				

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

WASTE WATER CAPITAL FUND:

ENDING FUNDS AVAILABLE 2015-2016	8,846,278
TRANSFER FOR CAPITAL FUND REPLACEMENT	161,413
TRANSFER FOR CAPITAL IMPROVEMENTS	36,706
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	<u>(62,271)</u>
TOTAL FUNDS AVAILABLE	<u>8,982,126</u>

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	AUGUST			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>WATER DEPARTMENT</u>								
OPERATING REVENUE:								
WATER SERVICE CHARGE	112,704	112,500	204	224,736	225,000	(264)	1,350,000	(1,125,264)
WATER USAGE CHARGES	444,507	297,000	147,507	754,109	594,000	160,109	2,700,000	(1,945,891)
WATER PUMPING CHARGE	13,191	8,250	4,941	22,601	16,500	6,101	75,000	(52,399)
FIRE PROTECTION CHARGES	2,567	2,400	167	5,090	4,800	290	28,000	(22,910)
MISC. UTILITY CHARGES	4,467	4,200	267	5,832	8,400	(2,568)	50,000	(44,168)
SERVICE METER INCOME	-	1,700	(1,700)	7,200	3,400	3,800	20,000	(12,800)
CELLULAR SITE LEASE	2,787	2,500	287	5,493	5,000	493	30,000	(24,507)
MWD READINESS TO SERVE CHARGE	19,413	18,750	663	38,710	37,500	1,210	225,000	(186,290)
STANDBY CHARGES	664	-	664	664	-	664	35,000	(34,336)
CFD REIMBURSEMENTS	-	-	-	-	-	-	20,000	(20,000)
INSPECTION CHARGES	-	-	-	-	-	-	10,000	(10,000)
TOTAL WATER REVENUE	600,300	447,300	153,000	1,064,435	894,600	169,835	4,543,000	(3,478,565)
OPERATING EXPENSES:								
WAGES EXPENSE	7,861	11,200	(3,339)	15,541	28,000	(12,459)	145,000	(129,459)
PAYROLL TAXES EXP	117	200	(83)	316	400	(84)	3,000	(2,684)
EMPLOYEE BENEFITS-INS	1,134	1,175	(41)	2,202	2,350	(148)	14,000	(11,798)
EMPLOYEE BENEFITS-RETIREMENT	1,566	1,535	31	3,042	3,860	(818)	20,000	(16,958)
OPERATION-MILEAGE EXP	23	70	(47)	68	140	(72)	750	(682)
OVERTIME EXPENSE/ ON CALL	407	750	(343)	990	1,500	(510)	9,000	(8,010)
VACATION EXP	780	750	30	1,560	1,500	60	7,300	(5,740)
CONTRACT STAFFING-METER READS	4,823	5,000	(177)	9,643	10,000	(357)	60,000	(50,357)
SCADA SYSTEM ADMIN/MAINT	1,084	600	484	1,084	1,700	(616)	7,000	(5,916)
LABORATORY TESTING COSTS	273	800	(527)	741	4,500	(3,759)	12,500	(11,759)
COMPLIANCE TESTING (ISDE/CROSS)	-	1,500	(1,500)	1,793	1,500	293	3,000	(1,207)
LEAK DETECTION EXPENSE	-	-	-	-	-	-	8,000	(8,000)
EPA WATER TESTING EXP	-	-	-	-	-	-	-	-
EQUIPMENT RENTAL COSTS	-	175	(175)	-	350	(350)	2,000	(2,000)
EQUIPMENT REPAIRS & MAINT.	973	1,000	(27)	8,520	9,000	(480)	75,000	(66,480)
WATER LINE REPAIRS	3,433	3,500	(67)	9,819	7,000	2,819	40,000	(30,181)
ALARM MONITORING COSTS	561	175	386	561	350	211	2,000	(1,439)
PROPERTY MAINTENANCE	-	500	(500)	-	1,000	(1,000)	6,000	(6,000)
ENGINEERING/ADMIN. STUDIES	-	650	(650)	-	1,300	(1,300)	8,000	(8,000)
ENERGY COSTS	11,232	13,750	(2,518)	28,764	27,500	1,264	125,000	(96,236)
CONSUMABLE SUPPLIES & CLEANING	-	700	(700)	-	1,400	(1,400)	8,000	(8,000)
CHEMICALS, LUBRICANTS & FUELS	178	425	(247)	284	850	(566)	5,000	(4,716)
SMALL EQUIPMENT & TOOLS COST	583	200	383	683	400	283	2,000	(1,317)
PERMITS, FEES & TAXES	400	1,450	(1,050)	640	3,950	(3,310)	18,500	(17,860)
MAP UPDATING/GIS EXP	-	625	(625)	-	1,250	(1,250)	7,500	(7,500)
SERVICE METERS & PARTS COSTS	-	2,500	(2,500)	16,080	5,000	11,080	30,000	(13,920)
WHOLESALE WATER PURCHASES	347,842	260,000	87,842	694,824	610,000	84,824	2,585,000	(1,890,176)
WATER-MWD CAPACITY CHARGE	5,904	6,700	(796)	11,808	13,400	(1,592)	80,000	(68,192)
WATER-READINESS TO SERVE/REFUSAL CHARGE	12,658	14,200	(1,542)	25,316	28,400	(3,084)	170,000	(144,684)
BAD DEBT EXPENSES	-	-	-	-	-	-	1,500	(1,500)
CONSERVATION REBATE EXP	-	-	-	-	-	-	7,500	(7,500)
CONTINGENCIES	-	-	-	-	-	-	35,000	(35,000)
TOTAL OPERATING EXPENSES	401,832	330,130	71,702	834,279	766,600	67,679	3,497,550	(2,663,271)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	AUGUST			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	4,396	5,000	(604)	10,208	10,000	208	87,500	(77,292)
GENERAL ENGINEERING EXP	-	1,400	(1,400)	-	2,800	(2,800)	16,000	(16,000)
PLAN CHECK & INSPECTION EXP	-	1,400	(1,400)	27	2,800	(2,773)	16,000	(15,973)
EMPLOYEE BENEFITS-INS	1,401	1,400	1	2,546	2,800	(254)	16,650	(14,104)
EMPLOYEE BENEFITS-RETIREMENT	1,936	1,395	541	3,517	3,595	(78)	18,350	(14,833)
ANNUAL ASSESSMENT EXP	-	2,000	(2,000)	2,868	2,000	868	2,000	868
WAGES EXPENSE	9,027	9,530	(503)	18,039	18,880	(841)	124,000	(105,961)
VACATION EXP	997	700	297	1,993	1,400	593	8,200	(6,207)
MILEAGE EXP ADMIN	57	45	12	81	90	(9)	500	(419)
OVERTIME EXPENSE	-	75	(75)	-	150	(150)	1,000	(1,000)
PAYROLL TAX EXPENSES	159	180	(21)	417	480	(63)	2,400	(1,983)
CONTRACT STAFFING OFFICE	-	-	-	-	-	-	2,000	(2,000)
LEGAL EXPENSES	396	1,250	(854)	527	2,500	(1,973)	15,000	(14,473)
AUDIT EXPENSES	-	-	-	-	-	-	5,000	(5,000)
BOARD COMMITTEE/ MEETING EXP.	249	525	(276)	498	1,050	(552)	6,300	(5,802)
COMPUTER SYSTEM EXP	932	1,000	(68)	1,290	2,000	(710)	12,000	(10,710)
BANK CHARGES EXP	644	600	44	1,258	1,200	58	7,000	(5,742)
MISCELLANEOUS & EDUCATION EXP	-	75	(75)	406	150	256	1,000	(594)
TELEPHONE, FAX, PAGER & RADIO	556	600	(44)	1,755	1,200	555	7,000	(5,245)
OFFICE SUPPLIES EXP	700	1,100	(400)	1,355	2,200	(845)	13,000	(11,645)
PRINTING EXPENSES	-	-	-	14	-	14	5,000	(4,986)
POSTAGE & DELIVERY EXPENSE	759	750	9	1,576	1,500	76	9,000	(7,424)
PUBLICATIONS, NOTICES & DUES	-	500	(500)	13	1,000	(987)	5,000	(4,987)
EQUIPMENT LEASE EXPENSES	193	250	(57)	444	500	(56)	6,000	(5,556)
INSURANCE EXPENSES	2,046	2,400	(354)	4,092	4,800	(708)	28,000	(23,908)
INVESTMENT EXPENSE	350	-	350	700	-	700	4,200	(3,500)
ELECTION & PUBLIC HEARING EXP	-	-	-	-	-	-	6,600	(6,600)
COMMUNITY OUT REACH EXP	-	-	-	-	-	-	7,000	(7,000)
TOTAL ADMINISTRATIVE EXPENSES	24,798	32,175	(7,377)	53,624	63,095	(9,471)	431,700	(378,076)
TOTAL WATER EXPENSES	426,630	362,305	64,325	887,903	829,695	58,208	3,929,250	(3,041,347)
NET OPERATING REVENUE/EXPENSE	173,670	84,995	88,675	176,532	64,905	111,627	613,750	(437,218)
NON-OPERATING SOURCE OF FUNDS:								
OTHER REVENUE REIMB-MANDATE COSTS	-	-	-	-	-	-	-	-
CONNECTION FEES	-	-	-	48,387	-	48,387	-	48,387
INTEREST INCOME	2,080	1,600	480	4,720	3,200	1,520	19,000	(14,280)
PROPERTY TAX INCOME	1,046	-	1,046	1,234	-	1,234	30,000	(28,766)
TOTAL NON-OP SOURCE OF FUNDS	3,126	1,600	1,526	54,341	3,200	51,141	49,000	5,341
TOTAL REVENUE/EXPENSE	176,796	86,595	90,201	230,873	68,105	162,768	662,750	(431,877)
TRANSFER TO CAPITAL FUND-REPLACEMENT				88,628				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				142,245				
CAPACITY USAGE INCOME				139,885				
LONG TERM DEBT REDUCTION				(139,885)				
				-				

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

WATER CAPITAL FUND:

ENDING FUNDS AVAILABLE 2015-2016	7,622,794
TRANSFER FOR CAPITAL FUND REPLACEMENT	88,628
TRANSFER FOR CAPITAL IMPROVEMENTS	142,245
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	<u>(19,291)</u>
TOTAL FUNDS AVAILABLE	<u>7,834,376</u>

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	AUGUST			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>ID#1 DEPARTMENT</u>								
OPERATING REVENUE:								
ANNUAL SEWER SERVICE CHARGE	13,725	13,725	-	27,450	27,450	-	164,700	(137,250)
TOTAL ID #1 REVENUE	13,725	13,725	-	27,450	27,450	-	164,700	(137,250)
OPERATING EXPENSES:								
MONTHLY TREATMENT PLANT COSTS	10,766	10,766	-	21,533	21,532	1	129,200	(107,667)
TOTAL OPERATING COSTS	10,766	10,766	-	21,533	21,532	1	129,200	(107,667)
ADMINISTRATIVE EXPENSES:								
ANNUAL ASSESSMENT PROCESSING	-	-	-	-	-	-	3,000	(3,000)
TOTAL ADMINISTRATIVE EXPENSES	-	-	-	-	-	-	3,000	(3,000)
TOTAL ID#1 EXPENSES	10,766	10,766	-	21,533	21,532	1	132,200	(110,667)
NET OPERATING REVENUE/EXPENSE	2,959	2,959	-	5,917	5,918	(1)	32,500	(26,583)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	55	31	24	98	62	36	370	(272)
TOTAL NON-OPER SOURCE OF FUNDS	55	31	24	98	62	36	370	(272)
TOTAL REVENUE/EXPENSE	3,014	2,990	24	6,015	5,980	35	32,870	(26,855)
TRANSFER TO CAPITAL FUND-REPLACEMENT				4,408				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				1,607				
				-				
<u>ID #1 FUND BALANCE:</u>								
ENDING FUNDS AVAILABLE 2015-2016	407,229							
TRANSFER FOR CAPITAL FUND REPLACEMENT	4,408							
TRANSFER FOR CAPITAL IMPROVEMENTS	1,607							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	-							
TOTAL FUNDS AVAILABLE	413,244							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	AUGUST			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<i>ID#2 DEPARTMENT</i>								
OPERATING REVENUE:								
ANNUAL SEWER SERVICE CHARGE	15,525	15,525	-	31,050	31,050	-	186,300	(155,250)
TOTAL ID #2 REVENUE	15,525	15,525	-	31,050	31,050	-	186,300	(155,250)
OPERATING EXPENSES:								
MONTHLY TREATMENT PLANT COSTS	12,179	12,179	-	24,357	24,538	(181)	146,150	(121,793)
TOTAL OPERATING COSTS	12,179	12,179	-	24,357	24,538	(181)	146,150	(121,793)
ADMINISTRATIVE EXPENSES:								
GENERAL ENGINEERING EXP	-	-	-	-	-	-	2,500	(2,500)
ANNUAL ASSESSMENT PROCESSING	-	-	-	-	-	-	3,000	(3,000)
TOTAL ADMINISTRATIVE EXPENSES	-	-	-	-	-	-	5,500	(5,500)
TOTAL ID#2 EXPENSES	12,179	12,179	-	24,357	24,538	(181)	151,650	(127,293)
NET OPERATING REVENUE/EXPENSE	3,346	3,346	-	6,693	6,512	181	34,650	(27,957)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	110	61	49	197	122	75	732	(535)
TOTAL NON-OPER SOURCE OF FUNDS	110	61	49	197	122	75	732	(535)
TOTAL REVENUE/EXPENSE	3,456	3,407	49	6,890	6,634	256	35,382	(28,492)
TRANSFER TO CAPITAL FUND-REPLACEMENT				5,649				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				1,241				
				-				
<i>ID #2 FUND BALANCE:</i>								
ENDING FUNDS AVAILABLE 2015-2016	108,626							
TRANSFER FOR CAPITAL FUND REPLACEMENT	5,649							
TRANSFER FOR CAPITAL IMPROVEMENTS	1,241							
CAPITAL IMPROVEMENT-PLANT REMOVAL	-							
TOTAL FUNDS AVAILABLE	115,516							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	AUGUST			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>NON-POTABLE WATER DEPARTMENT</u>								
OPERATING REVENUE:								
RECYCLED/NON-POTABLE WATER SALES	258,631	169,000	89,631	456,517	338,000	118,517	1,300,000	(843,483)
RECYCLED/ NON-POT WATER FIXED CHARGE	14,670	11,250	3,420	28,848	22,500	6,348	135,000	(106,152)
RECYCLED/NON-POTABLE PUMPING CHARGE	6,959	3,900	3,059	11,368	7,800	3,568	30,000	(18,632)
MISC INCOME	79	850	(771)	571	1,700	(1,129)	10,000	(9,429)
TOTAL NON-POTABLE REVENUE	280,339	185,000	95,339	497,304	370,000	127,304	1,475,000	(977,696)
OPERATING EXPENSES:								
RECYCLED/NON-POTABLE LABOR EXP	5,615	5,900	(285)	11,101	11,900	(799)	103,000	(91,899)
PAYROLL TAXES EXP	84	138	(54)	226	348	(122)	1,800	(1,574)
EMPLOYEE BENEFITS-INS	809	840	(31)	1,221	1,680	(459)	10,000	(8,779)
EMPLOYEE BENEFITS-RETIREMENT	1,117	1,077	40	1,685	1,790	(105)	14,000	(12,315)
MILEAGE EXP	16	20	(4)	49	40	9	200	(151)
OVERTIME EXP	290	475	(185)	707	950	(243)	5,700	(4,993)
VACATION EXP	156	450	(294)	312	500	(188)	5,200	(4,888)
SCADA SYS EXP	-	575	(575)	-	1,150	(1,150)	6,800	(6,800)
LABORATORY TESTING COSTS	-	1,250	(1,250)	-	2,500	(2,500)	15,000	(15,000)
EQUIPMENT REPAIRS & MAINT.	2,251	4,200	(1,949)	4,807	8,400	(3,593)	50,000	(45,193)
NONPOTABLE WATER LINE REPAIR	-	8,500	(8,500)	-	17,000	(17,000)	100,000	(100,000)
SECURITY AND ALARM EXP	400	85	315	400	170	230	1,000	(600)
PROPERTY MAINTENANCE	-	420	(420)	-	840	(840)	5,000	(5,000)
ENERGY COSTS	25,830	33,000	(7,170)	58,002	66,000	(7,998)	275,000	(216,998)
CONSUMABLE SUPPLIES EXP	-	30	(30)	-	60	(60)	350	(350)
CHEMICALS, LUBRICANTS & FUELS	127	850	(723)	256	1,700	(1,444)	10,000	(9,744)
PERMITS AND FEES EXP	111	500	(389)	111	1,000	(889)	6,000	(5,889)
SERVICE METERS AND PARTS COSTS	-	600	(600)	5,181	1,200	3,981	7,000	(1,819)
RECYCLED SIGN EXP	389	250	139	389	500	(111)	3,000	(2,611)
MISC OPERATING EXP	-	42	(42)	-	84	(84)	500	(500)
POTABLE WATER EXP	55,681	-	55,681	55,681	-	55,681	-	55,681
BAD DEBT	-	-	-	-	-	-	1,600	(1,600)
TOTAL OPERATING EXPENSES	92,876	59,202	33,674	140,128	117,812	22,316	621,150	(481,022)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Two Months ending August 31, 2016**

	APRIL			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	3,140	3,225	(85)	7,291	7,450	(159)	62,500	(55,209)
GENERAL ENGINEERING/ PLAN CHECK EXP	-	1,250	(1,250)	-	2,500	(2,500)	15,000	(15,000)
INSPECTION EXP	-	1,250	(1,250)	-	2,500	(2,500)	15,000	(15,000)
EMPLOYEE BENEFITS-INS	1,012	1,000	12	1,400	2,000	(600)	12,000	(10,600)
EMPLOYEE BENEFITS-RETIREMENT	1,192	1,000	192	1,710	2,500	(790)	13,000	(11,290)
WAGES EXPENSE	6,447	6,840	(393)	12,885	13,140	(255)	89,000	(76,115)
VACATION EXP	200	300	(100)	399	470	(71)	5,800	(5,401)
MILEAGE EXP	41	15	26	58	30	28	150	(92)
OVERTIME EXP	-	105	(105)	-	210	(210)	1,250	(1,250)
PAYROLL TAX EXPENSE	99	123	(24)	284	308	(24)	1,600	(1,316)
CONTRACT STAFFING EXP	-	-	-	-	-	-	2,000	(2,000)
LEGAL EXPENSE	283	1,000	-	542	2,000	(1,458)	12,000	(11,458)
AUDIT EXP	-	-	-	-	-	-	5,000	(5,000)
BOARD FEES EXP	178	375	(197)	355	750	(395)	4,500	(4,145)
ELECTION EXP	-	-	-	-	-	-	6,800	(6,800)
COMPUTER SYSTEMS EXP	666	750	(84)	666	1,500	(834)	9,000	(8,334)
BANK CHARGES	460	550	(90)	898	1,100	(202)	6,500	(5,602)
TELEPHONE EXP	396	420	(24)	1,177	840	337	5,000	(3,823)
OFFICE SUPPLIES	352	500	(148)	820	1,000	(180)	6,000	(5,180)
PRINTING EXP	-	-	-	-	-	-	2,500	(2,500)
POSTAGE EXP	542	540	2	1,416	1,080	336	6,500	(5,084)
PUBLICATION EXP	-	250	(250)	9	500	(491)	3,000	(2,991)
EQUIPMENT LEASE EXP	138	250	(112)	317	500	(183)	3,000	(2,683)
INSURANCE EXPENSE	1,461	1,700	-	2,923	3,400	(477)	20,000	(17,077)
ANNUAL ASSESSMENT EXP	-	2,100	(2,100)	-	2,100	(2,100)	2,100	(2,100)
INVESTMENT EXPENSE	250	-	250	500	-	500	3,000	(2,500)
COMMUNITY OUTREACH EXP	-	-	-	-	-	-	4,800	(4,800)
MISC & EDUCATION EXP	-	85	(85)	-	170	(170)	1,000	(1,000)
TOTAL ADMINISTRATIVE EXPENSES	16,857	23,628	(5,815)	33,650	46,048	(12,398)	318,000	(284,350)
TOTAL NON-POTABLE OPERATING EXPENSES	109,733	82,830	26,903	173,778	163,860	9,918	939,150	(765,372)
NET OPERATING REVENUE/EXPENSE	170,606	102,170	68,436	323,526	206,140	117,386	535,850	(212,324)
NON-OPERATING SOURCE OF FUNDS:								
CONNECTION FEES	-	-	-	4,629	-	4,629	-	4,629
INTEREST INCOME	480	350	130	1,085	700	385	4,100	(3,015)
TOTAL NON-OP SOURCE OF FUNDS	480	350	130	5,714	700	5,014	4,100	1,614
TOTAL REVENUE/EXPENSE	171,086	102,520	68,566	329,240	206,840	122,400	539,950	(210,710)
TRANSFER TO CAPITAL FUND-REPLACEMENT				32,956				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				296,284				
				-				
NON-POTABLE FUND BALANCE:								
ENDING FUNDS AVAILABLE 2015-2016	1,215,422							
TRANSFER FOR CAPITAL FUND REPLACEMENT	32,956							
TRANSFER FOR CAPITAL IMPROVEMENTS	296,284							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	(22,622)							
TOTAL FUNDS AVAILABLE	1,522,040							

TEMESCAL VALLEY WATER DISTRICT General Ledger

For the Period From Aug 1, 2016 to Aug 31, 2016

Filter Criteria includes: 1) IDs from 567500.3 to 567500.5. Report order is by ID. Report is printed in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
567500.3	8/1/16			Beginning Balance			7,261.66
EQUIPMENT REPAIRS & MAIN	8/11/16	82082	PJ	JWC ENVIRONMENTAL LLC - ROTOR	8,305.00		
	8/11/16	82082	PJ	JWC ENVIRONMENTAL LLC - QUOTE 34389 ALL 3 ITEMS ON QUOTE FOR CRITICAL SPARE PARTS	944.94		
	8/11/16	82082	PJ	JWC ENVIRONMENTAL LLC - TRANSPORT SEGMENT	1,743.62		
	8/11/16	82082	PJ	JWC ENVIRONMENTAL LLC - GASKET SEGMENT	59.93		
	8/16/16	18397	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS & MAINT.	32.00		
	8/31/16	18501	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS & MAINT.	32.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - APC SMART-UPS 1500 VA-2CD	1,785.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - HYDRO RANGER 200	1,099.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - BACK UP UPS 900 VA (REMOTE STATION)	1,084.50		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - UPS BATTERIES PS 1270 7.0 AMP HR	986.93		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - FREE WAVE RADIO 902-928 MHR	1,395.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - 170 AMM 09000 TSX MOMENTUM I/O (MONTECITO)	1,619.95		
	8/31/16	6155	PJ	EMS ELECTRIC MOTOR - REPAIR AND REINSTALL #2 INFLUENT EQ PUMP	8,476.57		
	8/31/16	6156	PJ	EMS ELECTRIC MOTOR - REPAIR AND REINSTALLED #2 INFLUENT EQ PUMP	1,578.00		
	8/31/16	6168	PJ	EMS ELECTRIC MOTOR - FIELD SERVICE WITH CRANE TO REMOVE 31 EQ INFLUENT PUMP	1,578.00		
	8/31/16	1187	PJ	ENGINEERED AIR SERVICES, INC. - ANNUAL SERVICE ON ALL THREE MACHINES, CHANGED AIR FILTERS AND OIL	535.06		
	8/31/16	2016-073	PJ	DON PETERSON CONTRACTING, INC. - REMOVE AND REPLACE CENTRIFUGE SLUDGE FEED PUMP	1,378.00		
	8/31/16	S2338642.00	PJ	PIRTEK FLUID TRANSFER SOLUTION - REPAIR LEAKING HOSE ON TRACTOR	238.86		
	8/31/16	10143	PJ	DAKOTA PUMP INC - BARNES BA-314 1000GPH @ 20' TOH SUMP PUMP FOR SYCAMORE CREEK SEWER LIFT STATION	505.39		
	8/31/16			Current Period Change	33,377.75		33,377.75
	8/31/16			Ending Balance			40,639.41
567500.4	8/1/16			Beginning Balance			7,547.74
EQUIPMENT REPAIRS & MAIN	8/10/16	081601	SJ	DONALD RAY ATKISM - BT REPAIR BLOW OFF/FIRE HYD HIT BY TRUCK OFF CAMBLE RANCH RD IN SHOPPING CENTER		846.00	
	8/16/16	18397	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS & MAINT.	28.00		
	8/31/16	18501	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS & MAINT.	28.00		
	8/31/16	2355	PJ	BT PIPELINE INC. - WORK PERFORMED ON 8/9/2016 REMOVE ROOTS AND REINSTALL NEW METER BOX	1,762.50		
	8/31/16			Current Period Change	1,818.50	846.00	972.50

**TEMESCAL VALLEY WATER DISTRICT
General Ledger**

For the Period From Aug 1, 2016 to Aug 31, 2016

Filter Criteria includes: 1) IDs from 567500.3 to 567500.5. Report order is by ID. Report is printed in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
	8/31/16			Ending Balance			8,520.24
567500.5	8/1/16			Beginning Balance			60.00
EQUIPMENT REPAIRS & MAIN	8/16/16	18397	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS & MAINT.	20.00		
	8/31/16	18501	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS & MAINT.	20.00		
	8/31/16	2355	PJ	BT PIPELINE INC. - WORK PERFORMED ON 8/10/2016 PROVIDE 6" TURNOUT FOR ADDING WATER INTO RECLAIM SYSTEM	2,211.00		
				Current Period Change	2,251.00		2,251.00
	8/31/16			Ending Balance			2,311.00

Temescal Valley Water District
Capital Projects
Yearly Miscellaneous and Multi - Year

FY 2015/2016 Maintenance/ General Projects	Total Cost	Source of Funding			AS OF AUG 31, 2016 EXPENDITURES				Total YTD	Variance
		Sewer Fund	Water Fund	Recycled Fund	Previous YRS	Sewer Fund	Water Fund	Recycled Fund		
Billing Software Update/HARDWARE	\$ 110,000	\$ 44,000	\$ 38,500	\$ 27,500	\$ 48,963	\$ 5,877	\$ 5,142	\$ 3,673	\$ 14,692	\$ 46,345
Rate study	\$ 130,000	\$ 52,000	\$ 45,500	\$ 42,500	\$ 15,782	\$ 13,549	\$ 11,856	\$ 8,468	\$ 33,873	\$ 80,345
General Building Improvements	\$ 40,000	\$ 16,000	\$ 14,000	\$ 10,000	\$ -				\$ -	\$ 40,000
Convert to Recycled	\$ 135,000	\$ -	\$ -	\$ 135,000	\$ 16,363				\$ -	\$ 118,637
Replace VFD	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 11,840			\$ 11,840	\$ 28,160
Upgrade PLCs	\$ 250,000	\$ 100,000	\$ 87,500	\$ 62,500	\$ 67,861				\$ -	\$ 182,139
Upgrade Servers to 64b	\$ 70,000	\$ 28,000	\$ 24,500	\$ 17,500	\$ 42,848				\$ -	\$ 27,152
Sewer Management Plan Update	\$ 45,000		\$ -	\$ -	\$ -				\$ -	\$ 45,000
SCADA Standardization	\$ 35,000	\$ 15,000	\$ 15,000	\$ 5,000	\$ 20,836				\$ -	\$ 14,164
New Generator design	\$ 54,150	\$ 54,150	\$ -	\$ -	\$ -	\$ 29,858			\$ 29,858	\$ 24,292
Park Canyon RW Ext.	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ -				\$ -	\$ 90,000
Air Actuator valves	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -				\$ -	\$ 40,000
Subtotal Maintenance and General	\$ 1,039,150	\$ 349,150	\$ 225,000	\$ 300,000	\$ 212,654	\$ 61,124	\$ 16,998	\$ 12,141	\$ 90,263	\$ 736,233

Multiple Fiscal Year Projects

TWC Pipeline- Retrofit and Improvements	\$ 5,240,100	\$ 890,000	\$ 3,450,000	\$ 900,000	\$ 4,930,973				\$ -	\$ 309,127
Dawson Canyon Recycled Water Storage Reserv	\$ 2,816,000	\$ 1,126,400	\$ 985,600	\$ 704,000	\$ 1,829,972	\$ 1,147	\$ 1,000	\$ 793	\$ 2,940	\$ 983,088
GIS Mapping - Water Sewer RW pipelines and fa	\$ 171,700	\$ 66,000	\$ 66,000	\$ 39,700	\$ 43,410				\$ -	\$ 128,290
Well Rehab	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -			\$ 6,450	\$ 6,450	\$ 18,550
SCADA Tower	\$ 60,000	\$ 30,000	\$ 30,000	\$ -	\$ -				\$ -	\$ 60,000
Non-Potable Groundwater Development	\$ 185,000	\$ -	\$ -	\$ 185,000	\$ 62,031			\$ 3,238	\$ 3,238	\$ 119,731
Potable Groundwater Study and Development	\$ 355,000	\$ -	\$ 250,000	\$ 85,000	\$ 105,646		\$ 1,293		\$ 1,293	\$ 248,061
Dawson Canyon Potable Reservoir Design	\$ 145,000	\$ -	\$ 145,000	\$ -	\$ 141,819				\$ -	\$ 3,181
Urban Water Management Plan	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -				\$ -	\$ 100,000
Subtotal Multiple Year	\$ 9,097,800	\$ 2,112,400	\$ 5,026,600	\$ 1,938,700	\$ 7,113,851	\$ 1,147	\$ 2,293	\$ 10,481	\$ 13,921	\$ 1,970,028

TOTAL \$ 10,136,950 \$ 2,461,550 \$ 5,251,600 \$ 2,238,700 \$ 7,326,504 **\$ 62,271** **\$ 19,291** **\$ 22,622** **\$ 104,184** \$ 2,706,262

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 1
Financing Authority
(Sycamore Creek)
8/31/2016

Special Tax Fund (Acct #105636-009)
Account Balance at Wilmington Trust \$ 1,969,020.47

BONDS PR ACCT (Acct # 105636-010)
Account Balance at Wilmington Trust 0.25

Administrative Expense Fund(Acct #105636-011)
Account Balance at Wilmington Trust 1.42

Surplus Fund (Acct #105636-012)
Account Balance at Wilmington Trust 1,687,626.48

Re-call Fund (Acct #105636-025)
Account Balance at Wilmington Trust 1,377,197.04

TOTAL \$ 5,033,845.66

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 2
Financing Authority
(Montecito Ranch)
8/31/2016

Special Tax Fund (Acct #105636-014)
Account Balance at Wilmington Trust \$ 268,024.66

BONDS PR ACCT (Acct # 105636-015)
Account Balance at Wilmington Trust 0.03

Administrative Expense Fund(Acct #105636-016)
Account Balance at Wilmington Trust 1.33

Surplus Fund (Acct #105636-017)
Account Balance at Wilmington Trust 484,980.52

TOTAL \$ **753,006.54**

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 3
Financing Authority
(The Retreat)
8/31/2016

Special Tax Fund (Acct #105636-019)
Account Balance at Wilmington Trust \$ 1,153,932.28

BONDS PR ACCT (Acct # 105636-020)
Account Balance at Wilmington Trust 0.17

Administrative Expense Fund(Acct #105636-021)
Account Balance at Wilmington Trust 1.42

Surplus Fund (Acct #105636-022)
Account Balance at Wilmington Trust 1,437,903.82

TOTAL

\$ 2,591,837.69

**TEMESCAL VALLEY WATER DISTRICT
Community Facilities District
Financing Authority
8/31/2016**

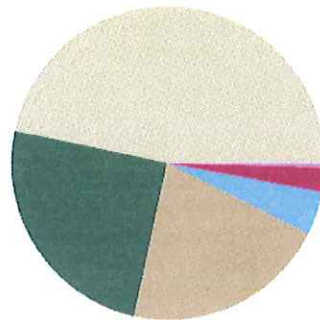
Senior Lien Bonds - Revenue Fund (Acct #105636-000)	\$	0.01
- Lien Interest A/C (Acct #105636-001)		408.16
- Lien Principal A/C (Acct #105636-002)		-
- Financing Authority Surplus A/C (Acct #105636-003)		-
- Reserve Fund CFD #1 (Acct #105636-004)		2,265,528.60
- Reserve Fund CFD #2 (Acct #105636-005)		276,065.07
- Reserve Fund CFD #3 (Acct #105636-006)		1,495,524.66
Junior Lien Bonds - Revenue Fund (Acct #105639-000)		-
- Lien Interest A/C (Acct #105639-001)		166.09
- Lien Principal A/C (Acct #105639-002)		-
- Financing Authority Surplus A/C (Acct #105639-003)		-
- Reserve Fund CFD #1 (Acct #105639-004)		789,409.74
- Reserve Fund CFD #2 (Acct #105639-005)		100,174.23
- Reserve Fund CFD #3 (Acct #105639-006)		540,859.68
TOTAL		
	\$	5,468,136.24



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DOCUMENTS HOLDINGS / ACTIVITY PERFORMANCE/G&L

Account Selector: All Accounts



Agency: 47 %
 US Corporate: 25 %
 US Treasury: 21 %
 Commercial Paper: 4 %
 Negotiable CD: 3 %
 Money Market Fund FI: 0 %

Asset Class

Cusip	Name	Maturity Date	% of Total MV	Qty	Purchase Yield	Market Yield	Original Cost	Market Value	Accru
Agency			46.7%				4,670,267.52	4,668,478.59	
313313HM3	FFCB Discount Note	06/29/2017	1.9%	200,000	0.58	0.58	198,866.33	199,110.16	
3130A6LZ8	FHLB Note	10/26/2017	1.9%	200,000	0.63	0.73	199,984.00	199,760.40	
313380EC7	FHLB Note	09/08/2017	2.0%	200,000	0.64	0.69	200,256.00	200,124.40	
313588K95	FNMA Discount Note	10/17/2016	0.5%	50,000	0.66	0.66	49,900.69	49,976.53	
313379DT3	FHLB Note	06/08/2018	2.0%	200,000	0.76	0.91	201,846.00	201,172.00	
313313GA0	FFCB Discount Note	05/25/2017	1.9%	200,000	0.76	0.76	198,487.50	198,975.00	
3130A8PK3	FHLB Note	08/07/2018	2.4%	250,000	0.79	0.87	249,150.00	248,876.00	
313376BR5	FHLB Note	12/14/2018	2.0%	200,000	0.79	0.97	204,582.00	203,442.00	
3137EAEA3	FHLMC Note	04/09/2018	1.9%	200,000	0.85	0.85	199,660.00	199,677.00	
3133EGFQ3	FFCB Note	09/14/2018	2.0%	200,000	0.85	0.92	200,098.00	199,808.00	
3130A8EJ8	FHLB Note	06/05/2018	2.0%	200,000	0.86	0.89	199,968.00	199,856.80	
313378A43	FHLB Note	03/09/2018	2.0%	200,000	0.96	0.88	201,466.00	201,436.00	
3137EADK2	FHLMC Note	08/01/2019	2.0%	200,000	1.01	1.03	201,448.00	201,251.80	
3133EFX69	FFCB Note	10/05/2018	2.0%	200,000	1.03	0.98	199,678.00	199,937.80	
3133EFPJ0	FFCB Note	11/19/2018	2.0%	200,000	1.04	0.95	201,228.00	201,468.00	
3130A8DB6	FHLB Note	06/21/2019	2.0%	200,000	1.04	0.97	200,496.00	200,815.80	
31380F88	FHLB Note	09/13/2019	2.0%	200,000	1.05	1.10	202,040.00	201,611.40	
3135G0U05	FNMA Callable Note 1X 3/6/2014	03/06/2020	1.5%	150,000	1.06	1.24	153,717.00	152,570.70	
3135G0ZA4	FNMA Note	02/19/2019	2.0%	200,000	1.08	0.97	204,258.00	204,305.80	
3137EADM8	FHLMC Note	10/02/2019	2.0%	200,000	1.08	1.06	201,074.00	201,127.80	
3133782M2	FHLB Note	03/08/2019	2.0%	200,000	1.09	1.00	202,254.00	202,410.00	
3133EGCA1	FFCB Note	06/03/2019	1.9%	200,000	1.11	1.15	199,716.00	199,532.40	
3133EFW52	FFCB Note	07/01/2019	2.0%	200,000	1.12	1.05	200,162.00	200,530.40	
3137EADZ9	FHLMC Note	04/15/2019	2.0%	200,000	1.14	0.99	199,932.00	200,702.40	
Commercial Paper			4.5%				448,431.66	449,451.27	
06538BJU8	Bank of Tokyo Mitsubishi NY Discount Note	09/28/2016	2.0%	200,000	0.77	0.77	199,493.33	199,970.44	
21687AMK6	Rabobank Nederland NV NY Discount CP	12/19/2016	2.4%	250,000	0.86	0.86	248,938.33	249,480.83	
Money Market Fund FI			0.4%				38,090.07	38,090.07	
31846V203	First American Govt Obligation Fund	09/20/2016	2.9%	38,090.07	0.00	0.00	38,090.07	38,090.07	
Negotiable CD			2.5%				249,966.96	249,995.83	
89113WBT2	Toronto Dominion NY Yankee CD	10/03/2016	2.4%	250,000	0.65	0.65	249,966.96	249,995.83	

US Corporate			24.9%				2,488,637.55	2,484,142.61
713448CW6	Pepsico Inc. Note	07/17/2017	1.2%	125,000	0.81	0.98	125,403.75	125,151.13
717081DJ9	Pfizer Inc. Note	05/15/2017	1.2%	125,000	0.84	0.97	125,300.00	125,105.13
084664BS9	Berkshire Hathaway Note	05/15/2017	1.2%	125,000	0.88	1.10	125,850.00	125,406.50
69371RL87	Paccar Financial Corp Note	06/06/2017	1.2%	125,000	0.90	1.04	125,241.25	125,053.63
166764BC3	Chevron Corp Note	11/09/2017	1.2%	125,000	0.91	1.11	125,707.50	125,325.38
36962G5W0	General Electric Capital Corp Note	04/27/2017	1.2%	125,000	0.92	1.08	126,527.50	125,912.75
458140AL4	Intel Corp Note	12/15/2017	1.2%	125,000	0.94	1.14	125,742.50	125,320.38
747525AG8	Qualcomm Inc Note	05/18/2018	1.2%	125,000	1.05	1.14	125,840.00	125,532.50
594918BN3	Microsoft Note	08/08/2019	1.1%	115,000	1.14	1.24	114,881.55	114,555.64
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2019	03/10/2018	1.0%	100,000	1.17	1.28	100,576.00	100,304.80
48126EAA5	JP Morgan Note	08/15/2017	1.2%	125,000	1.19	1.31	126,131.25	125,774.75
24422ETE9	John Deere Capital Corp Note	01/08/2019	1.2%	125,000	1.26	1.28	126,957.50	126,888.00
30231GAP7	Exxon Mobil Corp Note	03/01/2019	1.2%	125,000	1.32	1.34	126,290.00	126,106.00
02665WAH4	American Honda Finance Note	08/15/2019	1.2%	125,000	1.32	1.41	128,545.00	127,980.13
037833AQ3	Apple Inc Note	05/06/2019	1.2%	125,000	1.35	1.27	127,667.50	127,684.13
89236TDE2	Toyota Motor Credit Corp Note	05/20/2019	1.2%	125,000	1.45	1.40	124,826.25	124,990.00
91159HHH6	US Bancorp Callable Note Cont 3/25/2019	04/25/2019	1.2%	125,000	1.48	1.40	127,482.50	127,469.88
06406HCW7	Bank of New York Callable Note Cont 8/11/2019	09/11/2019	1.2%	125,000	1.53	1.49	127,923.75	127,838.00
94974BFQ8	Wells Fargo Corp Note	01/15/2019	1.2%	125,000	1.59	1.58	126,778.75	126,612.75
40428HPH9	HSBC USA Inc Note	01/16/2018	1.2%	125,000	1.64	1.54	124,965.00	125,131.13
US Treasury			21.1%				2,107,729.66	2,103,851.80
912828TG5	US Treasury Note	07/31/2017	1.9%	200,000	0.57	0.68	199,844.42	199,695.40
912828UA6	US Treasury Note	11/30/2017	1.9%	200,000	0.61	0.74	200,039.73	199,734.40
912828K82	US Treasury Note	08/15/2018	2.0%	200,000	0.66	0.81	201,406.92	200,734.40
912828XJ4	US Treasury Note	06/30/2017	1.0%	100,000	0.67	0.66	99,957.36	99,976.60
912828RY8	US Treasury Note	12/31/2018	2.0%	200,000	0.67	0.86	203,453.79	202,304.60
912828J92	US Treasury Note	03/31/2017	2.0%	200,000	0.68	0.54	199,695.98	199,961.00
912828XK1	US Treasury Note	07/15/2018	2.0%	200,000	0.79	0.80	200,344.42	200,273.40
912828UF5	US Treasury Note	12/31/2019	2.0%	200,000	0.82	1.00	202,102.23	200,820.40
912828UB4	US Treasury Note	11/30/2019	2.0%	200,000	0.82	0.98	201,172.54	200,117.20
912828P20	US Treasury Note	01/31/2018	2.0%	200,000	0.84	0.77	199,703.79	199,945.40
912828R51	US Treasury Note	05/31/2018	2.0%	200,000	0.87	0.79	200,008.48	200,289.00
Grand Total			100.0%				10,003,123.42	9,994,010.17

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**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
08/15/16	0.61	0.59	165
08/16/16	0.61	0.59	163
08/17/16	0.61	0.60	165
08/18/16	0.62	0.60	166
08/19/16	0.62	0.60	164
08/20/16	0.62	0.60	164
08/21/16	0.62	0.60	164
08/22/16	0.62	0.60	162
08/23/16	0.62	0.60	161
08/24/16	0.62	0.60	159
08/25/16	0.62	0.60	156
08/26/16	0.62	0.60	158
08/27/16	0.62	0.60	158
08/28/16	0.62	0.60	158
08/29/16	0.62	0.60	159
08/30/16	0.62	0.60	160
08/31/16	0.62	0.60	162
09/01/16	0.63	0.60	169
09/02/16	0.63	0.60	169
09/03/16	0.63	0.60	169
09/04/16	0.63	0.60	169
09/05/16	0.63	0.60	169
09/06/16	0.63	0.60	167
09/07/16	0.63	0.60	166
09/08/16	0.63	0.60	165
09/09/16	0.63	0.60	166
09/10/16	0.63	0.60	166
09/11/16	0.63	0.60	166
09/12/16	0.63	0.61	163
09/13/16	0.63	0.61	163
09/14/16	0.63	0.61	161

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Conference
October 25, 2016**

[Register Now!](#)

LAIF Performance Report

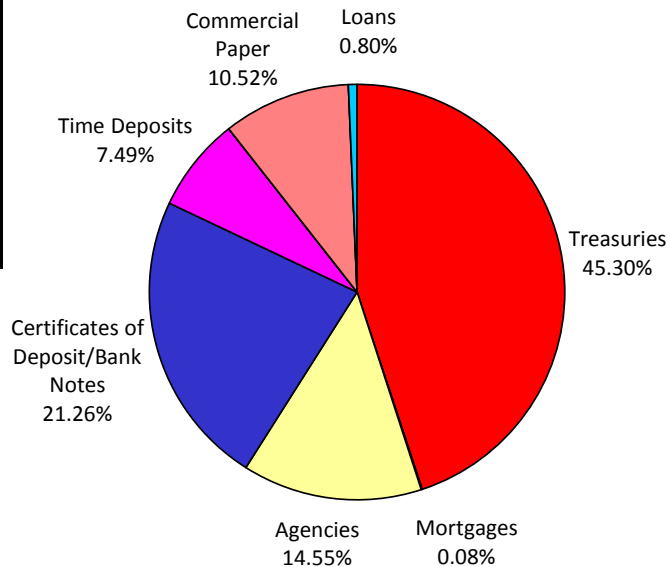
Quarter Ending 06/30/16

Apportionment Rate: 0.55%
 Earnings Ratio: 0.00001495296852820
 Fair Value Factor: 1.000621222
 Daily: 0.58%
 Quarter to Date: 0.55%
 Average Life: 167

PMIA Average Monthly Effective Yields

Aug 2016 0.614%
Jul 2016 0.588%
 Jun 2016 0.576%

**Pooled Money Investment Account
Portfolio Composition
08/31/16
\$69.7 billion**



Based on data available as of 09/14/16

Active Lien Board Update

Balance as of 7/23/16: \$12,804.37

Payments received: \$194.56

New liens recorded:

ACTIVE

Active liens value \$157.60

Number of active liens 2

WRITTEN OFF

Written off liens value \$12,452.21

Number of written off liens 61

Released liens 6/13/07 - 9/27/16: \$168,891.96

**AGREEMENT TO BECOME A PARTY TO THE
AMENDED JOINT POWERS AGREEMENT
CREATING THE
CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY**

TEMESCAL VALLEY WATER DIST. [insert name of company or district]
(referred to as "Member") hereby agrees to become a party to the Amended Joint Powers Agreement Creating the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (the "Authority"), in the form attached hereto as Exhibit A, and agrees to abide by the terms and conditions of that agreement.

Member hereby represents that its action to become a party to the above-referenced agreement and to participate in the Authority has been duly authorized by action of its governing board taken at a duly called and noticed meeting.

Executed this _____ day of _____, 201__ at
_____, California.

[Company or District name]

By _____

Printed Name: _____

Title: _____

**Amended Joint Powers Agreement
Creating the
California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority**

THIS AGREEMENT is made and entered into in the County of Los Angeles, State of California, by and among the Companies and Districts, as defined herein, organized and existing under the laws of the State of California, which are parties signatory to this Agreement and listed in Appendix "A," which is attached hereto and made a part hereof. Said Companies and Districts are sometimes referred to herein as "parties" or "Members."

RECITALS

WHEREAS, subdivision (a) of California Government Code Section 6525 authorizes a mutual water company and a public agency to enter into a joint powers agreement for the purpose of jointly exercising any power common to those contracting parties, and, effective January 1, 2016, subdivision (b)(1) of California Government Code Section 6525 provides that a mutual water company and a public agency may enter into a joint powers agreement for the purpose of risk-pooling in accordance with Government Code Section 990.8; and

WHEREAS, California Government Code Section 990 authorizes the self-insurance against tort liabilities and inverse condemnation by public entities and California Labor Code Section 3700 provides for self-insurance of liabilities imposed by Labor Code Section 3200, et seq.; and

WHEREAS, California Government Code Section 990.8 states that a mutual water company and a public agency may, by a joint powers agreement, provide coverage for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties desire to establish a structure to provide such coverage products at contributions competitive with the insurance market and in a manner that alleviates risk through coverage products that are reinsured; and

WHEREAS, the parties to this Agreement desire to join together for the purpose of purchasing insurance or reinsurance at reduced rates and to provide technical support, continuing education, safety engineering, and operational and managerial advisory assistance to said parties in order to reduce risk liabilities and further the technical, managerial and financial capacity of those parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1 — Definitions

The following definitions shall apply to the provisions of this Agreement:

- (a) **"Association"** shall mean the California Association of Mutual Water Companies.
- (b) **"Auditor/Controller"** shall mean that person, designated by the Board of Directors who is required to draw, or cause to be drawn, checks, warrants, and electronic payments on behalf of the Authority.
- (c) **"Authority"** shall mean the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (CAMWC-JPRIMA) created by this Agreement.
- (d) **"Board of Directors" or "Board"** shall mean the governing body of the Authority.
- (e) **"Chief Executive Officer"** shall mean that employee or other agent of the Authority who is so appointed by the Board of Directors.
- (f) **"Company"** shall mean a mutual water company, as defined in California Corporations Code Section 14300, which is a "Regular Member" of the Association, as defined in Article III, Section 1(a) of the Association's Bylaws; or a ditch company that is formed and operates as a non-profit mutual benefit corporation under California law and is an "Affiliate Member" of the Association, as defined in Article III, Section 1(c) of the Association's Bylaws.
- (g) **"Director"** shall mean an individual elected by the Members to serve on the Authority's Board of Directors.
- (h) **"District"** shall mean any public agency that is an "Associate Member" or "Affiliate Member" of the Association, as defined in the Association's Bylaws.
- (i) **"Duly Constituted Board Meeting"** shall mean any Board of Directors meeting noticed and held in the required manner and at which a quorum was determined to be present at the beginning of the meeting.
- (j) **"Finance and Audit Committee"** shall mean the committee of the Authority composed of financial staff of Members appointed by the Board President and ratified by the Board of Directors.
- (k) **"Fiscal Year"** shall mean the calendar year.
- (l) **"Insurance"** shall mean any Program of the Authority providing

coverage against losses to Members who are participants in the Program, regardless of the exact nature of the coverage to be provided by or on behalf of the Authority.

(m) **"Insurance Program Administrator"** shall mean the individual or firm retained by the Board of Directors to administer the Authority's Programs.

(n) **"Member"** shall mean any **"Company"** or **"District"** which is a signatory to this Agreement.

(o) **"Program"** or **"Programs"** means the specific type of Insurance as set forth in the terms, conditions and exclusions of any coverage documents for Insurance provided to a Member.

(p) **"Re-Insurance"** shall mean that insurance or reinsurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the Members against catastrophic losses.

(q) **"Secretary"** shall mean the person appointed by the Board of Directors to record or cause to be recorded, and keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may order, a book of minutes of actions taken at all meetings of the Board of Directors.

(r) **"Services"** shall mean various services and programs offered from time to time or on an ongoing basis by or on behalf of the Authority to increase Members' technical, managerial and financial capacity, and to reduce risks of losses.

(s) **"Treasurer"** shall mean the person appointed by the Board of Directors to keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority and who will act as a liaison with the Authority's outside auditor in preparing the Authority's annual audit.

Article 2 — Purposes

This Agreement is entered into by the Members pursuant to the provisions of California Government Code sections 990, 990.4, 990.8 and 6500 *et seq.*, in order to provide comprehensive and economical general liability, public liability, property damage, auto liability, boiler and machinery, directors' and officers' errors and omissions, employment practices, employee dishonesty, employee benefits liability coverage, workers' compensation coverage, and coverage for such other risks as the Board of Directors may determine from time to time; and to allow the Authority to undertake necessary administrative actions pursuant to Government Code Section 6525(a) in advance of the effective date of AB 656 on January 1, 2016.

Additional purposes are to reduce the amount and frequency of losses, to decrease the cost incurred by Members in the handling and litigation of claims and to assist the Members through the Services in building their technical, managerial and financial capacity. These purposes shall be accomplished through the exercise of the powers of such Members jointly in the creation of the Authority as a separate entity in accordance with applicable law.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and members of the Authority, subject to approval by the Board of Directors as set forth herein.

Article 3 — Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories to this Agreement pursuant to Article 18. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Article 19 or Article 20, shall not be considered the completion of the purpose of this Agreement or affect this Agreement or such party's intent to contract as described above with the other parties to the Agreement then remaining. All parties to this Agreement must be either a Company or a District.

Article 4 — Term of Agreement

This Agreement became effective January 1, 2016, and it shall continue until terminated as hereinafter provided. This Agreement shall become effective as to each new Member upon: (i) approval of its membership by the Board of Directors, (ii) the execution of this Agreement by the Member, and (iii) upon payment by the Member of any initial contribution as the Board of Directors may determine. Any subsequent amendments to the Agreement shall be in accordance with Article 27 of this Agreement.

Article 5 — Creation of Authority

Pursuant to Section 6500 *et seq.* of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall be solely its own, no District member shall be responsible for the underlying debts or liabilities of the Authority, and such debts, liabilities or obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement or of any Company or District. Such Company and District Members shall be fully indemnified by the Authority against such debts, liabilities or obligations, to the extent permitted by law, specifically including Government Code Section 6525(b)(1). The Authority exists separately and apart from the Member Agencies.

The Authority is not an insurer, and the Programs offered by or on behalf of the Authority are to be interpreted in conformance with Government Code sections 990, 990.4, 990.8 and 6500 *et seq.* and contract law. The laws of insurance shall not apply.

Article 6 — Powers of Authority

(a) The Authority shall have the powers common to Members and the powers set forth in Government Code Section 6525(b), and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:

- (1) To make and enter into contracts;
- (2) To incur debts, liabilities or obligations as necessary, including to finance any Programs and Services offered to Members;
- (3) To receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (4) To acquire, hold, lease or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (5) To employ agents and employees, and/or to contract for services rendered by such agents and employees;
- (6) To sue and be sued in its own name;
- (7) To exercise all powers and perform all acts as otherwise provided for in the Bylaws; and
- (8) To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

(b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law. In accordance with Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers applicable to North of the River Municipal Water District.

Article 7 — Board of Directors

(a) Subject to the limitations of this Agreement and the laws of the State of California, the Authority shall be governed by a Board of Directors which is hereby established and designated to administer this Agreement pursuant to Government Code Section 6506. The powers of the Authority shall be exercised through the Board of Directors, who may, from time to time, adopt and modify bylaws and other policies and procedures for that purpose and for the conduct of its meetings as it may deem proper.

(b) The Board of Directors shall be composed of between five (5) and nine (9) directors, as determined upon the formation of the Authority by the initial Members and thereafter determined by the Board of Directors from time to time. The initial Board of Directors shall be appointed by the original Members and upon expiration of that initial term, the directors shall be elected by the Members who have executed this Agreement, as it

may be amended. The terms of directors, procedures for election of directors and procedures for meetings shall be as set forth in the Bylaws. Each Member of the Board of Directors shall have one vote. Each Member of the Board shall serve as set forth in the Bylaws.

(c) The Board of Directors shall meet as specified in the Bylaws. All meetings of the Board of Directors, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Sections 54950 *et seq.*

Article 8 — Powers of the Board of Directors

The Board of Directors of the Authority shall have the powers and functions as set forth in the Bylaws.

Article 9 — Officers of the Authority

The officers of the Authority shall be a President, Vice President, Chief Executive Officer, Secretary, Treasurer and Auditor/Controller, whose duties shall be as set forth in the Bylaws or as prescribed by applicable provisions of law. The position of Treasurer and Auditor/Controller may be held by the same person concurrently.

Article 10 — Standing Committees

The Bylaws shall establish standing committees deemed necessary for the management of the Authority. In addition to those standing committees established in the Bylaws, the Board of Directors may establish other standing or temporary committees from time to time, as provided in the Bylaws.

Article 11 — Insurance Program Administrator and Other Staff

(a) **Insurance Program Administrator.** The Board of Directors shall appoint an Insurance Program Administrator who shall be responsible for the general administration of the Authority's Programs and related activities as directed by the Board of Directors.

(b) **Legal Counsel.** The Board of Directors shall appoint an attorney at law who shall serve as general Legal Counsel to the Authority.

(c) **Other Staff.** The Board of Directors shall provide for such other staff of the Authority, to be hired by the Chief Executive Officer, as may be necessary for the efficient and productive administration and operation of the Authority.

Article 12 — Insurance Coverage

(a) The Authority shall provide for such types and levels of coverage for Programs as the Board of Directors, with the advice of the Authority's Advisory Committee, shall determine.

(b) The Programs provided for Members by or on behalf of the Authority may include protection for comprehensive and economical general liability, public liability, property damage, directors' and officers' errors and omissions, auto liability, boiler and machinery, employment practices, employee benefits liability coverage, workers' compensation, and/or coverage for other risks which the Board of Directors may determine to be advisable. The Board of Directors may arrange for the purchase of insurance or Reinsurance.

Article 13 — Accounts and Records

(a) **Annual Budget.** The Board shall annually adopt an operating budget. As deemed appropriate by the Board of Directors, that budget may include separate budgets for individual Programs and individual types of Services to be provided to the Members.

(b) **Funds and Accounts.** The Treasurer shall establish and maintain such funds and accounts as required by the Board of Directors and as required by generally accepted accounting principles. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members as otherwise required by law. Quarterly unaudited financial statements shall be produced and distributed to all Members. The Authority shall adhere to the standard of strict accountability set forth in Government Code Section 6505.

(c) **Financial Reports.** The Auditor-Controller shall present a complete written report of all financial and investment activities of the Authority for the most recently completed fiscal year to the Board of Directors and to all Members no later than ninety (90) days after completion of the Authority's fiscal year, and shall prepare quarterly reports as required under Government Code Section 53646, and such reports as are required by law.

(d) **Annual Audit.** The Auditor/Controller shall cause to be made by an outside certified public accountant experienced in local governmental agency auditing an annual audit of the accounts and records of the Authority, which audit shall conform to generally accepted auditing standards. Such report shall be presented to the Board of Directors for approval and concurrence. Costs of the audit shall be considered a general expense of the Authority.

Article 14 — Responsibility for Monies

(a) The Auditor-Controller shall have the authority to delegate the signatory function of the Auditor-Controller to such persons as are authorized by resolution of the Board of Directors.

(b) The Auditor-Controller shall perform, and to the extent allowed by law, may cause to be performed, all duties set forth in Government Code Section 6505.5.

(c) A bond in an amount determined adequate by the Board of Directors shall be required of all officers and personnel authorized to disburse funds of the Authority. The premium for such bond shall be paid for by the Authority.

(d) The Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5, including:

- (1) Receive and acknowledge receipt for all money of the Authority and place it in the treasury of the Authority;
- (2) Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;
- (3) Pay, when due, out of money of the Authority so held by him or her, all sums payable on any outstanding bonds or other liabilities of the Authority;
- (4) Pay any other sums due from Authority money only upon checks, warrants, or electronic payments approved by the Chief Executive Officer or his or her designee. The checks, warrants, or electronic payments shall be reviewed by the President of the Board and either the Treasurer or the Chair of the Finance and Audit Committee.

Article 15 — Services Provided by the Authority

The Authority may provide, at the sole discretion of the Board of Directors, the following services to the Members:

- (a) Establish Programs through which Members shall procure coverage as necessary.
- (b) Assist each Member's designated risk manager with the implementation of that risk management function as it relates to risks faced by Members in their ordinary course of business.
- (c) Provide, or cause to be provided, the Services to Members, as well as loss prevention and safety consulting services, as required.
- (d) Review Member contracts to determine sufficiency of indemnity and Insurance provisions when requested.
- (h) Conduct risk assessments for each Member.
- (i) The Authority shall provide such other services and have such other responsibilities as deemed necessary by the Board of Directors.

Article 16 — Responsibilities of Members

Members shall have the following responsibilities:

- (a) Each Member shall appoint an employee or other representative of the Member to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.
- (b) Each Member shall maintain an active safety program through a designated safety officer.
- (c) Each Member shall timely pay its contributions for any Programs.
- (e) Each Member shall cooperate fully with the Authority and any insurer or reinsurer under any Program in determining the causes of losses, in the settlement of losses and in any other matters relating to this Agreement.
- (f) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement.
- (g) Each Member shall comply with all Bylaws and policies and procedures adopted by the Board of Directors.
- (h) Each Member shall remain a "Regular Member," "Affiliate Member" or "Associate Member," as defined in the Association's Bylaws and as applicable in relation to that Member's entity status, in good standing of the Association.

Article 17 - Programs and Services

The Authority may develop and implement Programs and provide Services the Authority deems necessary, advisable and beneficial to Members. The Authority, through the Board of Directors, shall use its best efforts to develop outside funding sources to avoid imposing on the Members any monetary obligations other than contributions to be paid as consideration for participation in the Programs. Each Member may apply for membership and participation in any Program conducted by the Authority and to receive any Service provided by the Authority, but acceptance in any Program shall be subject to the approval of the Insurance Program Administrator or the Board of Directors.

Article 18 — New Members

The Authority shall allow new Members to join the Authority and participate in the Programs and receive the Services upon approval by the Board of Directors, and upon any conditions or limitations that the Board deems appropriate. Members entering under this Article may be required to pay their share of the Authority's organizational expenses as determined by the Board of Directors. Any such new Member must be a "Regular

Member," "Associate Member" or "Affiliate Member" of the Association, as may be applicable. Any new Member of the Authority must commit to membership for an initial term of three (3) years, subject to earlier withdrawal only in accordance with the provisions of Article 19, below.

Article 19 — Withdrawal

(a) A Member may withdraw as a party to this Agreement upon thirty (30) days' advance written notice to the Authority if it has never been a participant in any Program, or if it has withdrawn from all Programs in which it was a participant in accordance with subdivision (b), below; provided, however, that no Member may withdraw before the expiration of its initial three (3) year membership term unless: (i) there is an increase of fifteen percent (15%) or more in any single year in that Member's contribution(s) for any particular Program(s) that does not result from the Member's actions or misconduct; or (ii) the Insurance Program Administrator in place at the time the Member joined the Authority separates from the Authority for any reason, including, but not limited to, the Authority's termination of the Insurance Program Administrator's engagement with the Authority or the Insurance Program Administrator's resignation from the Authority.

(b) Subject to the provisions of subdivision (a), above, after becoming a participant in a Program, a Member may withdraw from that Program only at the end of a coverage year, or as may otherwise be allowed by the Board of Directors; and only if the Member has given the Authority at least six (6) months' advance written notice of that proposed withdrawal.

(c) A former Member who again desires to participate in an Authority Program after having withdrawn from that Program must again join the Authority as a new Member before it may participate in that Program. The terms of each Program shall determine whether any benefits will be held over from that Member's former status as a previous Program participant.

(d) A Member may not withdraw as a party to this Agreement nor as a member of the Authority until it has withdrawn from all of the Programs of the Authority.

(e) Notwithstanding any other provision of this Article 19, a District that is the only District that is a Member of the Authority at a particular time may not withdraw from the Authority until the first of the following occurs: (i) six (6) months have elapsed since that District has given the Authority written notice of its desire to withdraw; or (ii) the Authority has secured a written commitment from another District to join the Authority.

Article 20 — Cancellation by Authority of Membership or Participation

(a) Notwithstanding the provisions of Article 19, the Authority shall have the right to cancel any Member's participation in any Program upon a two-thirds vote of the Directors present at any Duly Constituted Board Meeting, provided that a reasonable time shall be afforded, at the discretion of the Board of Directors, to place coverage

elsewhere before that cancellation shall be effective. For purposes of this subdivision, a reasonable time shall consist of at least ninety (90) days' prior written notice, unless the cancellation results from a material increase in hazard as a result of the Member's operations, in which case at least ten (10) days' written notice shall be provided. Such cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 21(b).

(b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's Programs and receiving any of the Services, shall cease and be canceled automatically at the end of the next complete coverage year for each Program and Service whenever such Member's membership in the Association ceases. Such automatic cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 21(b).

(c) Notwithstanding any other provisions of this Agreement, the participation of any Member, including participation in any of the Authority's Programs and Services, may be canceled at the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the discretion of the Board of Directors, to place coverage elsewhere. Any such cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 21(b).

Article 21 — Effect of Withdrawal or Cancellation

(a) The withdrawal or cancellation of any Member from this Agreement shall not terminate the Agreement and a Member by withdrawing or being canceled shall not be entitled to payment or return of any contribution, consideration or property paid, or donated by the Member to the Authority, or to any distribution of assets, except as provided in Article 22(c).

(b) The withdrawal or cancellation of any Member after the effective date of any Program shall not terminate its responsibility to pay its share of the costs of that Program until all claims, or other unpaid liabilities, covering the Program period any part of which the Member was signatory thereto have been finally resolved

Article 22 — Termination and Distribution

(a) This Agreement may be terminated at any time by the written consent of three-fourths (3/4) of the Members, provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distributing assets and all other functions necessary to wind up the affairs of the Authority. This Agreement shall also terminate if a District that is the only District then a Member of the Authority withdraws in accordance with Section 19(e), above, and no other District becomes a Member of the Authority before that withdrawal becomes effective.

(b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority.

(c) Upon termination of this Agreement, all properties and cash of the Authority shall be distributed only among the Members that have been signatories hereto, including any of those Members which previously withdrew pursuant to Article 19(d) or were canceled pursuant to Article 20 of this Agreement, in accordance with and proportionate to their cash contributions (including payments and property contributions at market value when received) made during the term of this Agreement. The Board of Directors shall determine such distribution within six (6) months after satisfaction of the last remaining liability of the Authority.

(d) In the absence of a Board of Directors, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Board of Directors or, in the absence of a Board of Directors, the Chief Executive Officer under this Article shall be final.

Article 23 -- Enforcement

The Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce the terms of this Agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors and the nondefaulting party(s) should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party(s) herein contained, the defaulting party agrees that it will on demand therefore pay to the nondefaulting party(s) the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party(s).

Article 24 – Non-liability of Directors, Officers and Employees

In accordance with Government Code Sections 825 et seq., the Board of Directors, and the officers and employees of the Authority, including former Directors, officers and employees, shall not be liable to the Authority, to any Member or former Member, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any employee or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such Director, officer or employee. The Authority shall defend and shall indemnify and hold harmless its Directors, officers and employees, including former Directors, officers and employees, from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such Directors, officers or employees of the Authority except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of the Authority shall be used for such purpose. The Authority may purchase conventional insurance to protect the Authority, and its participating Members or former Members, against any such acts or omissions by its Directors, officers and employees, including former Directors, officers and employees.

Article 25 — Provision for Bylaws and Mission Statement

As soon as practicable after the first meeting of the Board of Directors, the Board shall cause to be developed Authority Bylaws and a Mission Statement.

Article 26 — Notices

Notices to Members hereunder shall be sufficient if delivered to the principal office of the respective Member.

Article 27 — Amendment

This Agreement may be amended at any time by a majority vote of the Members, and any such amendment shall be binding on the Members to the extent allowed by law.

Article 28 — Prohibition against Assignment

No Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title or any part, share, interest, fund, contribution or asset of the Authority.

Article 29 -- Counterparts

This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

Article 30 -- California Law

This Agreement shall be governed by and construed under the laws of the State of California.

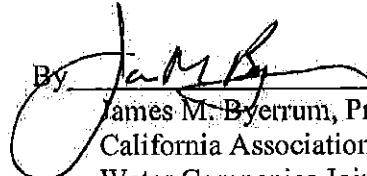
Article 31 -- Severability

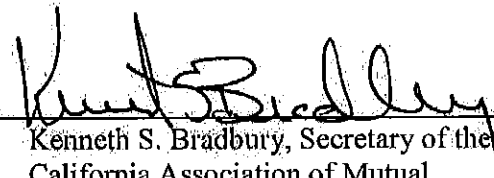
Should any part, term or provisions of this Agreement be determined by any court of component jurisdiction to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Article 32 — Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, this Amended Joint Powers Agreement Creating the California Association of Mutual Companies Joint Powers Risk and Insurance Management Authority was unanimously approved pursuant to Article 27 of the original Joint Powers Agreement Creating the California Association of Mutual Companies Joint Powers Insurance Authority (the "Authority") by the Authority's Board of Directors, by action taken at a duly noticed and held public meeting on January 28, 2016.

By 
James M. Byerum, President of the
California Association of Mutual
Water Companies Joint Powers Risk
and Insurance Management Authority

By 
Kenneth S. Bradbury, Secretary of the
California Association of Mutual
Water Companies Joint Powers Risk
and Insurance Management Authority

APPENDIX A

**INITIAL MEMBERS OF THE
CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY**

North of the River Municipal Water District (public agency member)

Bellflower-Somerset Mutual Water Company (mutual water company member)

California Domestic Water Company (mutual water company member)

Covina Irrigating Company (mutual water company member)

Montebello Land & Water Company (mutual water company member)

Oildale Mutual Water Company (mutual water company member)

Rubio Cañon Land and Water Association (mutual water company member)

South Mesa Water Company (mutual water company member)

Sunny Slope Water Company (mutual water company member)

Valencia Heights Water Company (mutual water company member)

Temescal Valley Water District

FINANCIAL PLAN BOARD MEETING

SEPTEMBER 22, 2016





Agenda

- Key Assumptions
 - Review Key Inputs
 - Reserve Targets
 - CIP
- Consumption / Billing Records
 - Baseline Usage
 - Calculated revenue
 - Recycled customer conversions
- Utilities Enterprise Financials



FP Key Assumptions

- Zero account growth for deriving rates
- Baseline consumption – FY 2015-16
- Fund Balances
 - Water - \$9,156,624
 - Sewer - \$8,834,486
 - Recycled - \$774,135
- Reserve Targets
 - O&M Min – 120 days of operating
 - O&M Target – 180 days of operating
 - Capital Min – Calc. Annual Depreciation
 - Capital Target – 1) RC Annual Depr. or 2) Avg 5-yr CIP
 - Rate Stabilization Target – 10% of Revenues



Account Data

Meter	Residential	Non-Res	Industrial	Bulk	Total
5/8"	4,597	41	8	0	4,646
3/4"	1	0	0	0	1
1"	236	6	2	0	244
1 1/2"	0	2	6	0	8
2"	1	31	49	6	87
3"	0	0	1	1	2
4"	0	2	1	0	3
6"	0	0	0	0	0
8"	0	0	0	0	0
10"	0	0	0	0	0
Total	4,835	82	67	7	4,991



Utility Financial Plans

- Reviewed audited financials
- Used FY 15-16 as baseline year for analysis
- Calculated revenue based on consumption files
 - Provides initial QA/ QC prior to projections
 - Ensures RFC received all data and no missing accounts
 - Reflects reduced usage experienced by District from conservation and recycled water account conversions
- Presented proposed financial plans to Finance Committee prior to today's meeting

Water FP Model



Water FP Summary

- CIP
 - Significant capital project in 2018/2019 - Water Tank Project
 - Water Tank Project spread equally over 5 years to smooth revenue needs
 - For future years (6-10), average annual CIP cost was used as a proxy (excluding Water Tank Project)
- Review Current Financials
- FP Scenarios:
 1. Declining Adjustments (7%, 4%, 4%, 3%, 3%)
 2. 4.5% Level Adjustments (Recommended)

Water Current Financials

No Revenue Adjustments



Water - Current Pro-Forma

Water Pro-Forma	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues										
Rate Revenues	\$4,078,995	\$4,080,146	\$4,080,146	\$4,080,146	\$4,080,146	\$4,080,146	\$4,080,146	\$4,080,146	\$4,080,146	\$4,080,146
Misc. Revenues	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Non-Operating Revenues	\$92,202	\$74,757	\$76,083	\$77,369	\$78,698	\$79,997	\$80,787	\$80,636	\$79,492	\$77,298
Total Revenues	\$4,281,196	\$4,264,903	\$4,266,229	\$4,267,515	\$4,268,844	\$4,270,143	\$4,270,933	\$4,270,782	\$4,269,638	\$4,267,444
Expenditures										
O&M Expenses										
Wholesale Water Purchases	\$2,364,501	\$2,450,805	\$2,541,975	\$2,635,520	\$2,767,296	\$2,905,661	\$3,050,944	\$3,203,491	\$3,363,665	\$3,531,849
Water-Mwd Capacity Charge	\$57,825	\$58,982	\$60,161	\$61,364	\$62,592	\$63,843	\$65,120	\$66,423	\$67,751	\$69,106
Water - RTS Charge	\$135,475	\$138,184	\$140,948	\$143,767	\$146,642	\$149,575	\$152,567	\$155,618	\$158,731	\$161,905
Energy Costs	\$125,000	\$137,500	\$151,250	\$166,375	\$183,013	\$201,314	\$221,445	\$243,590	\$267,949	\$294,743
Other Operating Costs	\$537,550	\$552,933	\$568,786	\$585,127	\$601,971	\$619,335	\$637,236	\$655,692	\$674,721	\$694,344
Administrative Expenses	\$417,350	\$428,347	\$439,669	\$451,328	\$463,334	\$475,700	\$488,438	\$501,560	\$515,080	\$529,012
Total Operating Expenses	\$3,637,701	\$3,766,751	\$3,902,790	\$4,043,482	\$4,224,848	\$4,415,428	\$4,615,750	\$4,826,373	\$5,047,897	\$5,280,959
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,637,701	\$3,766,751	\$3,902,790	\$4,043,482	\$4,224,848	\$4,415,428	\$4,615,750	\$4,826,373	\$5,047,897	\$5,280,959
Net Cashflow	\$643,495	\$498,152	\$363,438	\$224,033	\$43,996	(\$145,286)	(\$344,817)	(\$555,591)	(\$778,259)	(\$1,013,516)



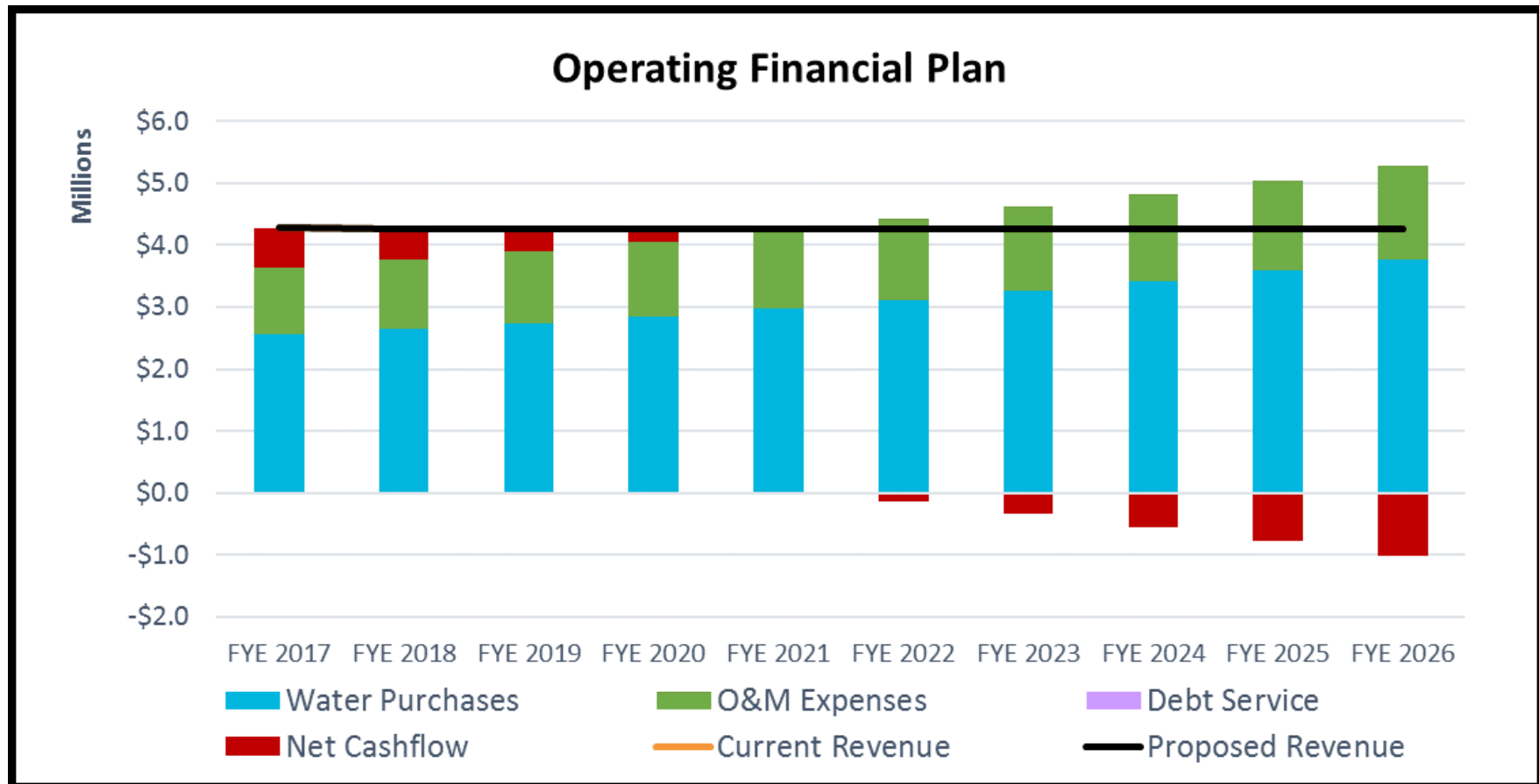
Water Reserves

Water Reserves	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water Operating Fund										
Beginning Balance	\$1,723,979	\$1,818,850	\$1,883,375	\$1,951,395	\$2,021,741	\$2,065,737	\$1,920,451	\$1,575,634	\$1,020,043	\$241,784
Net Cashflow	\$643,495	\$498,152	\$363,438	\$224,033	\$43,996	(\$145,286)	(\$344,817)	(\$555,591)	(\$778,259)	(\$1,013,516)
Transfer from Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	(\$548,623)	(\$433,627)	(\$295,419)	(\$153,687)	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$1,818,850	\$1,883,375	\$1,951,395	\$2,021,741	\$2,065,737	\$1,920,451	\$1,575,634	\$1,020,043	\$241,784	(\$771,731)
<i>Min Target</i>	<i>\$1,212,567</i>	<i>\$1,255,584</i>	<i>\$1,300,930</i>	<i>\$1,347,827</i>	<i>\$1,408,283</i>	<i>\$1,471,809</i>	<i>\$1,538,583</i>	<i>\$1,608,791</i>	<i>\$1,682,632</i>	<i>\$1,760,320</i>
Repair & Replacement Fund										
Beginning Balance	\$4,890,811	\$5,209,776	\$4,479,768	(\$2,032,991)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)
Transfers from Operating	\$548,623	\$433,627	\$295,419	\$153,687	\$0	\$0	\$0	\$0	\$0	\$0
Capital	(\$241,885)	(\$1,188,887)	(\$6,832,401)	(\$87,525)	\$0	\$0	\$0	\$0	\$0	\$0
Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$12,227	\$25,251	\$24,224	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$5,209,776	\$4,479,768	(\$2,032,991)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)	(\$1,966,829)
<i>Min Target</i>	<i>\$793,239</i>	<i>\$817,036</i>	<i>\$841,547</i>	<i>\$866,793</i>	<i>\$892,797</i>	<i>\$919,581</i>	<i>\$947,168</i>	<i>\$975,584</i>	<i>\$1,004,851</i>	<i>\$1,034,997</i>
Rate Stabilization Fund										
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Min Target</i>	<i>\$428,120</i>	<i>\$426,490</i>	<i>\$426,623</i>	<i>\$426,751</i>	<i>\$426,884</i>	<i>\$427,014</i>	<i>\$427,093</i>	<i>\$427,078</i>	<i>\$426,964</i>	<i>\$426,744</i>

Capital is based on the CIP as provided (i.e. no adjustments)

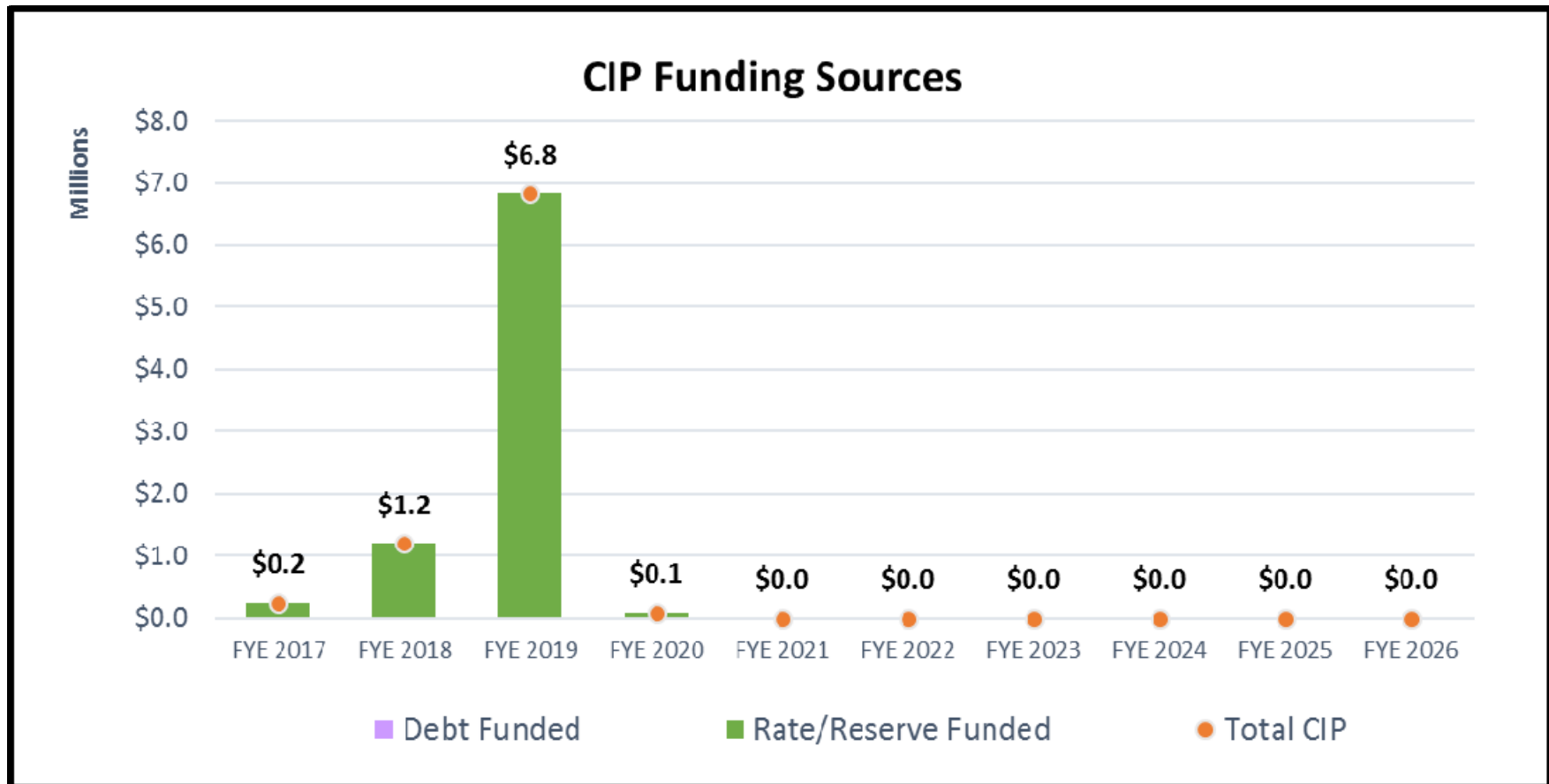


Water – Operating Financial Plan



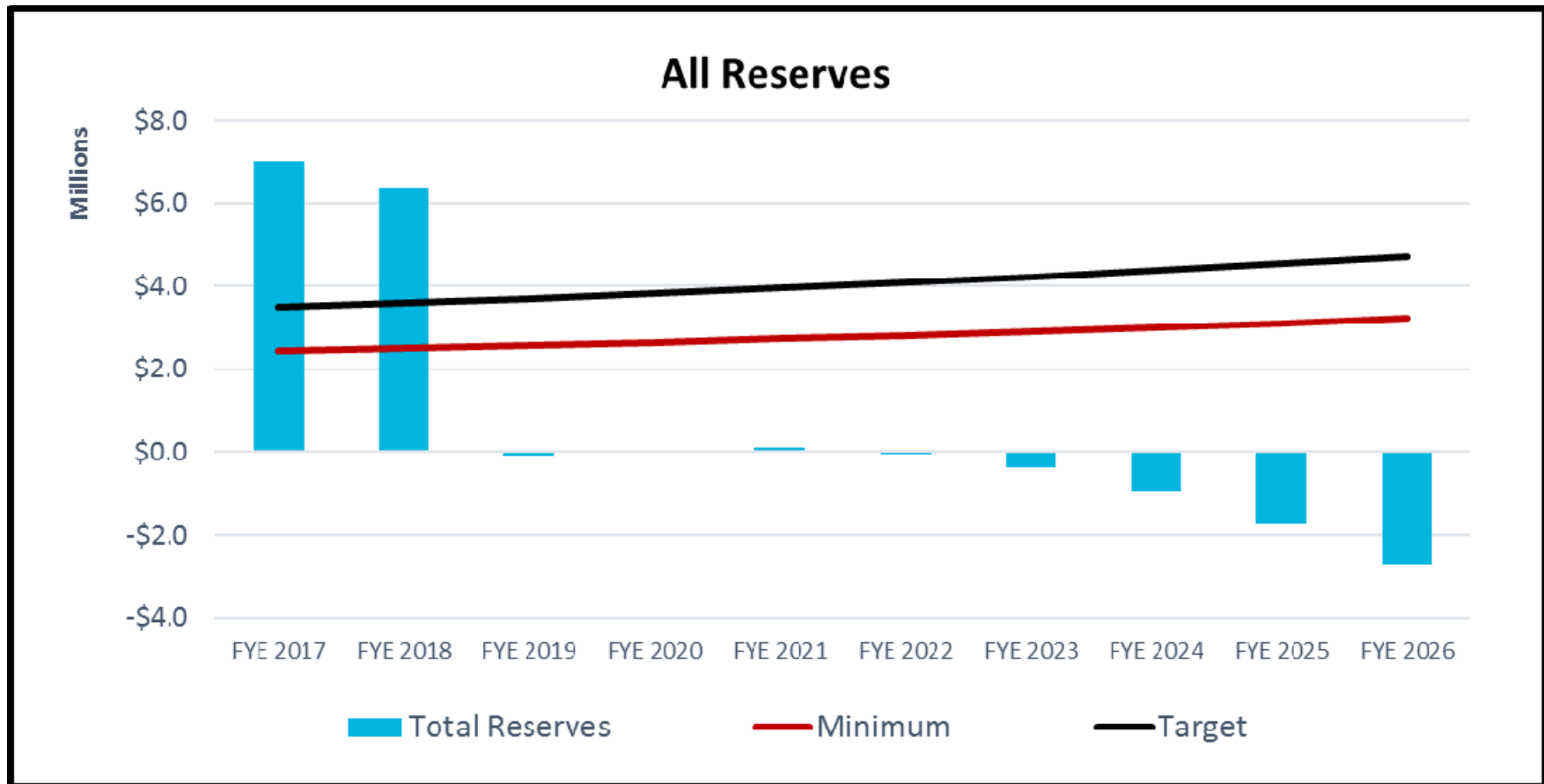


Water – CIP





Water – Reserve Balance



Recommended

4.5% Revenue Adjustments

Smoothed CIP

Pass-Through



Proposed Water Pro-Forma

Water Pro-Forma	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues										
Rate Revenues	\$4,170,772	\$4,448,701	\$4,738,820	\$5,040,198	\$5,389,089	\$5,690,710	\$5,941,694	\$6,202,056	\$6,472,201	\$6,752,554
Misc. Revenues	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Non-Operating Revenues	\$92,202	\$74,757	\$76,083	\$77,369	\$78,698	\$80,114	\$81,622	\$83,185	\$84,806	\$86,486
Total Revenues	\$4,372,973	\$4,633,458	\$4,924,903	\$5,227,567	\$5,577,788	\$5,880,824	\$6,133,316	\$6,395,241	\$6,667,007	\$6,949,040
Expenditures										
O&M Expenses										
Wholesale Water Purchases	\$2,364,501	\$2,450,805	\$2,541,975	\$2,635,520	\$2,767,296	\$2,905,661	\$3,050,944	\$3,203,491	\$3,363,665	\$3,531,849
Water-Mwd Capacity Charge	\$57,825	\$58,982	\$60,161	\$61,364	\$62,592	\$63,843	\$65,120	\$66,423	\$67,751	\$69,106
Water - RTS Charge	\$135,475	\$138,184	\$140,948	\$143,767	\$146,642	\$149,575	\$152,567	\$155,618	\$158,731	\$161,905
Energy Costs	\$125,000	\$137,500	\$151,250	\$166,375	\$183,013	\$201,314	\$221,445	\$243,590	\$267,949	\$294,743
Other Operating Costs	\$537,550	\$552,933	\$568,786	\$585,127	\$601,971	\$619,335	\$637,236	\$655,692	\$674,721	\$694,344
Administrative Expenses	\$417,350	\$428,347	\$439,669	\$451,328	\$463,334	\$475,700	\$488,438	\$501,560	\$515,080	\$529,012
Total Operating Expenses	\$3,637,701	\$3,766,751	\$3,902,790	\$4,043,482	\$4,224,848	\$4,415,428	\$4,615,750	\$4,826,373	\$5,047,897	\$5,280,959
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,637,701	\$3,766,751	\$3,902,790	\$4,043,482	\$4,224,848	\$4,415,428	\$4,615,750	\$4,826,373	\$5,047,897	\$5,280,959
Net Cashflow	\$735,272	\$866,707	\$1,022,113	\$1,184,085	\$1,352,940	\$1,465,395	\$1,517,566	\$1,568,867	\$1,619,109	\$1,668,081

Positive Net Income throughout planning period



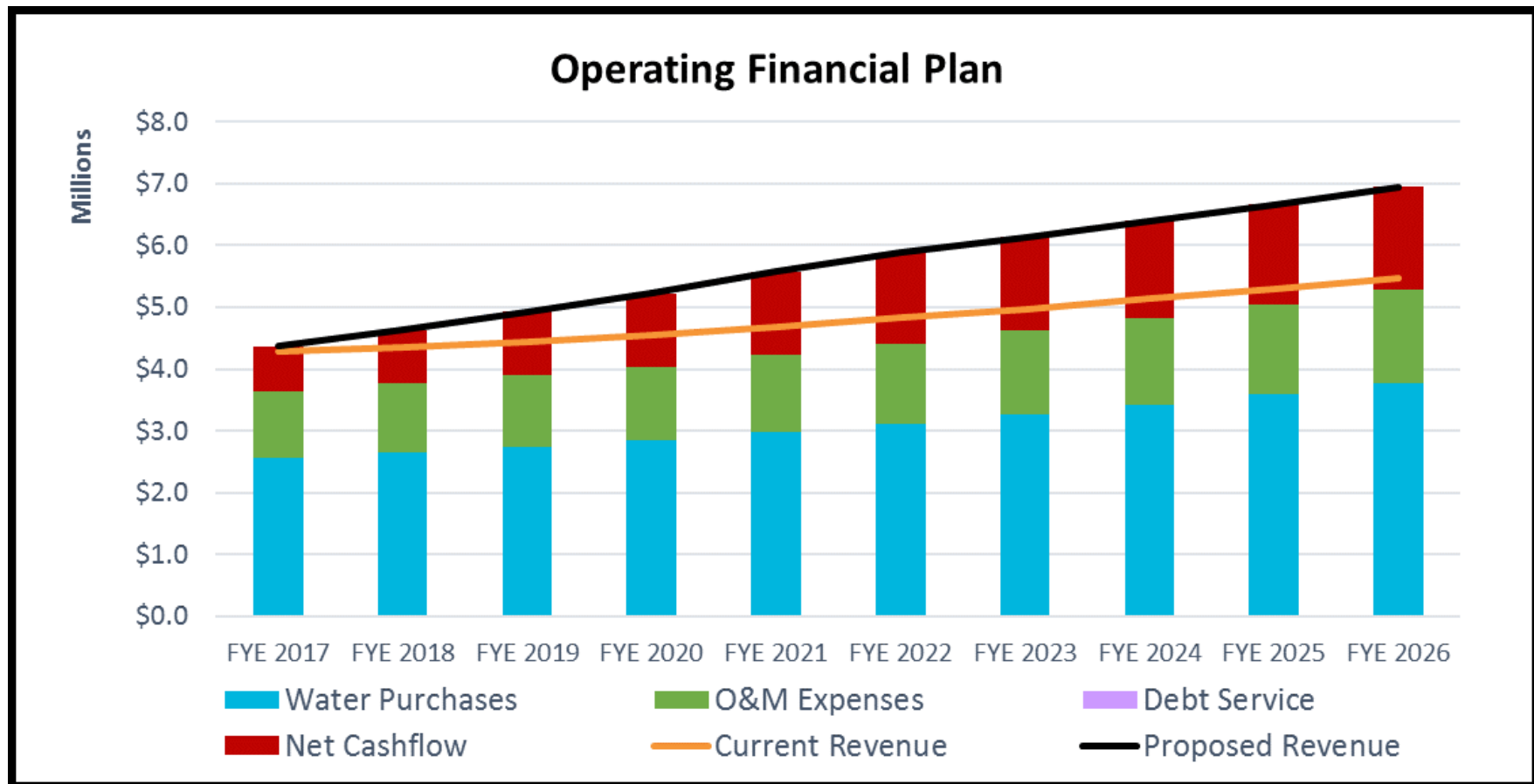
Proposed Water Reserves

Water Reserves	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water Operating Fund										
Beginning Balance	\$1,723,979	\$1,818,850	\$1,883,375	\$1,951,395	\$2,021,741	\$2,112,424	\$2,207,714	\$2,307,875	\$2,413,187	\$2,523,949
Net Cashflow	\$735,272	\$866,707	\$1,022,113	\$1,184,085	\$1,352,940	\$1,465,395	\$1,517,566	\$1,568,867	\$1,619,109	\$1,668,081
Transfer from Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	(\$640,401)	(\$802,182)	(\$954,093)	(\$1,113,740)	(\$1,262,256)	(\$1,370,105)	(\$1,417,405)	(\$1,463,556)	(\$1,508,347)	(\$1,551,550)
Ending Balance	\$1,818,850	\$1,883,375	\$1,951,395	\$2,021,741	\$2,112,424	\$2,207,714	\$2,307,875	\$2,413,187	\$2,523,949	\$2,640,480
<i>Min Target</i>	<i>\$1,212,567</i>	<i>\$1,255,584</i>	<i>\$1,300,930</i>	<i>\$1,347,827</i>	<i>\$1,408,283</i>	<i>\$1,471,809</i>	<i>\$1,538,583</i>	<i>\$1,608,791</i>	<i>\$1,682,632</i>	<i>\$1,760,320</i>
Repair & Replacement Fund										
Beginning Balance	\$4,978,361	\$4,068,501	\$3,474,941	\$3,015,120	\$2,669,329	\$1,361,270	\$1,468,032	\$1,508,768	\$1,559,022	\$1,832,290
Transfers from Operating	\$640,401	\$802,182	\$954,093	\$1,113,740	\$1,262,256	\$1,370,105	\$1,417,405	\$1,463,556	\$1,508,347	\$1,551,550
Capital	(\$1,562,706)	(\$1,418,360)	(\$1,432,773)	(\$1,475,756)	(\$2,584,526)	(\$1,112,421)	(\$1,145,794)	(\$1,180,167)	(\$1,215,572)	(\$1,252,040)
Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Rate Stabilization	\$0	\$0	\$0	\$0	\$0	(\$160,999)	(\$237,950)	(\$240,576)	(\$27,177)	(\$28,203)
Interest	\$12,446	\$22,617	\$18,859	\$16,225	\$14,211	\$10,076	\$7,073	\$7,442	\$7,669	\$8,478
Ending Balance	\$4,068,501	\$3,474,941	\$3,015,120	\$2,669,329	\$1,361,270	\$1,468,032	\$1,508,768	\$1,559,022	\$1,832,290	\$2,112,075
<i>Min Target</i>	<i>\$793,239</i>	<i>\$817,036</i>	<i>\$841,547</i>	<i>\$866,793</i>	<i>\$892,797</i>	<i>\$919,581</i>	<i>\$947,168</i>	<i>\$975,584</i>	<i>\$1,004,851</i>	<i>\$1,034,997</i>
Rate Stabilization Fund										
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$160,999	\$398,948	\$639,524	\$666,701
Transfer from Capital	\$0	\$0	\$0	\$0	\$0	\$160,999	\$237,950	\$240,576	\$27,177	\$28,203
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$160,999	\$398,948	\$639,524	\$666,701	\$694,904
<i>Min Target</i>	<i>\$437,297</i>	<i>\$463,346</i>	<i>\$492,490</i>	<i>\$522,757</i>	<i>\$557,779</i>	<i>\$588,082</i>	<i>\$613,332</i>	<i>\$639,524</i>	<i>\$666,701</i>	<i>\$694,904</i>

- O&M Reserve and R&R Reserve fully funded
- Rate Stabilization funded in FYE 22

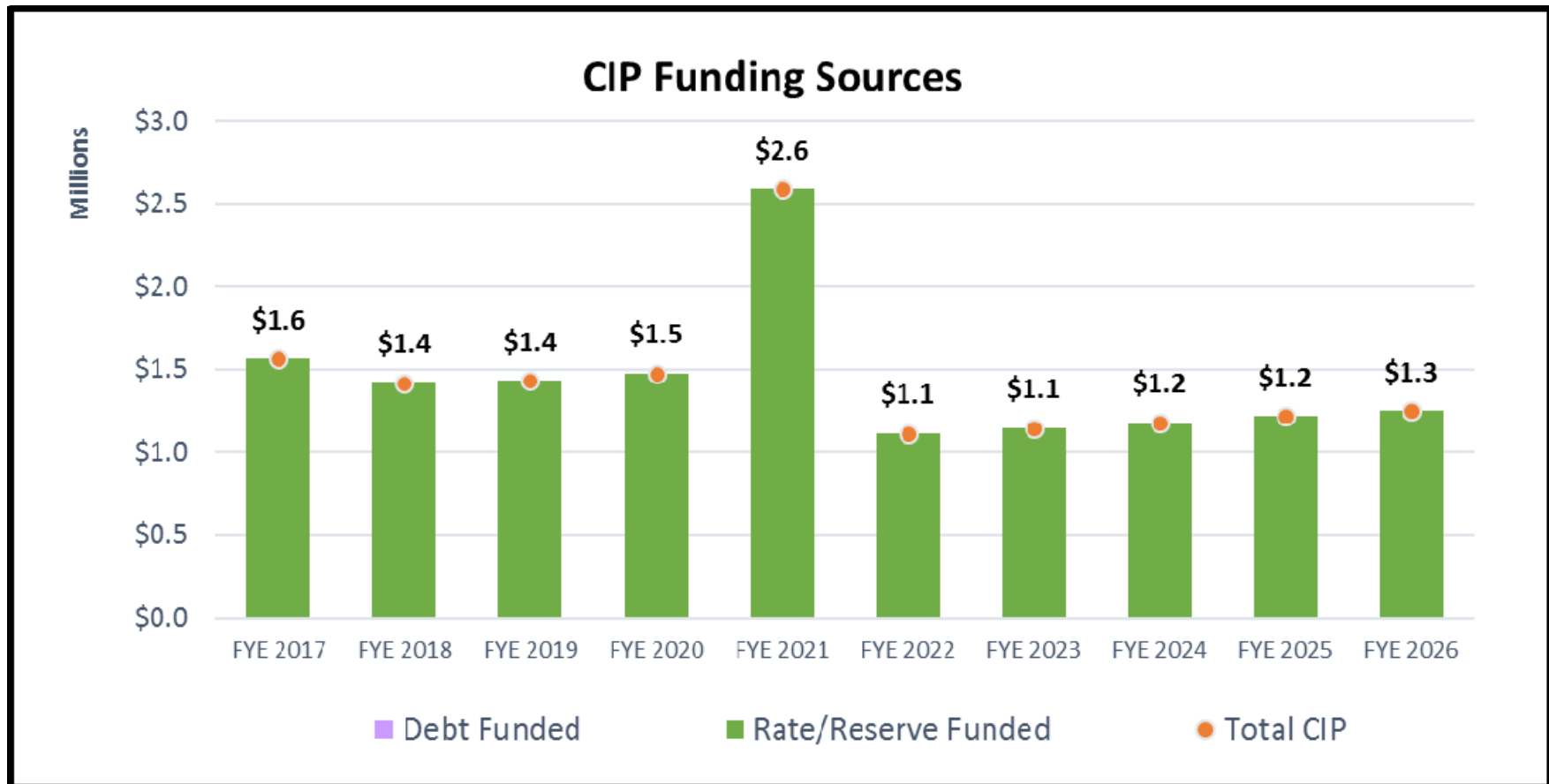


Water – Operating Financial Plan



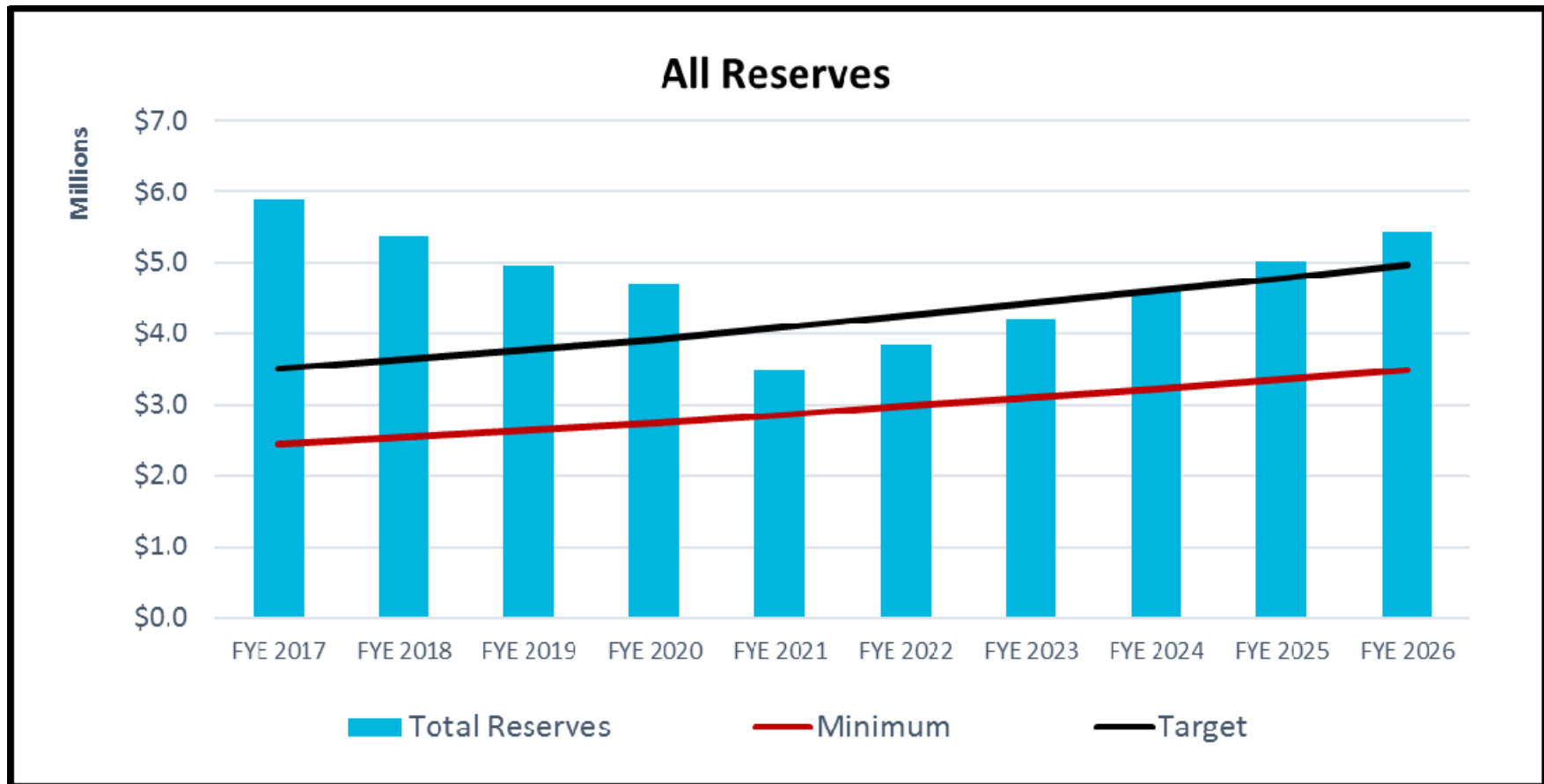


Water – CIP (Water Tank – 5 Yr)





Water – Reserve Balance



Recycled Water FP Model



Recycled FP Summary

- CIP
 - Annualized 5-YR CIP
 - Subsequent years recover RC annual depreciation
- Review current financials (no adjustments)
- Scenarios:
 1. Solved Independently
 2. Same adjustments as Water
 3. Same as Water + WW Interfund Loan
 - \$250,000 each year for four years (FY 2017-20)
 - Repayment beginning in FYE 2020

Recycled Current Financials

No Revenue Adjustments



RW - Current Pro-Forma

Recycled Pro-Forma	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues										
Rate Revenues	\$1,553,494	\$1,553,494	\$1,553,494	\$1,553,494	\$1,553,494	\$1,553,494	\$1,553,494	\$1,553,494	\$1,553,494	\$1,553,494
Misc. Revenues	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Non-Operating Revenues	\$2,807	\$2,033	\$2,379	\$2,497	\$2,624	\$2,760	\$2,906	\$3,064	\$3,233	\$3,416
Total Revenues	\$1,566,301	\$1,565,527	\$1,565,874	\$1,565,992	\$1,566,118	\$1,566,254	\$1,566,401	\$1,566,558	\$1,566,727	\$1,566,910
Expenditures										
O&M Expenses										
Water Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Costs	\$346,150	\$356,014	\$366,180	\$376,660	\$387,463	\$398,600	\$410,084	\$421,925	\$434,135	\$446,727
Energy Costs	\$275,000	\$302,500	\$332,750	\$366,025	\$402,628	\$442,890	\$487,179	\$535,897	\$589,487	\$648,436
Administrative Expenses	\$307,750	\$315,958	\$324,409	\$333,113	\$342,078	\$351,313	\$360,827	\$370,629	\$380,730	\$391,139
Total Operating Expenses	\$928,900	\$974,471	\$1,023,339	\$1,075,798	\$1,132,169	\$1,192,804	\$1,258,090	\$1,328,451	\$1,404,352	\$1,486,302
Debt Service										
Existing Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$928,900	\$974,471	\$1,023,339	\$1,075,798	\$1,132,169	\$1,192,804	\$1,258,090	\$1,328,451	\$1,404,352	\$1,486,302
Net Cashflow	\$637,401	\$591,056	\$542,534	\$490,194	\$433,950	\$373,450	\$308,310	\$238,107	\$162,376	\$80,609

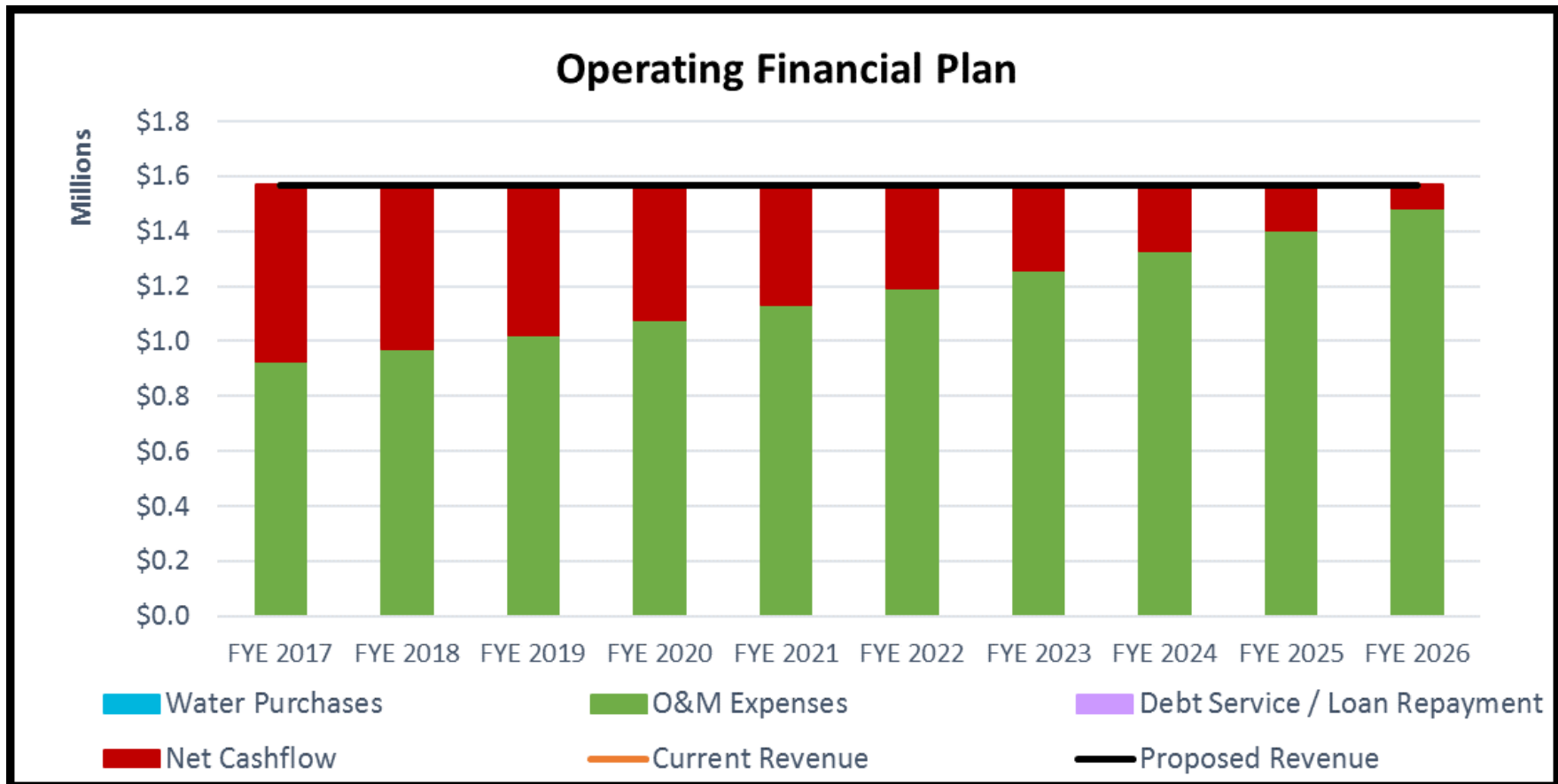


RW Reserves

Recycled Reserves	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Recycled Operating Fund										
Beginning Balance	\$348,642	\$464,450	\$487,236	\$511,670	\$537,899	\$566,084	\$596,402	\$629,045	\$664,226	\$702,176
Net Cashflow	\$637,401	\$591,056	\$542,534	\$490,194	\$433,950	\$373,450	\$308,310	\$238,107	\$162,376	\$80,609
Transfer from Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	(\$521,593)	(\$568,271)	(\$518,100)	(\$463,964)	(\$405,764)	(\$343,133)	(\$275,667)	(\$202,926)	(\$124,426)	(\$39,633)
Ending Balance	\$464,450	\$487,236	\$511,670	\$537,899	\$566,084	\$596,402	\$629,045	\$664,226	\$702,176	\$743,151
<i>Min Target</i>	<i>\$309,633</i>	<i>\$324,824</i>	<i>\$341,113</i>	<i>\$358,599</i>	<i>\$377,390</i>	<i>\$397,601</i>	<i>\$419,363</i>	<i>\$442,817</i>	<i>\$468,117</i>	<i>\$495,434</i>
Repair & Replacement Fund										
Beginning Balance	\$218,938	(\$81,119)	(\$468,984)	(\$907,567)	(\$1,313,058)	(\$907,294)	(\$564,161)	(\$288,494)	(\$85,567)	\$38,858
Transfers from Operating	\$521,593	\$568,271	\$518,100	\$463,964	\$405,764	\$343,133	\$275,667	\$202,926	\$124,426	\$39,633
Interfund Transfer - from WW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital	(\$822,198)	(\$956,136)	(\$956,682)	(\$869,456)	\$0	\$0	\$0	\$0	\$0	\$0
Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$547	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$117)
Ending Balance	(\$81,119)	(\$468,984)	(\$907,567)	(\$1,313,058)	(\$907,294)	(\$564,161)	(\$288,494)	(\$85,567)	\$38,858	\$78,375
<i>Min Target</i>	<i>\$341,402</i>	<i>\$351,644</i>	<i>\$362,193</i>	<i>\$373,059</i>	<i>\$384,251</i>	<i>\$395,778</i>	<i>\$407,652</i>	<i>\$419,881</i>	<i>\$432,478</i>	<i>\$445,452</i>
Rate Stabilization Fund										
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Min Target</i>	<i>\$156,630</i>	<i>\$156,553</i>	<i>\$156,587</i>	<i>\$156,599</i>	<i>\$156,612</i>	<i>\$156,625</i>	<i>\$156,640</i>	<i>\$156,656</i>	<i>\$156,673</i>	<i>\$156,691</i>

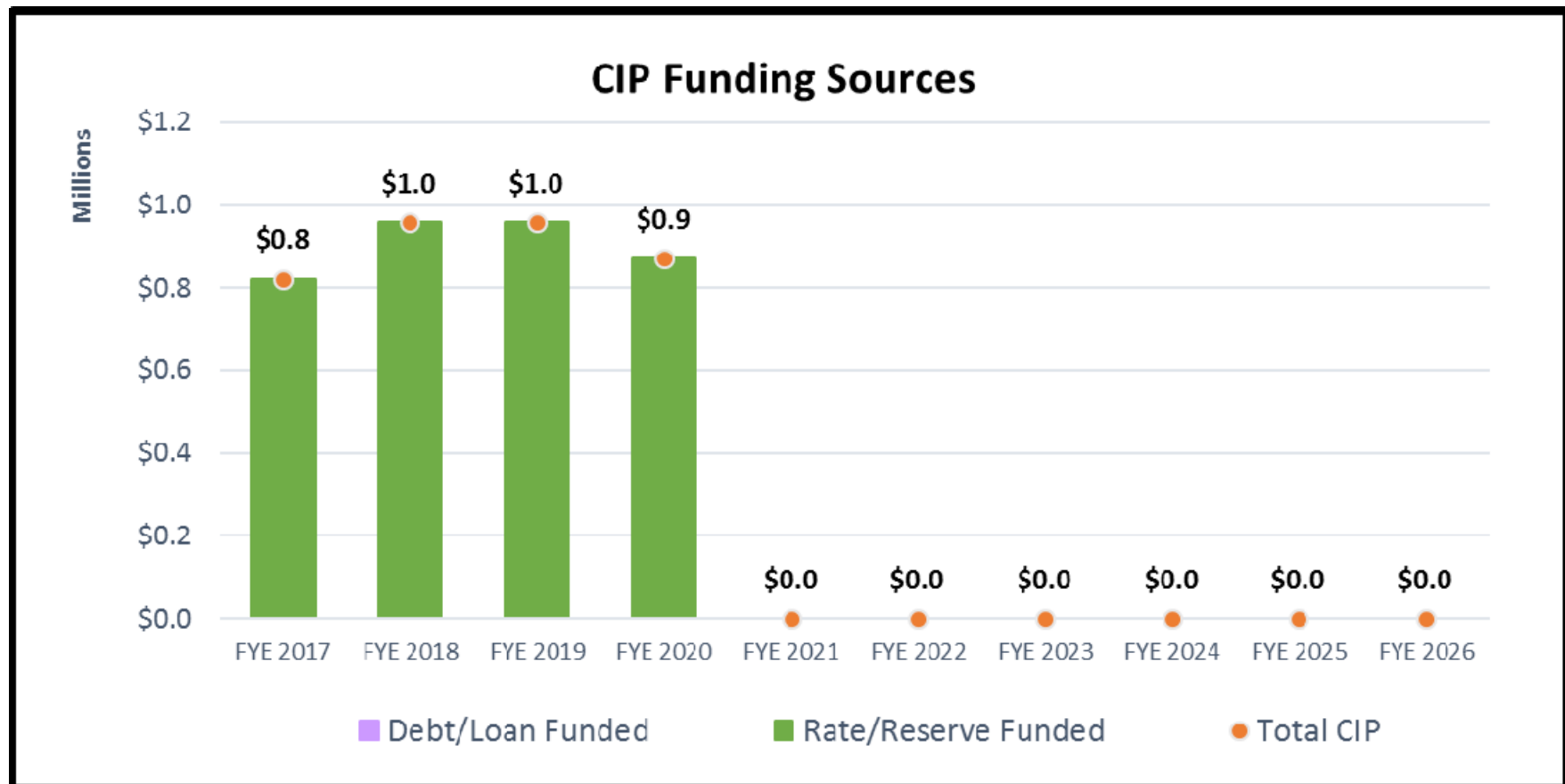


RW – Operating Financial Plan



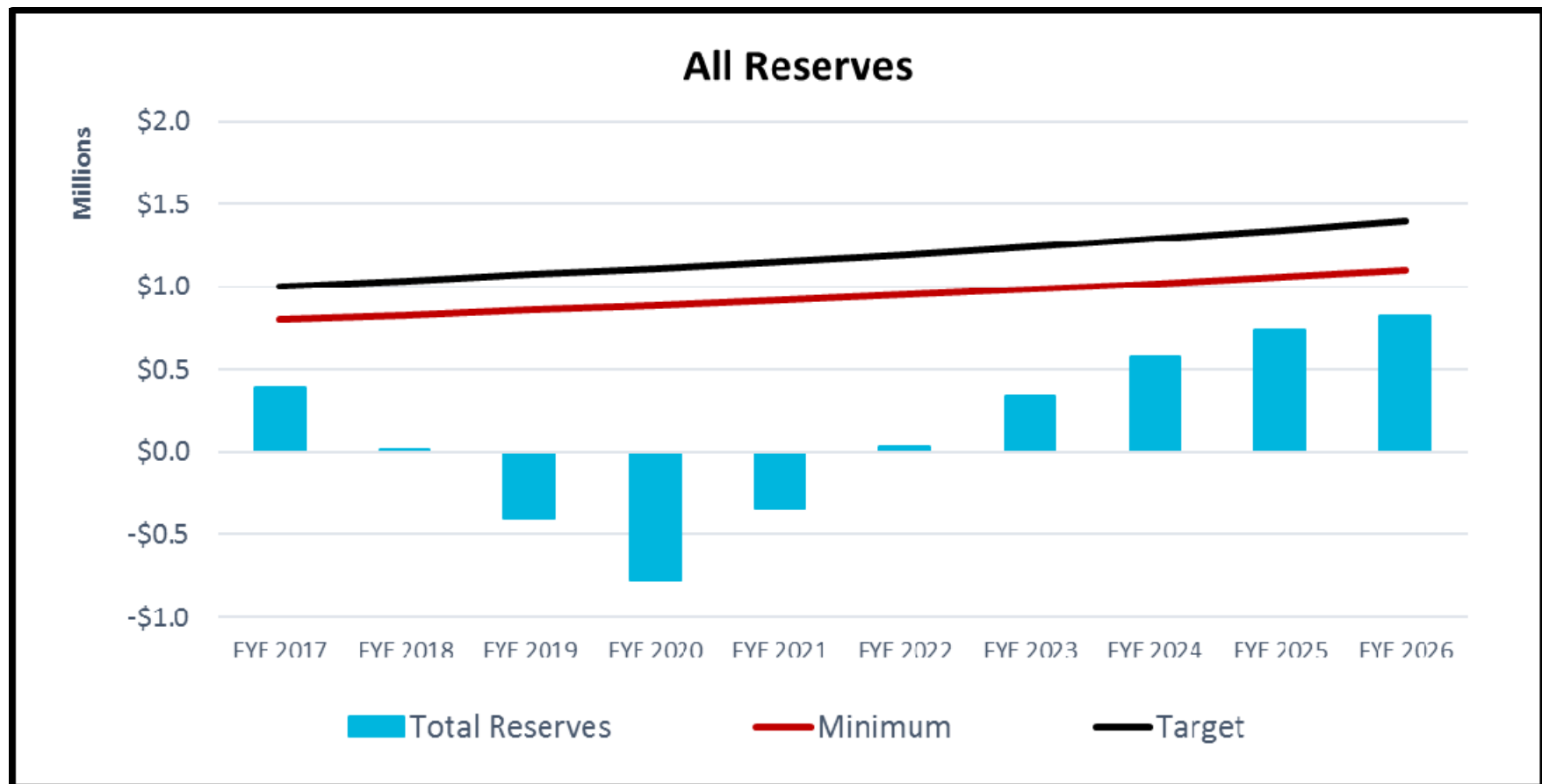


RW – CIP





RW – Reserve Balance



Recommended

Same adjustments as Water with WW Loan
(4.5% adjustments + \$250K WW Loan)



RW – Proposed Pro-Forma

Recycled Pro-Forma	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues										
Rate Revenues	\$1,588,448	\$1,659,928	\$1,734,625	\$1,812,683	\$1,894,254	\$1,955,296	\$1,994,402	\$2,034,290	\$2,074,976	\$2,116,475
Misc. Revenues	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Non-Operating Revenues	\$2,807	\$2,033	\$2,379	\$2,497	\$2,624	\$2,760	\$2,906	\$3,064	\$3,233	\$3,416
Total Revenues	\$1,601,255	\$1,671,961	\$1,747,004	\$1,825,180	\$1,906,878	\$1,968,056	\$2,007,308	\$2,047,354	\$2,088,209	\$2,129,891
Expenditures										
O&M Expenses										
Water Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Costs	\$346,150	\$356,014	\$366,180	\$376,660	\$387,463	\$398,600	\$410,084	\$421,925	\$434,135	\$446,727
Energy Costs	\$275,000	\$302,500	\$332,750	\$366,025	\$402,628	\$442,890	\$487,179	\$535,897	\$589,487	\$648,436
Administrative Expenses	\$307,750	\$315,958	\$324,409	\$333,113	\$342,078	\$351,313	\$360,827	\$370,629	\$380,730	\$391,139
Total Operating Expenses	\$928,900	\$974,471	\$1,023,339	\$1,075,798	\$1,132,169	\$1,192,804	\$1,258,090	\$1,328,451	\$1,404,352	\$1,486,302
Debt Service										
Existing Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Loan	\$0	\$0	\$0	\$0	\$25,000	\$50,000	\$75,000	\$100,000	\$100,000	\$100,000
Total Debt	\$0	\$0	\$0	\$0	\$25,000	\$50,000	\$75,000	\$100,000	\$100,000	\$100,000
Total Expenses	\$928,900	\$974,471	\$1,023,339	\$1,075,798	\$1,157,169	\$1,242,804	\$1,333,090	\$1,428,451	\$1,504,352	\$1,586,302
Net Cashflow	\$672,355	\$697,490	\$723,665	\$749,382	\$749,709	\$725,252	\$674,218	\$618,902	\$583,857	\$543,589

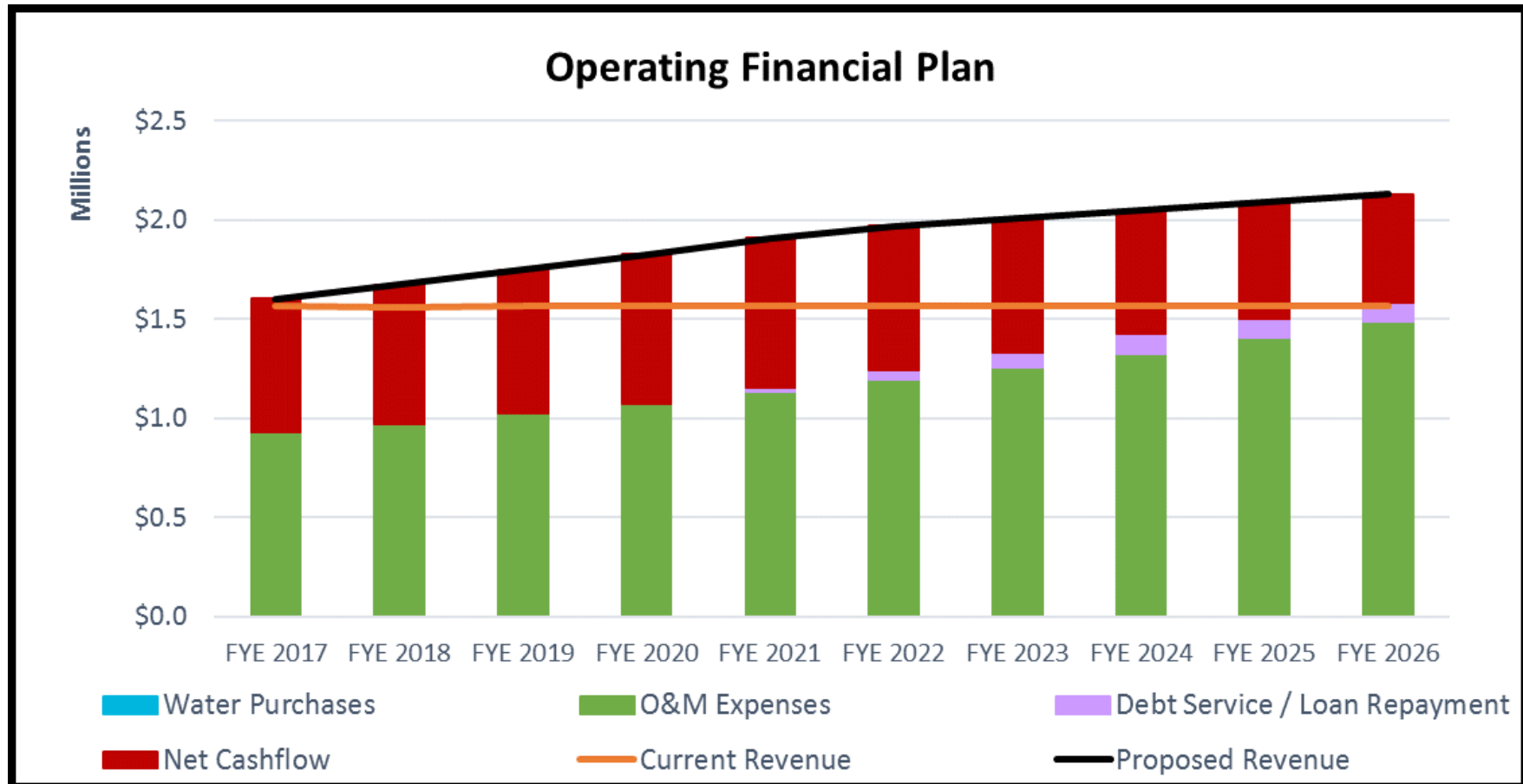


RW – Proposed Reserves

Recycled Reserves	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Recycled Operating Fund										
Beginning Balance	\$348,642	\$464,450	\$487,236	\$511,670	\$537,899	\$566,084	\$596,402	\$629,045	\$664,226	\$702,176
Net Cashflow	\$672,355	\$697,490	\$723,665	\$749,382	\$749,709	\$725,252	\$674,218	\$618,902	\$583,857	\$543,589
Transfer from Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	(\$556,547)	(\$674,704)	(\$699,231)	(\$723,153)	(\$721,524)	(\$694,934)	(\$641,575)	(\$583,722)	(\$545,907)	(\$502,614)
Ending Balance	\$464,450	\$487,236	\$511,670	\$537,899	\$566,084	\$596,402	\$629,045	\$664,226	\$702,176	\$743,151
<i>Min Target</i>	<i>\$309,633</i>	<i>\$324,824</i>	<i>\$341,113</i>	<i>\$358,599</i>	<i>\$377,390</i>	<i>\$397,601</i>	<i>\$419,363</i>	<i>\$442,817</i>	<i>\$468,117</i>	<i>\$495,434</i>
Repair & Replacement Fund										
Beginning Balance	\$485,880	\$383,226	\$395,645	\$407,223	\$454,296	\$710,988	\$858,061	\$921,806	\$892,957	\$788,967
Transfers from Operating	\$556,547	\$674,704	\$699,231	\$723,153	\$721,524	\$694,934	\$641,575	\$583,722	\$545,907	\$502,614
Interfund Transfer - from WW Capital	\$250,000	\$250,000	\$250,000	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0
	(\$838,995)	(\$864,165)	(\$890,090)	(\$916,793)	(\$458,816)	(\$544,657)	(\$577,827)	(\$613,016)	(\$650,349)	(\$689,955)
Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Rate Stabilization	(\$71,420)	(\$50,294)	(\$49,509)	(\$11,295)	(\$8,170)	(\$6,118)	(\$3,925)	(\$4,005)	(\$4,086)	(\$4,168)
Interest	\$1,215	\$2,173	\$1,947	\$2,007	\$2,154	\$2,913	\$3,923	\$4,450	\$4,537	\$4,205
Ending Balance	\$383,226	\$395,645	\$407,223	\$454,296	\$710,988	\$858,061	\$921,806	\$892,957	\$788,967	\$601,662
<i>Min Target</i>	<i>\$341,402</i>	<i>\$351,644</i>	<i>\$362,193</i>	<i>\$373,059</i>	<i>\$384,251</i>	<i>\$395,778</i>	<i>\$407,652</i>	<i>\$419,881</i>	<i>\$432,478</i>	<i>\$445,452</i>
Rate Stabilization Fund										
Beginning Balance	\$0	\$71,420	\$121,714	\$171,223	\$182,518	\$190,688	\$196,806	\$200,731	\$204,735	\$208,821
Transfer from Capital	\$71,420	\$50,294	\$49,509	\$11,295	\$8,170	\$6,118	\$3,925	\$4,005	\$4,086	\$4,168
Ending Balance	\$71,420	\$121,714	\$171,223	\$182,518	\$190,688	\$196,806	\$200,731	\$204,735	\$208,821	\$212,989
<i>Min Target</i>	<i>\$160,125</i>	<i>\$167,196</i>	<i>\$174,700</i>	<i>\$182,518</i>	<i>\$190,688</i>	<i>\$196,806</i>	<i>\$200,731</i>	<i>\$204,735</i>	<i>\$208,821</i>	<i>\$212,989</i>

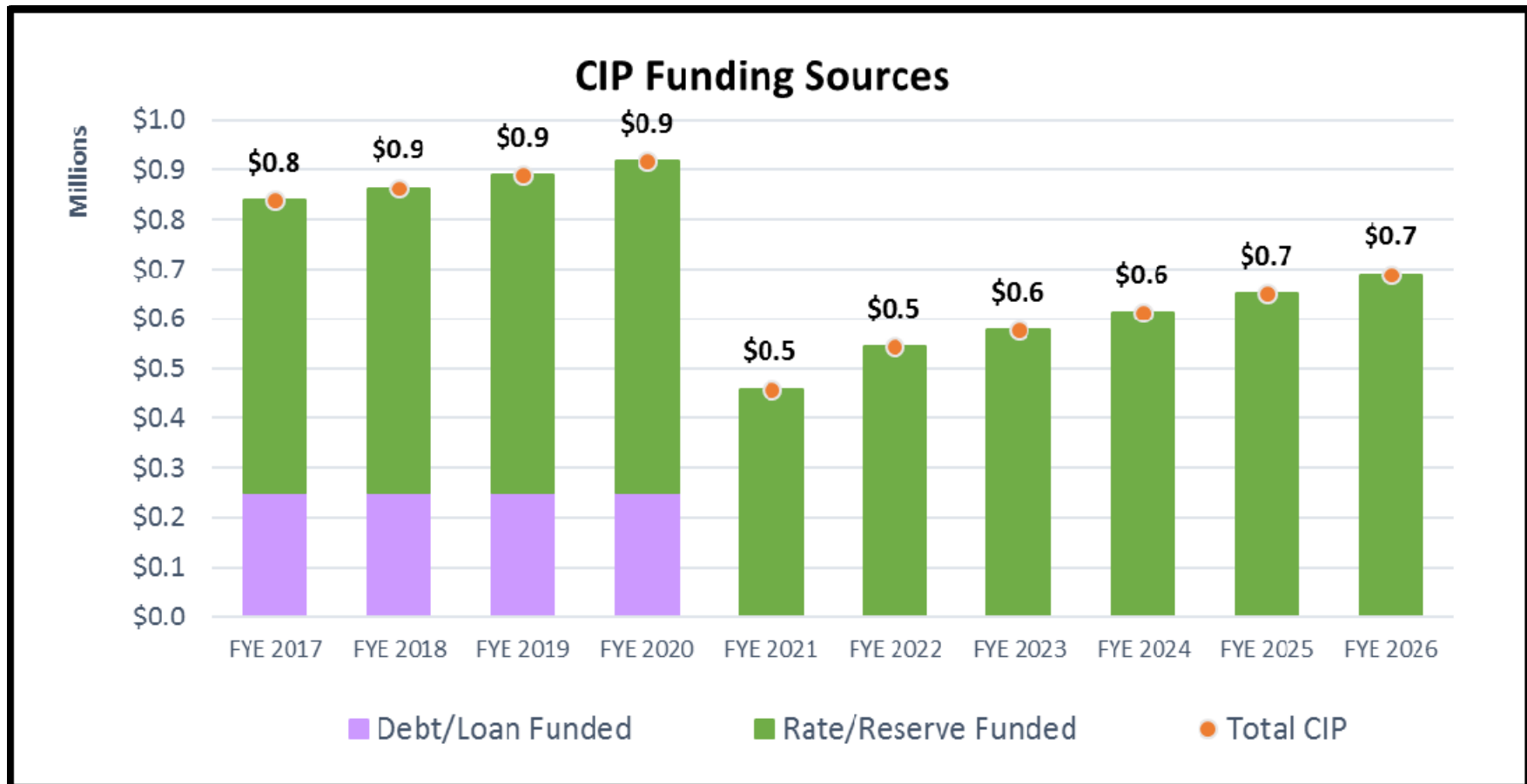


RW – Operating Financial Plan



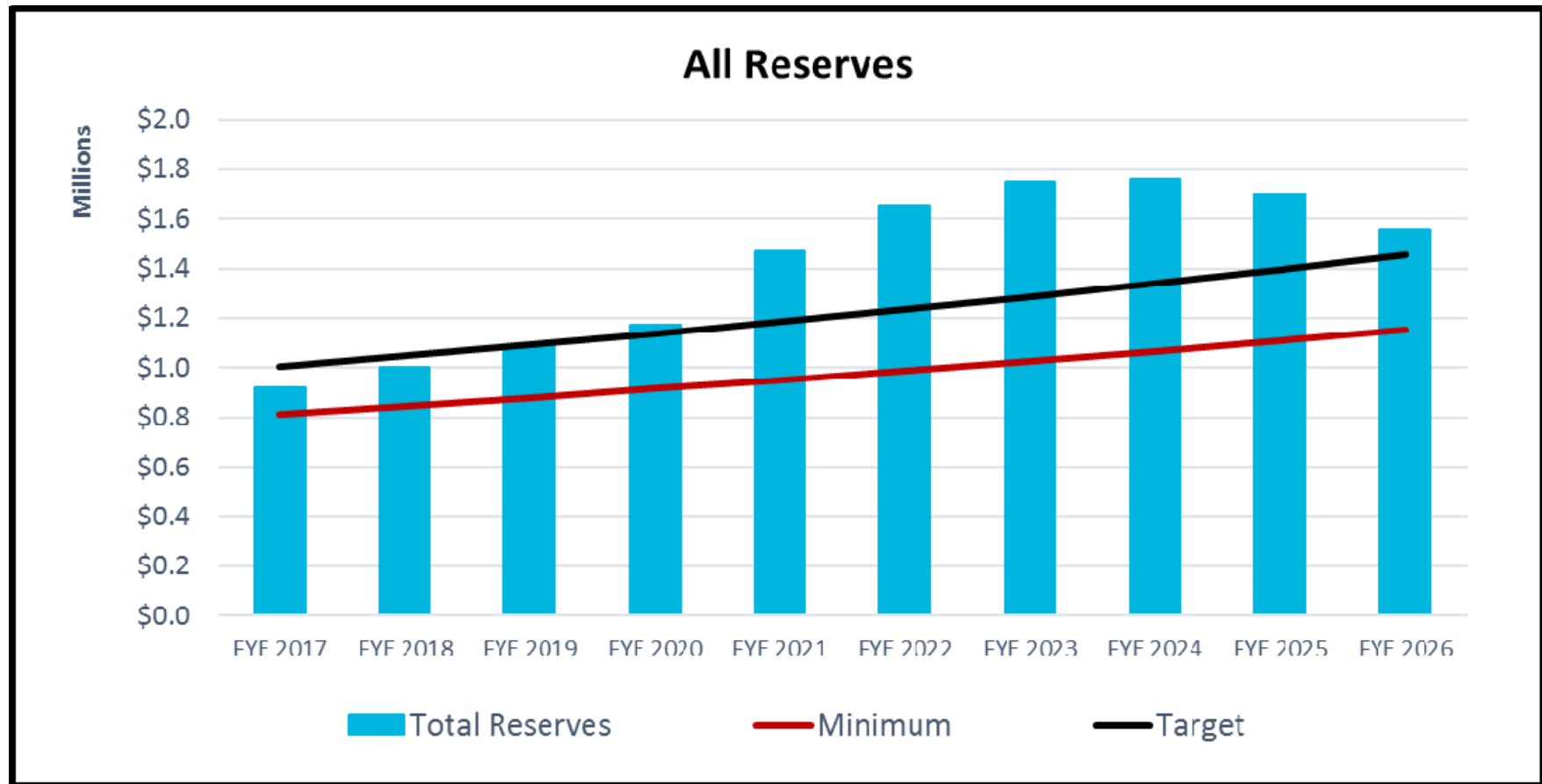


RW – CIP





RW – Reserve Balance



Wastewater FP Model



Wastewater FP Summary

- CIP
 - Significant capital project in FY 2018/19 – WRF Upgrade
 - WRF Upgrade spread equally over 3 years to smooth revenue needs
 - For future years (FY 2020-26), 6 yr Average CIP used as proxy (excluding WRF Upgrade)
- Review Current Financials
 - Healthy Financial Position
- Scenarios:
 1. Interfund Loan to Recycled

Wastewater Current Financials

No Revenue Adjustments



WW - Current Pro-Forma

Wastewater Pro-Forma	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues										
Rate Revenues	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437
Misc. Revenues	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350
Non-Operating Revenues	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Total Revenues	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787
Expenditures										
O&M Expenses										
Operating Costs	\$796,100	\$819,064	\$842,726	\$867,109	\$892,237	\$918,132	\$944,821	\$972,329	\$1,000,682	\$1,029,909
Energy Costs	\$195,000	\$214,500	\$235,950	\$259,545	\$285,500	\$314,049	\$345,454	\$380,000	\$418,000	\$459,800
Administrative Expenses	\$456,700	\$468,624	\$480,900	\$493,540	\$506,556	\$519,961	\$533,769	\$547,993	\$562,648	\$577,748
Total Operating Expenses	\$1,447,800	\$1,502,188	\$1,559,576	\$1,620,194	\$1,684,292	\$1,752,143	\$1,824,044	\$1,900,322	\$1,981,330	\$2,067,458
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,447,800	\$1,502,188	\$1,559,576	\$1,620,194	\$1,684,292	\$1,752,143	\$1,824,044	\$1,900,322	\$1,981,330	\$2,067,458
Net Cashflow	\$1,120,987	\$1,066,599	\$1,009,211	\$948,593	\$884,495	\$816,645	\$744,743	\$668,466	\$587,457	\$501,330

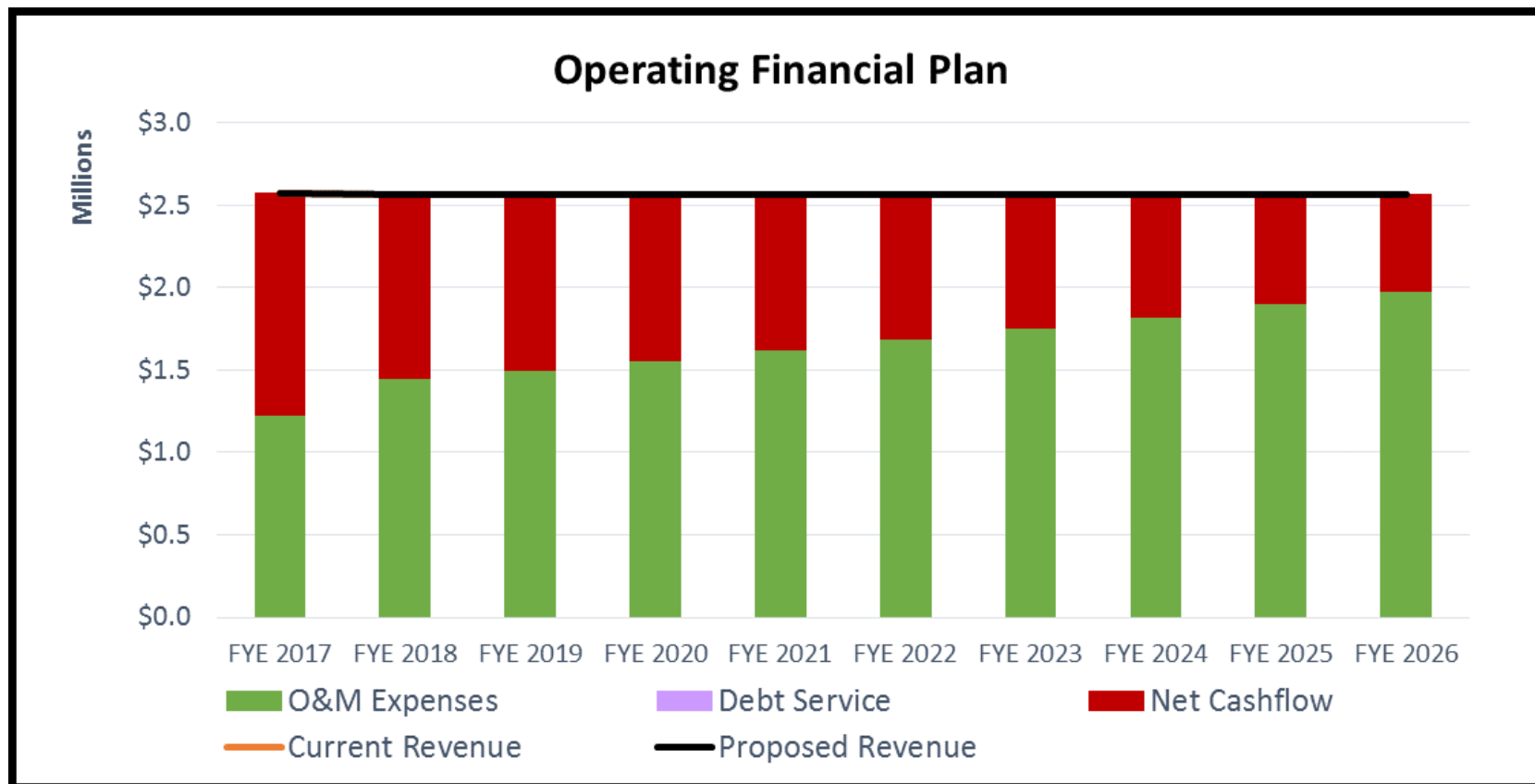


WW - Reserves

Wastewater Reserves	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Wastewater Operating Fund										
Beginning Balance	\$611,759	\$723,900	\$751,094	\$779,788	\$810,097	\$842,146	\$876,071	\$912,022	\$950,161	\$990,665
Net Cashflow	\$1,120,987	\$1,066,599	\$1,009,211	\$948,593	\$884,495	\$816,645	\$744,743	\$668,466	\$587,457	\$501,330
Transfer from Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	(\$1,008,846)	(\$1,039,405)	(\$980,517)	(\$918,284)	(\$852,446)	(\$782,719)	(\$708,792)	(\$630,327)	(\$546,953)	(\$458,266)
Ending Balance	\$723,900	\$751,094	\$779,788	\$810,097	\$842,146	\$876,071	\$912,022	\$950,161	\$990,665	\$1,033,729
<i>Min Target</i>	<i>\$482,600</i>	<i>\$500,729</i>	<i>\$519,859</i>	<i>\$540,065</i>	<i>\$561,431</i>	<i>\$584,048</i>	<i>\$608,015</i>	<i>\$633,441</i>	<i>\$660,443</i>	<i>\$689,153</i>
Repair & Replacement Fund										
Beginning Balance	\$8,550,165	\$8,862,016	\$3,768,859	\$2,445,522	\$3,153,284	\$4,019,727	\$4,820,379	\$5,551,272	\$6,207,528	\$6,783,878
Transfers from Operating	\$1,008,846	\$1,039,405	\$980,517	\$918,284	\$852,446	\$782,719	\$708,792	\$630,327	\$546,953	\$458,266
Interfund Transfer to RW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Repayment from RW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital	(\$461,492)	(\$6,176,093)	(\$2,335,431)	(\$226,058)	\$0	\$0	\$0	\$0	\$0	\$0
Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Rate Stabilization	(\$256,879)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$21,375	\$43,530	\$31,577	\$15,536	\$13,997	\$17,933	\$22,100	\$25,929	\$29,397	\$32,479
Ending Balance	\$8,862,016	\$3,768,859	\$2,445,522	\$3,153,284	\$4,019,727	\$4,820,379	\$5,551,272	\$6,207,528	\$6,783,878	\$7,274,623
<i>Min Target</i>	<i>\$1,236,837</i>	<i>\$1,273,942</i>	<i>\$1,312,161</i>	<i>\$1,351,525</i>	<i>\$1,392,071</i>	<i>\$1,433,833</i>	<i>\$1,476,848</i>	<i>\$1,521,154</i>	<i>\$1,566,788</i>	<i>\$1,613,792</i>
Rate Stabilization Fund										
Beginning Balance	\$0	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879
Transfer from Capital	\$256,879	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879
<i>Min Target</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>

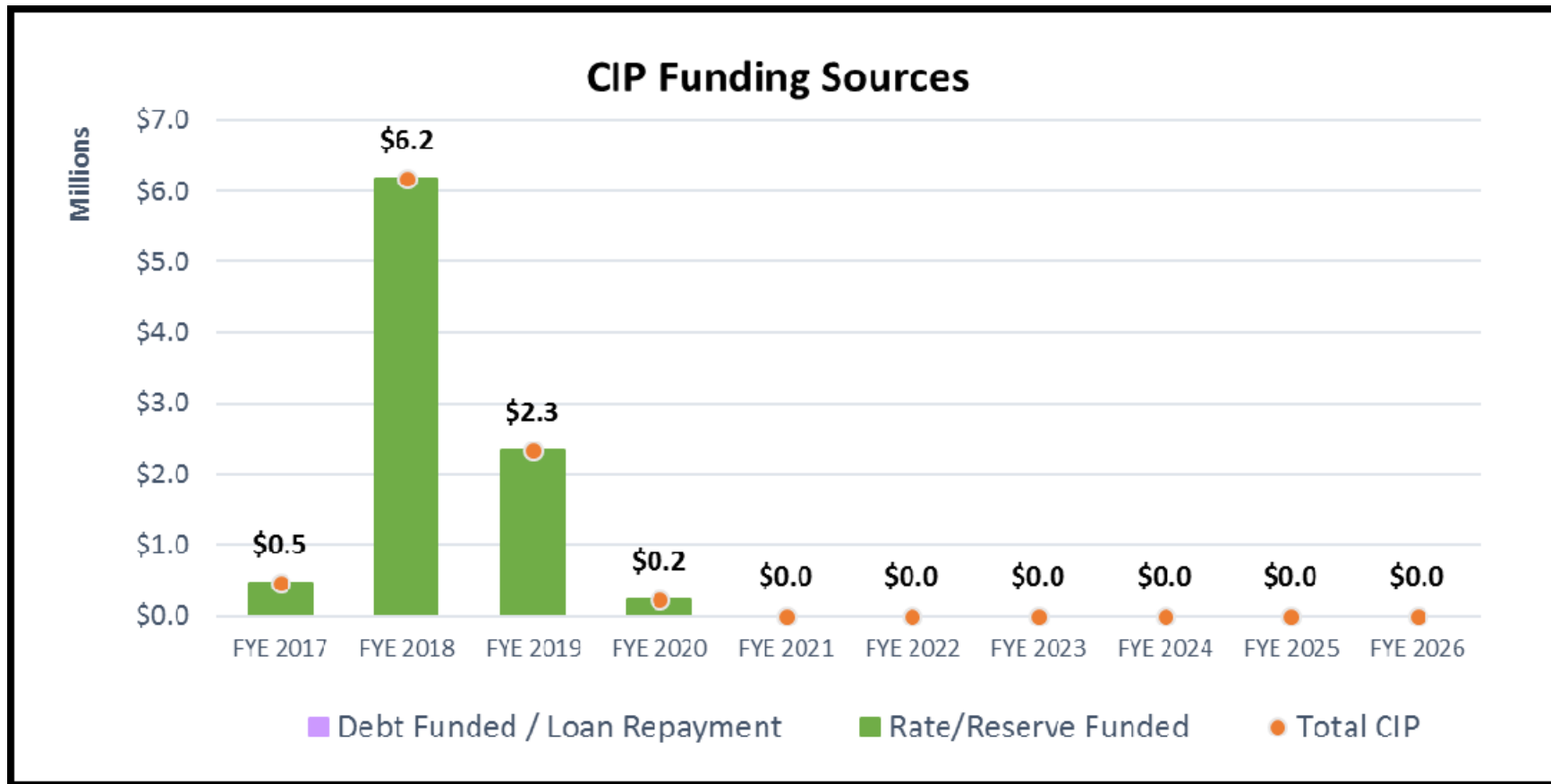


WW – Operating Financial Plan



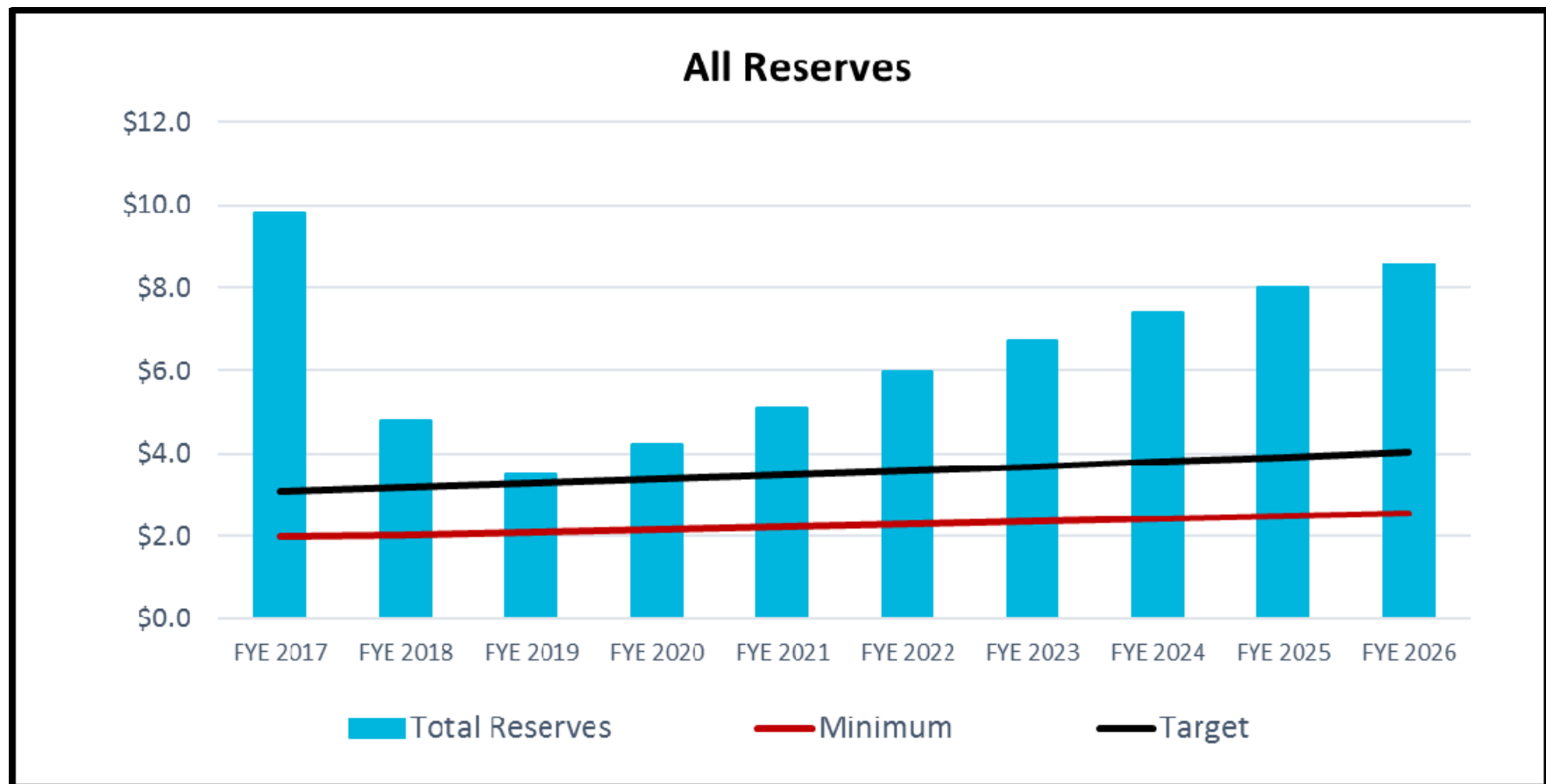


WW – CIP





WW – Reserve Balance



Recommended

\$250K Loaned to RW FY 2017-FY 2020



WW – Proposed Pro-Forma

Wastewater Pro-Forma	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues										
Rate Revenues	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437	\$2,121,437
Misc. Revenues	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350	\$337,350
Non-Operating Revenues	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Total Revenues	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787	\$2,568,787
Expenditures										
O&M Expenses										
Operating Costs	\$796,100	\$819,064	\$842,726	\$867,109	\$892,237	\$918,132	\$944,821	\$972,329	\$1,000,682	\$1,029,909
Energy Costs	\$195,000	\$214,500	\$235,950	\$259,545	\$285,500	\$314,049	\$345,454	\$380,000	\$418,000	\$459,800
Administrative Expenses	\$456,700	\$468,624	\$480,900	\$493,540	\$506,556	\$519,961	\$533,769	\$547,993	\$562,648	\$577,748
Total Operating Expenses	\$1,447,800	\$1,502,188	\$1,559,576	\$1,620,194	\$1,684,292	\$1,752,143	\$1,824,044	\$1,900,322	\$1,981,330	\$2,067,458
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,447,800	\$1,502,188	\$1,559,576	\$1,620,194	\$1,684,292	\$1,752,143	\$1,824,044	\$1,900,322	\$1,981,330	\$2,067,458
Net Cashflow	\$1,120,987	\$1,066,599	\$1,009,211	\$948,593	\$884,495	\$816,645	\$744,743	\$668,466	\$587,457	\$501,330

1. Recycled Interfund loan does not impact operating position
2. Interfund transfer is from Reserves

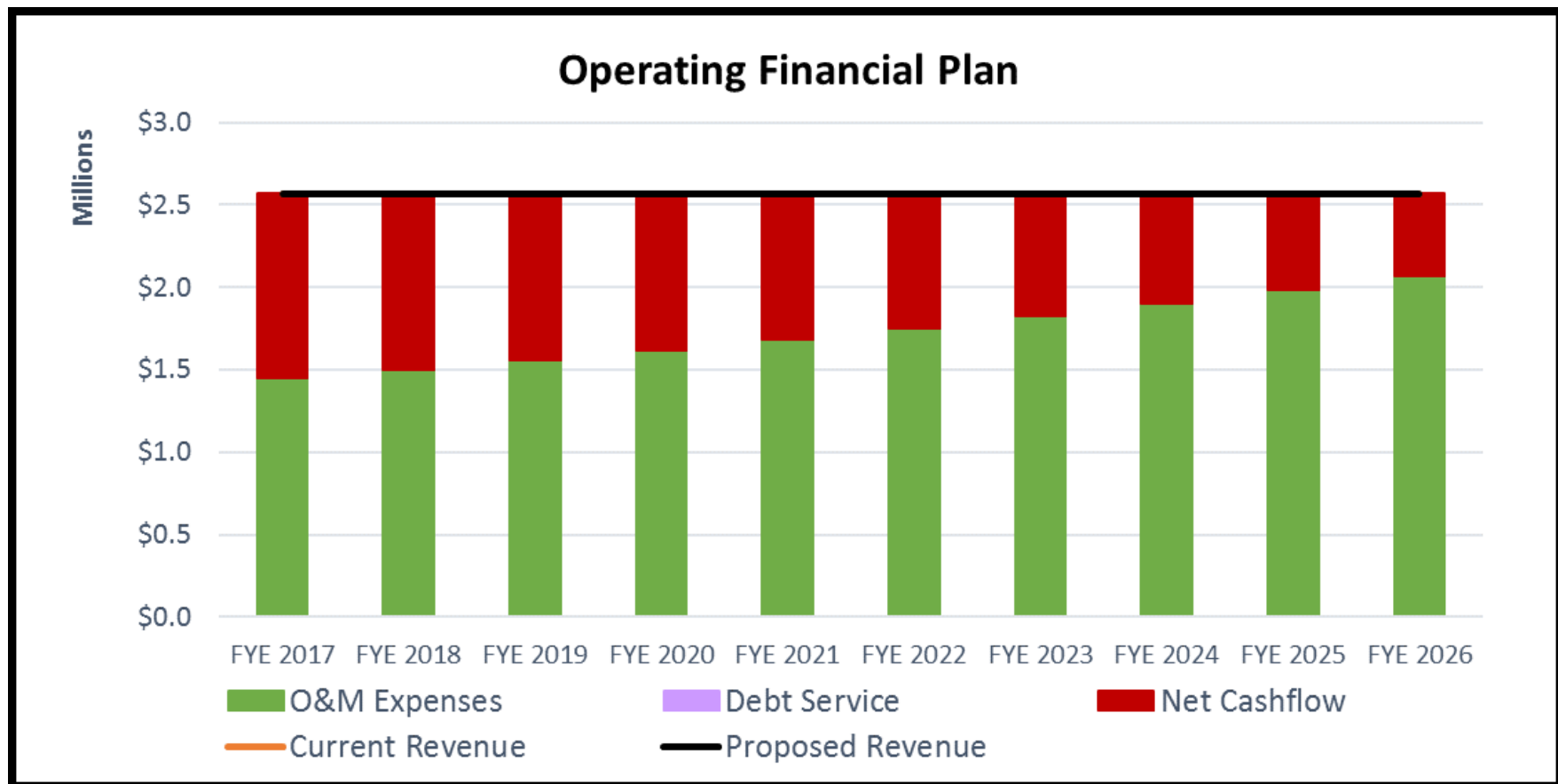


WW – Proposed Reserves

Wastewater Reserves	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Wastewater Operating Fund										
Beginning Balance	\$611,759	\$723,900	\$751,094	\$779,788	\$810,097	\$842,146	\$876,071	\$912,022	\$950,161	\$990,665
Net Cashflow	\$1,120,987	\$1,066,599	\$1,009,211	\$948,593	\$884,495	\$816,645	\$744,743	\$668,466	\$587,457	\$501,330
Transfer from Rate Stabilization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital	(\$1,008,846)	(\$1,039,405)	(\$980,517)	(\$918,284)	(\$852,446)	(\$782,719)	(\$708,792)	(\$630,327)	(\$546,953)	(\$458,266)
Ending Balance	\$723,900	\$751,094	\$779,788	\$810,097	\$842,146	\$876,071	\$912,022	\$950,161	\$990,665	\$1,033,729
<i>Min Target</i>	<i>\$482,600</i>	<i>\$500,729</i>	<i>\$519,859</i>	<i>\$540,065</i>	<i>\$561,431</i>	<i>\$584,048</i>	<i>\$608,015</i>	<i>\$633,441</i>	<i>\$660,443</i>	<i>\$689,153</i>
Repair & Replacement Fund										
Beginning Balance	\$9,078,555	\$6,716,863	\$4,572,811	\$2,269,418	\$2,398,357	\$2,714,327	\$2,969,489	\$3,159,441	\$3,278,799	\$3,296,768
Transfers from Operating	\$1,008,846	\$1,039,405	\$980,517	\$918,284	\$852,446	\$782,719	\$708,792	\$630,327	\$546,953	\$458,266
Interfund Transfer to RW	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Repayment from RW	\$0	\$0	\$0	\$0	\$25,000	\$50,000	\$75,000	\$100,000	\$100,000	\$100,000
Capital	(\$2,886,355)	(\$2,972,946)	(\$3,062,134)	(\$556,452)	(\$573,145)	(\$590,339)	(\$608,050)	(\$626,291)	(\$645,080)	(\$664,432)
Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Rate Stabilization	(\$256,879)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$22,696	\$39,489	\$28,224	\$17,106	\$11,669	\$12,782	\$14,210	\$15,322	\$16,096	\$16,439
Ending Balance	\$6,716,863	\$4,572,811	\$2,269,418	\$2,398,357	\$2,714,327	\$2,969,489	\$3,159,441	\$3,278,799	\$3,296,768	\$3,207,041
<i>Min Target</i>	<i>\$1,236,837</i>	<i>\$1,273,942</i>	<i>\$1,312,161</i>	<i>\$1,351,525</i>	<i>\$1,392,071</i>	<i>\$1,433,833</i>	<i>\$1,476,848</i>	<i>\$1,521,154</i>	<i>\$1,566,788</i>	<i>\$1,613,792</i>
Rate Stabilization Fund										
Beginning Balance	\$0	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879
Transfer from Capital	\$256,879	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879	\$256,879
<i>Min Target</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>	<i>\$256,879</i>

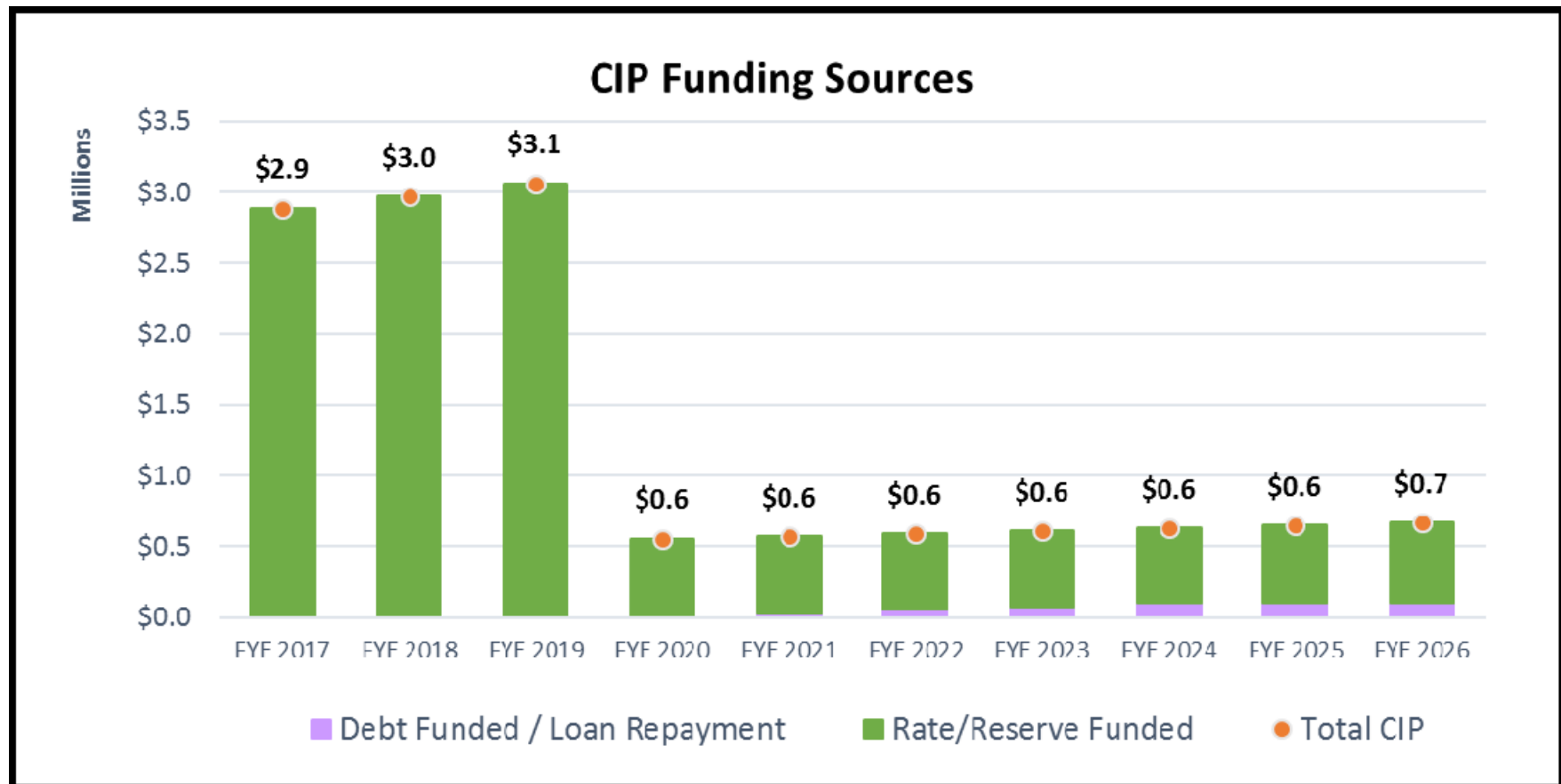


WW – Operating Financial Plan



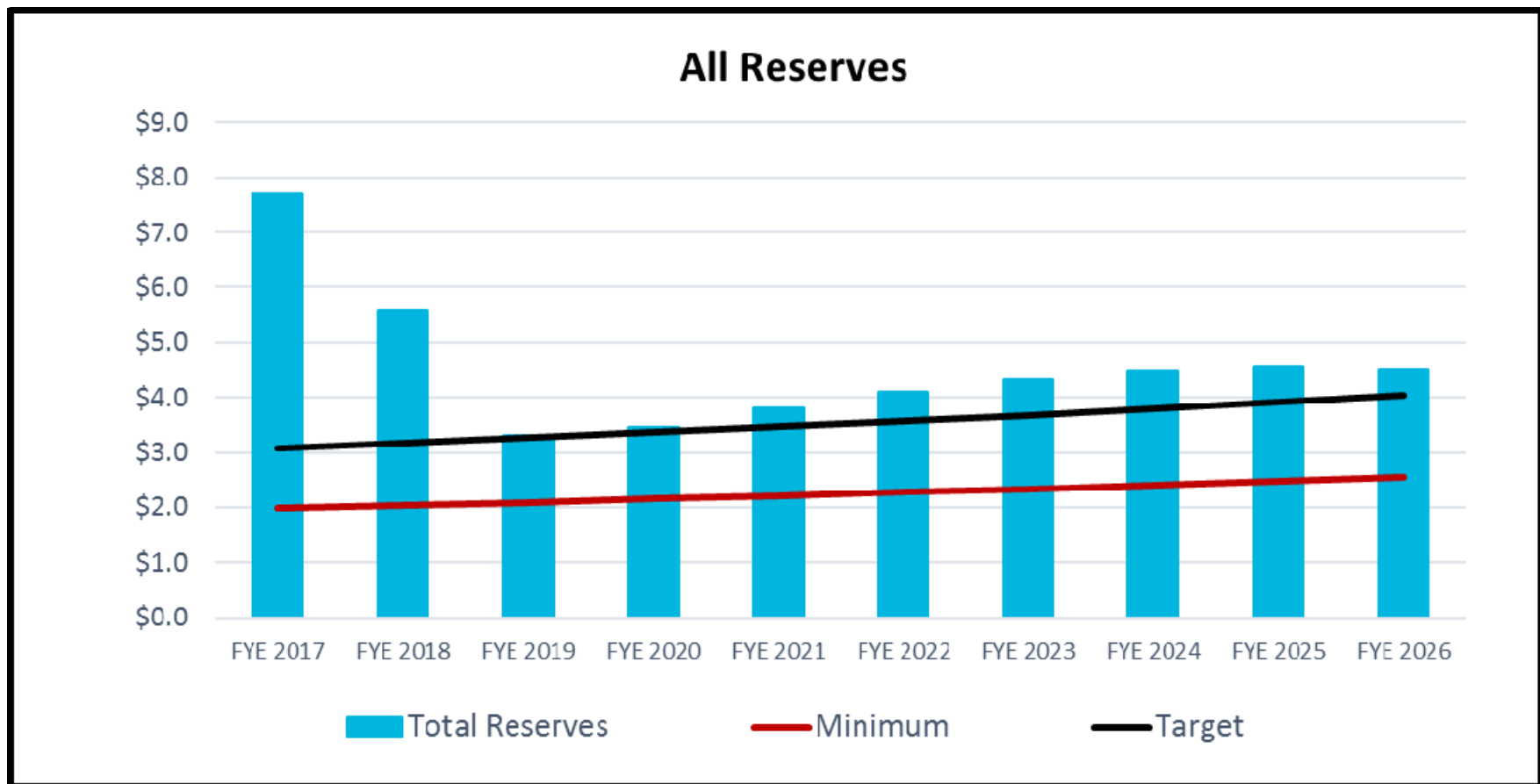


WW – CIP





WW – Reserve Balance



Next Meeting Rate Design



Key Legislation in CA

- Cost of Service Requirements
 - Proposition 218 (Article XIII C and XIII D of California Constitution)
 - Proposition 26
 - California Government Code 54999
- Pass-through Provision
 - AB 3030 – Section 53756 to the Government Code
- Water Conservation
 - Article X of California Constitution
 - SB X7-7 – 20% reduction by 2020
 - Executive Orders

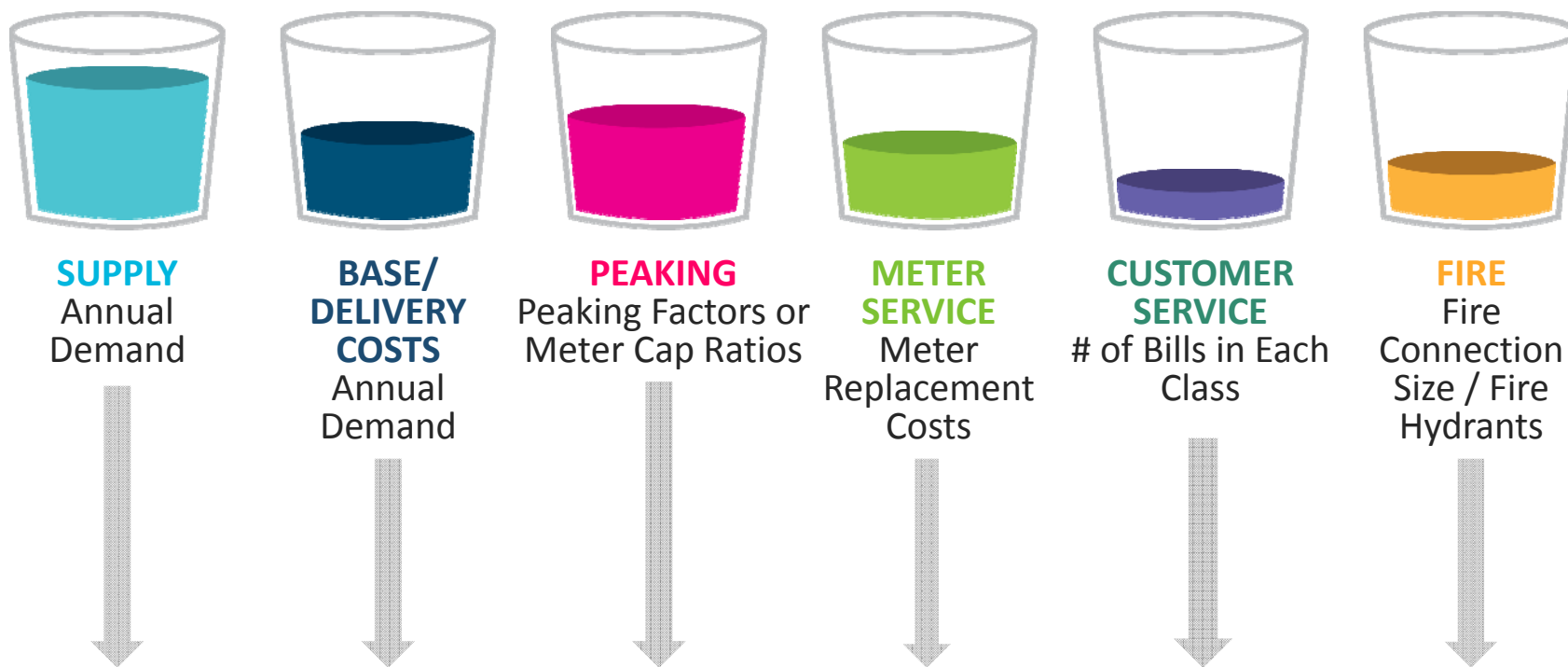


Proposition 218 Requirements

1. An agency cannot collect revenue beyond what is necessary to provide service
2. Revenues derived by the charge shall not be used for any other purpose other than that for which the charge was imposed
3. The amount of the fee may not exceed the proportional cost of service for the parcel
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of property
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charge



Cost of Service



CUSTOMER CLASSES (Cost to Serve Each Class)
(Single Family, Multi-family, Commercial etc.)



Next Steps

- Present proposed rates associated with today's financial plans
- Receive feedback from the Board and any requested changes or further analysis
- Finalize rates and Draft Report
- Set Public Hearing
- Mail Prop. 218 notices
- Hold Public Hearing

QUESTIONS



**PETITION TO THE BOARD OF DIRECTORS OF TEMESCAL
VALLEY WATER DISTRICT REQUESTING INSTITUTION OF
PROCEEDINGS FOR ESTABLISHMENT OF A COMMUNITY
FACILITIES DISTRICT TO BE DESIGNATED COMMUNITY
FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL
VALLEY WATER DISTRICT AND THE DESIGNATION OF
IMPROVEMENT AREA NO. 1**

1. The undersigned (the "Owner") is the owner of the land depicted in Exhibit A hereto (the "Property"), which land is expected to be all of the land included within the boundaries of a community facilities district proposed to be established by Temescal Valley Water District (the "District"). The Property is located in an unincorporated area of the County of Riverside and comprises all of the land proposed to be included in the community facilities district described below.

2. The Owner requests that the Board of Directors of the District institute proceedings to establish a community facilities district to be known as "Community Facilities District No. 4 (Terramor) of Temescal Valley Water District" (referred to herein as "CFD No. 4") pursuant to Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, Title 5, of the Government Code of the State of California, commonly known as the "Mello-Roos Community Facilities Act of 1982" (the "Act"), to include all of the Property, and to designate the Property as Improvement Area No. 1 of CFD No. 4 (the "Improvement Area").

3. The Owner requests that the proposed CFD No. 4 be used to finance the acquisition of the improvements listed in Exhibit B hereto, and related infrastructure improvements, and all appurtenances and appurtenant work in connection with the foregoing, all required to be constructed to facilitate development within CFD No. 4 (the "Improvements") and to finance the incidental expenses to be incurred as listed in Exhibit B hereto.

4. The Owner requests that the Board of Directors authorize the issuance of bonds of CFD No. 4 for the Improvement Area in a principal amount not to exceed \$28,000,000. The Owner further requests that the Board of Directors authorize the levy of special taxes in the Improvement Area to pay principal of, interest and premium, if any, on bonds issued in order to contribute to the financing of the Improvements and incidental costs described in paragraph 3 above for CFD No. 4.

5. The Owner requests that, upon the sale of bonds, the Board of Directors, as the legislative body of CFD No. 4, annually levy special taxes on the taxable property within CFD No. 4 in accordance with the Rate and Method of Apportionment attached hereto as Exhibit C (the "RMA") for the payment of the aggregate amount of principal of and interest owing on the bonds in each year, including the maintenance of reserves therefor, and for the payment of administrative expenses of CFD No. 4.

6. The Owner further agrees to advance to the District the amounts necessary to pay for the costs related to the formation of CFD No. 4, which amounts will be reimbursed, without interest, from the proceeds of the first sale of the bonds, if any. If bonds are not sold, the District will have no obligation to reimburse such costs.

Dated: 9-21, 2016

FORESTAR TOSCANA DEVELOPMENT
COMPANY, a Delaware corporation


By: 
Name: Stephen Cameron
Title: President

EXHIBIT A
BOUNDARY MAP OF
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
OF TEMESCAL VALLEY WATER DISTRICT AND IMPROVEMENT AREA NO. 1

PROPOSED BOUNDARIES OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

The boundaries of Improvement Area No. 1 of
Community Facilities District No. 4 are
co-terminous with the boundaries of Riverside
County Tract Map No. 36643, excepting
therefrom lots 10, 14, 21, 22, 23 and 24.

(1) Filed in the District Office of the Temescal Valley
Water District this ____ day of _____, 2016.

Paul Rodriguez, Secretary
Temescal Valley Water District

Assessor Parcel Numbers
within the Boundaries of Improvement Area
No. 1 of Community Facilities District No. 4:
290-070-044 (portion)
290-080-037 (portion)

(2) I hereby certify that the within map showing the
proposed boundaries of Temescal Valley Water
District Community Facilities District No. 4
(Terramor), County of Riverside, State of
California, was approved by the Board of Directors
of the Temescal Valley Water District at a regular
meeting thereof, held on this _____ day of
_____, 2016, by its Resolution No.
_____.

Paul Rodriguez, Secretary
Temescal Valley Water District

Assessor Parcel Numbers
within the Future Annexation Area of
Community Facilities District No. 4:
283-240-001
283-240-002
283-240-003
283-240-004
283-240-009
283-240-010
290-070-024
290-070-026
290-070-045
290-070-046

(3) Filed this ____ day of _____, 2016, at the
hour of ____ o'clock __ m, in Book _____ of
Maps of Assessment and Community Facilities
Districts at page _____ and as Instrument
No. _____ in the office of the County
Recorder of Riverside County, State of California.

Peter Aldana
Assessor-County Clerk-Recorder of Riverside
County

By _____
Deputy
Fee _____

For a description of the lines and dimensions
of each lot and parcel, reference is hereby
made to the Assessor maps of the County of
Riverside, and to Tract Map No. 36643,
recorded on June 30th, 2016, in Book 451 of
Maps at Pages 29 through 63, as Instrument
No. 2016-0267808 in the office of the Recorder
of the County of Riverside, California.

Exempt recording requested, per
CA Government Code § 6103

PROPOSED BOUNDARIES OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

LEGEND

- Boundaries of Community Facilities District No. 4 (Improvement Area No. 1)
- Boundaries of Future Annexation Area
- 2nn-nn0-0nn Assessor Parcel Number

283-240-001	283-240-002
283-240-003	283-240-004
283-240-010	
283-240-009	

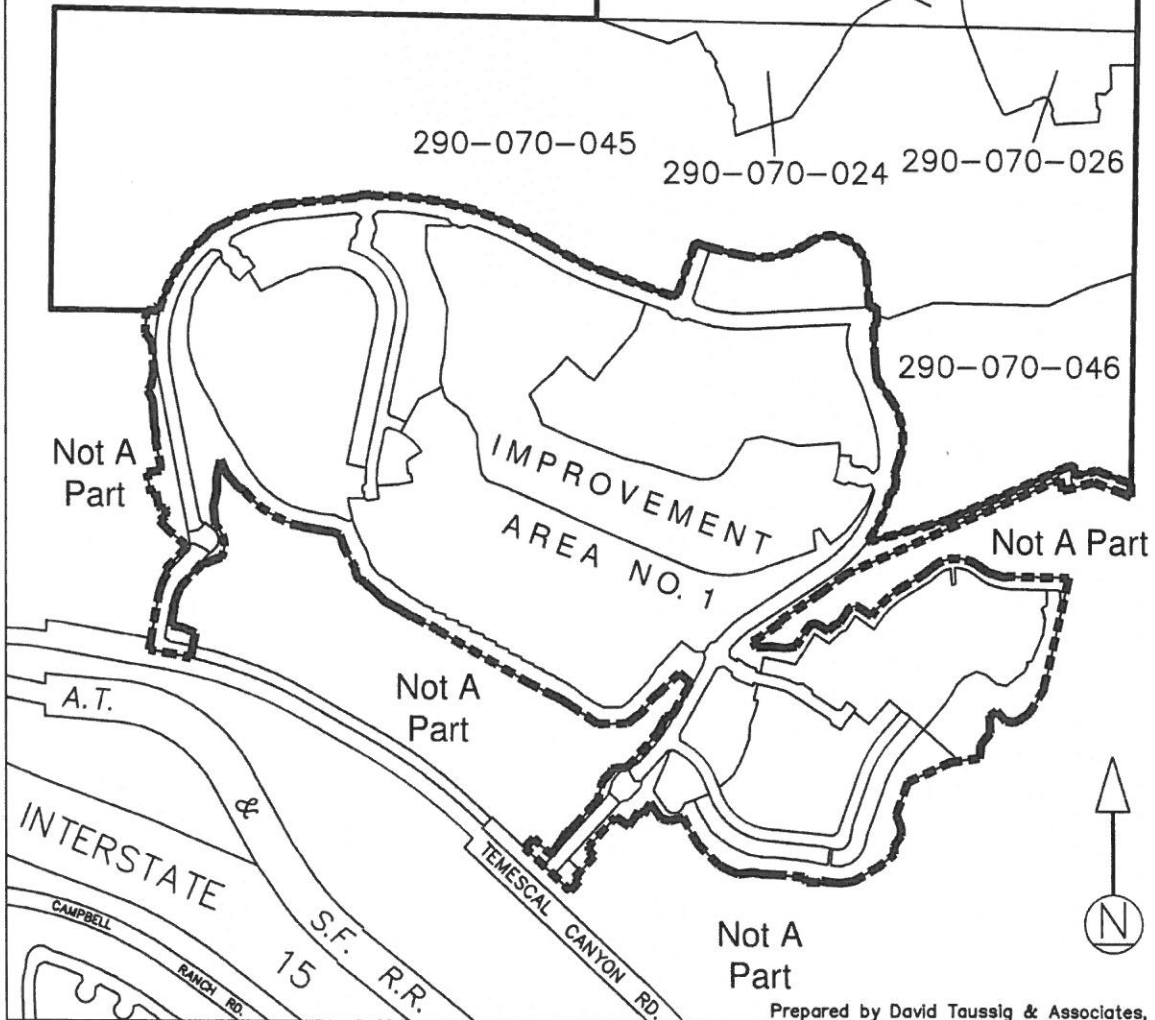


EXHIBIT B

IMPROVEMENTS AND INCIDENTAL EXPENSES

The proposed types of public facilities and expenses to be financed by the District include:

The proposed improvements include the construction, purchase, modification, expansion, improvement or rehabilitation of (1) water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of Temescal Valley Water District, (2) certain roadways and roadway improvements and related infrastructure and improvements of County of Riverside ("County") and (3) flood control and storm water drainage facilities of the Riverside County Flood Control and Water Conservation District (the "Flood Control District"); and all appurtenances and appurtenant work in connection with the foregoing including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Improvements and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Improvements.

The Improvements listed herein are representative of the types of improvements authorized to be financed by CFD No. 4. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the Temescal Valley Water District, the County and the Flood Control District, as applicable. Addition, deletion or modification of descriptions of the Improvements may be made consistent with the requirements of the Board of Directors of Temescal Valley Water District, CFD No. 4 and the Act.

The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

All costs associated with the creation of CFD No. 4, the issuance of the bonds, the determination of the amount of special taxes to be levied, costs otherwise incurred in order to carry out the authorized purposes of CFD No. 4, including legal fees, fees of consultants, engineering, planning, designing and the annual administration cost of CFD No. 4.

EXHIBIT C

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR
IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
OF TEMESCAL VALLEY WATER DISTRICT**

**RATE AND METHOD OF APPORTIONMENT FOR
IMPROVEMENT AREA NO. 1 OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 1 ("IA No. 1") of Temescal Valley Water District Community Facilities District No. 4 (Terramor) ("CFD No. 4") and collected each Fiscal Year commencing in Fiscal Year 2017-2018, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in IA No. 1, 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 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 Map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of IA No. 1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Water District or designee thereof or both); the costs of collecting the Special Taxes (whether by the Water District or otherwise); the costs of remitting the Special Taxes 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 the Water District, CFD No. 4 or any designee thereof of complying with arbitrage rebate requirements; the costs to the Water District, CFD No. 4 or any designee thereof of complying with Water District, IA No. 1 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Water District, CFD No. 4 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; the costs associated with the Special Tax reduction described in Section J; the costs associated with the issuance of Bonds; and the Water District's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Water District or CFD No. 4 for any other administrative purposes of IA No. 1, including attorney's fees and other costs related to

commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Approved Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Map was recorded prior to January 1 of the previous Fiscal Year.

"Assessor's Parcel" means any real property to which an Assessor's parcel number is assigned as shown on an Assessor's Parcel Map.

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

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property within IA No. 1, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property within IA No. 1, as determined in accordance with Section C below.

"Board" means the Board of Directors of the Water District, acting as the legislative body of CFD No. 4.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 4 for IA No. 1 under the Act.

"CFD Administrator" means an official of the Water District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 4" means the Temescal Valley Water District Community Facilities District No. 4 (Terramor).

"County" means the County of Riverside.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Other Taxable Property, (i) for which a building permit was issued prior to March 1 of the prior Fiscal Year, and (ii) that is located within a Final Map.

"Final Map" means (i) a final map, or portion thereof, 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 without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 1352 creating such individual lots or parcels.

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

"Improvement Area No. 1" or "IA No. 1" means Improvement Area No. 1 of CFD No. 4.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Tables 1 and 2 below.

"Maximum Special Tax" means the Maximum Special Tax, determined in accordance with Section C and Section D below, that can be levied in any Fiscal Year on any Assessor's Parcel within IA No. 1.

"Non-Residential Property" means Developed Property for which a building permit(s) was issued for a non-residential use.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Other Taxable Property" means Taxable Public Property and Taxable Property Owner Association Property.

"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, except to the extent that the Special Tax levy on Residential Property is limited as described in the first step in Section D below. For Approved Property or Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Approved Property or Undeveloped Property. For Other Taxable Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Other Taxable Property.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of IA No. 1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Public Property" means, for each Fiscal Year, any property within IA No. 1 that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, Water District, or any other public agency as of June 30 of the prior Fiscal Year; 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 in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential dwelling unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the building permit(s) issued for such residential dwelling unit.

"Residential Property" means Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for the acquisition or construction of facilities authorized to be financed by IA No. 1 to the extent that inclusion of such amount does not increase the Special Tax levy on Approved Property or Undeveloped Property; and (vi) pay for reasonably anticipated Special Tax delinquencies based on the historical delinquency rate for IA No. 1 as determined by the CFD Administrator; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of IA No. 1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

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

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Approved Property, Developed Property, or Other Taxable Property.

"Water District" means the Temescal Valley Water District.

"Zone" means Zone A and/or Zone B, as applicable.

"Zone A" means Zone A of IA No. 1, as identified on the map included as Exhibit A.

"Zone B" means Zone B of IA No. 1, as identified on the map included as Exhibit A.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within Zone A and Zone B of IA No. 1 shall be classified as Developed Property, Approved Property, Other Taxable Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C and D below. Developed Property shall be further classified as Residential Property or Non-Residential Property.

C. MAXIMUM SPECIAL TAX

1. Developed Property

Residential Property in Zone A shall be assigned to Land Use Classes 1 through 5 of Table 1 below, and Non-Residential Property in Zone A shall be assigned to Land Use Class 6 of Table 1 below. Residential Property in Zone B shall be assigned to Land Use Class 1 through 5 of Table 2 below, and Non-Residential Property in Zone B shall be assigned to Land Use Class 6 of Table 2 below. The Assigned Special Tax for Residential Property shall be based on the Residential Floor Area of the dwelling unit(s) located on the Assessor's Parcel. The Assigned Special Tax for Non-Residential Property shall be based on the Acreage of the Assessor's Parcel.

(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.

The Maximum Special Tax (including the Assigned Special Taxes and the Backup Special Tax set forth in Sections C.1.(b), C.1.(c) and C.1.(d) below) may be reduced in accordance with, and subject to the conditions set forth in, Section J below.

(b) Assigned Special Tax – Zone A (Market Rate Units)

The Assigned Special Tax for each Land Use Class within Zone A is shown below in Table 1.

TABLE 1
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,300 s.f.	\$3,183 per unit
2	Residential Property	2,151 – 2,300 s.f.	\$3,094 per unit
3	Residential Property	2,001 – 2,150 s.f.	\$2,977 per unit
4	Residential Property	1,851 – 2,000 s.f.	\$2,888 per unit
5	Residential Property	< 1,850 s.f.	\$2,799 per unit
6	Non-Residential Property	NA	\$29,636 per Acre

(c) Assigned Special Tax – Zone B (Age-Qualified Units)

The Assigned Special Tax for each Land Use Class within Zone B is shown below in Table 2.

TABLE 2
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$3,274 per unit
2	Residential Property	2,300 – 2,599 s.f.	\$2,888 per unit
3	Residential Property	1,900 – 2,299 s.f.	\$2,502 per unit
4	Residential Property	1,601 – 1,899 s.f.	\$2,115 per unit
5	Residential Property	< 1,601 s.f.	\$1,986 per unit
6	Non-Residential Property	NA	\$16,532 per Acre

(d) Backup Special Tax

The Backup Special Tax for an Assessor's Parcel of Developed Property will equal the amount indicated in Table 3 below for the applicable Zone.

TABLE 3
Backup Special Tax for
Zone A and Zone B

Zone	Backup Special Tax
A	\$29,636 per Acre
B	\$16,532 per Acre

2. Approved Property, Undeveloped Property and Other Taxable Property

The Maximum Special Tax for Approved Property, Undeveloped Property, and Other Taxable Property will equal the amount indicated in Table 4 below for the applicable Zone.

TABLE 4
Approved Property, Undeveloped
Property, and Other Taxable Property
in
Zone A and Zone B

Zone	Maximum Special Tax
A	\$29,636 per Acre
B	\$16,532 per Acre

3. Multiple Land Uses

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains multiple land uses, the Acreage of such Assessor's Parcel shall be allocated to each type of 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 CFD Administrator's allocation to each type of property shall be final.

D. APPORTIONMENT OF THE SPECIAL TAX

For each Fiscal Year, commencing Fiscal Year 2017-2018, the Board shall determine the Special Tax Requirement and shall levy the Special Tax as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

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 Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

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 at up to 100% of the Maximum Special Tax for Undeveloped Property;

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 whose 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.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Other Taxable Property at up to 100% of the Maximum Special Tax for Other Taxable Property.

Notwithstanding the above, pursuant to Section 53321(d)(3) of the California Government Code, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel(s) within CFD No. 4 by more than 10% 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 to increase in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Taxes shall be levied on Property Owner Association Property and Public Property, so long as the Acreage of Taxable Property is at least 18.15 Acres within Zone A and 69.37 Acres within Zone B. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property or Public Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property or Public Property, its tax-exempt status will be revoked.

To the extent that the exemption of an Assessor's Parcel of Property Owner Association Property or Public Property would reduce the Acreage of Taxable Property below 18.15 Acres in Zone A or 69.37 Acres in Zone B, such Assessor's Parcel shall be classified as Taxable Property Owner Association Property or Taxable Public Property, as applicable, and shall be subject to the levy of the Special Tax and shall be taxed as part of the sixth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Other Taxable Property.

F. APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, 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 CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any property owner appeals. Any decision of the CFD Administrator shall be subject to appeal to the Board whose decision shall be final and binding as to all persons.

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. 4 may directly bill the Special Tax, may collect the Special Tax 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

The following definitions apply to this Section H:

"CFD Public Facilities" means either \$21.9 million in 2016 dollars, which shall increase by the Construction Inflation Index on July 1, 2017, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the

public facilities to be provided by CFD No. 4 on behalf of IA No. 1 under the authorized bonding program for IA No. 1, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Tax levied under this Rate and Method of Apportionment as described in Section D.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"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 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 CFD Administrator 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 minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 4 for IA No. 1 prior to the date of prepayment.

1. **Prepayment in Full**

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property and Approved Property and/or Undeveloped Property for which a building permit has been issued, 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 CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

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	<u>Reserve Fund Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

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 applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Approved Property and/or Undeveloped Property (for which a building permit has been issued) to be prepaid, 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 that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax for the entire IA No. 1 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development at buildout of IA No. 1, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated total Backup Special Tax at buildout of IA No. 1, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding 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 earliest redemption date for the Outstanding Bonds.
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 CFD Administrator reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding 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. Verify the administrative fees and expenses of CFD No. 4 related to the IA No. 1 prepayment, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming 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 ("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 Outstanding 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 Outstanding 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.
14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 4.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof

will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall 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, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of 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.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Approved Property and/or Undeveloped Property for which a building permit has been issued may be partially 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:

$$PP = [(P_E - AE) \times F] + AE$$

These terms have the following meaning:

- AE = the Administrative Fees and Expenses
- PP = the partial prepayment
- P_E = the Prepayment Amount calculated according to Section H.1
- F = the percentage by which the owner of the Assessor's Parcel is partially prepaying the Special Tax.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the Water District shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 4 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 remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such partial prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for the period necessary to fully satisfy items (i) through (iv) of the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2055-56.

J. SPECIAL TAX REDUCTION

"Independent Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 4 that (a) has substantial experience in performing Price Point Studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 4 or the Water District, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 4, (ii) the Water District, (iii) any owner of real property in CFD No. 4, or (iv) any real property in CFD No. 4, and (e) is not connected with CFD No. 4 or the Water District as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 4 or the Water District.

"Plan Type" means, for each Zone, a discrete residential plan type that is constructed or expected to be constructed within IA No. 1 as identified in the Price Point Study.

"Price Point" means, with respect to the residential dwelling units in each Plan Type, as of any date, the minimum base price of such residential dwelling units, estimated as of such date, including any incentives and concessions, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area and lot size.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by an Independent Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within IA No. 1, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Independent Price Point Consultant's estimate of the Price Point for each Plan Type and (e) uses a date for establishing such Price Points that is no earlier than 60 days

prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to this Section J.

"Total Effective Tax Rate" means, for a Plan Type, the quotient of (a) the Total Tax and Assessment Obligation for such Plan Type divided by (b) the Price Point for such Plan Type, converted to a percentage.

"Total Tax and Assessment Obligation" means, with respect to a Plan Type, for the Fiscal Year in which the calculation is being performed, the quotient of (a) the sum of the Assigned Special Tax and estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on all residential dwelling units of such Plan Type in such Fiscal Year or that would have been levied or imposed on all such residential dwelling units had such residential dwelling units been completed, sold and subject to such levies and impositions in such Fiscal Year divided by (b) the number of residential dwelling units in such Plan Type. The Total Tax and Assessment Obligation for each Plan Type shall be calculated based on the applicable Residential Floor Area, Price Point, and number of constructed and expected residential dwelling units for such Plan Type as identified in the Price Point Study.

Prior to the issuance of the first series of Bonds, the following steps shall be taken:

Step No.:

1. At least 30 days prior to the expected issuance date of the first series of Bonds, CFD No. 4 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Effective Tax Rate for each Plan Type.
3. Separately, for each Land Use Class, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B, then there shall be no change in the Assigned Special Tax for such Land Use Class.
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than 2.00% for property in Zone A or 1.75% for property in Zone B, then the CFD Administrator shall calculate a revised Assigned Special Tax for such Land Use Class, which revised Assigned Special Tax shall be the highest amount (rounded to the nearest whole dollar) that will not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed 2.00% for property in Zone A and 1.75% for property in Zone B.

4. If the Assigned Special Tax for any Land Use Class in a Zone is revised pursuant to step 3.b. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property within such Zone. The revised Backup Special Tax for such Zone shall be an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax for such Zone as set forth in Section C.1.(d), reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property in such Zone resulting from the calculations in steps 3.a. and 3.b. above. The weighted average percentage will be calculated by taking the sum of the products of the number of units constructed or expected to be constructed in each Land Use Class multiplied by the percentage change for each Land Use Class (or 0 for Land Use Classes that are not changing). This amount is then divided by the total number of units constructed or expected to be constructed within the Zone and converted to a percentage.
5. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the CFD Administrator shall prepare and execute a Certificate of Reduction in Special Taxes substantially in the form of Exhibit B hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 4. The Certificate of Reduction in Special Taxes shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated pursuant to step 3.b., or (ii) the Assigned Special Tax as identified in Table 1 or Table 2 in Section C.1.(b) and C.1.(c) for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax for a Zone as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Table 3 in Section C.1.(d) for a Zone that was not revised as determined pursuant to step 4.
6. If the first series of Bonds is issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 4 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the date of such issuance, and, upon the issuance of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall, *ipso facto*, be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the first series of Bonds is not issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate of Reduction in Special Taxes shall not be acknowledged by CFD No. 4 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently, a first series of Bonds is expected to be issued, at least 30 days prior to the expected issuance date of such first series of Bonds, the CFD Administrator shall cause a new Price Point Study to be delivered to the CFD Administrator and, following such delivery, steps 2 through 5 of this section shall be performed based on such new Price Point Study.
7. As soon as practicable after the execution by CFD No. 4 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 4 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for IA No. 51 reflecting the Assigned Special Taxes and the Backup Special Tax for each Zone set forth in such Certificate of Reduction in Special Taxes.


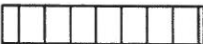
8. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no reduction in the Maximum Special Tax, and no Certificate of Reduction in Special Taxes shall be required. However the CFD Administrator shall prepare and deliver to CFD No. 4 a Certificate of No Reduction in Special Taxes substantially in the form of Exhibit C hereto dated as of the date of the issuance of the first series of Bonds that states that the calculations required pursuant to this Section J have been made and that no changes to the Assigned Special Tax or Backup Special Tax are necessary.
9. CFD No. 4 and the CFD Administrator shall take no further actions under this Section J upon the earlier to occur of the following: (i) the execution of the acknowledgement by CFD No. 4 on a Certificate of Reduction in Special Taxes pursuant to step 6; or (ii) the delivery by the CFD Administrator of a Certificate of No Reduction in Special Taxes pursuant to step 8.

EXHIBIT A

ZONE MAP

ZONE MAP OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

LEGEND

-----	Boundaries of Community Facilities District No. 4 (Improvement Area No. 1)
	Zone A
	Zone B

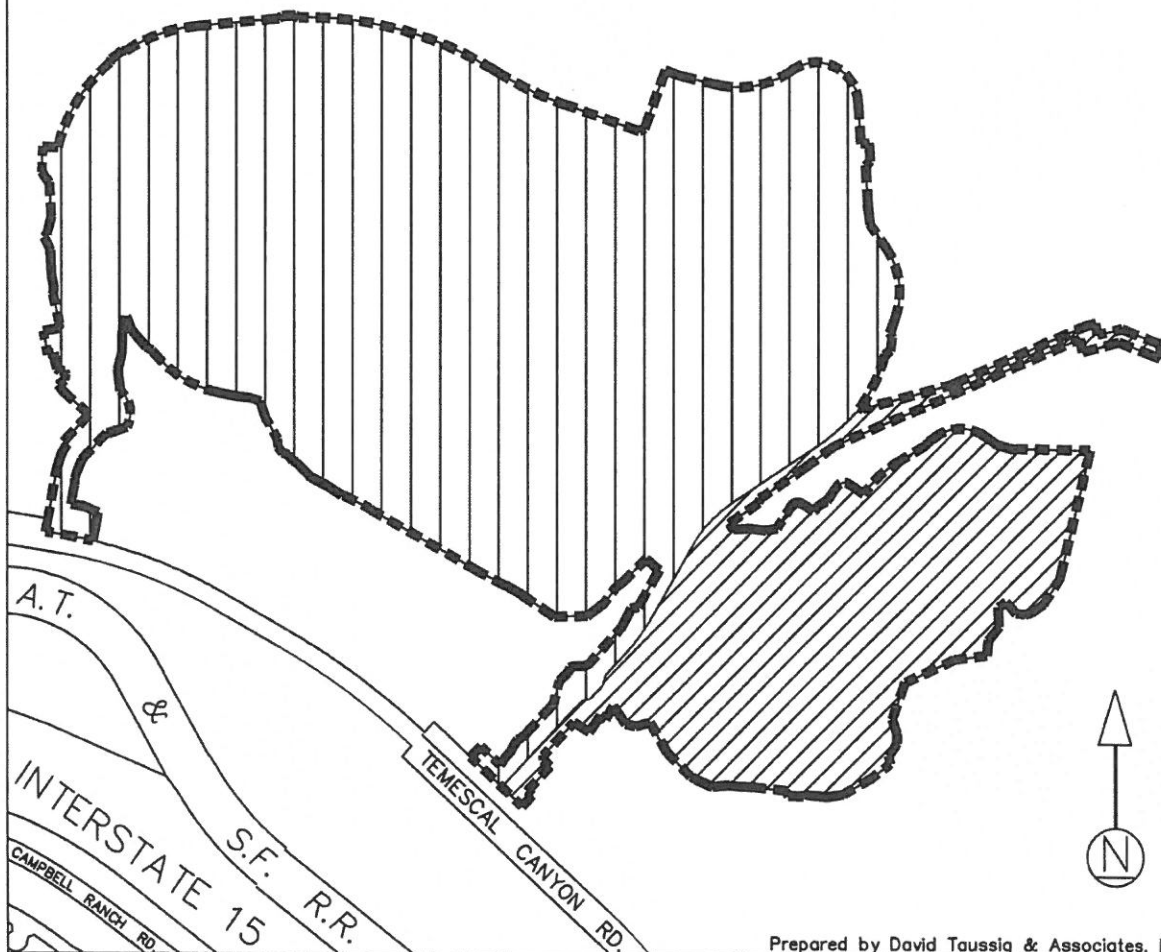


EXHIBIT B

CERTIFICATE OF REDUCTION IN SPECIAL TAXES

**Temescal Valley Water District
IA No. 1 of CFD No. 4**

1. Pursuant to Section J of the Rate and Method of Apportionment, the Assigned Special Tax and Backup Special Tax for Developed Property for [certain or all] Land Use Classes within IA No. 1 has been reduced.
2. The calculations made pursuant to Section J were based upon a Price Point Study that was received by the CFD Administrator on _____.
3. Tables 1A and 2A below show the Assigned Special Tax for each Land Use Class in Zones A and B after such reduction.

TABLE 1A
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,300 s.f.	\$_____ per unit
2	Residential Property	2,151 – 2,300 s.f.	\$_____ per unit
3	Residential Property	2,001 – 2,150 s.f.	\$_____ per unit
4	Residential Property	1,851 – 2,000 s.f.	\$_____ per unit
5	Residential Property	< 1,850 s.f.	\$_____ per unit
6	Non-Residential Property	NA	\$_____ per Acre

TABLE 2A
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$_____ per unit
2	Residential Property	2,300 – 2,599 s.f.	\$_____ per unit
3	Residential Property	1,900 – 2,299 s.f.	\$_____ per unit
4	Residential Property	1,601 – 1,899 s.f.	\$_____ per unit
5	Residential Property	< 1,601 s.f.	\$_____ per unit
6	Non-Residential Property	NA	\$_____ per Acre

4. The Backup Special Tax for each Assessor's Parcel of Developed Property shall equal \$_____ per Acre in Zone A and \$_____ per Acre in Zone B after such reduction.
5. Upon execution of this certificate by CFD No. 4, CFD No. 4 shall cause an amended notice of Special Tax lien for IA No. 1 to be recorded reflecting the Assigned Special Tax and Backup Special Tax set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 4, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

~~COUNTY OF SAN BERNARDINO~~ TEMESCAL VALLEY WATER DISTRICT CFD NO. 4

By: _____ Date as of: [date of issuance of Bonds]

EXHIBIT C

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

**Temescal Valley Water District
IA No. 1 of CFD No. 4**

1. All calculations required pursuant to Section J of the Rate and Method of Apportionment have been made based upon a Price Point Study that was received by the CFD Administrator on _____.
2. Total Effective Tax Rate for all Plan Types in all Land Use Classes is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B.
3. The Maximum Special Tax for Developed Property within IA No. 1, including the Assigned Special Taxes set forth in Sections C.1.(b) and C.1.(c) and the Backup Special Tax set forth in Section C.1.(d) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____

Date as of: [date of issuance of Bonds]

RESOLUTION NO. R-16-11

RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT TO ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT, TO AUTHORIZE THE LEVY OF A SPECIAL TAX TO PAY THE COST OF ACQUIRING OR CONSTRUCTING CERTAIN IMPROVEMENTS AND EXPENSES AND TO PAY DEBT SERVICE ON BONDED INDEBTEDNESS

WHEREAS, Temescal Valley Water District (the "District") has received a petition signed by the owner of all of the land within the boundaries of the territory which is proposed for inclusion in a community facilities district, which petition meets the requirements of Sections 53318 and 53319 of the Government Code of the State of California (the "Government Code"); and

WHEREAS, the Board of Directors of the District (the "Board of Directors") desires to adopt this resolution of intention as provided in Section 53321 of the Government Code to establish a community facilities district consisting initially of the territory described in Attachment "A" hereto (which attachment is incorporated herein by this reference) and such territory annexed thereto pursuant to Section 53339 et seq. of the Government Code, consisting of the territory described in Attachment "B" hereto (which attachment is incorporated herein by this reference), which the Board of Directors hereby determines shall be known as "Community Facilities District No. 4 (Terramor) of Temescal Valley Water District" ("CFD No. 4"), all pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code (the "Act"), to finance the purchase, construction, expansion, improvement or rehabilitation of certain improvements described in Attachment "D" hereto (which attachment is incorporated herein by this reference), including all furnishings, equipment and supplies related thereto (collectively, the "Improvements"), which Improvements have a useful life of five years or longer, and (2) the incidental expenses to be incurred in connection with financing the Improvements, and forming and administering CFD No. 4 described in Attachment "D" (the "Incidental Expenses"); and

WHEREAS, the Board of Directors desires to designate the territory described in Attachment "A" hereto as Improvement Area No. 1 of CFD No. 4 (the "Improvement Area"); and

WHEREAS, pursuant to the alternate procedures provided in Section 53328.1 of the Act, the Board of Directors proposes to designate the property described in Attachment "B" hereto and designated thereon "as area to be annexed" and incorporated herein by this references as territory proposed for annexation to CFD No. 4 in the future (the "Annexation Territory"), with the condition that a parcel or parcels within such territory may be annexed and subjected to the special tax of CFD No. 4 only with the unanimous approval of the owner or owners of the parcel or parcels at the time of annexation or in compliance with other procedures established by the Act; and

WHEREAS, the Board of Directors further intends to approve an estimate of the costs of the Improvements and the Incidental Expenses for CFD No. 4; and

WHEREAS, it is the intention of the Board of Directors to consider financing the Improvements and the Incidental Expenses through the formation of CFD No. 4 and the Improvement Area, and the levy of a special tax to pay for the Improvements and to pay debt

service on bonds that are secured by such special taxes within the Improvement Area in an amount not to exceed \$28,000,000 (the "Obligations"), provided that the bond sale and special tax levy are approved at elections to be held for the Improvement Area; and

WHEREAS, in order to facilitate the acquisition and funding of the Improvements, the District desires to enter into an Acquisition/Financing Agreement (the "Acquisition Agreement") with Forestar Toscana Development Company, a Delaware corporation (the "Developer"), in substantially the form presented herein; and

WHEREAS, the District has previously entered into the Joint Community Facilities Agreement (Street and Flood Control Improvements) with the Riverside County Flood Control and Water Conservation District (the "Flood Control District"), the County of Riverside (the "County") and the Developer, with respect to the facilities to be financed by CFD No. 4 that are to be owned, operated or maintained by the Flood Control District or the County, as applicable;

THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

1. The above recitals are true and correct.

2. A community facilities district is proposed to be established under the terms of the Act to be designated as "Community Facilities District No. 4 (Terramor) of Temescal Valley Water District." It is further proposed that the initial boundaries of CFD No. 4 shall be the legal boundaries as described in Attachment "A" hereto which boundaries, upon recordation of the boundary map for CFD No. 4, as set forth in Attachment "C" hereto, include the entirety of any parcel subject to taxation by CFD No. 4 and as depicted on the map of CFD No. 4 which is on file with the Secretary of the Board of Directors. It is also further proposed that the property described in Attachment "A" hereto shall be designated Improvement Area No. 1 of CFD No. 4. The Secretary of the Board of Directors is hereby directed to sign the original map of CFD No. 4, as set forth in Attachment "C" hereto, and record it with all proper endorsements thereon with the County Recorder of the County of Riverside within 15 days after the adoption of this resolution, all as required by Section 3111 of the Streets and Highways Code of the State of California. The Board of Directors further proposes to designate the Annexation Territory described in Attachment "B" hereto as property proposed for annexation into the District in the future, with the condition that a parcel or parcels within such territory may be annexed to the District and subject to taxation by the District only with the unanimous approval of the owner or owners of such parcel or parcels at the time that such parcel or parcels are annexed to the District.

3. The Improvements proposed to be financed through CFD No. 4 are public facilities as defined in the Act, which the District, the Flood Control District with respect to certain flood control and storm drainage facilities, and the County, with respect to certain drainage and street facilities, are authorized by law to construct, acquire, own and operate for the benefit of CFD No. 4 and the Annexation Territory. The Board of Directors hereby finds and determines that the description of the Improvements herein is sufficiently informative to allow taxpayers within CFD No. 4 to understand what the funds of CFD No. 4 may be used to finance, the Improvements and the Incidental Expenses expected to be incurred, including the cost of planning and designing the Improvements, the costs of forming CFD No. 4, issuing bonds, levying and collecting a special tax within the Improvement Area and the annual administration costs of CFD No. 4. The Board of Directors hereby finds that the proposed Improvements are necessary to meet increased demands placed upon the Improvements as a result of development occurring in CFD No. 4 and the Annexation Territory. The Improvements may be acquired from one or more of the property

owners as completed public improvements or may be constructed by or on behalf of the District and paid for with bond proceeds. Any portion of the Improvements may be financed through a lease or lease-purchase arrangement if CFD No. 4 hereafter determines that such arrangement is of benefit to the CFD No. 4.

4. Except where funds are otherwise available, it is the intention of the Board of Directors to levy annually in accordance with the procedures contained in the Act a special tax, secured by a continuing lien against all non-exempt real property in the Improvement Area, sufficient to pay for the principal and interest and other periodic costs on bonds or other indebtedness issued to finance the Improvements and Incidental Expenses, including the establishment and replenishment of any reserve funds deemed necessary by the District, and any remarketing, credit enhancement and liquidity facility fees (including such fees for instruments which serve as the basis of a reserve fund in lieu of cash) attributable to CFD No. 4. The rate and method of apportionment and manner of collection of the special tax in the Improvement Area is described in detail in Attachment "E" attached hereto (which attachment is incorporated herein by this reference). Attachment "E" allows each landowner within the Improvement Area to estimate the maximum amount that may be levied against each parcel. In the first year in which such special tax is levied, the levy shall include an amount sufficient to repay to the District all amounts, if any, transferred to CFD No. 4 pursuant to Section 53314 of the Act and interest thereon.

If special taxes of the Improvement Area are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time, (ii) such tax shall not be levied later than the 2055-56 Fiscal Year and (iii) under no circumstances shall such special tax in the Improvement Area be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the Improvement Area by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year against such parcel had there never been any such delinquency or default.

The special tax is based on the expected demand that each parcel of real property within the Improvement Area will place on the Improvements and on the benefit that each parcel derives from the services to be provided by the Improvements. The Board of Directors hereby determines the rate and method of apportionment of the special tax set forth in Attachment "E" to be reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to Section 53325.3 of the Act; and such special tax is not on or based upon the value or ownership of real property. In the event that a portion of the property within the Improvement Area that was intended to be taxable shall become for any reason exempt, wholly or partially, from the levy of the special tax specified in Attachment "E," the Board of Directors shall, on behalf of CFD No. 4 cause the levy on other taxable property to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Attachment "E," to the extent necessary upon the remaining property within the Improvement Area which is not exempt in order to yield the special tax revenues required for the purposes described in this Section. The obligation to pay special taxes may be prepaid as provided in the rate and method of apportionment set forth in Attachment "E," as such rate and method may be amended hereafter.

5. A combined public hearing (the "Hearing") on the establishment of CFD No. 4, the designation of the Improvement Area, the proposed rate and method of apportionment of the special tax and the proposed issuance of bonds to finance the Improvements and the Incidental Expenses shall be held at 8:30 a.m., or as soon thereafter as practicable, on November 22, 2016, at the Board of Directors Meeting Room, 22646 Temescal Canyon Road, Temescal Valley, California. If the Board of Directors determines to form CFD No. 4 and designate the Improvement

Area, a special election will be held to authorize the issuance of the bonds and the levy of the special tax in accordance with the procedures contained in Government Code Section 53326. If such election is held, the proposed voting procedure at the election will be a landowner vote with each landowner who is the owner of record of land within the Improvement Area at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within the Improvement Area. Ballots for the special election may be distributed by mail or by personal service.

6. At the time and place set forth above for the Hearing, the Board of Directors will receive testimony as to whether CFD No. 4 shall be established and as to the method of apportionment of the special tax and shall consider:

(a) if an ad valorem property tax is currently being levied on property within CFD No. 4 for the exclusive purpose of paying principal of or interest on bonds, lease payments or other indebtedness incurred to finance construction of capital facilities; and

(b) if the capital facilities to be financed and constructed by CFD No. 4 will provide the same services as were provided by the capital facilities mentioned in subsection (a); and

(c) if the Board of Directors makes the findings specified in subsections (a) and (b) above, it will consider appropriate action to determine that the total annual amount of ad valorem property tax revenue due from parcels within CFD No. 4, for purposes of paying principal and interest on the debt identified in subsection (a) above, shall not be increased after the date on which CFD No. 4 is created, or after a later date determined by the Board of Directors with the concurrence of the legislative body which levied the property tax in question.

7. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within CFD No. 4, may appear and be heard.

8. Each District officer who is or will be responsible for providing the Improvements within CFD No. 4, if it is established, is hereby directed to study CFD No. 4 and, at or before the time of the Hearing, file a report with the Board of Directors containing a brief description of the public improvements by type which will in his or her opinion be required to meet adequately the needs of CFD No. 4 and an estimate of the cost of providing those public improvements, including the cost of environmental evaluations of such improvements and an estimate of the fair and reasonable cost of any Incidental Expenses to be incurred.

9. The District may accept advances of funds or work-in-kind from any source, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying any cost incurred by the District in creating CFD No. 4. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Board of Directors, with or without interest.

10. The Secretary of the Board of Directors is hereby authorized and directed to publish a notice (the "Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of CFD No. 4. The Secretary of the Board of Directors is further authorized and directed to mail a copy of the Notice to each of the

landowners within the boundaries of CFD No. 4 at least 15 days prior to the Hearing. The Notice shall contain the text or a summary of this Resolution, the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in CFD No. 4 and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

11. The reasonably expected maximum principal amount of the Obligations is Twenty-Eight Million Dollars (\$28,000,000) for the Improvement Area.

12. The form of the Acquisition Agreement presented at this meeting is hereby approved and each of the President of the Board of Directors, the Vice President of the Board of Directors, the General Manager and the Finance Manager (each an "Authorized Officer"), acting alone, is hereby authorized and directed to execute the Acquisition Agreement in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein, with such approval to be conclusively evidenced by the execution and delivery of such agreement.

13. Except to the extent limited in any bond resolution or trust indenture related to the issuance of bonds, the Board of Directors hereby reserves to itself all rights and powers set forth in Section 53344.1 of the Act (relating to tenders in full or partial payment).

14. This Resolution shall be effective upon its adoption.

Dated: September 27, 2016.

C.W. Colladay, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution No. R-16-11 adopted by the Board of Directors of the Temescal Valley Water District at its meeting held on September 27, 2016.

ATTEST:

Paul Rodriguez, Board Secretary

(SEAL)

ATTACHMENT A

INITIAL TERRITORY OF CFD NO. 4 AND THE IMPROVEMENT AREA

Property located within the County of Riverside, State of California and described as:

24. Riverside County Tract Map No. 36643, excepting therefrom lots 10, 14, 21, 22, 23 and

ATTACHMENT B
ANNEXATION TERRITORY

Riverside County Assessor Parcel Numbers:

283-240-001
283-240-002
283-240-003
283-240-004
283-240-009
283-240-010
290-070-024
290-070-026
290-070-045
290-070-046

ATTACHMENT C
BOUNDARY MAP

PROPOSED BOUNDARIES OF
TEMESCAL VALLEY WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

The boundaries of Improvement Area No. 1 of Community Facilities District No. 4 are co-terminous with the boundaries of Riverside County Tract Map No. 36643, excepting therefrom lots 10, 14, 21, 22, 23 and 24.

(1) Filed in the District Office of the Temescal Valley Water District this ____ day of _____, 2016.

Paul Rodriguez, Secretary
Temescal Valley Water District

Assessor Parcel Numbers
within the Boundaries of Improvement Area No. 1 of Community Facilities District No. 4:
290-070-044 (portion)
290-080-037 (portion)

(2) I hereby certify that the within map showing the proposed boundaries of Temescal Valley Water District Community Facilities District No. 4 (Terramor), County of Riverside, State of California, was approved by the Board of Directors of the Temescal Valley Water District at a regular meeting thereof, held on this ____ day of _____, 2016, by its Resolution No. _____.

Paul Rodriguez, Secretary
Temescal Valley Water District

Assessor Parcel Numbers
within the Future Annexation Area of Community Facilities District No. 4:
283-240-001
283-240-002
283-240-003
283-240-004
283-240-009
283-240-010
290-070-024
290-070-026
290-070-045
290-070-046

(3) Filed this ____ day of _____, 2016, at the hour of ____ o'clock ____ m, in Book _____ of Maps of Assessment and Community Facilities Districts at page _____ and as Instrument No. _____ in the office of the County Recorder of Riverside County, State of California.

Peter Aldana
Assessor-County Clerk-Recorder of Riverside County

By _____
Deputy
Fee _____

For a description of the lines and dimensions of each lot and parcel, reference is hereby made to the Assessor maps of the County of Riverside, and to Tract Map No. 36643, recorded on June 30th, 2016, in Book 451 of Maps at Pages 29 through 63, as Instrument No. 2016-0267808 in the office of the Recorder of the County of Riverside, California.

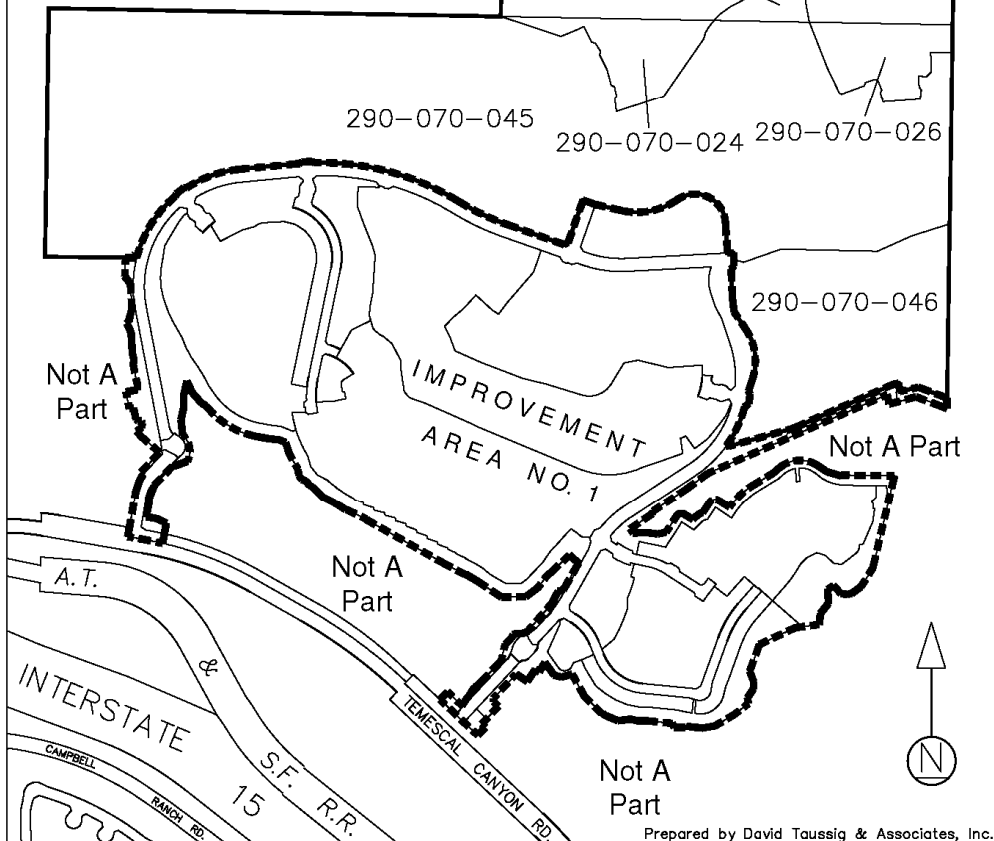
Exempt recording requested, per
CA Government Code § 6103

PROPOSED BOUNDARIES OF
 TEMESCAL VALLEY WATER DISTRICT
 COMMUNITY FACILITIES DISTRICT NO. 4
 (TERRAMOR)
 COUNTY OF RIVERSIDE
 STATE OF CALIFORNIA

LEGEND

- Boundaries of Community Facilities District No. 4 (Improvement Area No. 1)
- _____ Boundaries of Future Annexation Area
- 2nn-nn0-0nn Assessor Parcel Number

283-240-001	283-240-002
283-240-003	283-240-004
283-240-010	
283-240-009	



Prepared by David Taussig & Associates, Inc.

ATTACHMENT D

DESCRIPTION OF IMPROVEMENTS AND INCIDENTAL EXPENSES

The proposed types of public facilities and expenses to be financed by the District include:

The construction, purchase, modification, expansion, improvement or rehabilitation of (1) water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of Temescal Valley Water District (the "Water District Improvements"), (2) certain roadways and roadway improvements and related infrastructure and improvements of the County of Riverside (the "County Improvements"), and (3) storm and sewer drains and related infrastructure and improvements of the Riverside County Flood Control and Water Conservation District (the "Flood Control Improvements" and together with the Water District Improvements and County Improvements, the "Improvements"), both onsite and offsite, and all appurtenances and appurtenant work in connection with the foregoing including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Improvements and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Improvements.

The Improvements listed herein are representative of the types of improvements authorized to be financed by CFD No. 4. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the Temescal Valley Water District. Addition, deletion or modification of descriptions of the Improvements may be made consistent with the requirements of the Board of Directors of Temescal Valley Water District, CFD No. 4 and the Act.

The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

All costs associated with the creation of CFD No. 4, the issuance of the bonds, the determination of the amount of special taxes to be levied, costs otherwise incurred in order to carry out the authorized purposes of CFD No. 4, including legal fees, fees of consultants, engineering, planning, designing and the annual administration cost of CFD No. 4.

ATTACHMENT E

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Improvement Area No. 1 ("IA No. 1") of Temescal Valley Water District Community Facilities District No. 4 (Terramor) ("CFD No. 4") and collected each Fiscal Year commencing in Fiscal Year 2017-2018, in an amount determined by the Board, through the application of the Rate and Method of Apportionment as described below. All of the real property in IA No. 1, 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 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 Map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of IA No. 1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Water District or designee thereof or both); the costs of collecting the Special Taxes (whether by the Water District or otherwise); the costs of remitting the Special Taxes 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 the Water District, CFD No. 4 or any designee thereof of complying with arbitrage rebate requirements; the costs to the Water District, CFD No. 4 or any designee thereof of complying with Water District, IA No. 1 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Water District, CFD No. 4 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from an escrow account; the costs associated with the Special Tax reduction described in Section J; the costs associated with the issuance of Bonds; and the Water District's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Water District or CFD No. 4 for any other administrative purposes of IA No. 1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Approved Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public

Property, for which a Final Map was recorded prior to January 1 of the previous Fiscal Year.

"Assessor's Parcel" means any real property to which an Assessor's parcel number is assigned as shown on an Assessor's Parcel Map.

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

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property within IA No. 1, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property within IA No. 1, as determined in accordance with Section C below.

"Board" means the Board of Directors of the Water District, acting as the legislative body of CFD No. 4.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 4 for IA No. 1 under the Act.

"CFD Administrator" means an official of the Water District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 4" means the Temescal Valley Water District Community Facilities District No. 4 (Terramor).

"County" means the County of Riverside.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Other Taxable Property, (i) for which a building permit was issued prior to March 1 of the prior Fiscal Year, and (ii) that is located within a Final Map.

"Final Map" means (i) a final map, or portion thereof, 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 without further subdivision, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 1352 creating such individual lots or parcels.

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

"Improvement Area No. 1" or "IA No. 1" means Improvement Area No. 1 of CFD No. 4.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Class" means any of the classes listed in Tables 1 and 2 below.

"Maximum Special Tax" means the Maximum Special Tax, determined in accordance with Section C and Section D below, that can be levied in any Fiscal Year on any Assessor's Parcel within IA No. 1.

"Non-Residential Property" means Developed Property for which a building permit(s) was issued for a non-residential use.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Other Taxable Property" means Taxable Public Property and Taxable Property Owner Association Property.

"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, except to the extent that the Special Tax levy on Residential Property is limited as described in the first step in Section D below. For Approved Property or Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Approved Property or Undeveloped Property. For Other Taxable Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Other Taxable Property.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of IA No. 1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Public Property" means, for each Fiscal Year, any property within IA No. 1 that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, Water District, or any other public agency as of June 30 of the prior Fiscal Year; 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 in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential dwelling unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the building permit(s) issued for such residential dwelling unit.

"Residential Property" means Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units.

"Special Tax" means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for the acquisition or construction of facilities authorized to be financed by IA No. 1 to the extent that inclusion of such amount does not increase the Special Tax levy on Approved Property or Undeveloped Property; and (vi) pay for reasonably anticipated Special Tax delinquencies based on the historical delinquency rate for IA No. 1 as determined by the CFD Administrator; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of IA No. 1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

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

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Approved Property, Developed Property, or Other Taxable Property.

"Water District" means the Temescal Valley Water District.

"Zone" means Zone A and/or Zone B, as applicable.

"Zone A" means Zone A of IA No. 1, as identified on the map included as Exhibit A.

"Zone B" means Zone B of IA No. 1, as identified on the map included as Exhibit A.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Taxable Property within Zone A and Zone B of IA No. 1 shall be classified as Developed Property, Approved Property, Other Taxable Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment as determined pursuant to Sections C and D below. Developed Property shall be further classified as Residential Property or Non-Residential Property.

C. MAXIMUM SPECIAL TAX

1. Developed Property

Residential Property in Zone A shall be assigned to Land Use Classes 1 through 5 of Table 1 below, and Non-Residential Property in Zone A shall be assigned to Land Use Class 6 of Table 1 below. Residential Property in Zone B shall be assigned to Land Use Class 1 through 5 of Table 2 below, and Non-Residential Property in Zone B shall be assigned to Land Use Class 6 of Table 2 below. The Assigned Special Tax for Residential Property shall be based on the Residential Floor Area of the dwelling unit(s) located on the Assessor's Parcel. The Assigned Special Tax for Non-Residential Property shall be based on the Acreage of the Assessor's Parcel.

(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.

The Maximum Special Tax (including the Assigned Special Taxes and the Backup Special Tax set forth in Sections C.1.(b), C.1.(c) and C.1.(d) below) may be reduced in accordance with, and subject to the conditions set forth in, Section J below.

(b) Assigned Special Tax – Zone A (Market Rate Units)

The Assigned Special Tax for each Land Use Class within Zone A is shown below in Table 1.

**TABLE 1
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)**

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,300 s.f.	\$3,183 per unit
2	Residential Property	2,151 – 2,300 s.f.	\$3,094 per unit
3	Residential Property	2,001 – 2,150 s.f.	\$2,977 per unit
4	Residential Property	1,851 – 2,000 s.f.	\$2,888 per unit
5	Residential Property	< 1,850 s.f.	\$2,799 per unit
6	Non-Residential Property	NA	\$29,636 per Acre

(c) Assigned Special Tax – Zone B (Age-Qualified Units)

The Assigned Special Tax for each Land Use Class within Zone B is shown below in Table 2.

TABLE 2
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$3,274 per unit
2	Residential Property	2,300 – 2,599 s.f.	\$2,888 per unit
3	Residential Property	1,900 – 2,299 s.f.	\$2,502 per unit
4	Residential Property	1,601 – 1,899 s.f.	\$2,115 per unit
5	Residential Property	< 1,601 s.f.	\$1,986 per unit
6	Non-Residential Property	NA	\$16,532 per Acre

(d) Backup Special Tax

The Backup Special Tax for an Assessor's Parcel of Developed Property will equal the amount indicated in Table 3 below for the applicable Zone.

TABLE 3
Backup Special Tax for
Zone A and Zone B

Zone	Backup Special Tax
A	\$29,636 per Acre
B	\$16,532 per Acre

2. Approved Property, Undeveloped Property and Other Taxable Property

The Maximum Special Tax for Approved Property, Undeveloped Property, and Other Taxable Property will equal the amount indicated in Table 4 below for the applicable Zone.

TABLE 4
Approved Property, Undeveloped
Property, and Other Taxable Property
in
Zone A and Zone B

Zone	Maximum Special Tax
A	\$29,636 per Acre
B	\$16,532 per Acre

3. Multiple Land Uses

In some instances an Assessor’s Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor’s Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor’s Parcel. The Maximum Special Tax that can be levied on an Assessor’s Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor’s Parcel. For an Assessor’s Parcel that contains multiple land uses, the Acreage of such Assessor’s Parcel shall be allocated to each type of 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 CFD Administrator’s allocation to each type of property shall be final.

D. APPORTIONMENT OF THE SPECIAL TAX

For each Fiscal Year, commencing Fiscal Year 2017-2018, the Board shall determine the Special Tax Requirement and shall levy the Special Tax as follows:

First: The Special Tax shall be levied Proportionately on each Assessor’s Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax as needed to satisfy the Special Tax Requirement;

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 Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

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 at up to 100% of the Maximum Special Tax for Undeveloped Property;

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 whose 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.

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Other Taxable Property at up to 100% of the Maximum Special Tax for Other Taxable Property.

Notwithstanding the above, pursuant to Section 53321(d)(3) of the California Government Code, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel(s) within CFD No. 4 by more than 10% 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 to increase in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Taxes shall be levied on Property Owner Association Property and Public Property, so long as the Acreage of Taxable Property is at least 18.15 Acres within Zone A and 69.37 Acres within Zone B. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property or Public Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property or Public Property, its tax-exempt status will be revoked.

To the extent that the exemption of an Assessor's Parcel of Property Owner Association Property or Public Property would reduce the Acreage of Taxable Property below 18.15 Acres in Zone A or 69.37 Acres in Zone B, such Assessor's Parcel shall be classified as Taxable Property Owner Association Property or Taxable Public Property, as applicable, and shall be subject to the levy of the Special Tax and shall be taxed as part of the sixth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Other Taxable Property.

F. APPEALS AND INTERPRETATIONS

Any taxpayer may file a written appeal of the Special Tax on his/her property with the CFD Administrator, 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 CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall eliminate or reduce the Special Tax on the appellant's property and/or provide a refund to the appellant. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Board by filing a written notice of appeal with the clerk of the Board, provided that the appellant is current in his/her

payments of Special Taxes. The second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator may interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any property owner appeals. Any decision of the CFD Administrator shall be subject to appeal to the Board whose decision shall be final and binding as to all persons.

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. 4 may directly bill the Special Tax, may collect the Special Tax 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

The following definitions apply to this Section H:

"CFD Public Facilities" means either \$21.9 million in 2016 dollars, which shall increase by the Construction Inflation Index on July 1, 2017, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 4 on behalf of IA No. 1 under the authorized bonding program for IA No. 1, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Tax levied under this Rate and Method of Apportionment as described in Section D.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"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 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 CFD Administrator 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 minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 4 for IA No. 1 prior to the date of prepayment.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property and Approved Property and/or Undeveloped Property for which a building permit has been issued, 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 CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service. Prepayment must be made not less than 45 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

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	<u>Reserve Fund Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated as follows:

Paragraph No.:

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 applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Approved Property and/or Undeveloped Property (for which a building permit has been issued) to be prepaid, 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 that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Tax for the entire IA No. 1 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development at buildout of IA No. 1, excluding any Assessor's Parcels which have been prepaid, and

- (b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated total Backup Special Tax at buildout of IA No. 1, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
 5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding 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 earliest redemption date for the Outstanding Bonds.
 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 CFD Administrator reasonably expects to derive from the reinvestment of the Special Tax Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding 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. Verify the administrative fees and expenses of CFD No. 4 related to the IA No. 1 prepayment, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming 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 ("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 Outstanding 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 Outstanding 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.
 14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "Prepayment Amount").

15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 4.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall 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, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of 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.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Approved Property and/or Undeveloped Property for which a building permit has been issued may be partially 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:

$$PP = [(P_E - AE) \times F] + AE$$

These terms have the following meaning:

AE	=	the Administrative Fees and Expenses
PP	=	the partial prepayment
P _E	=	the Prepayment Amount calculated according to Section H.1
F	=	the percentage by which the owner of the Assessor's Parcel is partially prepaying the Special Tax.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a reasonable fee for

providing this service. With respect to any Assessor's Parcel that is partially prepaid, the Water District shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 4 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 remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Special Tax that may be levied on Taxable Property (based on expected development at build out), both prior to and after the proposed prepayment, less expected Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all Outstanding Bonds (excluding Bonds to be redeemed by such prepayment and all prior prepayments) in each future Fiscal Year and such partial prepayment will not impair the security of all Outstanding Bonds, as reasonably determined by the CFD Administrator.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for the period necessary to fully satisfy items (i) through (iv) of the Special Tax Requirement, but in no event shall it be levied after Fiscal Year 2055-56.

J. SPECIAL TAX REDUCTION

"Independent Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 4 that (a) has substantial experience in performing Price Point Studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 4 or the Water District, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 4, (ii) the Water District, (iii) any owner of real property in CFD No. 4, or (iv) any real property in CFD No. 4, and (e) is not connected with CFD No. 4 or the Water District as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 4 or the Water District.

"Plan Type" means, for each Zone, a discrete residential plan type that is constructed or expected to be constructed within IA No. 1 as identified in the Price Point Study.

"Price Point" means, with respect to the residential dwelling units in each Plan Type, as of any date, the minimum base price of such residential dwelling units, estimated as of such date, including any incentives and concessions, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area and lot size.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by an Independent Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within IA No. 1, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Independent Price Point Consultant's estimate of the Price

Point for each Plan Type and (e) uses a date for establishing such Price Points that is no earlier than 60 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to this Section J.

"Total Effective Tax Rate" means, for a Plan Type, the quotient of (a) the Total Tax and Assessment Obligation for such Plan Type divided by (b) the Price Point for such Plan Type, converted to a percentage.

"Total Tax and Assessment Obligation" means, with respect to a Plan Type, for the Fiscal Year in which the calculation is being performed, the quotient of (a) the sum of the Assigned Special Tax and estimated *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges levied or imposed on all residential dwelling units of such Plan Type in such Fiscal Year or that would have been levied or imposed on all such residential dwelling units had such residential dwelling units been completed, sold and subject to such levies and impositions in such Fiscal Year divided by (b) the number of residential dwelling units in such Plan Type. The Total Tax and Assessment Obligation for each Plan Type shall be calculated based on the applicable Residential Floor Area, Price Point, and number of constructed and expected residential dwelling units for such Plan Type as identified in the Price Point Study.

Prior to the issuance of the first series of Bonds, the following steps shall be taken:

Step No.:

1. At least 30 days prior to the expected issuance date of the first series of Bonds, CFD No. 4 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Effective Tax Rate for each Plan Type.
3. Separately, for each Land Use Class, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B, then there shall be no change in the Assigned Special Tax for such Land Use Class.
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than 2.00% for property in Zone A or 1.75% for property in Zone B, then the CFD Administrator shall calculate a revised Assigned Special Tax for such Land Use Class, which revised Assigned Special Tax shall be the highest amount (rounded to the nearest whole dollar) that will not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed 2.00% for property in Zone A and 1.75% for property in Zone B.

4. If the Assigned Special Tax for any Land Use Class in a Zone is revised pursuant to step 3.b. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property within such Zone. The revised Backup Special Tax for such Zone shall be an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax for such Zone as set forth in Section C.1.(d), reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property in such Zone resulting from the calculations in steps 3.a. and 3.b. above. The weighted average percentage will be calculated by taking the sum of the products of the number of units constructed or expected to be constructed in each Land Use Class multiplied by the percentage change for each Land Use Class (or 0 for Land Use Classes that are not changing). This amount is then divided by the total number of units constructed or expected to be constructed within the Zone and converted to a percentage.
5. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. above, the CFD Administrator shall prepare and execute a Certificate of Reduction in Special Taxes substantially in the form of Exhibit B hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 4. The Certificate of Reduction in Special Taxes shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated pursuant to step 3.b., or (ii) the Assigned Special Tax as identified in Table 1 or Table 2 in Section C.1.(b) and C.1.(c) for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax for a Zone as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Table 3 in Section C.1.(d) for a Zone that was not revised as determined pursuant to step 4.
6. If the first series of Bonds is issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 4 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the date of such issuance, and, upon the issuance of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall, *ipso facto*, be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the first series of Bonds is not issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate of Reduction in Special Taxes shall not be acknowledged by CFD No. 4 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently, a first series of Bonds is expected to be issued, at least 30 days prior to the expected issuance date of such first series of Bonds, the CFD Administrator shall cause a new Price Point Study to be delivered to the CFD Administrator and, following such delivery, steps 2 through 5 of this section shall be performed based on such new Price Point Study.
7. As soon as practicable after the execution by CFD No. 4 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 4 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for IA No. 1 reflecting the Assigned Special Taxes and the Backup Special Tax for each Zone set forth in such Certificate of Reduction in Special Taxes.
8. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no

reduction in the Maximum Special Tax, and no Certificate of Reduction in Special Taxes shall be required. However the CFD Administrator shall prepare and deliver to CFD No. 4 a Certificate of No Reduction in Special Taxes substantially in the form of Exhibit C hereto dated as of the date of the issuance of the first series of Bonds that states that the calculations required pursuant to this Section J have been made and that no changes to the Assigned Special Tax or Backup Special Tax are necessary.

9. CFD No. 4 and the CFD Administrator shall take no further actions under this Section J upon the earlier to occur of the following: (i) the execution of the acknowledgement by CFD No. 4 on a Certificate of Reduction in Special Taxes pursuant to step 6; or (ii) the delivery by the CFD Administrator of a Certificate of No Reduction in Special Taxes pursuant to step 8.

EXHIBIT A

ZONE MAP

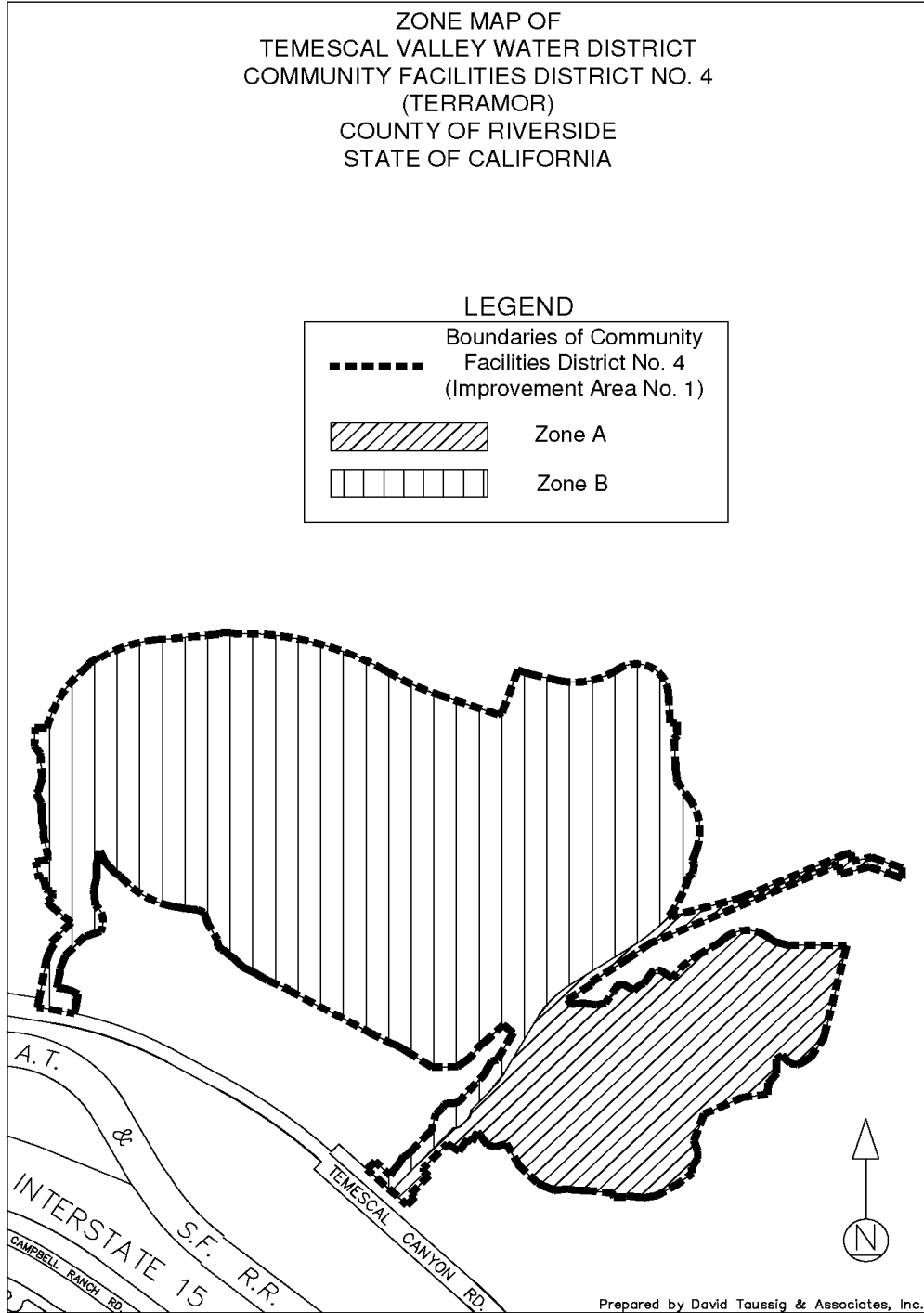


EXHIBIT B

CERTIFICATE OF REDUCTION IN SPECIAL TAXES

**Temescal Valley Water District
IA No. 1 of CFD No. 4**

1. Pursuant to Section J of the Rate and Method of Apportionment, the Assigned Special Tax and Backup Special Tax for Developed Property for [certain or all] Land Use Classes within IA No. 1 has been reduced.
2. The calculations made pursuant to Section J were based upon a Price Point Study that was received by the CFD Administrator on _____.
3. Tables 1A and 2A below show the Assigned Special Tax for each Land Use Class in Zones A and B after such reduction.

**TABLE 1A
Assigned Special Tax for Developed Property in
Zone A
(Market Rate Units)**

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,300 s.f.	\$_____ per unit
2	Residential Property	2,151 – 2,300 s.f.	\$_____ per unit
3	Residential Property	2,001 – 2,150 s.f.	\$_____ per unit
4	Residential Property	1,851 – 2,000 s.f.	\$_____ per unit
5	Residential Property	< 1,850 s.f.	\$_____ per unit
6	Non-Residential Property	NA	\$_____ per Acre

TABLE 2A
Assigned Special Tax for Developed Property in
Zone B
(Age-Qualified Units)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Residential Property	> 2,599 s.f.	\$_____ per unit
2	Residential Property	2,300 – 2,599 s.f.	\$_____ per unit
3	Residential Property	1,900 – 2,299 s.f.	\$_____ per unit
4	Residential Property	1,601 – 1,899 s.f.	\$_____ per unit
5	Residential Property	< 1,601 s.f.	\$_____ per unit
6	Non-Residential Property	NA	\$_____ per Acre

4. The Backup Special Tax for each Assessor's Parcel of Developed Property shall equal \$_____ per Acre in Zone A and \$_____ per Acre in Zone B after such reduction.
5. Upon execution of this certificate by CFD No. 4, CFD No. 4 shall cause an amended notice of Special Tax lien for IA No. 1 to be recorded reflecting the Assigned Special Tax and Backup Special Tax set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 4, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

TEMESCAL VALLEY WATER DISTRICT CFD NO. 4

By: _____ Date as of: [date of issuance of Bonds]

EXHIBIT C

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

**Temescal Valley Water District
IA No. 1 of CFD No. 4**

1. All calculations required pursuant to Section J of the Rate and Method of Apportionment have been made based upon a Price Point Study that was received by the CFD Administrator on _____.
2. Total Effective Tax Rate for all Plan Types in all Land Use Classes is less than or equal to 2.00% for property in Zone A and 1.75% for property in Zone B.
3. The Maximum Special Tax for Developed Property within IA No. 1, including the Assigned Special Taxes set forth in Sections C.1.(b) and C.1.(c) and the Backup Special Tax set forth in Section C.1.(d) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____

Date as of: [date of issuance of Bonds]

**CONSENT OF THE SOLE DIRECTOR AND STOCKHOLDER
OF
FORESTAR TOSCANA DEVELOPMENT COMPANY**

[CFD FORMATION DOCUMENTS]

The undersigned, being the sole director and stockholder of Forestar Toscana Development Company, a Delaware corporation (the "**Corporation**"), does hereby consent to the adoption of the following resolution (the "**Resolution**") as duly authorized valid corporate action pursuant to Sections 141 and 228 of the General Corporation Law of the State of Delaware:

WHEREAS, the Corporation is the owner of certain real property located in Riverside County, California which is being developed as a master-planned residential community known as "Terramor" (collectively, the "**Property**"); and

WHEREAS, it is in the best interest of the Corporation to execute and deliver the following: (A) that certain Petition to the Board of Directors of Temescal Valley Water District Requesting Institution of Proceedings for Establishment of a Community Facilities District to be Designated Community Facilities District No. 4 (Terramor) of Temescal Valley Water District and the Designation of Improvement Area No. 1 (the "**Petition**"), (B) that certain Acquisition/Financing Agreement by and between the Temescal Valley Water District, a public agency organized and validly existing pursuant to Division 13 of the California Water Code (the "**District**"), acting for and on behalf of itself and Community Facilities District No. 4 (Terramor), and the Corporation (the "**Acquisition Agreement**"), and (C) any other documents that any one or more of the Petition or the Acquisition Agreements contemplates will be entered into, executed and delivered in connection with the formation of the District and the transactions contemplated by the Petition and the Acquisition Agreement (the documents referred to in clauses (A) through (C), inclusive, hereof are collectively referred to herein as the "**CFD Formation Documents**").

RESOLVED that the execution and delivery of the CFD Formation Documents by the Corporation is hereby approved, confirmed and ratified; and

RESOLVED FURTHER, that the undersigned hereby authorizes, empowers and directs Stephen C. Cameron, in his capacity as the President of the Corporation, to execute and deliver the CFD Formation Documents.

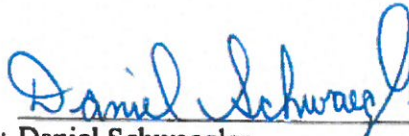
In no event shall the foregoing, or anything else in this Resolution, waive or otherwise limit the liability of Foremost Land 2, LLC ("**JVP**") for (x) a breach of its obligations to Forestar Land Holdings II, L.L.C. ("**Starwood**") (including, without limitation, any action by any representative of JVP while acting as an officer of the Corporation that is beyond the scope of such person's authority, as limited under the operating agreement of the undersigned, and any obligation to obtain the consent of Starwood [recognizing that Starwood has consented to the execution and delivery of the CFD Formation Documents and has granted to JVP the other authority referenced herein]) and (y) a failure to provide prior written notice to Starwood (which notice may be provided by e-mail to Daniel Schwaegler and any other authorized representative of Starwood) of the execution and delivery of the CFD Formation Documents.

This Resolution may be executed by one or more of the parties hereto on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Telecopied or PDF signatures may be used in place of original signatures on this Resolution. The parties intend to be bound by the signatures on the telecopied or PDF document and are aware that the other parties will rely on the telecopied or PDF signatures, and hereby waive any defense to the enforcement of the terms of this Resolution based on such telecopied or PDF signatures.

IN WITNESS WHEREOF, the undersigned have executed this Resolution as of September 20, 2016.

DIRECTOR AND SOLE SHAREHOLDER:

FORESTAR LAND PARTNERS III, LLC,
a Delaware limited liability company

By: 
Name: Daniel Schwaegler
Title: Senior Vice President

ACQUISITION/FINANCING AGREEMENT

THIS AGREEMENT is made and entered into this 27th day of September, 2016, by and between the TEMESCAL VALLEY WATER DISTRICT, a public agency organized and validly existing pursuant to Division 13 of the California Water Code (the “**District**”), acting for and on behalf of itself and COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR), and FORESTAR TOSCANA DEVELOPMENT COMPANY, a Delaware corporation (the “**Developer**”).

WHEREAS, the Developer has requested that the District consider the formation of a community facilities district under the terms and conditions of the “Mello-Roos Community Facilities Act of 1982,” as amended (Government Code Section 53311 and following) (the “**Act**”), for the acquisition or construction of certain public improvements, together with appurtenances and appurtenant work within the jurisdictional limits of the District, such community facilities district known and designated as COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) (the “**Community Facilities District**”);

WHEREAS, Developer owns certain real property within the District that is the first of three proposed phases of a master-planned community referred to as “Terramor” and, through a related-entity, has an option to acquire the other two phases;

WHEREAS, Developer, in order to proceed in a timely manner with development of its property within Terramor (the “**Development**”), desires to construct certain public improvements that are to be owned, operated and maintained by the District (the “**District Improvements**”), the County of Riverside (the “**County Improvements**” and the “**County**”, respectively), and the Riverside County Flood Control and Water Conservation District (“**Flood Control Improvements**” and “**Flood Control**”, respectively) and that are proposed to be funded, in whole or in part, through the Community Facilities District (each, an “**Improvement**” and, collectively, the “**Improvements**”);

WHEREAS, District and the Developer have entered into that certain “Potable Water, Sanitary Sewer and Non-Potable Water Facilities and Services Agreement (Toscana)” dated as of June 1, 2015 (the “**Facilities and Services Agreement**”) which provides for, among other things, (i) the construction of the District Improvements by or on behalf of Developer, (ii) the conditions for the District’s acceptance of the District Improvements, and (iii) the Developer’s advance of funds to the District for the acquisition of water rights and the District’s design, engineering and construction of certain of the District Improvements (each, a “**District Advance**” and, collectively, the “**District Advances**”);

WHEREAS, the District Improvements and their estimated costs are described in Exhibit A hereto;

WHEREAS, the Community Facilities District is proposed to ultimately consist of three improvement areas corresponding to three phases of the Development (each, an “**Improvement Area**” and, collectively, the “**Improvement Areas**”);

WHEREAS, currently Developer owns all of the property within Improvement Area No. 1 and, initially, the Community Facilities District shall consist solely of Improvement Area

No. 1 -- pursuant to Government Code Section 53339.2, Improvement Area Nos. 2 and 3 shall be identified as areas to be annexed into the Community Facilities District later with the unanimous consent of the landowner(s) within the respective Improvement Area;

WHEREAS, the construction or acquisition of the Improvements and repayment of the District Advances shall be funded solely from the proceeds of special taxes of the Improvement Areas (“**Special Taxes**”) and bonds to be issued by the Community Facilities District and be secured by the levy of such Special Taxes (“**Bonds**”);

WHEREAS, it is the intent of this Agreement that Developer shall be entitled pursuant to the provisions of this Agreement to be paid for Improvements solely from the proceeds of Special Taxes and Bonds at the prices determined by the District pursuant to this Agreement upon the completion of the construction of each Improvement and based upon the availability of such proceeds;

WHEREAS, the District is willing to acquire the District Improvements from Developer subject to the requirements of the Act, the Temescal Valley Water District Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts adopted by the Board of Directors of the District (the “**Goals and Policies**”) as of the date of this Agreement, and Developer desires that the District acquire the District Improvements;

WHEREAS, the Community Facilities District shall acquire the County Improvements and Flood Control Improvements on behalf of the County and Flood Control, respectively, pursuant to the Joint Community Facilities Agreement by and among the District, Developer, the County and Flood Control, dated as of March 1, 2016 (the “**County/Flood Control JCFA**”); and

WHEREAS, the County Improvements and the Flood Control Improvements and their estimated costs are described in Exhibits B and C to the County/Flood Control JCFA.

NOW, THEREFORE, IT IS MUTUALLY AGREED between the respective parties as follows:

Section 1. Recitals.

The above recitals are all true and correct.

Section 2. Plans and Specifications; Solicitation of Bids and Award of Construction Contract.

With the exception of the District Improvement defined as the “Treatment Plant” in the Facilities and Services Agreement, all plans, specifications and bid documents for the District Improvements (the “**Plans and Specifications**”) shall be prepared by the Developer at the Developer’s initial expense, subject to approval by the District. The costs of acquisition of such District Improvements shall include costs of the preparation of the Plans and Specifications and all related documentation as set forth in Section 4 below. The Plans and Specifications and the form of all construction contracts for the District Improvements shall expressly state that the District and the Community Facilities District are not parties to any construction contract for such District Improvements and have no liability whatsoever for the payment to any contractors, subcontractors, laborers or materialmen for the construction of the District Improvements.

Developer shall not award bids or enter into a contract for the construction, commence construction or cause commencement of construction of any District Improvement until the Plans and Specifications for such District Improvement have been approved by the District.

Developer shall invite at least three (3) bids for the construction of each District Improvement. Developer shall notify the General Manager of the District, or his or her designee (the “**General Manager**”) of the date, time and location of all bid openings and a representative of the District shall be permitted to attend any such bid opening. The Developer shall award the contract to the lowest responsible bidder. The invitation of bids and the award of any contract for the construction of any District Improvement shall conform to the provisions of this Section 2 and Exhibit B hereto.

Section 3. Construction, Inspection and Completion of Improvements.

The provisions of Section IV of the Facilities and Services Agreement shall apply to all District Improvements and compliance with such provisions with respect to a District Improvement shall be a pre-condition for the payment of the “Purchase Price” (defined below) of the District Improvement.

Section 4. Payment of Purchase Price.

(a) Amount of Purchase Price. The amount to be paid by the Community Facilities District for the Improvements to be acquired from Developer (the “**Purchase Price**”) shall (i) as to the District Improvements, be solely determined by District in accordance with the provisions of this Section 4, (ii) as to the County and Flood Control Improvements, be determined by the County and Flood Control pursuant to the County/Flood Control JCFA. The Purchase Price of each District Improvement shall (A) equal the lesser of the cost or the value thereof, (B) include the reasonable cost or value of eligible appurtenant public facilities, and (C) include all other applicable costs of construction and incidental costs eligible under the Act and the Goals and Policies as a part of the cost of the District Improvement, including the following:

(i) Usual and customary design and engineering costs including civil engineering, soils engineering, landscape, architecture, survey and construction staking, utility engineering and coordination, construction administration and supervision, plan check and inspection fees, not to exceed an amount equal to fifteen percent (15%) of the construction cost of the District Improvement.

(ii) Costs of construction management, administration and supervision, not to exceed an amount equal to five percent (5%) of the construction cost of the District Improvement.

(iii) Costs of environmental review, permitting and mitigation related directly to the District Improvement; provided, however, the mitigation may only include land or improvements owned by a public agency and must be subject to the written approval of the General Manager.

In no event shall the cost or value of the construction of a District Improvement be deemed to exceed the construction contract prices set forth in the construction contract(s) and change order(s) approved by District for the District Improvement.

(b) Priority of Funding. Subject to the prioritization described below, all of the Improvements and District Advances are eligible to be financed with the proceeds of the Special Taxes and Bonds of any of the Improvement Areas if and to the extent the Developer, or its successor assign, has acquired property within the Improvement Area. The proceeds of the Special Taxes and Bonds and interest earnings thereon of each Improvement Area available from time to time to finance the acquisition or construction of the Improvements and the funding or repayment of District Advances shall be reserved and disbursed according to the following priority:

(i) First, to reserve funds for the Treatment Plant expansion in accordance with the Facilities and Services Agreement to the extent not previously funded through District Advances; provided, however, the proceeds of the Special Taxes and Bonds of Improvement Area No. 1 shall only be required to be reserved or disbursed for the Phase I expansion of the Treatment Plant.

(ii) Second, to pay the Purchase Price of completed Improvements in the order in which Payment Requests have been submitted.

(iii) Third, to reimburse District Advances.

In accordance with the Act, the total amount of the proceeds of the Special Taxes and Bonds disbursed for the District Improvements and District Advances combined shall exceed the amount of such proceeds disbursed for either the County Improvements or Flood Control Improvements.

(c) Requisition for Payment of Purchase Price.

The Developer may submit a written request to the General Manager for the payment of the Purchase Price of a District Improvement to be acquired from the Developer upon the completion of the construction of the District Improvement in accordance with the approved Plans and Specifications. Such payment request must be in the form attached hereto as Exhibit C and conform to the requirements below and, unless previously provided to the District, must be accompanied by (1) as-built drawings or other equivalent plans and specifications for any District Improvement in a form reasonably acceptable to the District, (2) evidence that the Developer has posted a maintenance bond for such District Improvement as required by the Facilities and Services Agreement, (3) evidence of the recordation of a Notice of Completion as to such District Improvement unless such requirement is waived pursuant to the Facilities and Services Agreement, (4) evidence acceptable to the General Manager that the Developer's contractors have provided conditional lien releases for the District Improvement, and (5) evidence acceptable to the General Manager that the Developer's contractors have paid prevailing wages in accordance with applicable law.

(d) Documentation. All payment requests submitted by Developer must be properly executed and shall include all supporting documents referred to in the payment request.

(e) Review of Payment Request. The General Manager shall review each payment request. If the General Manager finds that any such payment request is incomplete, improper or otherwise not suitable for approval, the General Manager shall inform Developer in writing within ten (10) working days after receipt thereof, the reasons for his finding. Developer shall have the right to respond to this finding by submitting further documentation in support of the original payment request within ten (10) calendar days after receipt of the denial. The General

Manager shall review any further documentation submitted by the Developer to support the original payment request and inform Developer of his approval or denial of the payment request, as supplemented, within ten (10) working days after receipt of the further documentation. The resubmittal of an original payment request in its entirety or the submission of documentation in support of an original payment request more than thirty (30) days after receipt of the General Manager's denial of such payment request shall be deemed a new payment request for purposes of this Section.

The General Manager shall, prior to the sale of Bonds of an Improvement Area, and after the receipt of Facilities Special Taxes (defined below) of the Improvement Area, and his or her approval of a payment request, authorize that payment be made to the appropriate payee(s) from the Special Fund (defined below). In addition, the General Manager shall, after the sale of Bonds of an Improvement Area and the receipt of the proceeds of such Bonds and after his or her approval of a payment request, immediately forward a request to the fiscal agent or trustee for the Bonds requesting that such payment be made to the appropriate payee(s). Nothing contained herein shall prohibit the Developer from assigning Developer's right to receive payment of the Purchase Price or a portion thereof for any Improvement to Developer's contractor or such other person or entity as the Developer may designate in a payment request.

(f) Payment. The Purchase Price for each Improvement shall be paid to Developer within thirty (30) days after the date of the General Manager's approval of the payment request for any such Improvement to the extent of available funds. Notwithstanding any other provision of this Agreement, the Purchase Price of any Improvement shall be payable solely from available proceeds of Facilities Special Taxes and proceeds of the sale of Bonds, after all costs of formation of the Community Facilities District and all costs of issuance of such Bonds have been paid and deposits of accrued and capitalized interest to the redemption fund and the initial deposits to fund the reserve fund and annual administrative expenses of the Community Facilities District have been made. Except for such available Facilities Special Taxes and Bond proceeds, the District shall have no obligation to pay for the acquisition of the Improvements from any other source of funds.

In addition to the foregoing, the District shall have the right to withhold payment of the Purchase Price of any Improvement if (a) the Developer is delinquent in the payment of any Special Taxes levied by the District on properties then owned by the Developer within the Community Facilities District, (b) the General Manager reasonably determines that the Developer is not then in substantial compliance with all applicable conditions and obligations imposed upon the Development by the District as a precondition to the development of the Development, including but not limited to, payment of all applicable fees, dedication of all applicable rights-of-way or other property and construction of all other public improvements required by the District and/or (c) the General Manager reasonably determines that the Developer is then not in substantial compliance with the Developer's disclosure obligations pursuant to Section 12 hereunder. The General Manager shall provide written notice to the Developer of the decision to withhold any such payment and shall specify the reason for such decision. If the payment is withheld as a result of the delinquency in the payment of special taxes, the notice shall identify the delinquent parcels and the amount of such delinquency. If the payment is withheld as a result of substantial non-compliance with a condition or obligation, the notice shall specify such condition or obligation and what action will be necessary by the Developer to substantially comply with such condition or obligation. Upon receipt by the

General Manager of evidence reasonably satisfactory to the General Manager of the payment of the delinquent special taxes or upon the determination by the General Manager that the Developer has substantially complied with the subject condition or obligation, the District shall forthwith make any payment which has been withheld pursuant to the provisions of this paragraph.

Section 5. County/Flood Control JCFA

The County/Flood Control JCFA establishes, among other terms and conditions, provisions pursuant to which the design, bidding, construction, inspection and acceptance of the County Improvements and Flood Control Improvements, respectively, will be undertaken and pursuant to which the County Improvements and Flood Control Improvements, respectively, will be acquired and the Purchase Price for such Improvements established and paid. The District and the Developer agree that the County/Flood Control JCFA shall control as to all matters contained therein. In furtherance of such agreement, the District and Developer further agree that if and to the extent that the provisions of the County/Flood Control JCFA and this Agreement conflict, the provisions of the County/Flood Control JCFA shall control. If and to the extent that this Agreement contains terms and conditions related to subject matters not addressed in the County/Flood Control JCFA and which pertain to the County Improvements or Flood Control Improvements, respectively, the provisions of this Agreement shall apply. Notwithstanding the foregoing, the priority of funding set forth in Section 4(b) shall control the County/Flood Control JCFA.

Section 6. Review of Records.

The authorized representatives of District shall have the right, upon two (2) days prior written notice to Developer and during normal business hours, to review all books and records of Developer pertaining to costs and expenses incurred by Developer in construction of any Improvement. The Developer shall have the right, upon two (2) days prior written notice to District and during normal business hours, to review all books and records of the Community Facilities District pertaining to the proceeds of the Special Taxes and Bonds.

Section 7. Indemnification by Developer.

Developer shall defend, indemnify and hold harmless District, its officers, directors, employees and agents, the Community Facilities District, its officers, directors, employees and agents, Flood Control, its officers, directors, employees and agents, and the County, its officers, directors, employees and agents, from and against any and all claims, losses, liabilities, damages, including court costs and reasonable attorneys' fees by reason of, or resulting from, or arising out of the design, engineering and construction of the Improvements; the payment or failure of payment by the Developer to Developer's contractor and/or the payment or failure of payment by Developer's contractor for subcontract work undertaken for any Improvement or for payment to laborers and/or materialmen providing labor or materials for the construction of any Improvement; the misstatement of a material fact or the failure to state a material fact in violation of any federal or state securities law in the initial disclosure or continuing disclosure pertaining to the issuance of any series of the Bonds; provided that any claims which relate to the Improvements shall be limited to those arising out of personal injury or property damage caused by actions or omissions by Developer or Developer's employees, agents, independent contractors or representatives which occurred during the period prior to the transfer of title to the Improvements by District, whether or not a claim is filed

prior to the date of acceptance of the Improvements. The provisions set forth in the preceding sentence are intended to apply to the failure by Developer or Developer's contractor to pay prevailing wages for work performed in the construction of any Improvement pursuant to applicable law, if any. Developer's obligations set forth in the preceding sentence shall not extend to claims, losses, liabilities or damages resulting from the sole negligence or willful misconduct of the District, its officers, directors, employees or agents, the Community Facilities District, its officers, directors, employees and agents, Flood Control, its officers, directors, employees and agents, or the County, its officers, directors, employees or agents. Nothing in this Section 7 shall limit in any manner the rights of the District, the Community Facilities District, Flood Control, or County against any of the architects, engineers, contractors or other consultants employed by the Developer which has performed work in connection with construction or financing of the Improvements.

Except as set forth in this Section 7, no provision of this Agreement shall in any way limit the extent of the responsibility of Developer for payment of damages resulting from the operations of the Developer, its agents, employees or contractors.

In addition, Developer agrees, in connection with the issuance of each series of Bonds at a time during which the Developer owns taxable property within the Improvement Area for which the Bonds are being issued, to certify as of the date on the preliminary official statement and the final official statement, respectively, that all of the information with respect to the Developer and its Affiliates, as defined in the fiscal agent agreement, regarding the proposed development of the applicable portion of the Property, ownership of the applicable portion of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders (if any), and the Developer's contractual arrangements (excluding therefrom any information regarding the appraised valuation of the applicable portion of the Property, statements pertaining to the appraisal, and information which is identified as having been provided by a source other than Developer (or an Affiliate), is true and correct in all material respects and does not contain any untrue statements of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Solely as to the information indicated in the preceding paragraph concerning the Developer, its Affiliates and the development of the applicable portion of the Property, and subject to the limitations and exclusions set forth in the preceding paragraph, the Developer agrees to indemnify and hold harmless, to the extent permitted by law, the District and its officials and employees, and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities and Exchange Act of 1934, as amended, against any and all losses, claims, damages or liabilities, joint or several, to which such indemnified party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such indemnified party for any reasonable legal or other expense incurred by it in connection with investigating any claims against it and defending any actions insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact with respect to such information, in the final official statement, in any amendment or supplement to such final official statement or in any semi-annual report or other disclosure statement provided by or on behalf of the Developer in connection with the Bonds, required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnity provision shall not be construed as a limitation on any other liability which Developer may otherwise have to any

indemnified party, provided that in no event shall the Developer be obligated for double indemnification.

Section 8. Election of District to Construct the Sewer Treatment Plant Expansion.

Notwithstanding any provisions herein to the contrary, the District has elected to solicit bids for, award a contract for and administer and supervise the design and construction of the Treatment Plant expansion. Proceeds of the Special Taxes and Bonds from which the design and construction of the Treatment Plant is to be funded may be set aside for and utilized for such purpose or to reimburse prior District Advances for such design or construction costs.

Section 9. Obligation of District.

Except for the Treatment Plant expansion, neither the District, the Community Facilities District, Flood Control, nor the County has a legal or financial obligation to construct or pay for the actual construction of the Improvements. All costs incurred for actual construction of such Improvements, including all incidentals thereto, shall be borne by Developer. The obligations of the District are limited to the acquisition of such Improvements and the design and construction of the Treatment Plant expansion pursuant to the provisions of this Agreement and the Facilities and Services Agreement; provided, however, the District is obligated to fund the acquisition of such Improvements and the design and construction of the Treatment Plant expansion solely to the extent of the District Advances made by Developer and the proceeds of the Special Taxes and Bonds reserved for such purpose.

Section 10. Failure by Developer to Construct District Improvements.

At any time that the construction of the District Improvements to be acquired from the Developer is not progressing within a reasonable time in accordance with the Facilities and Services Agreement or the Developer fails to demonstrate a continuing ability to complete the construction of such District Improvements in accordance with the Facilities and Services Agreement, the District may give written notice of such failure of performance to the Developer. Developer shall have sixty (60) days from the date of receipt of such notice to cure such failure of performance by demonstrating to the satisfaction of the District during such cure period reasonable progress in the construction of such District Improvements and a continuing ability to complete the construction of such District Improvements in accordance with the Facilities and Services Agreement. Should Developer fail to satisfactorily demonstrate such reasonable progress or such continuing ability, this Agreement may be terminated by the District by providing ten (10) days written notice to the Developer. Upon termination, the District may in its sole discretion then proceed to advertise and bid the balance of such District Improvements, and there will be no further obligation on the part of the District for payment due to Developer pursuant to this Agreement.

In the event that the District chooses not to advertise and bid the balance of such District Improvements following such a termination, any monies remaining in the Special Fund or any improvement fund for the Community Facilities District and not appropriated or subject to appropriation for eligible expenses of the Community Facilities District previously incurred shall be transferred to the redemption fund for the Community Facilities District and used to call outstanding Bonds.

Section 11. Agreement Contingent.

This Agreement is contingent upon the formation of the Community Facilities District, the authorization by the qualified electors of the Community Facilities District to levy special taxes and incur bonded indebtedness and the successful sale of Bonds, and it shall be null and void if such Bonds are not sold for the first Improvement Area within a three (3) year period following the date of this Agreement, or any mutually agreed extension; however, this time can be extended by request of the Developer and concurrence of the legislative body.

The District may, at its option, suspend the performance of its obligations under this Agreement if, during the 30-day statute of limitations period following the formation of the Community Facilities District, any legal challenge is filed relating to the validity or enforceability of this Agreement, the Community Facilities District proceedings or the issuance of the Bonds. The obligations of the District hereunder shall be reinstated upon the entry of a final judgment in any such proceedings upholding the validity and enforceability of the Agreement, the Community Facilities District proceedings and the issuance of the Bonds. In the event that a final judgment is entered invalidating or declaring unenforceable this Agreement, the Community Facilities District proceedings or the issuance of the Bonds, the District may, at its option, terminate this Agreement.

Section 12. Notice of Special Tax.

Developer, or the successor or assigns of the Developer, shall provide written notice to all potential purchasers of lots in the form required by Government Code Section 53341.5 advising the potential owner of the fact of the proposed or confirmed Community Facilities District, with such document being executed by the potential purchaser. Such notice shall be provided to the potential purchaser before the potential purchaser becomes contractually committed to purchase the lot so that the potential purchaser may knowingly consider the impact of the special tax in the decision to purchase the lot. A copy of all such notices executed by actual purchasers shall be sent to the General Manager.

Section 13. Relationship to Public Works.

This Agreement is for the construction and acquisition of certain Improvements by District and the levy of Special Taxes and sale of the Bonds for the payment of construction and acquisition costs for such Improvements and such other amounts as are herein provided, and is not intended to be a public works contract. In performing its obligations under this Agreement, Developer is an independent contractor and not the agent of District. District shall have no responsibility for payment to any contractor or supplier of Developer. Notwithstanding the foregoing, Developer may be subject to certain public contract requirements with respect to the Improvements as provided in Section 3 of this Agreement to the extent required pursuant to the Act.

Section 14. Levy of Special Taxes.

If and when the Community Facilities District is formed and authorization for the levy of Special Taxes approved by the qualified electors for each Improvement Area and the Improvement Area is included in, or annexed into the District, the District shall levy the Special Taxes of the Improvement Area in accordance with the Rate and Method of Apportionment of Special Taxes approved for the Improvement Area (the "**Rate and Method**"). It is expected each Rate and Method

will provide for the levy of Special Taxes on parcels for which a building permit has been issued (“**Developed Property**”) to pay directly for Improvements and District Advances prior to the issuance of Bonds of the Improvement Area and beginning in the first fiscal year that a parcel is classified as Developed Property. Such Special Taxes levied on and collected from Developed Property prior to the issuance of Bonds for the Improvement Area that are not required to pay administrative expenses of the Community Facilities District (“**Facilities Special Taxes**”) shall be held in a special, discrete fund established by the District for the Community Facilities District (the “**Special Fund**”) and shall be disbursed to repay District Advances and finance the Improvements in accordance with this Agreement and to fund costs of issuance and capitalized interest for the Bonds. The Community Facilities District shall not be obligated to levy the Special Taxes within an Improvement Area directly to finance the costs of Improvements or to repay District Advances following the issuance of Bonds of the Improvement Area.

Section 15. Sale of Bonds.

If and when the Community Facilities District is successfully formed, authorization for the levy of Special Taxes approved by the qualified electors, and when an Improvement Area has been included in, or annexed into, the Community Facilities District, the District shall, subject to the exercise of the District’s discretion pursuant to the following paragraph, proceed with the issuance and sale of Bonds secured by the Special Taxes of the Improvement Area pursuant to the Act. The parties anticipate that the Bonds will be sold in one (1) or more series for each Improvement Area (each, a “**Series**”). The proceeds of each Series of the Bonds shall be used in the following priority to (i) fund a reserve fund for the payment of principal and interest with respect to the Bonds; (ii) fund capitalized interest on the Bonds in accordance with the Goals and Policies; (iii) pay for costs of issuance of the Bonds including, without limitation, underwriter’s discount, bond counsel fees, printing, and paying agent fees; (iv) as to the first Series of Bonds, pay for the costs of forming the Community Facilities District; and (v) pay for the costs of the construction or acquisition of the Improvements and reimbursement of the District Advances pursuant to the provisions of this Agreement.

The timing of the issuance and sale of each Series of the Bonds, the terms and conditions upon which each Series of the Bonds shall be issued and sold, the method of sale of each Series of the Bonds and the pricing of each Series of the Bonds shall be determined solely by the District and shall conform to the Goals and Policies and this Agreement. The sale of each Series of the Bonds shall be subject to receipt by the District of a competitively bid or negotiated bond purchase agreement which is acceptable to the District and may be subject to the provision of one or more letters of credit, if required in accordance with the Goals and Policies.

For each Series of the Bonds, Developer agrees to provide all information (“**Original Disclosure**”) regarding the Developer and the development of the property owned by the Developer within the Improvement Area for which Bonds are being issued, including the development and financing plan for such property, which is necessary to ensure that the official statement for such Bonds complies with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”) and all other applicable federal and state securities laws. Additionally, Developer agrees to enter into a continuing disclosure agreement to provide such continuing disclosure pertaining to the Improvement Area, the development thereof and the Developer (“**Continuing Disclosure**”) as is necessary to ensure ongoing compliance with the continuing disclosure

requirements of the Rule. Developer agrees to require each merchant builder acquiring property within an Improvement Area to provide both Original Disclosure and Continuing Disclosure regarding such merchant builder and the property of such merchant builder within the Improvement Area.

Section 16. Conflict with Other Agreements.

Except as specifically provided herein, nothing contained herein shall be construed as releasing Developer from any condition of development or requirement imposed by any other agreement with District. In the event of a conflicting provision, such other agreement shall prevail unless such conflicting provision is specifically waived or modified in writing by District.

Section 17. General Standard of Reasonableness.

Any provision of this Agreement which requires the consent, approval, discretion or acceptance of any 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.

Section 18. Entire Agreement; Amendment.

This Agreement and the Facilities and Services Agreement expressly referred to herein contain all of the agreements of the parties hereto with respect to the matters contained herein and no prior or contemporaneous agreement or understandings, oral or written, pertaining to any such matters shall be effective for any purpose. No provision of this Agreement may be modified, waived, amended or added to except by a writing signed by the party against which the enforcement of such modification, waiver, amendment or addition is or may be sought.

Section 19. Notices.

Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered or seventy-two (72) hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

Developer: Forestar Toscana Development Company
 4590 MacArthur Boulevard, Suite 600
 Newport Beach, CA 92660
 Attn: Brian Woods

District: Temescal Valley Water District
 22646 Temescal Canyon Road
 Corona, CA 92883
 Attention: General Manager

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other party.

Section 20. Severability.

If any provision 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 21. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Developer may not assign its rights or obligations hereunder except upon written notice to District within ten (10) days of the date of such assignment indicating the name and address of the assignee. Upon such notice and the assumption by the assignee of the rights, duties and obligations of the Developer arising under or from this Agreement, Developer shall be released by District from all future duties or obligations arising under or from this Agreement but shall not be released from its indemnification of District arising from Developer's prior acts. Notwithstanding the preceding sentence, Developer may assign its rights and obligations hereunder as security to lenders for the purpose of obtaining loans to finance development within the Community Facilities District, but no such assignment shall release Developer from its obligations hereunder to District.

Section 22. 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. Additionally, this Agreement and the construction of the Improvements shall be subject to all District ordinances and regulations relating to the requirement of improvement agreements, land division, improvement security or other applicable development requirements.

Section 23. Waiver.

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

Section 24. Singular and Plural; Gender.

As used herein, the singular of any work includes the plural, and terms in the masculine gender shall include the feminine.

Section 25. Counterparts.

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

Section 26. Construction of Agreement.

This Agreement has been reviewed by legal counsel for both the District and the Developer and shall be deemed for all purposes to have been jointly drafted by the District and the Developer. No presumption or rule that ambiguities shall be construed against the drafting party shall apply to

the interpretation or enforcement of this Agreement. The language in all parts of this Agreement, in all cases, shall be construed as a whole and in accordance with its fair meaning and not strictly for or against any party and consistent with the provisions hereof, in order to achieve the objectives of the parties hereunder. The captions of the sections and subsections of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of construction.

Section 27. Termination.

This Agreement may be terminated by the mutual, written consent of the District and the Developer, in which event the District may let contracts for any remaining work related to the District Improvements not theretofore acquired from the Developer hereunder, and use all or any portion of the proceeds of the Special Taxes and Bonds to pay for same, and the Developer shall have no claim or right to any further payments hereunder, except as otherwise may be provided in such written consent.

The following events shall constitute grounds for the District, at its option and in its sole discretion, to terminate this Agreement, without the consent of the Developer:

(a) The Developer shall voluntarily file for reorganization or other relief under any Federal or State bankruptcy or insolvency law.

(b) The Developer shall have any involuntary bankruptcy or insolvency action filed against it, or shall suffer a trustee in bankruptcy or insolvency or receiver to take possession of the assets of Developer, or shall suffer an attachment or levy of execution to be made against the property it owns within the District unless, in any of such cases, such circumstance shall have been terminated or released within ninety (90) days thereafter.

(c) The Developer shall not complete construction of any of the District Improvements within ten (10) years following the formation of the Community Facilities District.

(d) The Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(e) Any property owned by the Developer within the Community Facilities District shall be foreclosed upon.

If any such event occurs, the District shall give written notice of its knowledge thereof to the Developer, and the Developer agrees to meet and confer with the General Manager as to options available to assure timely completion of the District Improvements. Such options may include, but not be limited to the termination of this Agreement by the District. If the District elects to terminate this Agreement, the District shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the District to receive such notice) of the grounds for such termination and allow the Developer a reasonable period (minimum of thirty (30) days) to eliminate or mitigate to the satisfaction of the General Manager the grounds for such termination. Such period may be extended, at the sole discretion of the District, if the Developer, to the satisfaction of the District, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof, as determined solely by the

District), the Developer has not eliminated or completely mitigated such grounds, to the satisfaction of the District, the District may then terminate this Agreement.

Section 28. Force Majeure.

Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes, inclement weather or other acts of God, war, civil commotion, riots, strikes, acts of terrorism, picketing, other labor disputes, damage to work in progress by casualty, government shutdowns, moratoria or other restrictive laws or regulations, or the acts, omissions or breach of agreement by the other party to this Agreement or its agents, contractors or subcontractors, or by other cause beyond the reasonable control of the party (financial inability excepted), then the specified time for performance shall be extended by the amount of the delay actually so caused.

Section 29. No Obligation to Form Community Facilities District.

Developer acknowledges that the decision of the Board of Directors of the District to form the Community Facilities District is a legislative action and the District may not enter into an agreement to obligate the Board of Directors of the District to exercise its legislative discretion in a particular manner or for a particular result. This Agreement does not, therefore, in any way create a contractual, legal or equitable obligation of or commitment by the District to approve the formation of the Community Facilities District.

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Signature Page to
Acquisition/Financing Agreement by and between
the Temescal Valley Water District and Forestar Toscana Development Company

EXECUTED by and between the parties hereto on the day and year first hereinabove written.

“DISTRICT”

TEMESCAL VALLEY WATER DISTRICT

By: _____
Name: _____
Title: _____

“DEVELOPER”

FORESTAR TOSCANA DEVELOPMENT
COMPANY, a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

DESCRIPTION OF DISTRICT IMPROVEMENTS

Toscana CFD Summary

= Actual Contract Amount

Temescal Canyon Road Summary

Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>	<u>Agency</u>
1-1	Temescal Canyon Potable Water Improvements	\$1,819,204	\$362,931	\$2,182,135	TVWD
1-2	Temescal Canyon Non-Potable Water Improvements	\$1,128,997	\$225,235	\$1,354,232	TVWD
1-3	Temescal Canyon Sewer Improvements	\$1,298,783	\$259,107	\$1,557,890	TVWD
1-5	Temescal Canyon Dry Utility Improvements	\$1,606,880	\$320,573	\$1,927,453	TVWD
1-7	Temescal Canyon Environmental Mitigation - TVWD	\$600,311	\$0	\$600,311	TVWD
Total - Toscana CFD Summary		\$6,454,175	\$1,167,846	\$7,622,021	

Phase 1 Backbone Summary

Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>	
2-1	Phase 1 Backbone Potable Water Improvements	\$2,040,860	\$407,152	\$2,448,012	TVWD
2-1-1	Phase 1 Intract Water - Builders Secondary Access/Model Street	\$955,508	\$190,624	\$1,146,132	TVWD
2-1	Sycamore Creek Potable Pump Station Upgrade	\$660,000	\$131,670	\$791,670	TVWD
2-2	Phase 1 Backbone Non-Potable Water Improvements	\$601,920	\$120,083	\$722,003	TVWD
2-2-1	Phase 1 Intract Non-Potable Water - Builders Secondary Access/Model Street	\$141,859	\$28,301	\$170,160	TVWD
2-2-2	Sycamore Creek Non-Potable Pump Station Upgrade	\$232,771	\$46,438	\$279,208	TVWD
2-3	Phase 1 Backbone Sewer Improvements	\$996,836	\$198,869	\$1,195,704	TVWD
2-3-1	Phase 1 Intract Sewer - Builders Secondary Access Streets	\$696,465	\$138,945	\$835,410	TVWD
2-3-2	Regional Sewer Lift Station	\$4,180,000	\$833,910	\$5,013,910	TVWD
2-3-3	Phase 1 Sewer Treatment Plant Expansion	\$3,709,532	\$740,052	\$4,449,584	TVWD
2-4	Phase 1 Backbone Dry Utility Improvements	\$2,700,070	\$538,664	\$3,238,734	TVWD
2-6	Phase 1 1320 Zone Reservoir Capacity Buy-In	\$542,300	\$0	\$542,300	TVWD
2-7	Phase 1 MWD Water Capacity	\$3,487,561	\$0	\$3,487,561	TVWD
2-8	Phase 1 Environmental Mitigation - TVWD	\$770,563	\$0	\$770,563	TVWD
Total - Phase 1 Backbone Summary		\$21,716,245	\$3,374,706	\$25,090,952	

Phase 2 Backbone Summary

Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>	
3-1	Phase 2 Backbone Potable Water Improvements	3,613,397	720,873	4,334,270	TVWD
3-1-1	Phase 2 Intract Water - Builders Secondary Access Streets	691,158	137,886	829,043	TVWD
3-1-2	Phase 2 Potable Water 1509 Zone Reservoir Facility	2,425,500	483,887	2,909,387	TVWD
3-2	Phase 2 Backbone Non-Potable Water Improvements	2,075,480	414,058	2,489,538	TVWD
3-2-1	Phase 2 Non-Potable Water 1486 Zone Reservoir Facility	1,485,000	296,258	1,781,258	TVWD
3-3	Phase 2 Backbone Sewer Improvements	298,614	59,574	358,188	TVWD
3-3-1	Phase 2 Intract Sewer - Builders Secondary Access Streets	148,779	29,681	178,461	TVWD
3-3-2	Phase 2 Sewer Treatment Plant Expansion	3,709,532	740,052	4,449,584	TVWD
3-4	Phase 2 Backbone Dry Utility Improvements	925,127	184,563	1,109,690	TVWD
3-7	Phase 2 1320 Zone Reservoir Capacity Buy-In	163,200	0	163,200	TVWD
3-8	Phase 2 Backbone Streets Environmental Mitigation-TVWD	246,226	0	246,226	TVWD
Total - Phase 2 Backbone Summary		\$15,782,014	\$3,066,831	\$18,848,845	

Phase 3 Backbone Summary
 Phase 3

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>	
4-1	Phase 3 Backbone Potable Water Improvements	\$1,267,189	\$252,804	\$1,519,993	TVWD
4-1-1	Phase 3 Intract Water - Builders Secondary Access Streets	\$87,903	\$17,537	\$105,440	TVWD
4-1-2	Phase 3 Potable Pump Station Zone 1630	\$880,000	\$175,560	\$1,055,560	TVWD
4-2	Phase 3 Backbone Non-Potable Water Improvements	\$550,273	\$109,779	\$660,052	TVWD
4-2-1	Intract Non-Potable Water - Builders Secondary Access Streets	\$148,271	\$29,580	\$177,851	TVWD
4-2-2	Phase 3 Non-Potable Pump Station	\$880,000	\$175,560	\$1,055,560	TVWD
4-3	Phase 3 Backbone Sewer Improvements	\$102,496	\$20,448	\$122,944	TVWD
4-3-1	Phase 3 Intract Water - Builders Secondary Access Streets	\$63,420	\$12,652	\$76,072	TVWD
4-4	Phase 3 Backbone Dry Utility Improvements	\$238,297	\$47,540	\$285,838	TVWD
4-7	Phase 3 Backbone Streets Environmental Mitigation-TVWD	\$93,885	\$0	\$93,885	TVWD
Total - Phase 3 Backbone Summary		\$4,311,734	\$841,461	\$5,153,195	
Total - Temescal Canyon Road and Phases 1-3		\$48,264,169	\$8,450,844	\$56,715,013	
Sub-Total - TVWD Eligible Improvements		\$48,264,169	\$8,450,844	\$56,715,013	TVWD
<u>Indirects - Temescal Canyon Road and Phases 1-3</u>					
	Performance Bond	0.8%	\$317,701		
	Engineering - Design	4.0%	\$1,694,405		
	Engineering - Staking	3.4%	\$1,440,244		
	Soils Engineering	2.0%	\$847,202		
	Plan Check & Inspection	3.0%	\$1,270,804		
	Agency Bond	1.8%	\$762,482		
	Construction Management / Bidding	5.0%	\$2,118,006		
Sub-Total - Indirect Cost		20.0%	\$8,450,844		

Temescal Canyon Road Summary
 Phase 1

= Actual Contract Amount

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>	<u>Agency</u>
1-1	Temescal Canyon Potable Water Improvements	\$1,819,204	\$362,931	\$2,182,135	TVWD
1-2	Temescal Canyon Non- Potable Water Improvements	\$1,128,997	\$225,235	\$1,354,232	TVWD
1-3	Temescal Canyon Sewer Improvements	\$1,298,783	\$259,107	\$1,557,890	TVWD
1-5	Temescal Canyon Dry Utility Improvements	\$1,606,880	\$320,573	\$1,927,453	TVWD
1-7	Temescal Canyon Environmental Mitigation - TVWD	\$600,311	\$0	\$600,311	TVWD
<u>Total - Temescal Canyon Road Summary</u>		<u>\$6,454,175</u>	<u>\$1,167,846</u>	<u>\$7,622,021</u>	

Indirects

Performance Bond	0.8%	\$43,904
Engineering - Design	4.0%	\$234,155
Engineering - Staking	3.4%	\$199,031
Soils Engineering	2.0%	\$117,077
Plan Check & Inspection	3.0%	\$175,616
Agency Bond	1.8%	\$105,370
Construction Management / Bidding	5.0%	\$292,693
<u>Sub-Total - Indirect Cost</u>	<u>20.0%</u>	<u>\$1,167,846</u>

Murow CM
Contractor: Genesis Construction

Segment 1-1: Temescal Canyon Potable Water Improvements
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
1-1	Temescal Canyon Potable Water Improvements	\$1,819,204	\$362,931	\$2,182,135
	<u>Indirects</u>			
	Performance Bond	0.75%	\$13,644	
	Engineering - Design	4.0%	\$72,768	
	Engineering - Staking	3.4%	\$61,853	
	Soils Engineering	2.0%	\$36,384	
	Plan Check & Inspection	3.0%	\$54,576	
	Agency Bond	1.8%	\$32,746	
	Construction Management / Bidding	5.0%	\$90,960	
	Sub-Total Indirect Costs	20.0%	\$362,931	

Segment 1-1: Temescal Canyon Potable Water Improvements

Phase 1

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
35.	Mobilization	LS	\$20,000.00	1	\$20,000
36.	Furnish and Install 16" Dia. DIP (Class 350) Waterline including Fittings and Appurtenances	LF	\$125.00	2,191	\$273,875
37.	Furnish and Install 16" Dia DIP (Class 350) including Restrained Joints, Fittings and Appurtenances	LF	\$145.00	3,208	\$465,160
38.	Furnish and Install 16" Dia. Butterfly Valve including raise to grade per LLWD Standard LLW-25	EA	\$4,500.00	6	\$27,000
39.	Furnish and Install 2" Air Vac & Air Release Assembly Per LLWD Standard LLW-6	EA	\$7,000.00	1	\$7,000
40.	Furnish and Install 3" Air Vac & Air Release Assembly Per LLWD Standard LLW-6	EA	\$10,000.00	1	\$10,000
41.	Furnish and Install 24" Steel Pipe Casing Per LLWD Standard LLW-18	LF	\$125.00	1,040	\$130,000
42.	Remove and Replace AC Pavement	LF	\$20.00	4,737	\$94,740
43.	Erosion Control	LS	\$1,000.00	1	\$1,000
44.	Traffic Control	LS	\$18,975.00	1	\$18,975
45.	Mobilization	LS	\$500.00	1	\$500
46.	Furnish and Install 16" Dia. DIP (Class 350) Waterline including Fittings and Appurtenances	LF	\$100.00	33	\$3,300
47.	Furnish and Install 16" Dia DIP (Class 350) including Restrained Joints, Fittings and Appurtenances	LF	\$115.00	1,634	\$187,910
48.	Furnish and Install 12" Dia. DIP (Class 350) Waterline including Fittings and Appurtenances	LF	\$65.00	1,835	\$119,275
49.	Furnish and Install 12" Dia. DIP (Class 350) including Restrained Joints, Fittings and Appurtenances	LF	\$70.00	1,507	\$105,490
50.	Furnish and Install 16" Dia. Butterfly Valve including raise to grade per LLWD Standard LLW-25	EA	\$4,500.00	3	\$13,500
51.	Furnish and Install 12" RS Gate Valve including raise to grade per LLWD Standard LLW-25	EA	\$4,000.00	7	\$28,000
52.	Furnish and Install Blow off Per LLWD Standard LLW-2	EA	\$8,000.00	3	\$24,000
53.	Furnish and Install 2" Air Vac & Air Release Assembly Per LLWD Standard LLW-6	EA	\$7,000.00	1	\$7,000
54.	Furnish and Install 1-1/2" Water Service Per LLWD Standard LLW-8	EA	\$3,500.00	1	\$3,500
55.	Remove and Replace AC Pavement	LF	\$20.00	132	\$2,640
56.	Erosion Control and SWPPP	LS	\$1,000.00	1	\$1,000
57.	Traffic Control	LS	\$500.00	1	\$500
58.	Contingency	%	10.0%	\$1,544,365	\$154,437

CCO's to Date

COR #2	Rejected/Unresolved - Upsizing of open cut steel casing				
COR #5	CCO #4 - Mechanical Joint Valves (potable portion)				\$31,888.98
COR #11	CCO #8 - Pipe Alignment Campbell Ranch Road				\$116,950.00
	COO #10 - Install 1" Water Service at Sewer Lift Station Location				\$3,500.00
	Re-alignment of 1320 & 1509 Zone Transmission Lines (Estimate)				\$75,000.00
	Re-Grade Slope to Install Water Lines (Estimate)				\$2,500.00
	Pending Relocate/remove Concrete (Estimate)				\$20,000.00
	POC Re-Design Installation (Estimate)				\$25,000.00
				Subtotal	\$274,838.98
				Overrun to Contingency =	\$120,402

Sub-Total - Temescal Canyon Potable Water Improvements - Segment 1-1

\$1,819,204

Murow CM
Contractor: Genesis Construction

Segment 1-2: Temescal Canyon Non- Potable Water Improvements
 Phase 1

Segment Summary

1-2 Temescal Canyon Non- Potable Water Improvements

<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
\$1,128,997	\$225,235	\$1,354,232

Indirects

Performance Bond	0.75%	\$8,467
Engineering - Design	4.0%	\$45,160
Engineering - Staking	3.4%	\$38,386
Soils Engineering	2.0%	\$22,580
Plan Check & Inspection	3.0%	\$33,870
Agency Bond	1.8%	\$20,322
Construction Management / Bidding	5.0%	\$56,450

Sub-Total Indirect Costs	20.0%	\$225,235
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Segment 1-2: Temescal Canyon Non- Potable Water Improvements

Phase 1

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
35.	Mobilization	LS	\$5,000.00	1	5,000.00
36.	Furnish and Install 12" DIP, Class 350, Non-Potable Water Line including Fittings and	LF	\$77.00	746	57,442.00
37.	Furnish and Install 12" DIP, Class 350, (NPW) including Restrained Joints, Fittings and	LF	\$82.00	1,168	95,776.00
38.	Furnish and Install 12" Gate Valve including raise to grade per LLWD Standard LLW-24 & LLW-25	EA	\$4,000.00	3	12,000.00
39.	Construct Steel Casing Per LLWD Standard LLW-21	LF	\$120.00	718	86,160.00
40.	Remove and Replace Existing AC Pavement	LF	\$20.00	1,915	38,300.00
41.	Erosion Control	LS	\$1,000.00	1	1,000.00
42.	Traffic Control	LS	\$5,000.00	1	5,000.00
43.	Mobilization	LS	\$500.00	1	500.00
44.	Furnish and Install 12" DIP, Class 350, Non-Potable Water Line including Fittings and	LF	\$65.00	2,495	162,175.00
45.	Furnish and Install 12" DIP, Class 350, (NPW) including Restrained Joints, Fittings and	LF	\$70.00	2,601	182,070.00
46.	Furnish and Install 12" Gate Valve including raise to grade per LLWD Standard LLW-24 & LLW-25	EA	\$4,000.00	6	24,000.00
47.	Furnish and Install Blow-off Per LLWD Standard LLW-2	EA	\$7,500.00	3	22,500.00
48.	Furnish and Install Air Vac Air Release Per LLWD STD. No. LLW-5	EA	\$4,000.00	3	12,000.00
49.	Furnish and Install 2" NPW Service Per LLWD Standard LLW-8	EA	\$4,000.00	5	20,000.00
50.	Furnish and Install 1-1/2" NPW Service Per LLWD Standard LLW-8	EA	\$3,500.00	1	3,500.00
51.	Remove and Replace Existing AC Pavement	LF	\$20.00	10	200.00
52.	Erosion Control	LS	\$1,000.00	1	1,000.00
53.	Traffic Control	LS	\$500.00	1	500.00
54.	Prevailing Wage	%	Included		
55.	Contingency	%	10.0%	\$729,123	72,912.30
		Rejected CCO's		CCO's to Date	
COR #1	CCO #1 - Cost to Provide Non-Potable to the tract boundary			80,000.00	
COR #2	Rejected/Unresolved - Upsizing of open cut steel casing				
COR #3	CCO #3 - Cost to furnish and install 14gr tracer wire	\$199,060.56		23,000.00	
COR #4	CCO #2 - 5 additional contract working days related to CCO #1			0.00	
COR #5	CCO #4 - Mechanical Joint Valves (non-potable portion)			3,072.15	
COR #6	Rejected - 12" Non-Potable Realignment	\$67,394.00			
COR #7	Rejected/Unresolved - Upsizing of open cut steel casings T&M	\$135,766.00			
COR #8	CCO #5 - Conflicts with existing utilities, T & M Potholing			52,371.38	
COR #9	CCO #6 - Install 12" NPW POC Sta. 10+00-11+03			80,668.26	
COR #10	CCO #7 - Install 12" NPW POC Sta. 13+10-16+70			76,713.77	
COR #11	CCO #8 - Pipe Alignment Campbell Ranch Road			73,798.86	
COR #12	Pending - NOCC #2 Non Potable Water	\$2,075.72			
COR #13	Pending - NOCC #2/ COR #8	\$5,272.55			
COR #14	Pending - NOCC #4 re-pothole phase I	\$20,119.20			
	COO #13 - Install TVWD 4" Percolation Lateral At PA 17 Park			\$10,250	
				\$399,874	
		Overrun to Contingency =			326,962.12
Sub-Total - Temescal Canyon Non- Potable Water Improvements - Segment 1-2					\$1,128,997.42

Murow CM
Contractor: KIP Inc.

Segment 1-3: Temescal Canyon Sewer Improvements
 Phase 1

<u>Segment Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
1-3 Temescal Canyon Sewer Improvements	\$1,298,783	\$259,107	\$1,557,890
<u>Indirects</u>			
Performance Bond	0.75%	\$9,741	
Engineering - Design	4.0%	\$51,951	
Engineering - Staking	3.4%	\$44,159	
Soils Engineering	2.0%	\$25,976	
Plan Check & Inspection	3.0%	\$38,963	
Agency Bond	1.8%	\$23,378	
Construction Management / Bidding	5.0%	\$64,939	
Sub-Total Indirect Costs	20.0%	\$259,107	

Segment 1-3: Temescal Canyon Sewer Improvements

Phase 1

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
37.	Mobilization	LS	\$5,000.00	1	\$5,000
38.	Furnish and Install 12" C900 PVC Class 235 Sewer Pipe including Fittings and	LF	\$125.00	748	\$93,500
39.	Furnish and Install 12" SDR 35 PVC Sewer Pipe including Fittings and Appurtenances	LF	\$62.00	1,041	\$64,542
40.	Furnish and Install 10" C900, Class 235 PVC Force Main Pipe including Fittings and	LF	\$85.00	1,756	\$149,260
41.	Construct 60" Dia. Manhole including raise to grade per LLWD Standard S-12	EA	\$9,200.00	1	\$9,200
42.	Construct 48" Dia. Manhole including raise to grade per LLWD Standard S-12	EA	\$6,200.00	4	\$24,800
43.	Furnish and Install 18" Steel Casing (10" Force Main)	LF	\$155.00	618	\$95,790
44.	Furnish and Install 20" Steel Casing (12" Gravity Sewer)	LF	\$165.00	716	\$118,140
45.	Remove and Replace AC Pavement	LF	\$135.00	117	\$15,795
46.	Erosion Control	LS	\$4,500.00	1	\$4,500
47.	Traffic Control	LS	\$10,000.00	1	\$10,000
48.	Mobilization	LS	\$2,000.00	1	\$2,000
49.	Furnish and Install 18" C905 PVC Sewer Pipe including Fittings and Appurtenances	LF	\$105.00	297	\$31,185
50.	Furnish and Install 12" C900 PVC Sewer Pipe including Fittings and Appurtenances	LF	\$112.00	830	\$92,960
51.	Furnish and Install 12" SDR 35 PVC Sewer Pipe including Fittings and Appurtenances	LF	\$53.00	1,908	\$101,124
52.	Furnish and Install 10" SDR 35 PVC Sewer Pipe including Fittings and Appurtenances	LF	\$52.00	539	\$28,028
53.	Furnish and Install 20" C905 PVC Sewer Pipe including Fittings and Appurtenances	LF	\$150.00	336	\$50,400
54.	Furnish and Install 12" C900, Class 235 PVC Force Main Pipe including Fittings and Appurtenances	LF	\$55.00	1,102	\$60,610
55.	Furnish and Install 12" C900, Class 235 PVC Sewer Force Main Pipe With Restraint Joints including Fittings and Appurtenances	LF	\$85.00	163	\$13,855
56.	Furnish and Install 10" C900, Class 235 PVC Force Main Pipe including Fittings and Appurtenances	LF	\$48.00	1,202	\$57,696
57.	Furnish and Install 10" C900, Class 235 PVC Force Main Restrain Joints including Fittings and Appurtenances	LF	\$190.00	24	\$4,560
58.	Construct 60" Dia. Manhole including raise to grade per LLWD Standard S-12	EA	\$12,500.00	3	\$37,500
59.	Construct 48" Dia. Manhole including raise to grade per LLWD Standard S-12	EA	\$6,000.00	16	\$96,000
60.	Furnish and Install 6" Sewer Lateral Per LLWD Standard S-4	EA	\$4,500.00	1	\$4,500
61.	Erosion Control and SWPPP	LS	\$10,000.00	1	\$10,000
62.	Traffic Control	LS	\$2,000.00	1	\$2,000
63.	Contingency	%	10.0%	\$1,182,945	\$118,295

COR #2	CCO#2 - Removal of trees			CCO's to Date	
	CCO#3 - Pothole Conflicting AT&T & SCE Lines			\$25,357.73	
	CCO#6 - Cost of Re-Design Installation, HDPE Pipe, Shut Down for Tie-in, etc			\$7,145.90	
				<u>\$83,334.01</u>	
				\$115,837.64	
				Overrun to Contingency =	\$2,456.86
Sub-Total - Temescal Canyon Sewer Improvements - Segment 1-3					\$1,298,783

Murow CM
Contractor: Cal West Construction

Segment 1-5: Temescal Canyon Dry Utility Improvements
 1-5 :

<u>Segment Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
1-5 Temescal Canyon Dry Utility Improvements	\$1,606,880	\$320,573	\$1,927,453
<u>Indirects</u>			
Performance Bond	0.75%	\$12,052	
Engineering - Design	4.0%	\$64,275	
Engineering - Staking	3.4%	\$54,634	
Soils Engineering	2.0%	\$32,138	
Plan Check & Inspection	3.0%	\$48,206	
Agency Bond	1.8%	\$28,924	
Construction Management / Bidding	5.0%	\$80,344	
Sub-Total Indirect Costs	20.0%	\$320,573	

Segment 1-5: Temescal Canyon Dry Utility Improvements
 1-5 :

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Trenching Contractor Charges - Cal West Underground	LS	\$700,000.00	1	\$700,000
2.	SCE Advance (Discount Option) - Advance Utility Design	LS	\$342,800.00	1	\$342,800
3.	SCE Street Lights and Meter Pedestal Service Charge - Advance Uti	LS	\$88,000.00	1	\$88,000
4.	SCG Advance - Advance Utility Design	LS	\$30,000.00	1	\$30,000
5.	Time Warner - Advance Utility Design	LS	\$25,000.00	1	\$25,000
6.	Temescal Canyon Road Guy Pole Relocation - Advance Utility Desig	LS	\$275,000.00	1	\$275,000
7.	Contingency	%	10.0%	\$1,460,800	\$146,080
Sub-Total - Temescal Canyon Dry Utility Improvements - Segment 1-5					\$1,606,880

Segment 1-7: Temescal Canyon Environmental Mitigation - TVWD
 Phase 1

Segment Summary

1-7	Temescal Canyon Environmental Mitigation - TVWD	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
		\$600,311	\$0	\$600,311

Segment 1-7: Temescal Canyon Environmental Mitigation - TVWD
 Phase 1

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
1.	Biological Mitigation Cost - Onsite - Per Park West Bid	% VAL	\$700,000.00	16.700%	\$116,901
2.	Biological Mitigation Cost - Offsite - RCRC In-Lieu Fee Credit Bank	% VAL	\$1,574,570.00	16.700%	\$262,955
3.	Biological Mitigation Monitoring - Per Consulting Biologist	% VAL	\$213,300.00	16.700%	\$35,621
4.	Offsite Mitigation Endowment - Per Consulting Biologist	% VAL	\$750,000.00	16.700%	\$125,251
5.	Legal - Biological Issues - Per Consulting Biologist	% VAL	\$30,000.00	16.700%	\$5,010
6.	Contingency	%	10.0%	\$545,738	\$54,574
Sub-Total - Temescal Canyon Environmental Mitigation - TVWD - Segment 1-			\$3,267,870.00		\$600,311

Mitigation % Share Calculation

	LF	Total Project Street Impact	Total Segment Street Impact	Total Water (40%) & Sewer (20%) Impact
Temescal Canyon Road Impact Lineal Footage	7,400		37.11%	60%
Total TCR & Backbone Street Impacts Lineal Footage	19,940	75%		
Total Segment 1-8 Impact (0.75 x 0.3711 x 0.6)%			16.700%	

Phase 1 Backbone Summary
 Phase 1

= Actual Contract Amount

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>	
2-1	Phase 1 Backbone Potable Water Improvements	\$2,040,860	\$407,152	\$2,448,012	TVWD
2-1-1	Phase 1 Intract Water - Builders Secondary Access/Model Stree	\$955,508	\$190,624	\$1,146,132	TVWD
2-1-2	Sycamore Creek Potable Pump Station Upgrade	\$660,000	\$131,670	\$791,670	TVWD
2-2	Phase 1 Backbone Non-Potable Water Improvements	\$601,920	\$120,083	\$722,003	TVWD
2-2-1	Phase 1 Intract Non-Potable Water - Builders Secondary Acces	\$141,859	\$28,301	\$170,160	TVWD
2-2-2	Sycamore Creek Non Potable Pump Sta. Upgrade	\$232,771	\$46,438	\$279,208	TVWD
2-3	Phase 1 Backbone Sewer Improvements	\$996,836	\$198,869	\$1,195,704	TVWD
2-3-1	Phase 1 Intract Sewer - Builders Secondary Access Streets	\$696,465	\$138,945	\$835,410	TVWD
2-3-2	Regional Sewer Lift Station	4,180,000	833,910	5,013,910	TVWD
2-3-3	Phase 1 Sewer Treatment Plant Expansion	\$3,709,532	\$740,052	\$4,449,584	TVWD
2-4	Phase 1 Backbone Dry Utility Improvements	\$2,700,070	\$538,664	\$3,238,734	TVWD
2-6	Phase 1 1320 Zone Reservoir Capacity Buy-In	\$542,300	\$0	\$542,300	TVWD
2-7	Phase 1 MWD Water Capacity	\$3,487,561	\$0	\$3,487,561	TVWD
2-8	Phase 1 Environmental Mitigation - TVWD	\$770,563	\$0	\$770,563	TVWD
Total - Phase 1 Backbone Summary		\$21,716,245	\$3,374,706	\$25,090,952	

Indirects

Performance Bond	0.75%	\$126,869
Engineering - Design	4.0%	\$676,633
Engineering - Staking	3.4%	\$575,138
Soils Engineering	2.0%	\$338,316
Plan Check & Inspection	3.0%	\$507,475
Agency Bond	1.8%	\$304,485
Construction Management / Bidding	5.0%	\$845,791

Sub-Total - Indirect Cost	20.0%	\$3,374,706
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Murrow CM
Contractor: KIP, Inc

Segment 2-1 & 2-1-1: Phase 1 Backbone Potable Water Improvements
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-1	Phase 1 Backbone Potable Water Improvements	\$2,040,860	\$407,152	\$2,448,012
2-1-1	Phase 1 Intract Water - Builders Secondary Access/Model Streets	\$955,508	\$190,624	\$1,146,132
<u>Indirects</u>				
	Performance Bond	0.75%	\$22,473	
	Engineering - Design	4.0%	\$119,855	
	Engineering - Staking	3.4%	\$101,877	
	Soils Engineering	2.0%	\$59,927	
	Plan Check & Inspection	3.0%	\$89,891	
	Agency Bond	1.8%	\$53,935	
	Construction Management / Bidding	5.0%	\$149,818	
Sub-Total Indirect Costs		20.0%	\$597,776	

Segment 2-1: Phase 1 Backbone Potable Water Improvements
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe w/ Fittings (Class 150) - 8 Inch - Backbone	LF	\$42.00	4,275	\$179,550
2.	PVC Pipe w/ Fittings (Class 150) - 12 Inch - Backbone	LF	\$56.00	6,375	\$357,000
3.	PVC Pipe w/ Fittings (Class 150) - 16 Inch - Backbone	LF	\$90.00	5,035	\$453,150
4.	Chlorinate & Pressure Test - Backbone	LF	\$1.50	15,685	\$23,528
5.	Fire Hydrant - Backbone	EA	\$4,000.00	53	\$212,000
6.	Fire Hydrant - Adjust to Grade - Backbone	EA	\$200.00	53	\$10,600
7.	Concrete Thrust Blocks - Backbone	EA	\$200.00	5	\$1,000
8.	Gate Valve - 8 Inch - Backbone	EA	\$1,800.00	16	\$28,800
9.	Gate Valve - 12 Inch - Backbone	EA	\$3,350.00	22	\$73,700
10.	Butterfly Valve - 16 Inch - Backbone	EA	\$10,600.00	17	\$180,200
11.	Valves - Adjust to Grade - Backbone	EA	\$200.00	55	\$11,000
12.	Blow Off Assembly - 2 Inch - Backbone	EA	\$1,200.00	12	\$14,400
13.	Blow Off Assembly - 4 Inch - Backbone	EA	\$2,300.00	6	\$13,800
14.	Air/Vac Release - 1 Inch - Backbone	EA	\$1,600.00	12	\$19,200
15.	Air/Vac Release - 2 Inch - Backbone	EA	\$5,400.00	6	\$32,400
16.	Pressure Reducing Station - 1509/1520 Zone - Phase 1	LS	\$125,000.00	1	\$125,000
17.	Fire Service Detector Checks	EA	\$40,000.00	3	\$120,000
18.	Contingency	%	10.0%	\$1,855,328	\$185,533
Sub-Total - Phase 1 Backbone Potable Water Improvements - Segment 2-1					\$2,040,860

Segment 2-1-1: Phase 1 Intract Water - Builders Secondary Access/Model Streets
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe w/ Fittings (Class 150) - 8 Inch - Backbone	LF	\$30.00	6,015	\$180,450
2.	PVC Pipe w/ Fittings (Class 150) - 12 Inch - Backbone	LF	\$45.00	1,785	\$80,325
3.	Chlorinate & Pressure Test - Backbone	LF	\$1.50	4,200	\$6,300
4.	Fire Hydrant - Backbone	EA	\$6,300.00	26	\$163,800
5.	Fire Hydrant - Adjust to Grade - Backbone	EA	\$200.00	26	\$5,200
6.	Gate Valve - 8 Inch - Backbone	EA	\$1,700.00	18	\$30,600
7.	Gate Valve - 12 Inch - Backbone	EA	\$2,900.00	6	\$17,400
8.	1" House Service Copper Laterals	EA	\$1,100.00	175	\$192,500
9.	Valves - Adjust to Grade - Backbone	EA	\$200.00	24	\$4,800
10.	Blow Off Assembly - 2 Inch - Backbone	EA	\$5,000.00	15	\$75,000
11.	Air/Vac Release - 1 Inch - Backbone	EA	\$1,600.00	12	\$19,200
12.	Prevailing Wage	%	12.0%	\$775,575	\$93,069
13.	Contingency	%	10.0%	\$868,644	\$86,864
Sub-Total - Phase 1 Intract Water - Builders Secondary Access/Model Streets - Segment 2-1-1					\$955,508

CFD No. 4 (Terramor)
 Forestar Toscana Development Company

Murow CM
Contractor: RC Foster, Inc.

Segment 2-1-2: Sycamore Creek Potable Pump Station Upgrade
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-1-2	Sycamore Creek Potable Pump Station Upgrade	\$660,000	\$131,670	\$791,670
	<u>Indirects</u>			
	Performance Bond	0.75%	\$4,950	
	Engineering - Design	4.0%	\$26,400	
	Engineering - Staking	3.4%	\$22,440	
	Soils Engineering	2.0%	\$13,200	
	Plan Check & Inspection	3.0%	\$19,800	
	Agency Bond	1.8%	\$11,880	
	Construction Management / Bidding	5.0%	\$33,000	
	<u>Sub-Total Indirect Costs</u>	20.0%	\$131,670	

CFD No. 4 (Terramor)
 Forestar Toscana Development Company

Segment 2-1-2: Sycamore Creek Potable Pump Station Upgrade
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Sycamore Crk Potable Pump Sta. Upgrade	LS	\$600,000.00	1	\$600,000
2.	Contingency	%	10.0%	\$600,000	\$60,000
<u>Sub-Total - Sycamore Creek Potable Pump Station Upgrade - Segment 2-1-2</u>					\$660,000

Murow CM
Contractor: KIP Inc.

Segment 2-2 & 2-2-1: Phase 1 Backbone Non-Potable Water Improvements
Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-2	Phase 1 Backbone Non-Potable Water Improvements	\$601,920	\$120,083	\$722,003
2-2-1	Phase 1 Intract Non-Potable Water - Builders Secondary Access/Model Streets	\$141,859	\$28,301	\$170,160
<u>Indirects</u>				
	Performance Bond	0.75%	\$5,578	
	Engineering - Design	4.0%	\$29,751	
	Engineering - Staking	3.4%	\$25,288	
	Soils Engineering	2.0%	\$14,876	
	Plan Check & Inspection	3.0%	\$22,313	
	Agency Bond	1.8%	\$13,388	
	Construction Management / Bidding	5.0%	\$37,189	
Sub-Total Indirect Costs		20.0%	\$148,384	

Segment 2-2: Phase 1 Backbone Non-Potable Water Improvements
Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Reclaimed - PVC Pipe w/ Fittings (Class 150) - 8 Inch - Backbone	LF	\$36.00	1,700	\$61,200
2.	Reclaimed - PVC Pipe w/ Fittings (Class 150) - 12 Inch - Backbone	LF	\$50.00	5,300	\$265,000
3.	Pressure Test - Backbone	LF	\$0.75	7,000	\$5,250
4.	Gate Valves - 8 Inch - Backbone	EA	\$4,000.00	6	\$24,000
5.	Gate Valves - 12 Inch - Backbone	EA	\$2,600.00	18	\$46,800
6.	Valves - Adjust to Grade - Backbone	EA	\$200.00	24	\$4,800
7.	Blow Off Assembly - 2 Inch - Backbone	EA	\$8,300.00	7	\$58,100
8.	Air/Vac Release - 1 Inch - Backbone	EA	\$3,600.00	7	\$25,200
9.	Service and Box - 1 1/2 Inch Landscape - Backbone	EA	\$7,600.00	7	\$53,200
10.	Plug - Backbone	EA	\$3,650.00	1	\$3,650
11.	Contingency	%	10.0%	\$547,200	\$54,720
Sub-Total - Phase 1 Backbone Non-Potable Water Improvements - Segment 2-2					\$601,920

Segment 2-2-1: Phase 1 Intract Non-Potable Water - Builders Secondary Access/Model Streets
Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Reclaimed - PVC Pipe w/ Fittings (Class 150) - 6 Inch - Backbone	LF	\$25.00	2,150	\$53,750
2.	Pressure Test - Backbone	LF	\$0.75	2,150	\$1,613
3.	Gate Valves - 8 Inch - Backbone	EA	\$4,000.00	7	\$28,000
4.	Valves - Adjust to Grade - Backbone	EA	\$200.00	7	\$1,400
5.	Blow Off Assembly - 2 Inch - Backbone	EA	\$2,500.00	4	\$10,000
6.	Air/Vac Release - 1 Inch - Backbone	EA	\$4,100.00	3	\$12,300
7.	Service and Box - 1 1/2 Inch Landscape - Backbone	EA	\$2,900.00	5	\$14,500
8.	Plug - Backbone	EA	\$1,850.00	4	\$7,400
9.	Contingency	%	10.0%	\$128,963	\$12,896
Sub-Total - Phase 1 Intract Non-Potable Water - Builders Secondary Access/Model Streets - Segment 2-2					\$141,859

Murow CM
Contractor: RC Foster

Segment 2-2-2: Sycamore Creek Non-Potable Pump Station Upgrade
 Phase 1

<u>Segment Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-2-2 Sycamore Creek Non-Potable Pump Station Upgrade	\$232,771	\$46,438	\$279,208
<u>Indirects</u>			
Performance Bond	0.75%	\$1,746	
Engineering - Design	4.0%	\$9,311	
Engineering - Staking	3.4%	\$7,914	
Soils Engineering	2.0%	\$4,655	
Plan Check & Inspection	3.0%	\$6,983	
Agency Bond	1.8%	\$4,190	
Construction Management / Bidding	5.0%	\$11,639	
Sub-Total Indirect Costs	20.0%	\$46,438	

Segment 2-2-2: Sycamore Creek Non-Potable Pump Station Upgrade
 Phase 1

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
1.	Mobilization	LS	8,500	1	\$8,500
2.	Mechanical & Site Demolition	LS	20,100	1	\$20,100
3.	Furnish & Install Mechanical Improvements	LS	75,190	1	\$75,190
4.	Electrical Demolition	LS	3,500	1	\$3,500
5.	Furnish & Install Electrical Improvements	LS	13,000	1	\$13,000
6.	Pre-Ordered BoosterpaQ	LS	71,554	1	\$71,554
7.	Install only BoosterpaQ including providing whatever is necessary to install the system and make it functional.	LS	2,200	1	\$2,200
8.	Project Close-Out	LS	1,800	1	\$1,800
9.	Contingency	%	10.0%	\$195,844	\$19,584
				CCO's to Date	
CCO#1	Developer Deposit on Pump Equipment			\$2,950.00	
CCO#2	Cost of Performance Payment Bonds not included in construction agreement			(\$2,076.00)	
CCO#3	Credit for deleting concrete demo, partial trenching, & asphalt patching			\$1,587.76	
CCO#4	Modify Discharge Header / Add Meter Connection			\$31,314.37	
CCO#5	Upgraded Service Panel 400amp			\$3,149.37	
	Construction of Additional Pipe Support			<u>\$36,926.50</u>	\$17,342.10
Sub-Total - Sycamore Creek Non-Potable Pump Station Upgrade - Segment 2-2-2					\$232,771

Segment 2-3 & 2-3-2: Phase 1 Backbone Sewer Improvements
Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-3	Phase 1 Backbone Sewer Improvements	\$996,836	\$198,869	\$1,195,704
2-3-1	Phase 1 Intract Sewer - Builders Secondary Access Streets	\$696,465	\$138,945	\$835,410
<u>Indirects</u>				
	Performance Bond	0.75%	\$12,700	
	Engineering - Design	4.0%	\$67,732	
	Engineering - Staking	3.4%	\$57,572	
	Soils Engineering	2.0%	\$33,866	
	Plan Check & Inspection	3.0%	\$50,799	
	Agency Bond	1.8%	\$30,479	
	Construction Management / Bidding	5.0%	\$84,665	
Sub-Total Indirect Costs		20.0%	\$337,813	

Segment 2-3: Phase 1 Backbone Sewer Improvements
Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe - 8 Inch - Backbone	LF	\$46.00	8,025	\$369,150
2.	PVC Pipe - 10 Inch - Backbone	LF	\$65.00	3,150	\$204,750
3.	TV Test Sewer Mains - Backbone	LF	\$1.25	11,175	\$13,989
4.	Sanitary Sewer - Manhole - 48 Inch - Backbone	EA	\$6,400.00	46	\$294,400
5.	Manholes - Adjust to Grade - Backbone	EA	\$400.00	46	\$18,400
6.	Plug - Backbone	EA	\$200.00	15	\$3,000
7.	Residential Cleanouts	EA	\$1,400.00	2	\$2,800
9.	Contingency	%	10.0%	\$903,669	\$90,367
Sub-Total - Phase 1 Backbone Sewer Improvements - Segment 2-3					\$996,836

Segment 2-3-1: Phase 1 Intract Sewer - Builders Secondary Access Streets
Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe - 8 Inch - Backbone	LF	\$38.00	7,800	\$296,400
2.	TV Test Sewer Mains - Backbone	LF	\$1.25	7,800	\$9,750
3.	Sanitary Sewer - Manhole - 48 Inch - Backbone	EA	\$4,100.00	26	\$106,600
4.	Manholes - Adjust to Grade - Backbone	EA	\$400.00	26	\$10,400
5.	4" PVC House Laterals	EA	\$1,200.00	175	\$210,000
6.	Contingency	%	10.0%	\$633,150	\$63,315
Sub-Total - Phase 1 Intract Sewer - Builders Secondary Access Streets - Segment 2-3-1					\$696,465

CFD No. 4 (Terramor)
 Forestar Toscana Development Company

Murow CM
Contractor: Caliagua, Inc.

Segment 2-3-2: Regional Sewer Lift Station
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-3-2	Regional Sewer Lift Station	\$4,180,000	\$833,910	\$5,013,910
	<u>Indirects</u>			
	Performance Bond	0.75%	\$31,350	
	Engineering - Design	4.0%	\$167,200	
	Engineering - Staking	3.4%	\$142,120	
	Soils Engineering	2.0%	\$83,600	
	Plan Check & Inspection	3.0%	\$125,400	
	Agency Bond	1.8%	\$75,240	
	Construction Management / Bidding	5.0%	\$209,000	
	Sub-Total Indirect Costs	20.0%	\$833,910	

CFD No. 4 (Terramor)
 Forestar Toscana Development Company

Segment 2-3-2: Regional Sewer Lift Station
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Sewer Lift Station Complete	LS	\$3,800,000.00	1	\$3,800,000
2.	Contingency	%	10.0%	\$3,800,000	\$380,000
Sub-Total - Regional Sewer Lift Station - Segment 2-3-2					\$4,180,000

Segment 2-3-3: Phase 1 Sewer Treatment Plant Expansion
Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-3-3	Phase 1 Sewer Treatment Plant Expansion	\$3,709,532	\$740,052	\$4,449,584
	<u>Indirects</u>			
	Performance Bond	0.75%	\$27,821	
	Engineering - Design	4.0%	\$148,381	
	Engineering - Staking	3.4%	\$126,124	
	Soils Engineering	2.0%	\$74,191	
	Plan Check & Inspection	3.0%	\$111,286	
	Agency Bond	1.8%	\$66,772	
	Construction Management / Bidding	5.0%	\$185,477	
	<u>Sub-Total Indirect Costs</u>	20.0%	\$740,052	

Segment 2-3-3: Phase 1 Sewer Treatment Plant Expansion
Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Phase 1 Sewer Treatment Plant Expansion	GAL	\$15.00	224,820	\$3,372,302
2.	Contingency	%	10.0%	\$3,372,302	\$337,230
<u>Sub-Total - Phase 1 Sewer Treatment Plant Expansion - Segment 2-3-3</u>					\$3,709,532

Murow CM
Contractor: TBU, Inc.

Segment 2-4: Phase 1 Backbone Dry Utility Improvements
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-4	Phase 1 Backbone Dry Utility Improvements	\$2,700,070	\$538,664	\$3,238,734
	<u>Indirects</u>			
	Performance Bond	0.75%	\$20,251	
	Engineering - Design	4.0%	\$108,003	
	Engineering - Staking	3.4%	\$91,802	
	Soils Engineering	2.0%	\$54,001	
	Plan Check & Inspection	3.0%	\$81,002	
	Agency Bond	1.8%	\$48,601	
	Construction Management / Bidding	5.0%	\$135,004	
	Sub-Total Indirect Costs	20.0%	\$538,664	

Segment 2-4: Phase 1 Backbone Dry Utility Improvements
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Main Line Trench - Backbone	LF	\$55.00	8,165	\$449,075
2.	Joint Trenching CIAC Tax - Blue Top	%	35.0%	\$449,075	\$157,176
3.	Electrical Contractor Charges - Backbone	LF	\$125.00	8,165	\$1,020,625
4.	Electric Conduits 1 - 4 Inch Distribution Crossing - Backbone	LF	\$100.00	600	\$60,000
5.	Street Lights - Single Lumina - Backbone	EA	\$5,000.00	62	\$310,000
6.	Energy Advance - 12 Months - Backbone	MO	\$12.00	744	\$8,928
7.	Main Footage - Backbone Streets	LF	\$17.00	8,165	\$138,805
8.	Temporary Power to Existing Offsite House	LF	\$50.00	6,200	\$310,000
9.	Contingency	%	10.0%	\$2,454,609	\$245,461
Sub-Total - Phase 1 Backbone Dry Utility Improvements - Segment 2-4					\$2,700,070

Segment 2-6: Phase 1 1320 Zone Reservoir Capacity Buy-In
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-6	Phase 1 1320 Zone Reservoir Capacity Buy-In	\$542,300	\$0	\$542,300

Segment 2-6: Phase 1 1320 Zone Reservoir Capacity Buy-In
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	1320 Zone Capacity Buy-In	EDU	\$1,700.00	319	\$542,300
Sub-Total - Phase 1 1320 Zone Reservoir Capacity Buy-In - Segment 2-6					\$542,300

Segment 2-7: Phase 1 MWD Water Capacity
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-7	Phase 1 MWD Water Capacity	\$3,487,561	\$0	\$3,487,561

Segment 2-7: Phase 1 MWD Water Capacity
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	MWD Water Capacity	CFS	\$1,341,369.57	2.6	\$3,487,561
Sub-Total - Phase 1 MWD Water Capacity - Segment 2-7					\$3,487,561

Segment 2-8: Phase 1 Environmental Mitigation - TVWD
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
2-8	Phase 1 Environmental Mitigation - TVWD	\$770,563	\$0	\$770,563

Segment 2-8: Phase 1 Environmental Mitigation - TVWD
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Biological Mitigation Cost - Onsite - Per Consulting Biologist	% VAL	\$1,000,000.00	19.634%	\$196,339
2.	Biological Mitigation Cost - Offsite - RCRC In-Lieu Fee Credit Bank	% VAL	\$1,574,570.00	19.634%	\$309,150
3.	Biological Mitigation Monitoring - Per Consulting Biologist	% VAL	\$213,300.00	19.634%	\$41,879
4.	Offsite Mitigation Endowment - Per Consulting Biologist	% VAL	\$750,000.00	19.634%	\$147,254
5.	Legal - Biological Issues - Per Consulting Biologist	% VAL	\$30,000.00	19.634%	\$5,890
6.	Contingency	%	10.0%	\$700,512	\$70,051
Sub-Total - Phase 1 Environmental Mitigation - TVWD - Segment 2-8			\$3,567,870.00		\$770,563

Mitigation % Share Calculation

	<u>LF</u>	<u>Total Project Street Impact</u>	<u>Total Segment Street Impact</u>	<u>Total Drainage (20%) Impact</u>
Phase 1 Temescal Hills Drive Impact Lineal Footage	8,700		43.63%	60%
Total TCR & Bacbone Street Impacts Lineal Footage	19,940	75%		
Total Segment 1-8 Impact (0.75 x 0.4363 x 0.6)%			19.634%	

Phase 2 Backbone Summary
 Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>
3-1	Phase 2 Backbone Potable Water Improvements	\$3,613,397	\$720,873	\$4,334,270
3-1-1	Phase 2 Intract Water - Builders Secondary Access Streets	\$691,158	\$137,886	\$829,043
3-1-2	Phase 2 Potable Water 1509 Zone Reservoir Facility	\$2,425,500	\$483,887	\$2,909,387
3-2	Phase 2 Backbone Non-Potable Water Improvements	\$2,075,480	\$414,058	\$2,489,538
3-2-1	Phase 2 Non-Potable Water 1486 Zone Reservoir Facility	\$1,485,000	\$296,258	\$1,781,258
3-3	Phase 2 Backbone Sewer Improvements	\$298,614	\$59,574	\$358,188
3-3-1	Phase 2 Intract Sewer - Builders Secondary Access Streets	\$148,779	\$29,681	\$178,461
3-3-2	Phase 2 Sewer Treatment Plant Expansion	\$3,709,532	\$740,052	\$4,449,584
3-4	Phase 2 Backbone Dry Utility Improvements	\$925,127	\$184,563	\$1,109,690
3-7	Phase 2 1320 Zone Reservoir Capacity Buy-In	\$163,200	\$0	\$163,200
3-8	Phase 2 Backbone Streets Environmental Mitigation-TVWD	\$246,226	\$0	\$246,226
Total - Phase 2 Backbone Summary		\$15,782,014	\$3,066,831	\$18,848,845

Indirects

Performance Bond	0.75%	\$115,294
Engineering - Design	4.0%	\$614,904
Engineering - Staking	3.4%	\$522,668
Soils Engineering	2.0%	\$307,452
Plan Check & Inspection	3.0%	\$461,178
Agency Bond	1.8%	\$276,707
Construction Management / Bidding	5.0%	\$768,629

Sub-Total - Indirect Cost	20%	\$3,066,831
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Segment 3-1 & 3-1-1: Phase 2 Backbone Potable Water Improvements
Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-1	Phase 2 Backbone Potable Water Improvements	\$3,613,397	\$720,873	\$4,334,270
3-1-1	Phase 2 Intract Water - Builders Secondary Access Streets	\$691,158	\$137,886	\$829,043
Indirects				
	Performance Bond	0.75%	\$32,284	
	Engineering - Design	4.0%	\$172,182	
	Engineering - Staking	3.4%	\$146,355	
	Soils Engineering	2.0%	\$86,091	
	Plan Check & Inspection	3.0%	\$129,137	
	Agency Bond	1.8%	\$77,482	
	Construction Management / Bidding	5.0%	\$215,228	
Sub-Total Indirect Costs		20.0%	\$858,759	

Segment 3-1: Phase 2 Backbone Potable Water Improvements
Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe w/ Fittings (Class 150) - 8 Inch - Backbone	LF	\$42.00	140	\$5,880
2.	PVC Pipe w/ Fittings (Class 150) - 16 Inch - Backbone	LF	\$90.00	3,195	\$287,550
3.	Chlorinate & Pressure Test - Backbone	LF	\$1.50	3,335	\$5,003
4.	Fire Hydrant - Backbone	EA	\$8,300.00	12	\$99,600
5.	Fire Hydrant - Adjust to Grade - Backbone	EA	\$200.00	12	\$2,400
6.	Concrete Thrust Blocks - Backbone	EA	\$200.00	1	\$200
7.	Gate Valve - 8 Inch - Backbone	EA	\$1,600.00	1	\$1,600
8.	Butterfly Valve - 16 Inch - Backbone	EA	\$10,600.00	11	\$116,600
9.	Valves - Adjust to Grade - Backbone	EA	\$200.00	12	\$2,400
10.	Blow Off Assembly - 2 Inch - Backbone	EA	\$1,200.00	1	\$1,200
11.	Blow Off Assembly - 4 Inch - Backbone	EA	\$2,300.00	10	\$23,000
12.	Air/Vac Release - 1 Inch - Backbone	EA	\$1,600.00	1	\$1,600
13.	Air/Vac Release - 2 Inch - Backbone	EA	\$5,400.00	6	\$32,400
14.	Water Tank - 1509 Zone - Phase 2	LS	\$2,353,650.00	1	\$2,353,650
15.	Remove Plug and Join - Backbone	EA	\$500.00	1	\$500
16.	Prevailing Wage	%	12.0%	\$2,927,703	\$351,324
17.	Contingency	%	10.0%	\$3,284,907	\$328,491
Sub-Total - Phase 2 Backbone Potable Water Improvements - Segment 3-1					\$3,613,397

Segment 3-1-1: Phase 2 Intract Water - Builders Secondary Access Streets
Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe w/ Fittings (Class 150) - 8 Inch - Backbone	LF	\$30.00	7,350	\$220,500
2.	Chlorinate & Pressure Test - Backbone	LF	\$1.50	7,350	\$11,025
3.	Fire Hydrant - Backbone	EA	\$6,300.00	20	\$126,000
4.	Fire Hydrant - Adjust to Grade - Backbone	EA	\$200.00	20	\$4,000
5.	Gate Valve - 8 Inch - Backbone	EA	\$1,700.00	20	\$34,000
6.	Valves - Adjust to Grade - Backbone	EA	\$200.00	20	\$4,000
7.	1" House Service Copper Laterals	EA	\$1,100.00	208	\$228,800
8.	Contingency	%	10.0%	\$628,325	\$62,833
Sub-Total - Phase 2 Intract Water - Builders Secondary Access Streets - Segment 3-1-1					\$691,158

Segment 3-1: Phase 2 Potable Water - 1509 Zone Reservoir Facility
 Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-1-2	Phase 2 Potable Water 1509 Zone Reservoir Facility	\$2,425,500	\$483,887	\$2,909,387
	<u>Indirects</u>			
	Performance Bond	0.75%	\$18,191	
	Engineering - Design	4.0%	\$97,020	
	Engineering - Staking	3.4%	\$82,467	
	Soils Engineering	2.0%	\$48,510	
	Plan Check & Inspection	3.0%	\$72,765	
	Agency Bond	1.8%	\$43,659	
	Construction Management / Bidding	5.0%	\$121,275	
	Sub-Total Indirect Costs	20.0%	\$483,887	

Segment 3-1: Phase 2 Potable Water - 1509 Zone Reservoir Facility
 Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Water Tank - 1509 Zone - Phase 2	Gals	\$0.90	2,100,000	\$1,890,000
2.	Site Work & Piping	GALS	\$0.15	2,100,000	\$315,000
3.	Contingency	%	10.0%	\$2,205,000	\$220,500
	Sub-Total - Phase 2 Potable Water 1509 Zone Reservoir Facility - Segment 3-1-3				\$2,425,500

Segment 3-2: Phase 2 Backbone Non-Potable Water Improvements
 Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-2	Phase 2 Backbone Non-Potable Water Improvements	\$2,075,480	\$414,058	\$2,489,538
	<u>Indirects</u>			
	Performance Bond	0.75%	\$15,566	
	Engineering - Design	4.0%	\$83,019	
	Engineering - Staking	3.4%	\$70,566	
	Soils Engineering	2.0%	\$41,510	
	Plan Check & Inspection	3.0%	\$62,264	
	Agency Bond	1.8%	\$37,359	
	Construction Management / Bidding	5.0%	\$103,774	
	Sub-Total Indirect Costs	20.0%	\$414,058	

Segment 3-2: Phase 2 Backbone Non-Potable Water Improvements
 Phase 2

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
1.	Reclaimed - PVC Pipe w/ Fittings (Class 150) - 12 Inch - Backbone	LF	\$35.00	3,500	\$122,500
2.	Pressure Test - Backbone	LF	\$1.50	3,500	\$5,250
3.	Gate Valves - 12 Inch - Backbone	EA	\$2,700.00	12	\$32,400
4.	Valves - Adjust to Grade - Backbone	EA	\$200.00	12	\$2,400
5.	Blow Off Assembly - 2 Inch - Backbone	EA	\$1,200.00	4	\$4,800
3.	Air/Vac Release - 1 Inch - Backbone	EA	\$1,600.00	4	\$6,400
4.	Service and Box - 1 1/2 Inch Landscape - Backbone	EA	\$2,000.00	5	\$10,000
5.	Recycled Water Tank 1484 Zone 1 MG	GAL	\$1.50	1,000,000	\$1,500,000
6.	Plug - Backbone	EA	\$1,000.00	1	\$1,000
7.	Prevailing Wage	%	12.0%	\$1,683,750	\$202,050
8.	Contingency	%	10.0%	\$1,886,800	\$188,680
9.					
Sub-Total - Phase 2 Backbone Non-Potable Water Improvements - Segment 3-2					\$2,075,480

Includes Phase 3 12' Mainline to Tank Site Thorough Phase 3

Segment 3-2-1: Phase 2 Non-Potable Water 1486 Zone Reservoir Facility
 Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-2-1	Phase 2 Non-Potable Water 1486 Zone Reservoir Facility	\$1,485,000	\$296,258	\$1,781,258
	<u>Indirects</u>			
	Performance Bond	0.75%	\$11,138	
	Engineering - Design	4.0%	\$59,400	
	Engineering - Staking	3.4%	\$50,490	
	Soils Engineering	2.0%	\$29,700	
	Plan Check & Inspection	3.0%	\$44,550	
	Agency Bond	1.8%	\$26,730	
	Construction Management / Bidding	5.0%	\$74,250	
Sub-Total Indirect Costs		20.0%	\$296,258	

Segment 3-2-1: Phase 2 Non-Potable Water 1486 Zone Reservoir Facility
 Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Water Tank - 1486 Zone - Phase 2	Gals	\$1.20	1,000,000	\$1,200,000
2.	Site Work & Piping	GALS	\$0.15	1,000,000	\$150,000
3.	Contingency	%	10.0%	\$1,350,000	\$135,000
Sub-Total - Phase 2 Potable Water 1509 Zone Reservoir Facility - Segment 3-1-3					\$1,485,000

Segment 3-3 & 3-3-1: Phase 2 Backbone Sewer Improvements
 Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-3	Phase 2 Backbone Sewer Improvements	\$298,614	\$59,574	\$358,188
3-3-1	Phase 2 Intract Sewer - Builders Secondary Access Streets	\$148,779	\$29,681	\$178,461
<u>Indirects</u>				
	Performance Bond	0.75%	\$3,355	
	Engineering - Design	4.0%	\$17,896	
	Engineering - Staking	3.4%	\$15,211	
	Soils Engineering	2.0%	\$8,948	
	Plan Check & Inspection	3.0%	\$13,422	
	Agency Bond	1.8%	\$8,053	
	Construction Management / Bidding	5.0%	\$22,370	
Sub-Total Indirect Costs		20.0%	\$89,255	

Segment 3-3: Phase 2 Backbone Sewer Improvements
 Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe - 8 Inch - Backbone	LF	\$46.00	3,430	\$157,780
2.	TV Test Sewer Mains - Backbone	LF	\$1.25	3,430	\$4,288
3.	Sanitary Sewer - Manhole - 48 Inch - Backbone	EA	\$6,400.00	15	\$96,000
4.	Manholes - Adjust to Grade - Backbone	EA	\$400.00	15	\$6,000
5.	Plug - Backbone	EA	\$200.00	2	\$400
6.	Remove Plug and Join - Backbone	EA	\$3,500.00	2	\$7,000
7.	Contingency	%	10.0%	\$271,468	\$27,147
Sub-Total - Phase 2 Backbone Sewer Improvements - Segment 3-3					\$298,614

Segment 3-3-1: Phase 2 Intract Sewer - Builders Secondary Access Streets
 Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe - 8 Inch - Backbone	LF	\$38.00	1,250	\$47,500
2.	TV Test Sewer Mains - Backbone	LF	\$1.25	1,250	\$1,563
3.	Sanitary Sewer - Manhole - 48 Inch - Backbone	EA	\$4,100.00	5	\$20,500
4.	Manholes - Adjust to Grade - Backbone	EA	\$400.00	5	\$2,000
5.	4" PVC House Laterals	EA	\$1,200.00	41	\$49,200
6.	Prevailing Wage	%	12.0%	\$120,763	\$14,492
7.	Contingency	%	10.0%	\$135,254	\$13,525
Sub-Total - Phase 2 Intract Sewer - Builders Secondary Access Streets - Segment 3-3-1					\$148,779

Segment 3-3-2: Phase 2 Sewer Treatment Plant Expansion
 Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-3-2	Phase 2 Sewer Treatment Plant Expansion	\$3,709,532	\$740,052	\$4,449,584
	<u>Indirects</u>			
	Performance Bond	0.75%	\$27,821	
	Engineering - Design	4.0%	\$148,381	
	Engineering - Staking	3.4%	\$126,124	
	Soils Engineering	2.0%	\$74,191	
	Plan Check & Inspection	3.0%	\$111,286	
	Agency Bond	1.8%	\$66,772	
	Construction Management / Bidding	5.0%	\$185,477	
Sub-Total Indirect Costs		20.0%	\$740,052	

Segment 3-3-2: Phase 2 Sewer Treatment Plant Expansion
 Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Phase 1 Sewer Treatment Plant Expansion	GAL	\$15.00	224,820	\$3,372,302
2.	Contingency	%	10.0%	\$3,372,302	\$337,230
Sub-Total - Phase 2 Sewer Treatment Plant Expansion - Segment 3-3-2					\$3,709,532

Segment 3-4: Phase 2 Backbone Dry Utility Improvements
 Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-4	Phase 2 Backbone Dry Utility Improvements	\$925,127	\$184,563	\$1,109,690
	<u>Indirects</u>			
	Performance Bond	0.75%	\$6,938	
	Engineering - Design	4.0%	\$37,005	
	Engineering - Staking	3.4%	\$31,454	
	Soils Engineering	2.0%	\$18,503	
	Plan Check & Inspection	3.0%	\$27,754	
	Agency Bond	1.8%	\$16,652	
	Construction Management / Bidding	5.0%	\$46,256	
	Sub-Total Indirect Costs	20.0%	\$184,563	

Segment 3-4: Phase 2 Backbone Dry Utility Improvements
 Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Main Line Trench - Backbone	LF	\$55.00	3,290	\$180,950
2.	Joint Trenching CIAC Tax - Blue Top	%	35.0%	\$180,950	\$63,333
3.	Electrical Contractor Charges - Backbone	LF	\$125.00	3,290	\$411,250
4.	Electric Conduits 1 - 4 Inch Distribution Crossing - E	LF	\$100.00	600	\$60,000
5.	Street Lights - Single Lumina - Backbone	EA	\$5,000.00	18	\$90,000
6.	Energy Advance - 12 Months - Backbone	MO	\$12.00	216	\$2,592
7.	Main Footage - Backbone Streets	LF	\$10.00	3,290	\$32,900
8.	Contingency	%	10.0%	\$841,025	\$84,102
Sub-Total - Phase 2 Backbone Dry Utility Improvements - Segment 3-4					\$925,127

CFD No. 4 (Terramor)
Forestar Toscana Development Company

Cost Estimate

Segment 3-7: Phase 2 1320 Zone Reservoir Capacity Buy-In
Phase 2

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-7	Phase 2 1320 Zone Reservoir Capacity Buy-In	\$163,200	\$0	\$163,200

CFD No. 4 (Terramor)
Forestar Toscana Development Company

Segment 3-7: Phase 2 1320 Zone Reservoir Capacity Buy-In
Phase 2

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	1320 Zone Capacity Buy-In	EDU	\$1,700.00	96	\$163,200
<u>Sub-Total - Phase 2 1320 Zone Reservoir Capacity Buy-In - Segment 3-7</u>					<u>\$163,200</u>

Segment 3-8: Phase 2 Backbone Streets Environmental Mitigation-TVWD
 Phase 1

<u>Segment Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
3-8 Phase 2 Backbone Streets Environmental Mitigation-TVWD	\$246,226	\$0	\$246,226

Segment 3-8: Phase 2 Backbone Streets Environmental Mitigation-TVWD
 Phase 1

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
1.	Biological Mitigation Cost - Onsite - Per Consulting Biologist	% VAL	\$1,000,000.00	6.274%	\$62,738
2.	Biological Mitigation Cost - Offsite - RCRCO In-Lieu Fee Credit Bank	% VAL	\$1,574,570.00	6.274%	\$98,786
3.	Biological Mitigation Monitoring - Per Consulting Biologist	% VAL	\$213,300.00	6.274%	\$13,382
4.	Offsite Mitigation Endowment - Per Consulting Biologist	% VAL	\$750,000.00	6.274%	\$47,054
5.	Legal - Biological Issues - Per Consulting Biologist	% VAL	\$30,000.00	6.274%	\$1,882
6.	Contingency	%	10.0%	\$223,842	\$22,384
Sub-Total - Phase 2 Backbone Streets Environmental Mitigation-TVWD - Segm					\$3,567,870.00
					\$246,226

Mitigation % Share Calculation

	LF	Total Project Street Impact	Total Segment Street Impact	Total Water (40%) & Sewer (20%) Impact
Temescal Canyon Road Impact Lineal Footage	2,780		13.94%	60%
Total TCR & Backbone Street Impacts Lineal Footage	19,940	75%		
Total Segment 1-8 Impact (0.75 x 0.1394 x 0.6)%			6.274%	

Phase 3 Backbone Summary
 Phase 3

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Segment</u>
4-1	Phase 3 Backbone Potable Water Improvements	\$1,267,189	\$252,804	\$1,519,993
4-1-1	Phase 3 Intract Water - Builders Secondary Access Streets	\$87,903	\$17,537	\$105,440
4-1-2	Phase 3 Potable Pump Station Zone 1630	\$880,000	\$175,560	\$1,055,560
4-2	Phase 3 Backbone Non-Potable Water Improvements	\$550,273	\$109,779	\$660,052
4-2-1	Phase 3 Intract Non-Potable Water - Builders Secondary Acces	\$148,271	\$29,580	\$177,851
4-2-2	Phase 3 Non-Potable Pump Station	\$880,000	\$175,560	\$1,055,560
4-3	Phase 3 Backbone Sewer Improvements	\$102,496	\$20,448	\$122,944
4-3-1	Phase 3 Intract Water - Builders Secondary Access Streets	\$63,420	\$12,652	\$76,072
4-4	Phase 3 Backbone Dry Utility Improvements	\$238,297	\$47,540	\$285,838
4-7	Phase 3 Backbone Streets Environmental Mitigation-TVWD	\$93,885	\$0	\$93,885
Total - Phase 3 Backbone Summary		\$4,311,734	\$841,461	\$5,153,195

Indirects

Performance Bond	0.7%	\$31,634
Engineering - Design	3.9%	\$168,714
Engineering - Staking	3.3%	\$143,407
Soils Engineering	2.0%	\$84,357
Plan Check & Inspection	2.9%	\$126,535
Agency Bond	1.8%	\$75,921
Construction Management / Bidding	4.9%	\$210,892

Sub-Total - Indirect Cost	20%	\$841,461
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Segment 4-1 & 4-1-1: Phase 3 Backbone Potable Water Improvements
Phase 3

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
4-1	Phase 3 Backbone Potable Water Improvements	\$1,267,189	\$252,804	\$1,519,993
4-1-1	Phase 3 Intract Water - Builders Secondary Access Streets	\$87,903	\$17,537	\$105,440
<u>Indirects</u>				
	Performance Bond	0.8%	\$10,163	
	Engineering - Design	4.0%	\$54,204	
	Engineering - Staking	3.4%	\$46,073	
	Soils Engineering	2.0%	\$27,102	
	Plan Check & Inspection	3.0%	\$40,653	
	Agency Bond	1.8%	\$24,392	
	Construction Management / Bidding	5.0%	\$67,755	
Sub-Total Indirect Costs		20.0%	\$270,341	

Segment 4-1: Phase 3 Backbone Potable Water Improvements
Phase 3

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe w/ Fittings (Class 150) - 16 Inch - Backbone	LF	\$90.00	1,275	\$114,750
2.	Chlorinate & Pressure Test - Backbone	LF	\$1.50	1,275	\$1,913
3.	Fire Hydrant - Backbone	EA	\$8,300.00	5	\$41,500
4.	Fire Hydrant - Adjust to Grade - Backbone	EA	\$200.00	5	\$1,000
5.	Butterfly Valve - 16 Inch - Backbone	EA	\$10,600.00	5	\$53,000
6.	Valves - Adjust to Grade - Backbone	EA	\$200.00	5	\$1,000
7.	Blow Off Assembly - 4 Inch - Backbone	EA	\$2,300.00	2	\$4,600
8.	Air/Vac Release - 2 Inch - Backbone	EA	\$5,400.00	2	\$10,800
9.	Pump Station - Phase 3 - Backbone	EA	\$800,000.00	1	\$800,000
10.	Prevailing Wage	%	12.0%	\$1,028,563	\$123,428
11.	Contingency	%	10.0%	\$1,151,990	\$115,199
Sub-Total - Phase 3 Backbone Potable Water Improvements - Segment 4-1					\$1,267,189

Segment 4-1-1: Phase 3 Intract Water - Builders Secondary Access Streets

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	PVC Pipe w/ Fittings (Class 150) - 8 Inch - Backbone	LF	\$30.00	700	\$21,000
2.	Chlorinate & Pressure Test - Backbone	LF	\$1.50	700	\$1,050
3.	Fire Hydrant - Backbone	EA	\$6,300.00	3	\$18,900
4.	Fire Hydrant - Adjust to Grade - Backbone	EA	\$200.00	3	\$600
5.	Butterfly Valve - 16 Inch - Backbone	EA	\$2,900.00	5	\$14,500
6.	Valves - Adjust to Grade - Backbone	EA	\$200.00	5	\$1,000
7.	1" House Service Copper Laterals	EA	\$1,100.00	13	\$14,300
8.	Prevailing Wage	%	12.0%	\$71,350	\$8,562
9.	Contingency	%	10.0%	\$79,912	\$7,991
Sub-Total - Phase 3 Intract Water - Builders Secondary Access Streets - Segment 4-1-1					\$87,903

Segment 4-1-2: Phase 3 Potable Pump Station Zone 1630
Phase 1

<u>Segment Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
4-1-2 Phase 3 Potable Pump Station Zone 1630	\$880,000	\$175,560	\$1,055,560
<u>Indirects</u>			
Performance Bond	0.8%	\$6,600	
Engineering - Design	4.0%	\$35,200	
Engineering - Staking	3.4%	\$29,920	
Soils Engineering	2.0%	\$17,600	
Plan Check & Inspection	3.0%	\$26,400	
Agency Bond	1.8%	\$15,840	
Construction Management / Bidding	5.0%	\$44,000	
Sub-Total Indirect Costs	20.0%	\$175,560	

Segment 4-1-2: Phase 3 Potable Pump Station Zone 1630
Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Sycamore Crk Potable Pump Sta. Upgrade	LS	\$800,000.00	1	\$800,000
2.	Contingency	%	10.0%	\$800,000	\$80,000
Sub-Total - Phase 3 Potable Pump Station Zone 1630 - Segment 4-1-2					\$880,000

Segment 4-2 & 4-2-1: Phase 3 Backbone Non-Potable Water Improvements
 Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
4-2	Phase 3 Backbone Non-Potable Water Improvements	\$550,273	\$109,779	\$660,052
4-2-1	Phase 3 Intract Non-Potable Water - Builders Secondary Access Streets	\$148,271	\$29,580	\$177,851
<u>Indirects</u>				
	Performance Bond	0.8%	\$5,239	
	Engineering - Design	4.0%	\$27,942	
	Engineering - Staking	3.4%	\$23,750	
	Soils Engineering	2.0%	\$13,971	
	Plan Check & Inspection	3.0%	\$20,956	
	Agency Bond	1.8%	\$12,574	
	Construction Management / Bidding	5.0%	\$34,927	
Sub-Total Indirect Costs		20.0%	\$139,360	

Segment 4-2: 'Phase 3 BB Storm Drain'!C24 Phase 3 Backbone Non-Potable Water Improvements
 Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Reclaimed - PVC Pipe w/ Fittings (Class 150) - 6 Inch - Backbone	LF	\$30.00	500	\$15,000
2.	Pressure Test - Backbone	LF	\$1.50	500	\$750
3.	Gate Valves - 8 Inch - Backbone	EA	\$4,000.00	6	\$24,000
4.	Valves - Adjust to Grade - Backbone	EA	\$200.00	24	\$4,800
5.	Blow Off Assembly - 2 Inch - Backbone	EA	\$8,300.00	37	\$307,100
6.	Air/Vac Release - 1 Inch - Backbone	EA	\$3,600.00	3	\$10,800
7.	Service and Box - 1 1/2 Inch Landscape - Backbone	EA	\$7,600.00	7	\$53,200
8.	Plug - Backbone	EA	\$1,000.00	31	\$31,000
9.	Prevailing Wage	%	12.0%	\$446,650	\$53,598
10.	Contingency	%	10.0%	\$500,248	\$50,025
Sub-Total - Phase 3 Backbone Non-Potable Water Improvements - Segment 4-2					\$550,273

Segment 4-2-1: Phase 3 Intract Non-Potable Water - Builders Secondary Access Streets

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Reclaimed - PVC Pipe w/ Fittings (Class 150) - 8 Inch - Backbone	LF	\$30.00	700	\$21,000
2.	Pressure Test - Backbone	LF	\$1.50	700	\$1,050
3.	Gate Valves - 8 Inch - Backbone	EA	\$4,000.00	6	\$24,000
4.	Valves - Adjust to Grade - Backbone	EA	\$200.00	6	\$1,200
5.	Blow Off Assembly - 2 Inch - Backbone	EA	\$8,300.00	3	\$24,900
6.	Air/Vac Release - 1 Inch - Backbone	EA	\$3,600.00	2	\$7,200
7.	Service and Box - 1 1/2 Inch Landscape - Backbone	EA	\$7,600.00	5	\$38,000
8.	Plug - Backbone	EA	\$1,000.00	3	\$3,000
9.	Prevailing Wage	%	12.0%	\$120,350	\$14,442
10.	Contingency	%	10.0%	\$134,792	\$13,479
Sub-Total - Phase 3 Intract Non-Potable Water - Builders Secondary Access Streets - Segment 4-2-1					\$148,271

Segment 4-2-2: Phase 3 Non-Potable Pump Station
Phase 1

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
4-2-2	Phase 3 Non-Potable Pump Station	\$880,000	\$175,560	\$1,055,560
	<u>Indirects</u>			
	Performance Bond	0.8%	\$6,600	
	Engineering - Design	4.0%	\$35,200	
	Engineering - Staking	3.4%	\$29,920	
	Soils Engineering	2.0%	\$17,600	
	Plan Check & Inspection	3.0%	\$26,400	
	Agency Bond	1.8%	\$15,840	
	Construction Management / Bidding	5.0%	\$44,000	
	Sub-Total Indirect Costs	20.0%	\$175,560	

Segment 4-2-2: Phase 3 Non-Potable Pump Station
Phase 1

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Sycamore Crk Potable Pump Sta. Upgrade	LS	\$800,000.00	1	\$800,000
2.	Contingency	%	10.0%	\$800,000	\$80,000
Sub-Total - Phase 3 Non-Potable Pump Station - Segment 4-2-2					\$880,000

Segment 4-2: Phase 3 Backbone Sewer Improvements
 Phase 3

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
4-3	Phase 3 Backbone Sewer Improvements	\$102,496	\$20,448	\$122,944
4-3-1	Phase 3 Intract Water - Builders Secondary Access Streets	\$63,420	\$12,652	\$76,072
<u>Indirects</u>				
	Performance Bond	0.8%	\$1,244	
	Engineering - Design	4.0%	\$6,637	
	Engineering - Staking	3.4%	\$5,641	
	Soils Engineering	2.0%	\$3,318	
	Plan Check & Inspection	3.0%	\$4,977	
	Agency Bond	1.8%	\$2,986	
	Construction Management / Bidding	5.0%	\$8,296	
Sub-Total Indirect Costs		20.0%	\$33,100	

Segment 4-3: Phase 3 Backbone Sewer Improvements
 Phase 3

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
2.	PVC Pipe - 8 Inch - Backbone	LF	\$46.00	1,020	\$46,920
3.	TV Test Sewer Mains - Backbone	LF	\$1.25	1,020	\$1,275
4.	Sanitary Sewer - Manhole - 48 Inch - Backbone	EA	\$6,400.00	5	\$32,000
5.	Manholes - Adjust to Grade - Backbone	EA	\$400.00	5	\$2,000
6.	Remove Plug and Join - Backbone	EA	\$500.00	2	\$1,000
7.	Prevailing Wage	%	12.0%	\$83,195	\$9,983
8.	Contingency	%	10.0%	\$93,178	\$9,318
Sub-Total - Phase 3 Backbone Sewer Improvements - Segment 4-3					\$102,496

Segment 4-3-1: Phase 3 Intract Water - Builders Secondary Access Streets
 Phase 3

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
-2.	PVC Pipe - 8 Inch - Backbone	LF	\$38.00	640	\$24,320
-1.	TV Test Sewer Mains - Backbone	LF	\$1.25	640	\$800
0.	Sanitary Sewer - Manhole - 48 Inch - Backbone	EA	\$4,100.00	3	\$12,300
1.	Manholes - Adjust to Grade - Backbone	EA	\$400.00	3	\$1,200
2.	4" PVC House Laterals	EA	\$1,200.00	12	\$14,400
3.	Prevailing Wage	%	12.0%	\$38,620	\$4,634
4.	Contingency	%	10.0%	\$57,654	\$5,765
Sub-Total - Phase 3 Intract Water - Builders Secondary Access Streets - Segment 4-3-1					\$63,420

Segment 4-4: Phase 3 Backbone Dry Utility Improvements
 Phase 3

<u>Segment</u>	<u>Summary</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
4-4	Phase 3 Backbone Dry Utility Improvements	\$238,297	\$47,540	\$285,838
	<u>Indirects</u>			
	Performance Bond	0.8%	\$1,787	
	Engineering - Design	4.0%	\$9,532	
	Engineering - Staking	3.4%	\$8,102	
	Soils Engineering	2.0%	\$4,766	
	Plan Check & Inspection	3.0%	\$7,149	
	Agency Bond	1.8%	\$4,289	
	Construction Management / Bidding	5.0%	\$11,915	
	Sub-Total Indirect Costs	20.0%	\$47,540	

Segment 4-4: Phase 3 Backbone Dry Utility Improvements
 Phase 3

<u>Item No.</u>	<u>Item Description</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Total Cost</u>
1.	Main Line Trench - Backbone	LF	\$55.00	840	\$46,200
2.	Joint Trenching CIAC Tax - Blue Top	%	35.0%	\$46,200	\$16,170
3.	Electrical Contractor Charges - Backbone	LF	\$125.00	840	\$105,000
4.	Electric Conduits 1 - 4 Inch Distribution Crossing - E	LF	\$100.00	100	\$10,000
5.	Street Lights - Single Lumina - Backbone	EA	\$5,000.00	6	\$30,000
6.	Energy Advance - 12 Months - Backbone	MO	\$12.00	72	\$864
7.	Main Footage - Backbone Streets	LF	\$10.00	840	\$8,400
8.	Contingency	%	10.0%	\$216,634	\$21,663
Sub-Total - Phase 3 Backbone Dry Utility Improvements - Segment 4-4					\$238,297

Segment 4-7: Phase 3 Backbone Streets Environmental Mitigation-TVWD
Phase 1

Segment Summary

	<u>Direct Cost</u>	<u>Indirect Cost</u>	<u>Total Cost</u>
4-7 Phase 3 Backbone Streets Environmental Mitigation-TVWD	\$93,885	\$0	\$93,885

Segment 4-7: Phase 3 Backbone Streets Environmental Mitigation-TVWD
Phase 1

Item No.	Item Description	Unit	Unit Price	Quantity	Total Cost
1.	Biological Mitigation Cost - Onsite - Per Consulting Biologist	% VAL	\$1,000,000.00	2.392%	\$23,922
2.	Biological Mitigation Cost - Offsite - RCRCO In-Lieu Fee Credit Bank	% VAL	\$1,574,570.00	2.392%	\$37,666
3.	Biological Mitigation Monitoring - Per Consulting Biologist	% VAL	\$213,300.00	2.392%	\$5,103
4.	Offsite Mitigation Endowment - Per Consulting Biologist	% VAL	\$750,000.00	2.392%	\$17,941
5.	Legal - Biological Issues - Per Consulting Biologist	% VAL	\$30,000.00	2.392%	\$718
6.	Contingency	%	10.0%	\$85,350	\$8,535
Sub-Total - Phase 3 Backbone Streets Environmental Mitigation-TVWD - Segn					\$3,567,870.00
					\$93,885

Mitigation % Share Calculation

	LF	Total Project Street Impact	Total Segment Street Impact	Total Water (40%) & Sewer (20%) Impact
Temescal Canyon Road Impact Lineal Footage	1,060		5.32%	60%
Total TCR & Backbone Street Impacts Lineal Footage	19,940	75%		
Total Segment 1-8 Impact (0.75 x 0.0532 x 0.6)%				
2.392%				

EXHIBIT B

DESIGN, BID AND CONTRACT REQUIREMENTS

1. General

These requirements shall be applied to all District Improvements proposed to be acquired through the Community Facilities District. Any deviation from these requirements must be approved in advance by the General Manager.

References to the General Manager mean the General Manager or his designee.

The District reserves the right to make the final determination of cost of the Improvements to be acquired in accordance with this Agreement.

2. Design Phase

A. Only design costs directly related to the District Improvements to be acquired are eligible for inclusion.

B. Bidding Documents. Two complete sets of bidding documents, including improvement plans, general provisions, and bid proposal forms shall be submitted to the Engineering Division for review and approval within 15 working days of submittal. Invitations to submit bids shall not take place until the bidding documents are approved in writing by the District. This procedure shall be followed for each contract proposed to be bid and awarded. Unless otherwise noted, the bidding documents shall conform to the following minimum requirements:

(1) The bid documents may require contractors to provide a lump sum or a unit price bid, or both. If the Developer desires to have the option to award a contract on either a lump sum or a unit price basis, the bid documents must clearly indicate that the Developer has the option to award the contract to either the low responsible lump sum bid or unit price bid.

(2) The bidding documents shall require the bidder/contractor to provide the following bonds:

- a. Bid Bond - 10% of the amount of the bid.
- b. Material and Labor Bond - 50 % of the contract amount.
- c. Performance Bond - 50% of the contract amount.

(3) The bidding documents shall require the successful bidder to provide evidence of comprehensive public liability insurance in the amount of at least \$1,000,000 prior to the award of the contract. The District and the Community Facilities District shall be designated as “additional insured” on any such policy.

(4) The bidding documents shall provide for monthly progress payments or payment to the contractor pursuant to Section 4 upon completion of the District Improvements.

(5) The contractor is shall be required to pay prevailing wages.

(6) The bidding documents must clearly state the time, date, and place where bids are to be submitted and opened.

(7) The bidding documents shall clearly state the amount of time to complete the work. The time allowed must be reasonable for the amount of work. Accelerated construction time allowances must be supplementally bid, and are not eligible for public finance unless previously approved by the General Manager.

3. Bidding Phase

A. The invitation to submit bids shall state where bidding documents are available.

B. The bidding period shall be a minimum of 14 calendar days.

C. Developer shall provide complete sets of bidding documents to all contractors, subcontractors, or suppliers who have been invited to submit bids and who request such bidding documents. A reasonable price may be charged for bidding documents.

D. Developer shall keep a log of all persons who have been invited to submit bids, those persons obtaining bidding documents, and their mailing address.

E. Addenda shall be mailed by first class mail to all bidding document holders and the General Manager. If an addendum is required within five working days of the noticed bid opening date, the bid opening date shall be extended.

F. Submitted bids shall be in sealed envelopes.

G. Bids shall not be accepted after the stated time for submission.

H. Bid opening shall be conducted by the Developer at the Developer's place of business or other site mutually acceptable to the Developer and General Manager.

I. Sealed bids shall be opened and read aloud immediately following the submission time. A District representative shall be invited to attend the bid opening.

J. Conditioned bids, unless the bid proposal lists them for all to bid on, shall not be accepted.

K. It is recommended that the arithmetic of the two lowest bid proposals received immediately be checked for errors.

L. A tabulation of all bids received shall be provided to the General Manager within five working days of the bid opening.

M. Award shall be made to the lowest responsible bidder.

N. A preconstruction meeting shall be held with the contractor prior to beginning the work. A District representative shall be invited to attend the meeting.

O. The Notice to Proceed shall be issued within a reasonable period of time following the contract execution.

4. Construction Phase

A. The District shall be provided a copy of the construction schedule.

B. Developer shall require the contractor to conduct weekly construction status meetings to which a District representative shall be invited.

C. All change orders shall be reviewed and approved by the District inspector prior to execution. The General Manager shall reserve the right to reject the change order as an eligible element of the Purchase Price of the District Improvements at the time of review of the applicable payment request.

D. Any additional costs incurred for the solely for benefit of the Developer, such as accelerating the construction schedule to meet' an scheduled opening of models, shall not be eligible for public financing unless previously approved by the General Manager.

E. Any additional construction costs incurred due solely to delays caused by the Developer shall not be eligible for public financing.

F. All contracts and construction related records shall be available to the District as and when required for the final determination of eligible costs for the public financing. This shall include trip tickets and other confirmations of material delivered to the project.

EXHIBIT C

PAYMENT REQUEST NO. __

The undersigned (the “Developer”) hereby requests payment in the total amount of \$ _____ for [the Purchase Price of the District Improvement/District Advance] (as defined in the Acquisition/Financing Agreement by and among the Temescal Valley Water District (the “District”) and Developer, all as more fully described in Attachment 1 hereto. In connection with this Payment Request, the undersigned hereby certifies, represents and warrants to the District as follows:

1. He(he) is a duly authorized officer of Developer, qualified to execute this Payment Request for payment on behalf of Developer and is knowledgeable as to the matters set forth herein.

2. [The District Improvement(s) that is/are the subject of this Payment Request have been completed.] [The District Advance that is the subject of this Payment Request has been made to the District.]

3. The Purchase Price for the District Improvement(s) has/have been calculated in conformance with the terms of the Agreement. All costs for which payment is requested hereby are eligible costs (as permitted in the Agreement) and have not been inflated in any respect and have not been the subject of any prior payment request paid by the Developer.

4. Supporting documentation (such as third party invoices, change orders and checks) is attached with respect to each cost for which payment is requested.

5. The District Improvement(s) for which payment is requested were constructed in accordance with the requirements of the Agreement.

6. Developer is in compliance with the terms and provisions of the Agreement.

7. No mechanics liens or other encumbrances have attached, or to the best knowledge of Developer, after due inquiry, will attach to the District Improvements.

[Signature page follows]

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

DEVELOPER:

Dated: _____

DISTRICT:

Payment Request Approved for Submission to
Finance Director

General Manager

Dated: _____

ATTACHMENT 1

SUMMARY OF IMPROVEMENTS
TO BE ACQUIRED AS PART OF PAYMENT REQUEST NO. _____

<u>District Improvement</u>	<u>Purchase Price</u>	<u>Disbursement Requested</u>
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[List here all District Improvements for which payment is requested,
and attach supporting documentation]

RESOLUTION NO. R-16-12

RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT TO INCUR BONDED INDEBTEDNESS WITHIN COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT

WHEREAS, upon receipt of a petition as provided in Section 53318 of the Government Code of the State of California, the Board of Directors of Temescal Valley Water District (the "Board of Directors") instituted proceedings to form Community Facilities District No. 4 (Terramor) of Temescal Valley Water District ("CFD No. 4") and designate Improvement Area No. 1 of CFD No. 4 (the "Improvement Area"), all pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), as amended, and adopted a resolution on the date hereof (the "Resolution of Intention") stating its intention to form CFD No. 4, designate the Improvement Area and finance (1) the purchase, construction, expansion, improvement or rehabilitation of public improvements identified in Attachment "A" (which attachment is incorporated herein by this reference), including all furnishings, equipment and supplies related thereto (collectively, the "Improvements") and (2) the incidental expenses to be incurred in connection with financing the Improvements, and forming and administering CFD No. 4 (collectively, the "Incidental Expenses"); and

WHEREAS, the Board of Directors estimates that the amount required to finance the Improvements and Incidental Expenses for the Improvement Area is approximately \$28,000,000; and

WHEREAS, in order to finance the Improvements and Incidental Expenses, the Board of Directors intends to authorize the issuance of bonds in the maximum principal amount of \$28,000,000 with respect to the Improvement Area. The repayment of the bonds of the Improvement Area shall be secured by special taxes levied in accordance with Section 53328 of the Act on all property in the Improvement Area, other than those properties exempted from taxation in the rate and method of apportionment set forth in Attachment "C" to the Resolution of Intention;

THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

1. The above recitals are true and correct.
2. It is necessary to incur bonded indebtedness within the boundaries of the Improvement Area in an amount not to exceed \$28,000,000 in order to finance the costs of the Improvements and Incidental Expenses, as permitted by the Act.
3. The indebtedness will be incurred for the purpose of financing the costs of the Improvements and the Incidental Expenses, including, but not limited to, the funding of reserve funds for the bonds, the financing of costs associated with the issuance of the bonds and all other costs and expenses necessary to finance the Improvements which are permitted to be financed pursuant to the Act.
4. It is the intent of the Board of Directors to authorize the sale of bonds in one or more series, which bonds may be issued to fund Improvements costs and Incidental Expenses in the maximum amount set forth in Section 2, and which bonds may bear interest at a rate not in

excess of the maximum rate permitted by law at the time that the bonds are issued. The term of the bonds of each series shall be determined pursuant to a resolution of this Board of Directors authorizing the issuance of the bonds of such series, but such term shall in no event exceed 40 years from the date of issuance of the bonds of such series, or such longer term as is then permitted by law.

5. A combined public hearing (the "Hearing") on the proposed debt issue and the levy of special taxes shall be held at 8:30 a.m. or as soon thereafter as practicable, on November 22, 2016, at the Board of Directors Meeting Room, 22646 Temescal Canyon Road, Temescal Valley, California.

6. At the time and place set forth in this Resolution for the Hearing, any interested persons, including all persons owning land or registered to vote within proposed CFD No. 4 and the Improvement Area, may appear and be heard.

7. The Secretary of the Board of Directors is hereby directed to publish a notice of the Hearing (the "Notice") pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed CFD No. 4. Such publication shall be completed at least seven days prior to the date of the Hearing. The Secretary of the Board of Directors is further directed to mail a copy of the Notice to each of the landowners within the boundaries of proposed CFD No. 4 and the Improvement Area at least 15 days prior to the Hearing.

8. This Resolution shall be effective upon its adoption.

Dated: September 27, 2016.

C.W. Colladay, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution No. R-16-12 adopted by the Board of Directors of the Temescal Valley Water District at its meeting held on September 27, 2016.

ATTEST:

Paul Rodriguez, Board Secretary

(SEAL)

ATTACHMENT A

DESCRIPTION OF PROPOSED IMPROVEMENTS AND INCIDENTAL EXPENSES

The proposed types of public facilities and expenses to be financed by the District include:

The construction, purchase, modification, expansion, improvement or rehabilitation of (1) water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of Temescal Valley Water District (the "Water District Improvements"), (2) certain roadways and roadway improvements and related infrastructure and improvements of the County of Riverside (the "County Improvements"), and (3) storm and sewer drains and related infrastructure and improvements of the Riverside County Flood Control and Water Conservation District (the "Flood Control Improvements" and together with the Water District Improvements and County Improvements, the "Improvements"), both onsite and offsite, and all appurtenances and appurtenant work in connection with the foregoing including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Improvements and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Improvements.

The Improvements listed herein are representative of the types of improvements authorized to be financed by CFD No. 4. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the Temescal Valley Water District. Addition, deletion or modification of descriptions of the Improvements may be made consistent with the requirements of the Board of Directors of Temescal Valley Water District, CFD No. 4 and the Act.

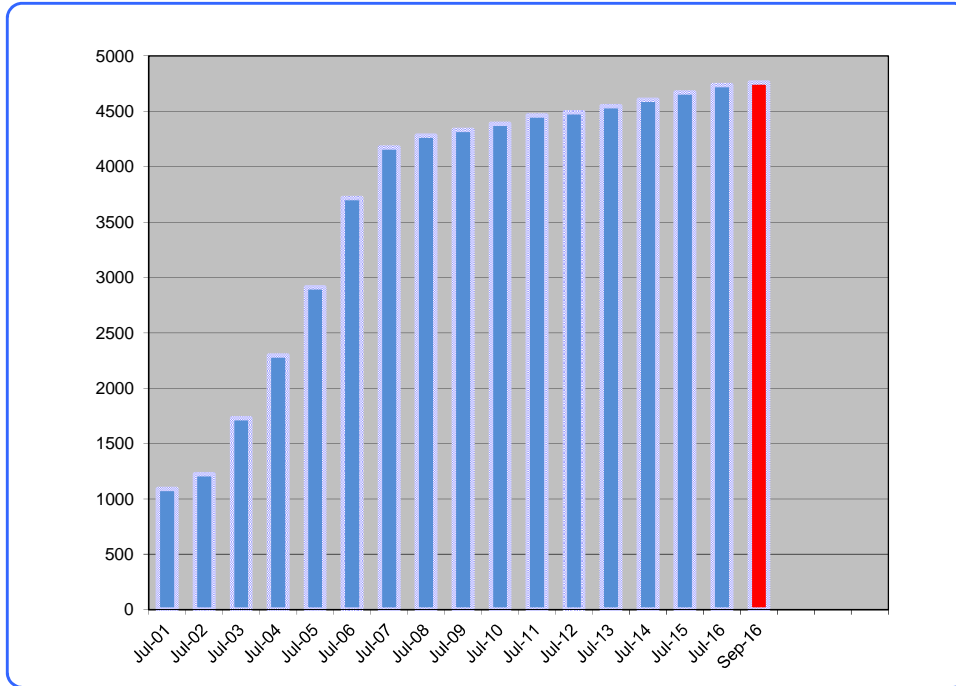
The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

All costs associated with the creation of CFD No. 4, the issuance of the bonds, the determination of the amount of special taxes to be levied, costs otherwise incurred in order to carry out the authorized purposes of CFD No. 4, including legal fees, fees of consultants, engineering, planning, designing and the annual administration cost of CFD No. 4.

TEMESCAL VALLEY WATER DISTRICT CUSTOMER COUNT PER YEAR (RESIDENTIAL)

(Excludes SID#1 and SID#2 sewer customers)

DATE	Jul-01	Jul-02	Jul-03	Jul-04	Jul-05	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Jul-16	Sep-16
CUSTOMERS	1090	1223	1729	2295	2910	3718	4173	4279	4332	4386	4463	4492	4547	4605	4670	4736	4760



RESIDENTIAL	Total Homes	Completed Homes	
Wildrose Ranch	1043	1043	100%
Trilogy at Glen Ivy	1317	1317	100%
Painted Hills	204	204	100%
Canyon Oaks	26	26	100%
Montecito Ranch	305	305	100%
Sycamore Creek	1748	1348	77%
The Retreat	525	517	98%
Toscana Hills	1443	0	0%
	6611	4760	72%

TOTAL CUSTOMER COUNT REPORT
August 31, 2016

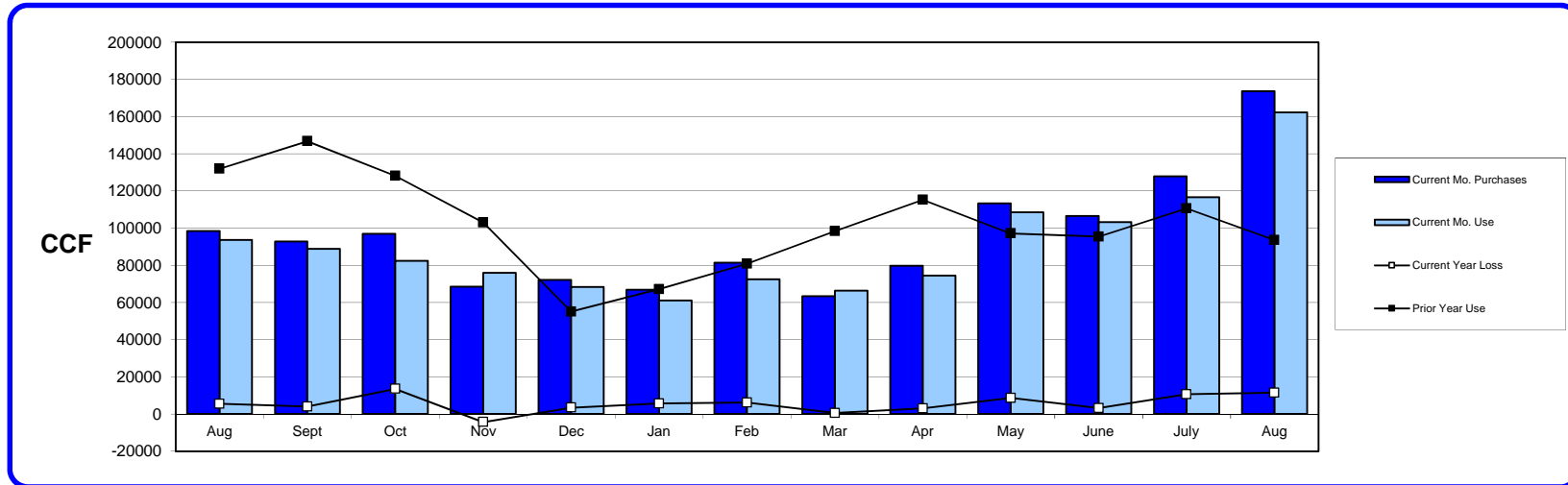
	Water & Sewer	Water Only	Sewer Only	Count
New homes added 0 Accounts closed/transferred 98 Empty Homes 4			Butterfield (305) Calif. Meadows (345)	
Residential	4889	2	650	5541
Commercial	84	0	2	86
Commercial-fireheld inactive	41			41
Public Govt	3	1	0	4
Irrigation-Industrial	0	67	0	67
Non-Potable Water other	0	134	0	134
Construction-Bulk Sales	0	6	0	6
Total Active Customers				5879

DELINQUENT REPORT

Meters Read - Customers Billed	5188	
Received Delinquent Notice on current bill	480	9.25%
Turned Off for lack of payment	24	0.46%
Customers turned back on, amount paid	23	0.44%

WATER USAGE REPORT FOR THIRTEEN MONTHS

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	TOTAL
Beg Water Levels	10341	9586	9587	10765	7718	8157	8223	11024	7649	9846	8387	8502	9117	
Ending Water Levels	9586	9587	10765	7718	8157	8223	11024	7649	9846	8387	8502	9117	9865	
Cur Yearly Purchases	98328	92777	96985	68505	72145	66752	81421	63424	79673	113267	106499	127829	173678	1241283
Cur Yr Monthly Use	93626	88794	82309	75904	68282	60973	72419	66313	74479	108426	103216	116641	162272	1173654
Prior Yr Monthly Use	131960	146751	128147	103024	55145	67177	80811	98395	115197	97158	95479	110679	93626	1323549

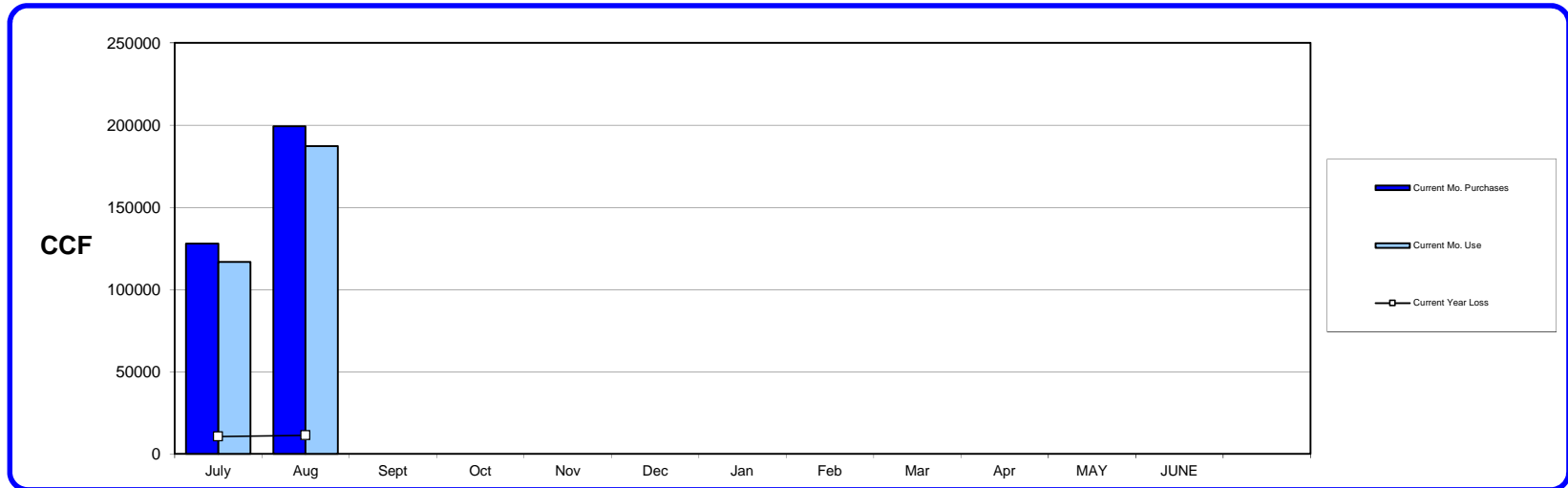


KEY
2014-2015
2015-2016
2016-2017

SUMMARY		CCF
Beginning Water in System		10341 CCF
Water Purchased in last 13 months		1241283 CCF
Water Used in last 13 months		1173654 CCF
Water Remaining in System		9865 CCF
(Loss)/Gain over last 13 months		(68105) CCF
		-5.49%

WATER USAGE REPORT FOR FY 2016-2017

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	TOTAL
Beg Water Levels	8502	9117											
Ending Water Levels	9117	9865											
Cur Yearly Purchases	127829	173678											301507
Cur Yr Monthly Use	116641	162272											278913
GAIN/LOSS (UNITS)	10573	11310											21883

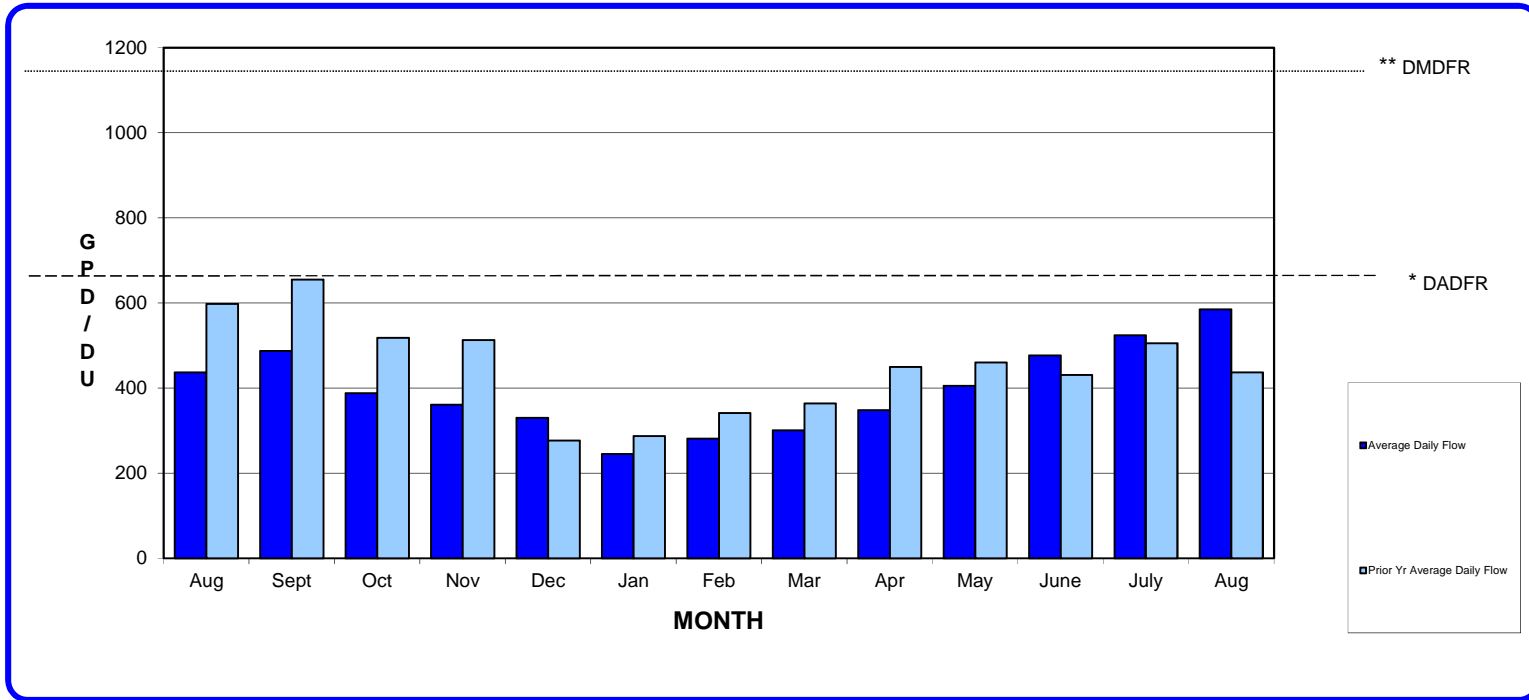


YEAR	%
2014-2015	-5.61
2015-2016	-4.83

SUMMARY	CCF
Beginning Water in System	8502 CCF
Water Purchased	301507 CCF
Water Used	278913 CCF
Water Remaining in System	9865 CCF
(Loss)/Gain FY to date	(21231) CCF
	-7.04%

RESIDENTIAL WATER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per RESIDENTIAL DWELLING UNIT CONNECTED)

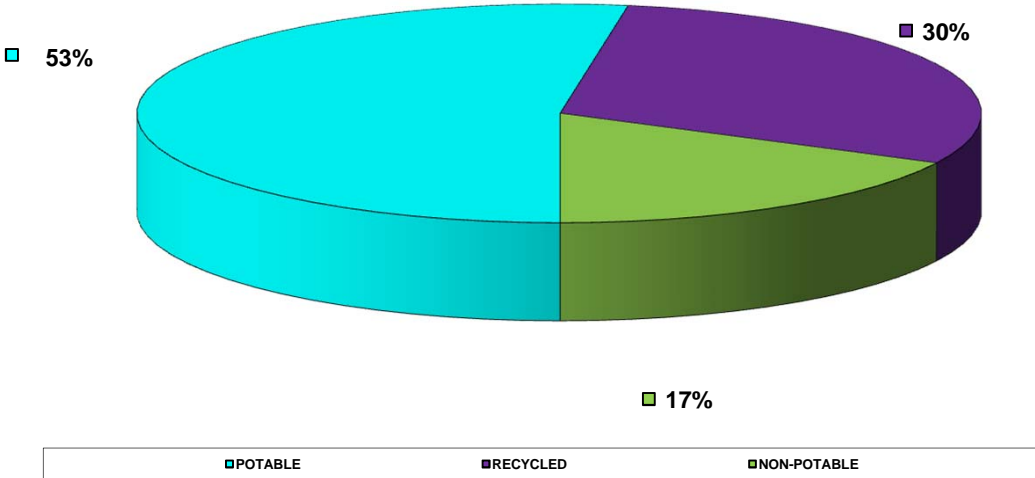
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	YEARLY AVERAGE
Average Daily Flow	437	487	388	361	330	245	281	301	348	405	477	524	585	394
Prior Yr Average Daily Flow	598	655	518	513	277	287	341	364	450	460	431	505	437	437



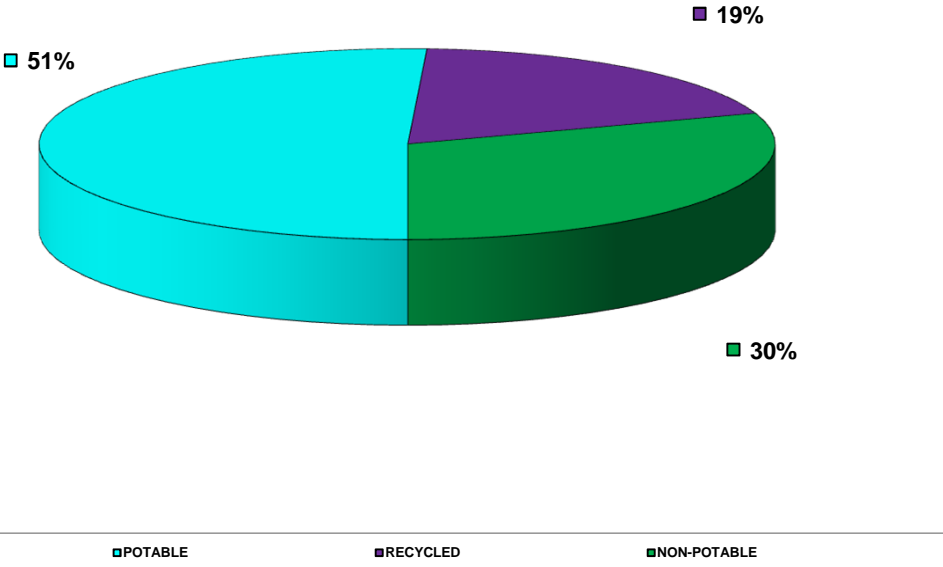
Key
 2014-2015
 2015-2016
 2016-2017

* DESIGN AVERAGE DAILY FLOW RATE IN GPD (650)
 ** DESIGN MAXIMUM DAILY FLOW RATE IN GPD (1140)

**Temescal Valley Water District
Volume of Water Sold
For Two Months Ending August 31, 2016
F/Y 2016-2017**

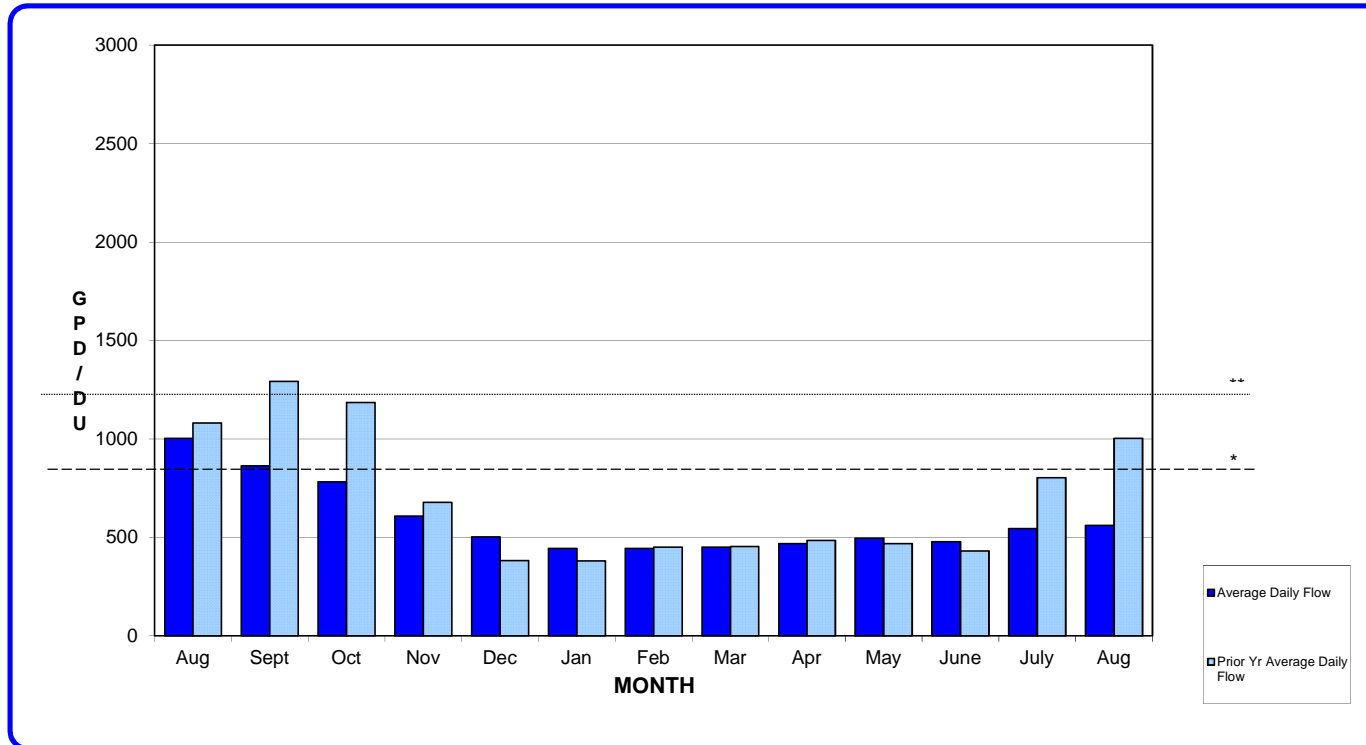


**Temescal Valley Water District
Water Volume Sold
For F/Y 2015-2016
Twelve Months**



COMMERCIAL WATER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per COMMERCIAL DWELLING UNIT CONNECTED)

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	YEARLY AVERAGE
Average Daily Flow	1004	863	782	608	503	444	444	451	469	496	478	546	561	554
Prior Yr Average Daily Flow	1081	1293	1185	679	383	381	451	454	485	469	431	803	1004	1145



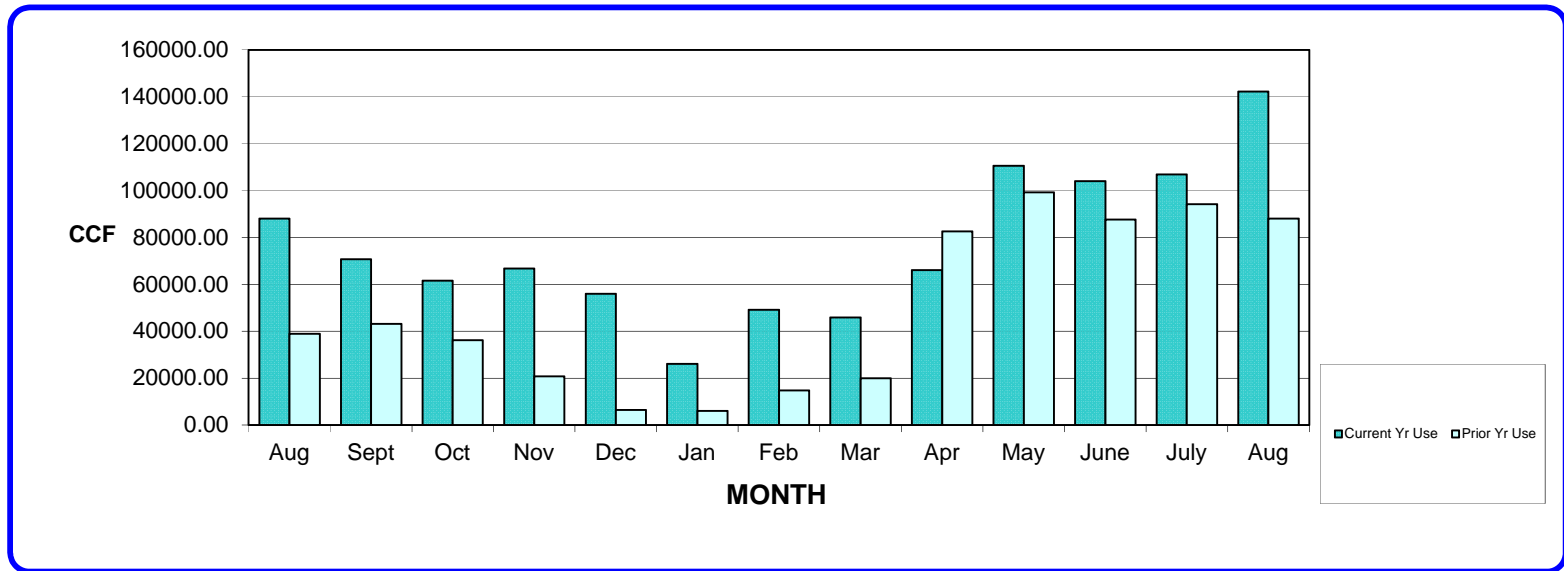
Key
2014-2015
2015-2016
2016-2017

- * DESIGN AVERAGE DAILY FLOW RATE IN GPD (650)
- ** DESIGN MAXIMUM DAILY FLOW RATE IN GPD (1140)

NOTE: EMISSARIES STARTED USING WATER

RECYCLED AND NON-POTABLE WELL WATER MONTHLY FLOW (ccf)

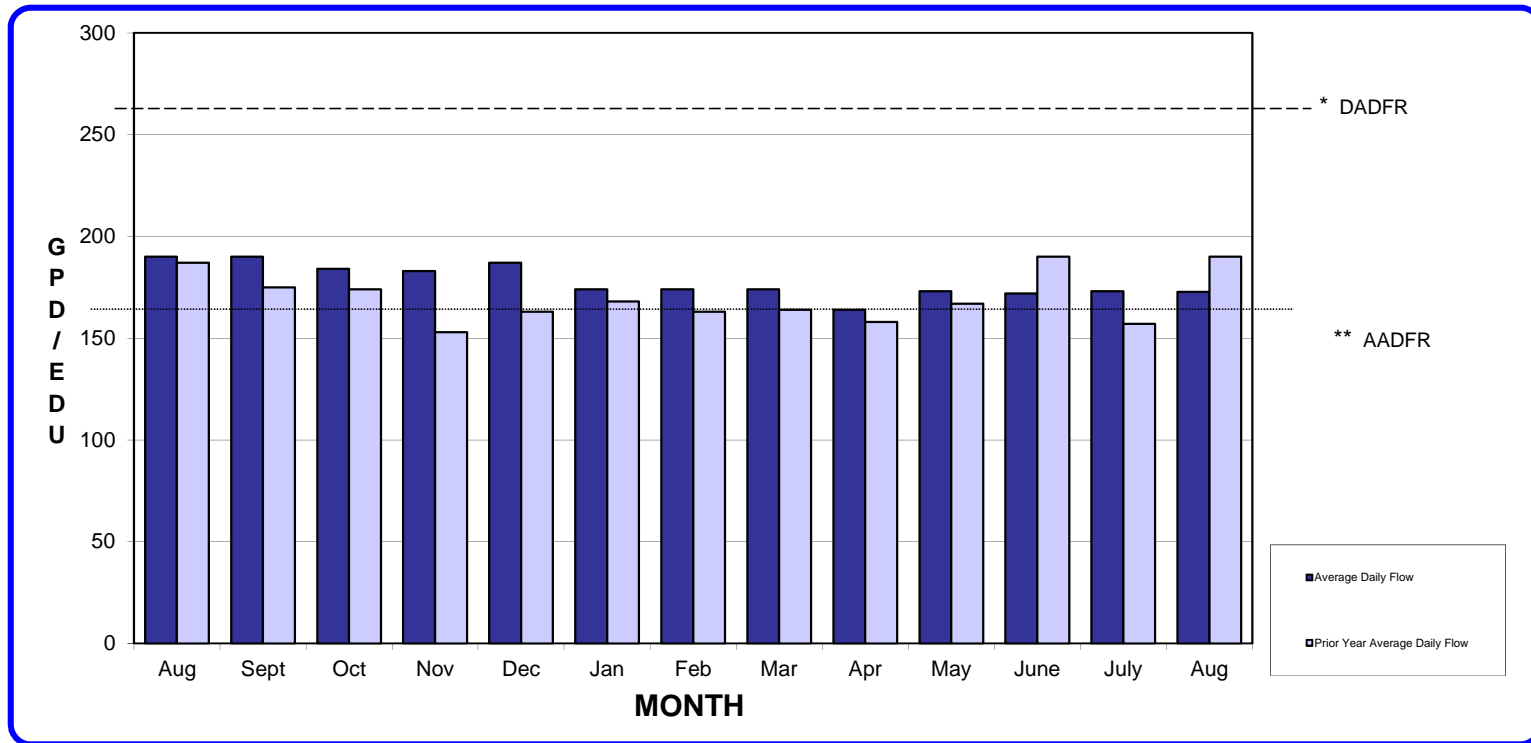
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Current Yr Use	88058.82	70781.92	61621.08	66739.00	56050.32	26122.81	49169.19	45887.67	66124.51	110560.21	104019.74	106957.12	142210.12
Prior Yr Use	38920.08	43204.53	36215.46	20721.94	6409.58	6042.52	14725.03	19938.46	82604.83	99197.00	87702.00	94170.28	88058.82
Revenue	\$135,362	\$122,608	\$106,221	\$112,800	\$94,725	\$44,147	\$84,561	\$77,550	\$77,550	\$190,723	\$179,425	\$183,977	\$240,312



Key
2014-2015
2015-2016
2016-2017

RESIDENTIAL & COMMERCIAL SEWER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per DWELLING UNIT)

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	12-Month Average
Average Daily Flow	190	190	184	183	187	174	174	174	164	173	172	173	173	193
Prior Year Average Daily Flow	187	175	174	153	163	168	163	164	158	167	190	157	190	169



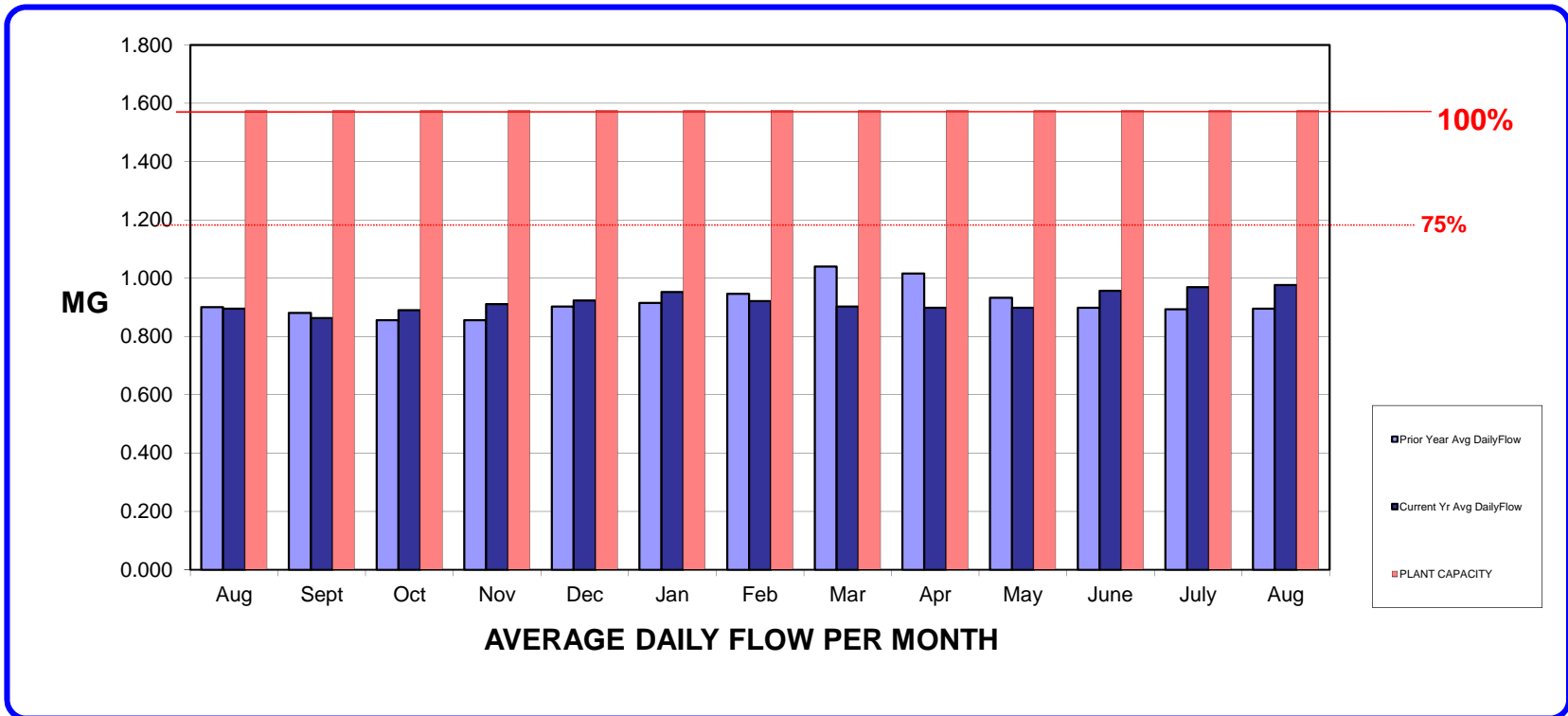
Key
2014-2015
2015-2016
2016-2017

** ACTUAL AVERAGE DAILY FICCF

RECLAMATION PLANT FLOW REPORT AVERAGE DAILY FLOW (Million Gallons)

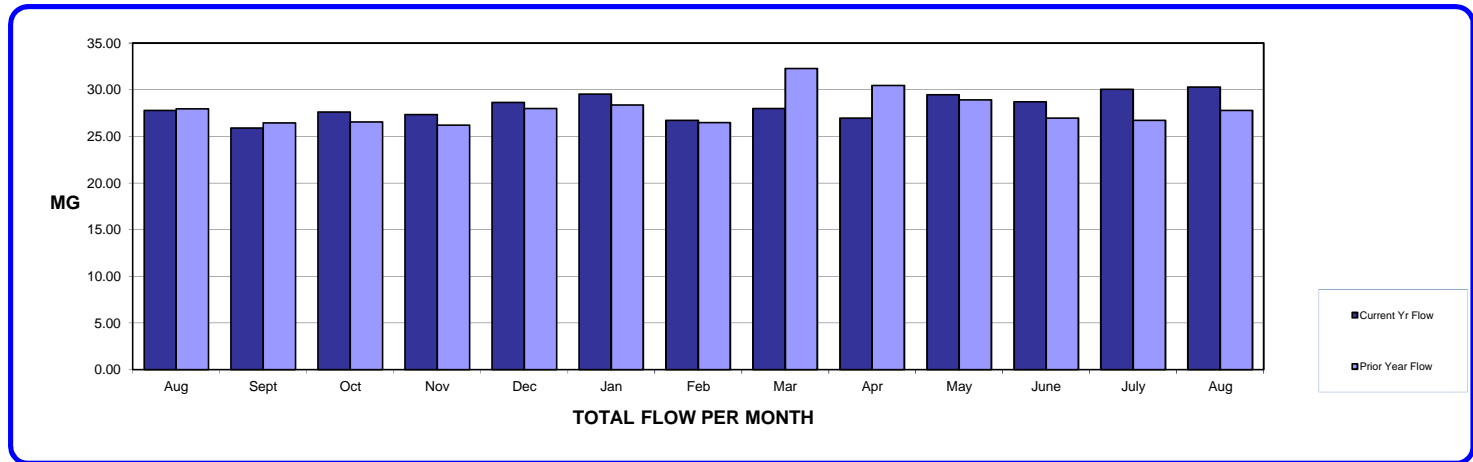
Key	
2013-2014	■
2014-2015	■
2015-2016	■

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Current Yr Avg DailyFlow	0.8960	0.8630	0.8900	0.9110	0.9240	0.9530	0.9210	0.9030	0.8990	0.8990	0.9570	0.9690	0.9770
Prior Year Avg DailyFlow	0.9010	0.8810	0.8560	0.8560	0.9030	0.9150	0.9460	1.0400	1.0160	0.9330	0.8990	0.8930	0.8960
PLANT CAPACITY	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575



RECLAMATION PLANT DISCHARGE REPORT MONTHLY FLOW (Million Gallons)

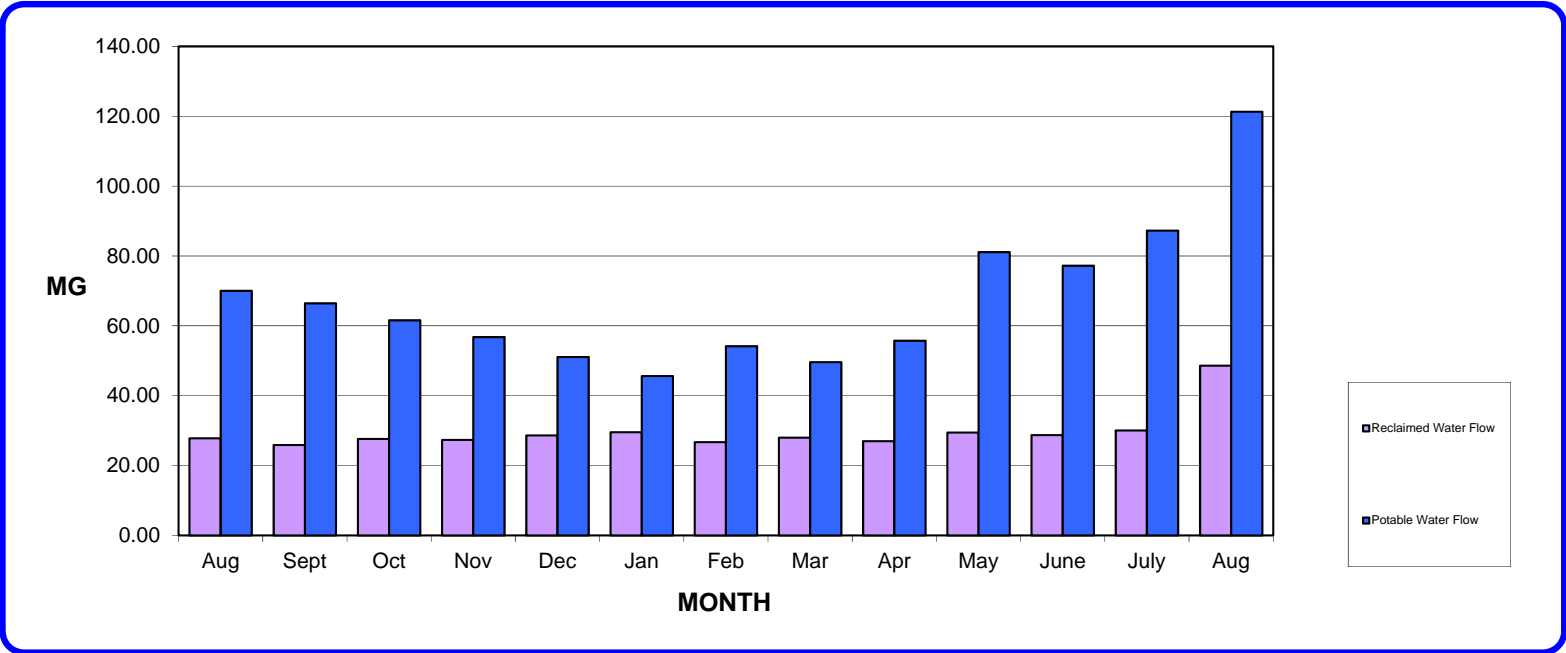
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total/yr
Current Yr Flow	27.78	25.88	27.60	27.32	28.64	29.54	26.71	27.99	26.96	29.47	28.70	30.03	30.30	339.14
Prior Year Flow	27.94	26.44	26.55	26.22	27.99	28.35	26.48	32.26	30.47	28.92	26.97	26.72	27.78	335.15
Potential Revenue	\$62,755	\$58,463	\$62,337	\$61,716	\$64,700	\$66,740	\$84,561	\$63,220	\$60,894	\$66,582	\$64,842	\$67,836	\$68,448	\$790,338
Current Month Revenue	\$56,725	\$44,873	\$38,434	\$20,598	\$11,332	\$18,687	\$55,530	\$56,976	\$60,894	\$66,582	\$64,842	\$67,836	\$68,448	\$575,031
Additional Potential Rev	\$6,030	\$13,590	\$23,903	\$41,118	\$53,368	\$48,052	\$29,031	\$6,245	(\$0)	(\$0)	\$0	(\$0)	(\$0)	\$215,307



Key
2014-2015
2015-2016
2016-2017

RECLAIMED WATER VERSUS POTABLE WATER MONTHLY FLOW (Million Gallons)

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
No. of Sewer Dwelling Units Connected	5432	5429	5430	5457	5471	5470	5480	5493	5492	5513	5507	5515	5541
Reclaimed Water Flow	27.78	25.88	27.60	27.32	28.64	29.54	26.71	27.99	26.96	29.47	28.70	30.03	48.60
Potable Water Flow	70.03	66.42	61.57	56.78	51.08	45.61	54.17	49.60	55.71	81.10	77.21	87.25	121.30



Month	Wildrose(2)	Montecito(3)	Trilogy(4)	Painted Hills(5)	Syc Crk(6)	Retreat(7)	Avg All Resid	AVG IND-BK / IRR	TOTAL		
									RECYCLED	POTABLE	GOLF
AVG '07-'08	18.1	32.7	15.9	32.2	21.7	37.1	25.9	106.6			
	24.6	33.8	17.0	33.3	32.6	40.8	25.4	53.3			
AVG '09-'10	21.9	30.0	15.8	30.2	26.3	38.0	23.0	51.7			
AVG '10-'11	20.6	27.6	15.5	25.8	25.1	35.2	22.3	36.0			
AVG '11-'12	21.0	27.9	15.9	27.3	24.7	34.0	22.5	82.3			
AVG '12-'13	21.9	31.3	15.6	27.5	23.6	30.5	22.9	190.0			
AVG '13-'14	22.5	33.8	16.5	28.2	24.5	30.6	23.0	9.8			
AVG '14-'15	20.7	28.4	15.4	26.8	21.9	28.2	21.2	62.8			
AVG '15-'16	17.4	21.3	10.6	22.4	16.9	24.3	16.5	105.4	38,401.9	4,639.1	18,977.2
Jul-16	22.5	32.8	15.4	33.2	21.7	32.9	22.6	184.1	63,548.0	4,607.5	36,728.0
Aug-16	28.5	42.5	28.2	42.2	27.1	43.1	31.1	375.7	76,504.9	2,689.2	17,143.1
Sep-16											
Oct-16											
Nov-16											
Dec-16											
Jan-17											
Feb-17											
Mar-17											
Apr-17											
May-17											
Jun-17											
AVG '16-'17											

AMOUNTS IN UNITS (CCF) (ONE UNIT = 748 GALS.)

MEMORANDUM

DATE: September 27, 2016
TO: Board of Directors
Temescal Valley Water District
FROM: General Manager
SUBJECT: **3-Year Contract Management Agreement**

BACKGROUND

Please see the attached documents for your review. The first is the prior Contract Management Contract and Amendments and the second is the proposed Contract Management Contract.

CONTRACT MANAGEMENT BUDGET

<u>ENTERPRISE</u>	<u>FY 2013 – 2016</u>	<u>FY 2016 - 2019</u>
Water:	\$110,500	\$100,000
Sewer:	\$88,400	\$87,500
Recycled Water:	<u>\$22,100</u>	<u>\$62,500</u>
TOTALS	\$221,000	\$250,000

RECOMMENDATION

To be made by the Board

Respectfully submitted,



Jeff Pape
General Manager

A-04-08

RHM:gs 01/21/04

AGREEMENT BETWEEN LEE LAKE WATER DISTRICT
AND DUDEK AND ASSOCIATES, INC. FOR
MANAGEMENT SERVICES

This AGREEMENT is made and entered into this 20th day of April, 2004, by and between the LEE LAKE WATER DISTRICT, a public agency, duly organized and existing pursuant to Division 13 of the California Water Code, hereafter referred to as "DISTRICT," and DUDEK AND ASSOCIATES, INC., a California corporation, hereafter referred to as "CONSULTANT."

WITNESSETH

WHEREAS, DISTRICT provides for the supply of agricultural and potable water and the collection, treatment and disposal of sewage for lands within its boundaries; and

WHEREAS, the Board of Directors finds it desirable to employ CONSULTANT as its General Manager of the DISTRICT to carry out the various functions of such position which are described in detail by Attachment A to this AGREEMENT.

NOW, THEREFORE, it is mutually agreed by and between DISTRICT and CONSULTANT as follows:

SECTION 1.0 EMPLOYMENT OF CONSULTANT

DISTRICT hereby employs CONSULTANT to furnish the services described in detail in Attachment A, "SERVICES PROVIDED BY CONSULTANT", and CONSULTANT hereby accepts such employment on terms herein stated. The compensation to be paid for the services of CONSULTANT is set out on Attachment B hereto.

47
ENTERED JUN 22 2004

SECTION 2.0 DESIGNATION OF GENERAL MANAGER - DUTIES

CONSULTANT shall perform necessary and proper work as described in Attachment A in a professional and ethical manner. CONSULTANT shall assign John Pastore as its Designated Employee to act as General Manger of DISTRICT.

CONSULTANT shall not change the Designated Employee without the approval of DISTRICT's Board of Directors. CONSULTANT shall at its own cost and expense, furnish technical administrative, professional and other labor, supplies, equipment, vehicles, office space and facilities necessary to perform its duties of General Manager except as otherwise expressly specified in Attachment B to this AGREEMENT.

SECTION 3.0 RELATIONSHIP TO OTHER PUBLIC AGENCIES

CONSULTANT, while performing its duties as General Manager agrees to professionally work with representatives of other public agencies, which may be responsible for providing other services to the DISTRICT, as directed by the Board of Directors of the DISTRICT.

SECTION 4.0 HOLD HARMLESS AND INDEMNIFY

CONSULTANT hereby agrees to investigate, defend, indemnify and save harmless, the DISTRICT and its officers, agents and employees, from and against any claims, liabilities, penalties and lawsuits arising out of the errors, omissions or negligent acts of CONSULTANT.

SECTION 5.0 INSURANCE

CONSULTANT agrees to carry professional liability and general liability insurance in the amount of at least \$1,000,000 per claim, and \$2,000,000 aggregate, with a maximum deductible of \$100,000 per claim, as well as Workers' Compensation insurance at the limits required by California law. CONSULTANT shall furnish to the DISTRICT evidence indicating proof of such coverage.

SECTION 6.0 DISTRICT HOLD HARMLESS

DISTRICT agrees to investigate, defend, indemnify and save harmless, CONSULTANT from and against any and all claims, liabilities, penalties and lawsuits arising out of the actions and resolution of the Board of Directors and its agents, other than those resulting from the errors, omissions or negligent acts of CONSULTANT.

SECTION 7.0 INDEPENDENT CONTRACTOR

CONSULTANT's relationship to the DISTRICT shall be that of an independent contractor. The Designated Employee shall be CONSULTANT's employee, and CONSULTANT shall be solely liable to such employee or to third persons for all loss, cost, damage or injury caused by such employee in the course of his performance.

SECTION 8.0 FINANCIAL INTEREST

No person employed by CONSULTANT shall have a financial or other personal interest adverse to DISTRICT.

SECTION 9.0 ASSIGNMENT OF CONTRACT

It is understood that DISTRICT is entering into this AGREEMENT for the purpose of obtaining professional services and skills from CONSULTANT. This contract shall not be assigned by

CONSULTANT without the consent of DISTRICT expressed by a resolution of its Board of Directors.

SECTION 10.0 ENTIRE AGREEMENT

This AGREEMENT represents the entire understanding of the DISTRICT and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This AGREEMENT may not be modified or altered except in writing, signed by both parties.

SECTION 11.0 TERMINATION - GENERAL MANAGER

The term of this Agreement shall be three (3) years commencing July 1, 2004, and from year to year thereafter unless either party gives notice at least sixty (60) days in advance that the AGREEMENT will not be renewed. DISTRICT may terminate this AGREEMENT at any time for unsatisfactory performance on the part of the Designated Employee on at least sixty (60) days' written notice to CONSULTANT.

This AGREEMENT shall be effective on and from the day and year first above written.

SECTION 12.0 PERFORMANCE

DISTRICT shall have the right to conduct an audit and evaluation of the CONSULTANT's management practices at such times as the DISTRICT deems appropriate or otherwise necessary. CONSULTANT will cooperate with any such audit.

IN WITNESS WHEREOF, we hereunder set our hands and seals.

ATTEST:

By: *James D. Collins* Secretary By: *Erin Furey* Secretary/Treasurer

DUDEK & ASSOCIATES, INC.

LEE LAKE WATER DISTRICT

By: *James D. Collins* President By: *L. Woodbury* President

ATTACHMENT A

SERVICES PROVIDED BY CONSULTANT AS GENERAL MANAGER
MANAGEMENT - ADMINISTRATION)

A. MANAGEMENT AND ADMINISTRATION DUTIES

1. Preparation of monthly DISTRICT meeting agendas, posting and mailing to: the Board of Directors; legal counsel; and any other designated recipient.
2. Monthly status reports on the state of operations within the DISTRICT.
3. Preparation of DISTRICT correspondence.
4. Attendance at Board of Directors meetings.
5. Supply information to and meet with members of the public, regarding all inquiries to management, operation and planning in the DISTRICT.
6. Preparation of revenue and expenditure reports for the Board of Directors.
7. Supervision of DISTRICT staff and any CONSULTANT staff assigned to DISTRICT work.
8. Preparation of contract documents for Board of Directors and legal counsel approval.
9. Enforcement of contracts, as directed by the Board of Directors.
10. Coordination of election procedures.
11. Development of ordinances, resolutions, and policies as directed by the Board of Directors and for review by same and the legal counsel.
12. Procurement of insurance as required by the Board of Directors.
13. Preparation of annual DISTRICT budgets.
14. Coordination of annual audit and accounting for DISTRICT.
15. Conferring with local landowners, other agencies, committees, task forces and boards, on behalf of DISTRICT as directed.

16. Administration of conflict of interest disclosure statements.
17. Review and coordination of purchase contracts.
18. Review of studies and reports, as directed by the Board of Directors.
19. Coordination of plan checking and design review of proposed DISTRICT facilities prepared by other engineering firms.
20. Maintenance of DISTRICT records, original drawings and documents.
21. Provide information to the public and access to documents, as directed by the Board of Directors.
22. Provide DISTRICT organizational information, processing and filing assistance to the Board of Directors in connection with any reorganization of DISTRICT.
23. Review DISTRICT real property documentation and provide technical information and recordation services.
24. Provide general technical information and assistance to the Board of Directors and to the staff.
25. Such other incidental services as may customarily be assigned to a General Manager.

ATTACHMENT B

TERMS OF COMPENSATION

Subject to DISTRICT's advance approval of any increase, CONSULTANT shall be paid monthly for the management services at the rate for District General Manager as shown on the Dudek Standard Schedule of Charges for time spent on DISTRICT business by the Designated Employee during the previous month. In no event, however, will the hours spent by the Designated Employee exceed thirty (30) hours in any week without approval by DISTRICT's Board of Directors.

In addition, CONSULTANT shall be paid for all mileage of the Designated Employee at the mileage rates provided in U.S. Income Tax regulations, currently thirty six (\$.36) cents per mile, and other out of pocket expenses incurred in DISTRICT business.

**INDEPENDENT CONTRACTOR AGREEMENT
FOR GENERAL MANAGER**

THIS AGREEMENT is entered into effective the 1th day of October 2013, by and between the LEE LAKE WATER DISTRICT (hereinafter called "LLWD"), and DUDEK (hereinafter called "Manager"). The parties agree as follows:

1. **DUTIES.** Manager agrees to exercise due skill and care to perform the functions and duties of a General Manager for the LLWD, including but not limited to those duties identified under *Exhibit A - Scope of Services* attached hereto, and to accomplish such other results as the LLWD Board of Directors shall from time to time assign. Except as otherwise expressly provided in this Agreement or by written modification thereof, all duties in fulfillment of this Agreement shall be performed by Jeff R. Pape.

2. **COMPENSATION.** In consideration for Manager accomplishing said result, LLWD agrees to pay Manager monthly for the management services at the rate for the District General Manager in accordance with the attached *Exhibit B – Standard Schedule of Charges* to accomplish the above described functions and duties. Other charges or fees, such as mileage, shall also be paid in accordance with *Exhibit B*, so long as such Standard Schedule of Charges is not inconsistent with this Agreement. In no event however, shall the Manager exceed the yearly budget as determined and approved by LLWD for Management services without the expressed consent of the LLWD's Board of Directors.

3. **TERM.** The term of this Agreement shall be 3 years, from October 1, 2013, through and including September 30, 2016 and from year to year thereafter unless terminate per requirements of Paragraph 4 below.

4. **EARLY TERMINATION.** Either party hereto may terminate this Agreement at any time by giving 180 days written notice to the other party. LLWD may cease to assign functions or duties to Manager at any time without the same constituting a breach of this Agreement.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** Manager shall exonerate, indemnify, defend, and hold harmless LLWD (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all Federal, State and Local taxes, charges, fees, insurance, benefits, or contributions required to be paid with respect to Manager and Manager's officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security, health benefits, retirement benefits [including PERS], other benefits or insurance, and payroll tax withholding). The parties agree that because Manager is an independent contractor, none of the foregoing taxes, charges, fees, benefits or contributions are required to be paid to or on behalf of Manager.

B. Manager agrees to indemnify, defend, and hold harmless LLWD, its officers, officials, employees, and agents from and against all claims, lawsuits, liabilities, or damages to the extent caused by any negligent or other faulty act or omission of Manager, his agents, employees, subcontractors, and subconsultants pursuant to this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of LLWD, its officers, agents, and/or employees, or other third parties.

C. LLWD agrees to indemnify, defend, and hold harmless Manager, its officers, officials, employees, and agents from and against all claims, lawsuits, liabilities, or damages to the extent caused by any negligent or other faulty act or omission of Manager, its agents, employees, subcontractors and subconsultants pursuant to this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of Manager, its officers, agents, and/or employees, or other third parties.

6. INSURANCE. Manager, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain, at minimum, compliance with the following insurance coverage(s) and requirements. Such insurance coverage shall be "occurrence coverage" insurance and shall be primary coverage as respects LLWD and any insurance or self-insurance maintained by LLWD shall be in excess of Manager's insurance coverage and shall not contribute to it.

A. Types of Required Insurance and Minimum Limits

- (1) Workers Compensation and Employer's Liability Insurance coverage in the minimum statutorily required coverage amounts.
- (2) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.
- (3) Professional Liability Insurance in the minimum amount of \$1,000,000 combined single limit.
- (4) Automobile Liability Insurance in the minimum amount of \$1,000,000 combined single limit for bodily injury and property damage

B. Other Insurance Provisions. The required insurance policies, and each of them, are to contain, or be endorsed to contain, the following provisions or meet the following standards:

- (1) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the LLWD, its officers, officials, employees or volunteers.

- (2) LLWD is an additional insured and the insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (3) Acceptability of Insurers. Insurance is to be placed with insurers with a Bests' rating of no less than A:VII.
- (5) Verification of Coverage. Contractor shall furnish LLWD with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the LLWD before work commences. LLWD reserves the right to require complete, certified copies of all required insurance policies, at any time.
- (5) The insurer will give, by first class mail, notice to the District at least 30 days prior to the effective date of any cancellation, lapse or material change in the policy.
- (6) The LLWD Board of Directors may approve a variation in those insurance requirements upon a determination that the coverages, scope, limits and/or forms of such insurance are either not commercially available or that LLWD's interests are otherwise fully protected.

7. EQUAL EMPLOYMENT OPPORTUNITY. During and in relation to the performance of this Agreement, Manager agrees as follows. Manager shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition(cancer related), marital status, sex, sexual orientation, age (over 40), veteran status, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. Manager agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provision of this non-discrimination clause.

8. INDEPENDENT CONTRACTOR STATUS. Manager and LLWD have reviewed and considered the principal test and secondary factors for determination of whether Manager is an independent contractor and not an employee and agree that Manager is an independent contractor and not an employee of LLWD. Manager is responsible for all taxes, charges fees, insurance, benefits or contributions required to be paid or withheld on behalf of Jeff R. Pape and any employee or agent of Manager. Manager is not entitled to any LLWD employee benefits. LLWD agrees that Manager shall have the right to control the manner and means of performing the work contracted for herein.

9. NONASSIGNMENT. Except for Manager's use of subcontractors or subconsultants as

provided under *Exhibit A – Scope of Services*, no party to this Agreement may assign any right or obligation pursuant to this Agreement. Any other attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

10. RETENTION AND AUDIT OF RECORDS. Manager shall retain records pertinent to this Agreement for a period of not less than five (5) years after final payment under this Agreement or until a final audit report is accepted by LLWD, whichever occurs first. Manager hereby agrees to be subject to the examination and audit by the LLWD Auditor, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Agreement.

11. ENTIRE BINDING AGREEMENT; MODIFICATION. This Agreement shall be binding upon the successors of LLWD and Manager. This Agreement contains the entire agreement between LLWD and Manager relating to Manager's performance of the functions and duties of Interim General Manager of the LLWD. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force or effect. Subsequent modifications to this Agreement shall be required to be in writing and signed by both LLWD and Manager.

12. WAIVER. No covenant or condition of this Agreement can be waived except by the written consent of both LLWD and Manager. Forbearance or indulgence by LLWD and/or Manager in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by party obligated. LLWD and/or Manager shall be entitled to invoke any remedy available under this Agreement or by law or in equity despite said forbearance or indulgence. Nor shall LLWD's or Manager's waiver of any term, condition, or covenant, or breach of any term, condition, or covenant constitute the waiver of any other term, condition, or covenant, or the breach of any other term, condition, or covenant.

13. CONFIDENTIALITY.

- a. Manager, its employees, agents, subconsultants and subcontractors may be granted access to certain confidential information provided by (or contained in the records of) LLWD and/or its attorneys in the course of performing the work required under this Agreement. Manager warrants that it shall keep all such information strictly confidential and agrees to undertake any actions necessary to ensure that Manager's employees, agents, subconsultants and subcontractors shall keep all such information confidential.
- b. Manager's obligation to maintain confidentiality concerning all confidential information received under this Agreement shall not terminate on completion of this Agreement, but rather shall survive the termination of this Agreement, regardless of the manner of termination.

14. SEVERABILITY. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this agreement shall be valid and binding on the parties, unless the term, condition or covenant held

invalid is a material part of the consideration for this Agreement.

15. VENUE AND GOVERNING LAW. If any party herein initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that venue thereof shall be the County of Santa Mateo, State of California. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

16. COPYRIGHTED MATERIALS. All materials created by Manager (including but not limited to documents, studies, drawings, map models, photographs, field data, computerized material and reports) shall immediately be provided to LLWD as “deliverables” under this Agreement and LLWD shall immediately become entitled to possession and ownership thereof for the purposes intended by this Agreement. However Manager maintains the copy and intellectual property rights of such “deliverables” and hereby gives LLWD the right to use such “deliverables” for the project or purpose intended by LLWD. Manager shall have no financial or professional liability resulting from any unauthorized changes to said deliverables made by LLWD or other third parties, nor for any reliance or use of said deliverables by LLWD or other third parties for purposes other than as intended by this Agreement. If Manager’s deliverables exist in electronic or computerized format, or are transferred in electronic or computerized format, any stamp, seal and signature shall be original to be valid, and may not be a computer-generated copy, photocopy, or facsimile transmission of the original.

17. CAPTIONS. Section headings in this Agreement are used solely for convenience and shall be wholly disregarded in the construction of this Agreement.

18. TIME OF THE ESSENCE. Time is hereby expressly declared to be of the essence in this Agreement and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary and essential part of this Agreement.

19. COMPLIANCE WITH LAW. In performing the work required under this Agreement, Manager shall comply with all applicable federal, state, local and LLWD laws, regulations, and ordinances.

20. CONFLICT OF INTEREST. Manager warrants that it presently does not have and will not acquire any direct or indirect financial interest which would conflict with its performance of this Agreement.

21. NOTICES. Any notice, tender, delivery, or other communication made in accordance with this Agreement shall be in writing and shall be addressed to the recipient party at the address indicated for that party below.

To LLWD:

Lee Lake Water District
Attn: Finance Manager
22646 Temescal Canyon Road
Corona, CA 92883
tel. 951-277-1414
fax 951-277-1419

To Manager:

Dudek
Attn: Jeff R. Pape
605 Third Street
Encinitas, CA 92024
tel. 760-942-5147
fax 760-942-5206

22. STANDARD OF PERFORMANCE. Manager shall perform the work required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the general management profession in the LLWD geographical area. All instruments of service of whatsoever nature which Manager delivers to LLWD pursuant to this Agreement shall be prepared in a substantial, first class and manager-like manner and conform to the standards of quality normally observed by a person practicing in Manager's profession.

23. ATTACHMENTS. This Agreement includes the following attachments:

- Exhibit A – Scope of Services
- Exhibit B – Standard Schedule of Charges

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written and hereby represent having the authority to do so.

DUDEK

Lee Lake Water District

By: _____
Frank Dudek,
President

By: _____
Charlie Colladay,
LLWD Board President

APPROVED AS TO FORM:

By: _____
Dave Saunders,
LLWD General Counsel

Exhibit A

- Implementation of District Ordinances, Resolutions, Bylaws and Policies (including but not limited to processing and making recommendations regarding permits, fees and charges
- Enforcement of District Ordinances, Resolutions and Bylaws
- Management of the District's CFD's
- Hiring and employment decisions for temporary employees and recommendations regarding same for regular employees. Overall management of District employees, agents, volunteers, consultants and contractors
- Preparation of District policy and procedure
- Direction of preparation of Agendas, Agenda materials and Notices for Board of Directors meetings
- Contract negotiation and agreement preparation
- Execution of District documents to the extent duly authorized to do so
- Annual budget forecasting and preparation
- Long range capital and strategic budget planning
- Review of monthly revenue and expenditure reports and annual audit
- Employee performance review
- Representation of District in meetings with officials of other agencies and entities with which the District does business
- Special projects management
- District master planning
- Coordination of plan checking and design review or proposed District facilities
- Review of landowner and developer entitlements for District required infrastructure requirements
- Maintain District records
- Organization of District record keeping
- Coordination of election procedures
- Coordination of annual audit and accounting
- Such other services as may customarily be assigned to a General Manager

DUDEK
2013 STANDARD SCHEDULE OF CHARGES

ENGINEERING SERVICES

Project Director	\$240.00/hr
Principal Engineer III.....	\$220.00/hr
Principal Engineer II	\$210.00/hr
Principal Engineer I	\$198.00/hr
Program Manager	\$200.00/hr
Senior Project Manager.....	\$188.00/hr
Project Manager	\$178.00/hr
Senior Engineer III.....	\$170.00/hr
Senior Engineer II	\$165.00/hr
Senior Engineer I	\$155.00/hr
Project Engineer IV/Technician IV.....	\$145.00/hr
Project Engineer III/Technician III.....	\$130.00/hr
Project Engineer II/Technician II.....	\$120.00/hr
Project Engineer I/Technician I	\$105.00/hr
Project Coordinator	\$85.00/hr
Engineering Assistant.....	\$75.00/hr

ENVIRONMENTAL SERVICES

Principal	\$225.00/hr
Senior Project Manager/Specialist II	\$210.00/hr
Senior Project Manager/Specialist I	\$200.00/hr
Environmental Specialist/Planner VI	\$180.00/hr
Environmental Specialist/Planner V	\$160.00/hr
Environmental Specialist/Planner IV	\$150.00/hr
Environmental Specialist/Planner III.....	\$140.00/hr
Environmental Specialist/Planner II.....	\$130.00/hr
Environmental Specialist/Planner I.....	\$120.00/hr
Analyst	\$100.00/hr
Planning Research Assistant	\$80.00/hr

COASTAL PLANNING/POLICY SERVICES

Senior Project Manager/Coastal Planner I	\$200.00/hr
Environmental Specialist/Coastal Planner VI	\$190.00/hr
Environmental Specialist/Coastal Planner V	\$170.00/hr
Environmental Specialist/Coastal Planner IV	\$160.00/hr
Environmental Specialist/Coastal Planner III.....	\$150.00/hr
Environmental Specialist/Coastal Planner II.....	\$140.00/hr
Environmental Specialist/Coastal Planner I.....	\$130.00/hr

ARCHAEOLOGICAL SERVICES

Senior Project Manager/Archaeologist II	\$210.00/hr
Senior Project Manager/Archaeologist I	\$200.00/hr
Environmental Specialist/Archaeologist VI	\$180.00/hr
Environmental Specialist/Archaeologist V	\$160.00/hr
Environmental Specialist/Archaeologist IV	\$150.00/hr
Environmental Specialist/Archaeologist III	\$140.00/hr
Environmental Specialist/Archaeologist II	\$130.00/hr
Environmental Specialist/Archaeologist I	\$120.00/hr
Archaeologist Technician II	\$70.00/hr
Archaeologist Technician I	\$50.00/hr

CONSTRUCTION MANAGEMENT SERVICES

Principal/Manager	\$195.00/hr
Senior Construction Manager	\$180.00/hr
Senior Project Manager.....	\$160.00/hr
Construction Manager	\$150.00/hr
Project Manager.....	\$140.00/hr
Resident Engineer.....	\$140.00/hr
Construction Engineer	\$135.00/hr
On-site Owner's Representative	\$130.00/hr
Construction Inspector III	\$125.00/hr
Construction Inspector II	\$115.00/hr
Construction Inspector I	\$105.00/hr
Prevailing Wage Inspector	\$135.00/hr

HYDROGEOLOGICAL SERVICES

Principal	\$230.00/hr
Sr. Environmental Engineer	\$195.00/hr
Sr. Hydrogeologist/Sr. Proj Mgr.....	\$175.00/hr
Project Manager.....	\$160.00/hr
Associate Hydrogeologist/Engineer	\$145.00/hr
Hydrogeologist IV/Engineer IV	\$125.00/hr
Hydrogeologist III/Engineer III	\$115.00/hr
Hydrogeologist II/Engineer II	\$105.00/hr
Hydrogeologist I/Engineer I	\$95.00/hr
Technician.....	\$95.00/hr

DISTRICT MANAGEMENT & OPERATIONS

District General Manager	\$175.00/hr
District Engineer	\$160.00/hr
Operations Manager	\$150.00/hr
District Secretary/Accountant	\$85.00/hr
Collections System Manager.....	\$95.00/hr
Grade V Operator.....	\$100.00/hr
Grade IV Operator.....	\$85.00/hr
Grade III Operator	\$80.00/hr
Grade II Operator	\$63.00/hr
Grade I Operator	\$55.00/hr
Operator in Training	\$40.00/hr
Collection Maintenance Worker II	\$55.00/hr
Collection Maintenance Worker I	\$40.00/hr

OFFICE SERVICES

Technical/Drafting/CADD Services

3D Graphic Artist.....	\$150.00/hr
Senior Designer	\$135.00/hr
Designer.....	\$125.00/hr
Assistant Designer	\$120.00/hr
GIS Specialist IV	\$150.00/hr
GIS Specialist III.....	\$140.00/hr
GIS Specialist II.....	\$130.00/hr
GIS Specialist I.....	\$120.00/hr
CADD Operator III	\$115.00/hr
CADD Operator II	\$110.00/hr
CADD Operator I.....	\$95.00/hr
CADD Drafter	\$85.00/hr
CADD Technician.....	\$75.00/hr

SUPPORT SERVICES

Technical Editor III	\$140.00/hr
Technical Editor II.....	\$125.00/hr
Technical Editor I.....	\$110.00/hr
Publications Assistant III	\$100.00/hr
Publications Assistant II.....	\$90.00/hr
Publications Assistant I.....	\$80.00/hr
Clerical Administration II.....	\$80.00/hr
Clerical Administration I.....	\$75.00/hr

Forensic Engineering – Court appearances, depositions, and interrogatories as expert witness will be billed at 2.00 times normal rates.

Emergency and Holidays – Minimum charge of two hours will be billed at 1.75 times the normal rate.

Material and Outside Services – Subcontractors, rental of special equipment, special reproductions and blueprinting, outside data processing and computer services, etc., are charged at 1.15 times the direct cost.

Travel Expenses – Mileage at current IRS allowable rates. Per diem where overnight stay is involved is charged at cost

Invoices, Late Charges. - All fees will be billed to Client monthly and shall be due and payable upon receipt. Invoices are delinquent if not paid within thirty (30) days from the date of the invoice. Client agrees to pay a monthly late charge equal to one percent (1%) per month of the outstanding balance until paid in full.

**INDEPENDENT CONTRACTOR AGREEMENT
FOR GENERAL MANAGER**

THIS AGREEMENT is entered into effective the 27th day of September 2016, by and between the TEMESCAL VALLEY WATER DISTRICT (hereinafter called "TVWD"), and DUDEK (hereinafter called "Manager"). The parties agree as follows:

1. **DUTIES.** Manager agrees to exercise due skill and care to perform the functions and duties of a General Manager for the TVWD, including but not limited to those duties identified under *Exhibit A - Scope of Services* attached hereto, and to accomplish such other results as the TVWD Board of Directors shall from time to time assign. Except as otherwise expressly provided in this Agreement or by written modification thereof, all duties in fulfillment of this Agreement shall be performed by Jeff R. Pape.

2. **COMPENSATION.** In consideration for Manager accomplishing said result, TVWD agrees to pay Manager monthly for the management services at the rate for the District General Manager in accordance with the attached *Exhibit B – Standard Schedule of Charges* to accomplish the above described functions and duties. Other charges or fees, such as mileage, shall also be paid in accordance with *Exhibit B*, so long as such Standard Schedule of Charges is not inconsistent with this Agreement. In no event however, shall the Manager exceed the yearly budget as determined and approved by TVWD for Management services without the expressed consent of the TVWD's Board of Directors.

3. **TERM.** The term of this Agreement shall be 3 years, from October 1, 2016, through and including September 30, 2019 and from year to year thereafter unless terminated per requirements of Paragraph 4 below.

4. **EARLY TERMINATION.** Either party hereto may terminate this Agreement at any time by giving 90 days written notice to the other party. TVWD may cease to assign functions or duties to Manager at any time without the same constituting a breach of this Agreement.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** Manager shall exonerate, indemnify, defend, and hold harmless TVWD (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all Federal, State and Local taxes, charges, fees, insurance, benefits, or contributions required to be paid with respect to Manager and Manager's officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security, health benefits, retirement benefits [including PERS], other benefits or insurance, and payroll tax withholding). The parties agree that because Manager is an independent contractor, none of the foregoing taxes, charges, fees, benefits or contributions are required to be paid to or on behalf of Manager.

B. Manager agrees to indemnify, defend, and hold harmless TVWD, its officers,

officials, employees, and agents from and against all claims, lawsuits, liabilities, or damages to the extent caused by any negligent or other faulty act or omission of Manager, his agents, employees, subcontractors, and subconsultants pursuant to this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of TVWD, its officers, agents, and/or employees, or other third parties.

C. TVWD agrees to indemnify, defend, and hold harmless Manager, its officers, officials, employees, and agents from and against all claims, lawsuits, liabilities, or damages to the extent caused by any negligent or other faulty act or omission of Manager, its agents, employees, subcontractors and subconsultants pursuant to this Agreement, but excluding such claims or liabilities to the extent caused by the negligence or willful misconduct of Manager, its officers, agents, and/or employees, or other third parties.

6. INSURANCE. Manager, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain, at minimum, compliance with the following insurance coverage(s) and requirements. Such insurance coverage shall be "occurrence coverage" insurance and shall be primary coverage as respects TVWD and any insurance or self-insurance maintained by TVWD shall be in excess of Manager's insurance coverage and shall not contribute to it.

A. Types of Required Insurance and Minimum Limits

- (1) Workers Compensation and Employer's Liability Insurance coverage in the minimum statutorily required coverage amounts.
- (2) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.
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B. Other Insurance Provisions. The required insurance policies, and each of them, are to contain, or be endorsed to contain, the following provisions or meet the following standards:

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- (2) TVWD is an additional insured and the insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (3) Acceptability of Insurers. Insurance is to be placed with insurers with a Bests' rating of no less than A:VII.
- (5) Verification of Coverage. Contractor shall furnish TVWD with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the TVWD before work commences. TVWD reserves the right to require complete, certified copies of all required insurance policies, at any time.
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7. EQUAL EMPLOYMENT OPPORTUNITY. During and in relation to the performance of this Agreement, Manager agrees as follows. Manager shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition(cancer related), marital status, sex, sexual orientation, age (over 40), veteran status, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. Manager agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provision of this non-discrimination clause.

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right or obligation pursuant to this Agreement shall be void and of no effect.

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15. VENUE AND GOVERNING LAW. If any party herein initiates an action to enforce the

terms hereof or declare rights hereunder, the parties agree that venue thereof shall be the County of Santa Mateo, State of California. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

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To Manager:

DUDEK
Attn: Jeff R. Pape
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Encinitas, CA 92024
tel. 760-942-5147
fax 760-942-5206

22. STANDARD OF PERFORMANCE. Manager shall perform the work required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the general management profession in the TVWD geographical area. All instruments of service of whatsoever nature which Manager delivers to TVWD pursuant to this Agreement shall be prepared in a substantial, first class and manager-like manner and conform to the standards of quality normally observed by a person practicing in Manager's profession.

23. ATTACHMENTS. This Agreement includes the following attachments:

- Exhibit A – Scope of Services
- Exhibit B – Standard Schedule of Charges

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written and hereby represent having the authority to do so.

DUDEK

TEMESCAL VALLEY Water District

By: _____
Frank Dudek,
President

By: _____
Charlie Colladay,
TVWD Board President

APPROVED AS TO FORM:

By: _____
Dave Saunders,
TVWD General Counsel

Exhibit A

- Implementation of District Ordinances, Resolutions, Bylaws and Policies (including but not limited to processing and making recommendations regarding permits, fees and charges)
- Enforcement of District Ordinances, Resolutions and Bylaws
- Management of the District's CFD's
- Hiring and employment decisions for temporary employees and recommendations regarding same for regular employees. Overall management of District employees, agents, volunteers, consultants and contractors
- Preparation of District policy and procedure
- Direction of preparation of Agendas, Agenda materials and Notices for Board of Directors meetings
- Contract negotiation and agreement preparation
- Execution of District documents to the extent duly authorized to do so
- Annual budget forecasting and preparation
- Long range capital and strategic budget planning
- Review of monthly revenue and expenditure reports and annual audit
- Employee performance review
- Representation of District in meetings with officials of other agencies and entities with which the District does business
- Special projects management
- District master planning
- Coordination of plan checking and design review or proposed District facilities
- Review of landowner and developer entitlements for District required infrastructure requirements
- Maintain District records
- Organization of District record keeping
- Coordination of election procedures
- Coordination of annual audit and accounting
- Such other services as may customarily be assigned to a General Manager

DUDEK
2016 STANDARD SCHEDULE OF CHARGES

ENGINEERING SERVICES

Project Director.....	\$265.00/hr
Principal Engineer III.....	\$235.00/hr
Principal Engineer II.....	\$225.00/hr
Principal Engineer I.....	\$215.00/hr
Program Manager.....	\$205.00/hr
Senior Project Manager.....	\$205.00/hr
Project Manager.....	\$195.00/hr
Senior Engineer III.....	\$195.00/hr
Senior Engineer II.....	\$185.00/hr
Senior Engineer I.....	\$175.00/hr
Project Engineer IV/Technician IV.....	\$165.00/hr
Project Engineer III/Technician III.....	\$150.00/hr
Project Engineer II/Technician II.....	\$135.00/hr
Project Engineer I/Technician I.....	\$120.00/hr
Project Coordinator.....	\$95.00/hr
Engineering Assistant.....	\$85.00/hr

ENVIRONMENTAL SERVICES

Principal.....	\$235.00/hr
Senior Project Manager/Specialist II.....	\$220.00/hr
Senior Project Manager/Specialist I.....	\$210.00/hr
Environmental Specialist/Planner VI.....	\$190.00/hr
Environmental Specialist/Planner V.....	\$170.00/hr
Environmental Specialist/Planner IV.....	\$160.00/hr
Environmental Specialist/Planner III.....	\$150.00/hr
Environmental Specialist/Planner II.....	\$130.00/hr
Environmental Specialist/Planner I.....	\$120.00/hr
Analyst III.....	\$110.00/hr
Analyst II.....	\$100.00/hr
Analyst I.....	\$90.00/hr
Planning Assistant II.....	\$80.00/hr
Planning Assistant I.....	\$70.00/hr

COASTAL PLANNING/POLICY SERVICES

Senior Project Manager/Coastal Planner II.....	\$215.00/hr
Senior Project Manager/Coastal Planner I.....	\$205.00/hr
Environmental Specialist/Coastal Planner VI.....	\$195.00/hr
Environmental Specialist/Coastal Planner V.....	\$175.00/hr
Environmental Specialist/Coastal Planner IV.....	\$165.00/hr
Environmental Specialist/Coastal Planner III.....	\$155.00/hr
Environmental Specialist/Coastal Planner II.....	\$145.00/hr
Environmental Specialist/Coastal Planner I.....	\$135.00/hr

ARCHAEOLOGICAL SERVICES

Senior Project Manager/Archaeologist II.....	\$210.00/hr
Senior Project Manager/Archaeologist I.....	\$200.00/hr
Environmental Specialist/Archaeologist VI.....	\$180.00/hr
Environmental Specialist/Archaeologist V.....	\$160.00/hr
Environmental Specialist/Archaeologist IV.....	\$150.00/hr
Environmental Specialist/Archaeologist III.....	\$140.00/hr
Environmental Specialist/Archaeologist II.....	\$130.00/hr
Environmental Specialist/Archaeologist I.....	\$120.00/hr
Environmental Specialist/Paleontologist III.....	\$160.00/hr
Environmental Specialist/Paleontologist II.....	\$140.00/hr
Environmental Specialist/Paleontologist I.....	\$120.00/hr
Paleontological Technician III.....	\$80.00/hr
Paleontological Technician II.....	\$70.00/hr
Paleontological Technician I.....	\$50.00/hr
Archaeologist Technician II.....	\$70.00/hr
Archaeologist Technician I.....	\$50.00/hr

CONSTRUCTION MANAGEMENT SERVICES

Principal/Manager.....	\$195.00/hr
Senior Construction Manager.....	\$180.00/hr
Senior Project Manager.....	\$160.00/hr
Construction Manager.....	\$150.00/hr
Project Manager.....	\$140.00/hr
Resident Engineer.....	\$140.00/hr
Construction Engineer.....	\$135.00/hr
On-site Owner's Representative.....	\$130.00/hr
Construction Inspector III.....	\$125.00/hr
Construction Inspector II.....	\$115.00/hr
Construction Inspector I.....	\$105.00/hr
Prevailing Wage Inspector.....	\$135.00/hr

COMPLIANCE SERVICES

Compliance Director.....	\$200.00/hr
Compliance Manager.....	\$140.00/hr
Compliance Project Coordinator.....	\$100.00/hr
Compliance Monitor.....	\$90.00/hr

HYDROGEOLOGICAL SERVICES

Principal.....	\$235.00/hr
Sr. Hydrogeologist IV/Engineer IV.....	\$215.00/hr
Sr. Hydrogeologist III/Engineer III.....	\$200.00/hr
Sr. Hydrogeologist II/Engineer II.....	\$180.00/hr
Sr. Hydrogeologist I/Engineer I.....	\$165.00/hr
Hydrogeologist VI/Engineer VI.....	\$150.00/hr
Hydrogeologist V/Engineer V.....	\$140.00/hr
Hydrogeologist IV/Engineer IV.....	\$130.00/hr
Hydrogeologist III/Engineer III.....	\$120.00/hr
Hydrogeologist II/Engineer II.....	\$110.00/hr
Hydrogeologist I/Engineer I.....	\$100.00/hr
Technician.....	\$95.00/hr

DISTRICT MANAGEMENT & OPERATIONS

District General Manager.....	\$175.00/hr
District Engineer.....	\$160.00/hr
Operations Manager.....	\$150.00/hr
District Secretary/Accountant.....	\$85.00/hr
Collections System Manager.....	\$95.00/hr
Grade V Operator.....	\$100.00/hr
Grade IV Operator.....	\$85.00/hr
Grade III Operator.....	\$80.00/hr
Grade II Operator.....	\$63.00/hr
Grade I Operator.....	\$55.00/hr
Operator in Training.....	\$40.00/hr
Collection Maintenance Worker II.....	\$55.00/hr
Collection Maintenance Worker I.....	\$40.00/hr

OFFICE SERVICES

Technical/Drafting/CADD Services

3D Graphic Artist.....	\$155.00/hr
Senior Designer.....	\$145.00/hr
Designer.....	\$135.00/hr
Assistant Designer.....	\$130.00/hr
GIS Specialist IV.....	\$150.00/hr
GIS Specialist III.....	\$140.00/hr
GIS Specialist II.....	\$130.00/hr
GIS Specialist I.....	\$120.00/hr
CADD Operator III.....	\$125.00/hr
CADD Operator II.....	\$120.00/hr
CADD Operator I.....	\$105.00/hr
CADD Drafter.....	\$95.00/hr
CADD Technician.....	\$85.00/hr

SUPPORT SERVICES

Technical Editor III.....	\$140.00/hr
Technical Editor II.....	\$125.00/hr
Technical Editor I.....	\$110.00/hr
Publications Specialist III.....	\$100.00/hr
Publications Specialist II.....	\$90.00/hr
Publications Specialist I.....	\$80.00/hr
Clerical Administration II.....	\$85.00/hr
Clerical Administration I.....	\$75.00/hr

Forensic Engineering – Court appearances, depositions, and interrogatories as expert witness will be billed at 2.00 times normal rates.

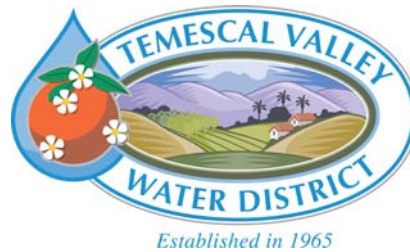
Emergency and Holidays – Minimum charge of two hours will be billed at 1.75 times the normal rate.

Material and Outside Services – Subcontractors, rental of special equipment, special reproductions and blueprinting, outside data processing and computer services, etc., are charged at 1.15 times the direct cost.

Travel Expenses – Mileage at current IRS allowable rates. Per diem where overnight stay is involved is charged at cost.

Invoices, Late Charges. – All fees will be billed to Client monthly and shall be due and payable upon receipt. Invoices are delinquent if not paid within thirty (30) days from the date of the invoice. Client agrees to pay a monthly late charge equal to one percent (1%) per month of the outstanding balance until paid in full.

Annual Increases – Unless identified otherwise, these standard rates will increase 3% annually.



September 27, 2016

Board of Directors
Temescal Valley Water District

RE: General Manager's Report

Dear Board:

The following is a brief status report on a number of issues that I have been involved in since the last meeting.

- Working on non-potable water supply improvements
 - New Sump Well – Pipeline and Well improvements – **In and operational**
 - Perk Pond Reuse Piping – **In and operational**
 - New Foster NP Well – **In Service**
- Working on Conservation opportunities and RW conversion locations - **Retreat**
- Working with Land Developers on water and sewer fees for multiple infill projects.
 - Deleo adjacent to Tom's Farms – **No Activity**
 - Forest Boundary – Plan Checking design plans - **Signed**
 - Retreat Infill – **Kiley Court**
 - Temescal Canyon Road at Campbell Ranch Road – **No Activity**
 - Kiley Family Trust Property – **Tract Map Stage**
- In Construction of TWC Retrofits
 - Dawson Canyon RW Tank Construction – **in operation – Completion July 1st**
 - Park Canyon Drive RW line - **Design**
- Terramor CFD
- Terramor Review:
 - New sewer lift station - **Signed**
 - Percolation area – **In Design**
 - RW and Potable Tank Siting
- Terramor Onsite Water, Sewer and RW improvements
 - 1320 Water line - **In Construction**
 - 1509 Water line - **In Construction**
 - Back Bone Gravity Sewer – **In Construction**
 - Potable Water Booster Upgrade – **In Construction**
 - RW Water - **In Construction**
- Sycamore Creek:
 - TM 36317 Water Sewer and RW improvement plans
 - TM 36317 Potable Booster

Temescal Valley Water District

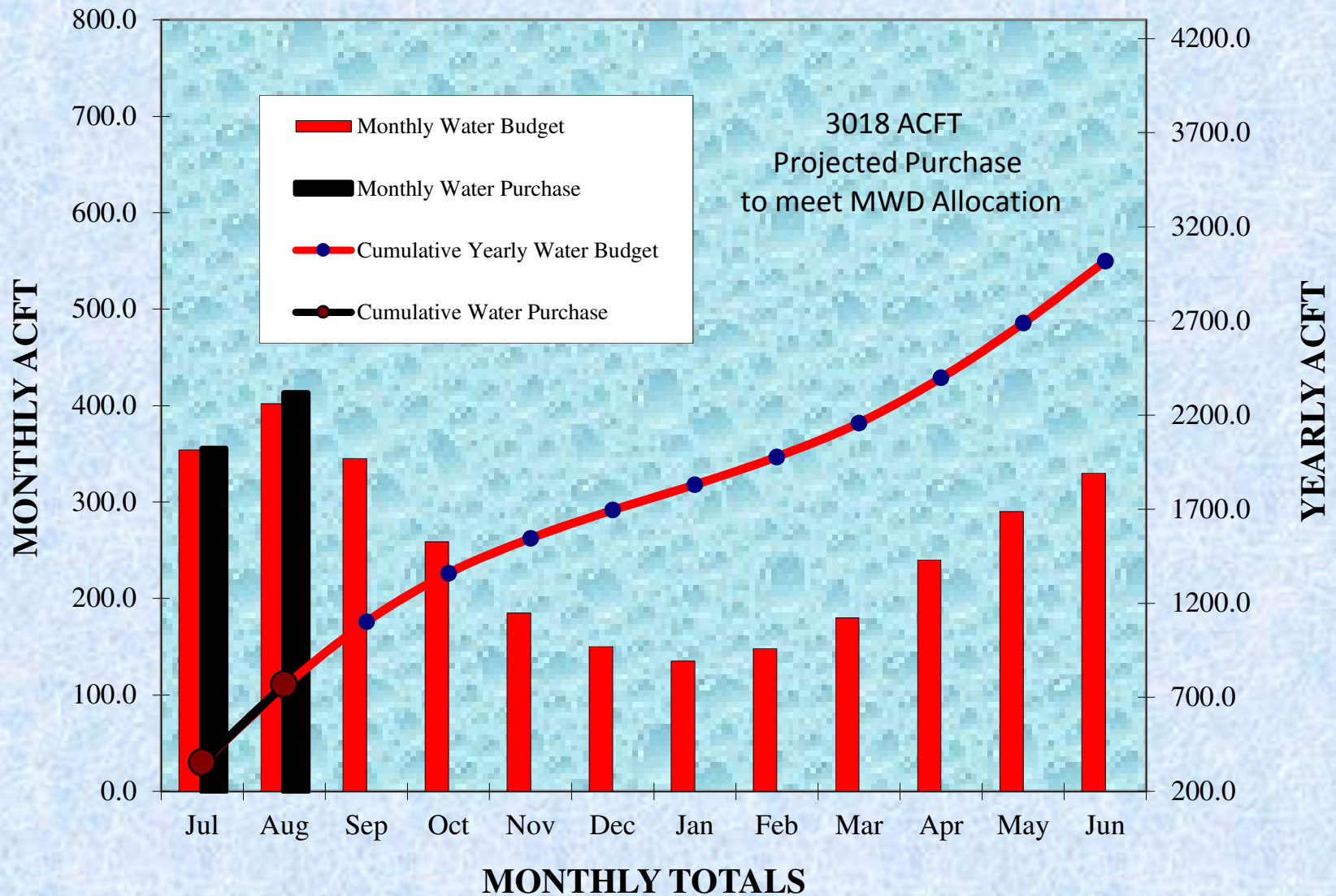
22646 Temescal Canyon Road | Temescal Valley, CA 92883-4106 | tel: 951.277.1414 | fax: 951.277.1419

www.temescalvwd.com

WHOLESALE BUDGET vs PURCHASE

Water Year July 2016 through June 2017

3018 ACFT ALLOCATION



TEMESCAL VALLEY WATER DISTRICT
POTABLE WATER USAGE
SWRCB TRACKING

Residential Delivery 80.00%
4543 Population 15543 3.421307506

Residential Delivery 80.00%
Population 15543

	2013(units)	Gallons	Residential	GPCD	2014(units)	Gallons	Residential	GPCD	2015(units)	2016(units)	Gallons	Residential	GPCD	2013vs2016
JAN	68,183	51,000,884	40,800,707	88	93,331	69,811,588	55,849,270	120		60,293	45,099,164	36,079,331	77.4	-12%
FEB	66,442	49,698,616	39,758,893	85	86,491	64,695,118	51,756,095	111		71,503	53,484,244	42,787,395	91.8	7.62%
MARCH	89,195	66,717,860	53,374,288	114	77,975	58,325,465	46,660,372	100		61,941	46,331,868	37,065,494	79.5	-30.56%
APRIL	102,118	76,384,264	61,107,411	131	106,038	79,316,589	63,453,271	136		72,681	54,365,201	43,492,161	93.3	-28.83%
MAY	114,784	85,858,432	68,686,746	147	129,708	97,021,345	77,617,076	166		105,395	78,835,460	63,068,368	135.3	-8.18%
JUNE	147,102	110,032,296	88,025,837	189	129,019	96,506,055	77,204,844	166		100,887	75,463,476	60,370,781	129.5	-31%
JULY	155,550	116,351,400	93,081,120	200	134,355	100,497,652	80,398,122	172	108,210	113,843	85,154,564	68,123,651	146.1	-27%
AUG	155,221	116,105,308	92,884,246	199	131,877	98,644,033	78,915,227	169	93,622	156,629	117,158,492	93,726,794	201.0	0.9%
SEPT	143,899	107,636,452	86,109,162	185	146,670	109,709,407	87,767,525	188	86,900		65,001,200	52,000,960	111.5	-40%
OCT	105,745	79,097,260	63,277,808	136	128,088	95,809,644	76,647,716	164	80,948		60,549,104	48,439,283	103.9	-23%
NOV	99,180	74,186,640	59,349,312	127	102,950	77,006,697	61,605,358	132	74,612		55,809,507	44,647,605	95.8	-25%
DEC	59,809	44,737,132	35,789,706	77	55,020	41,154,691	32,923,753	71	67,432		50,439,136	40,351,309	86.5	13%

Yearly	1,307,228.00	Units			1,321,521.77	Units			984,423.39	Units				
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3,000.98 ACFT

3,033.80 ACFT

2,259.93 ACFT

Sum of Residential Water

Sum of Residential Water

SWRCB Water Year ending May 31, 2013 782,245,235

790,798,627

SWRCB Water Year ending July 31, 2016 630,153,133

SWRCB AVG SAVINGS -19.44%

September 22, 2016

Board of Directors
Temescal Valley Water District

Re: Water and Sewer Operations – August 2016

Dear Board Members:

Temescal Valley Water District operations personnel perform the following tasks on a regular and routine basis:

- Managed 457.46 acre-feet of water through system.
- Collected monthly potable water samples. We are now collecting four samples per week as required by the State Water Resources Control Board, Division of Drinking Water.
- Submitted monthly report to the Regional Water Quality Control Board for:
 - Temescal Valley Wastewater Reclamation Facility
- Submitted monthly report to the State Water Resources Control Board, Division of Drinking Water for TVWD distribution system monitoring.
- Read 5186 water meters.
- Maintained aesthetic appearance of all District facilities.
- 24 shut-offs.
- Responded 177 service calls.
- Installed 0 meters for the various developers
- Responded to 26 USA Dig Alerts to mark District underground utilities.

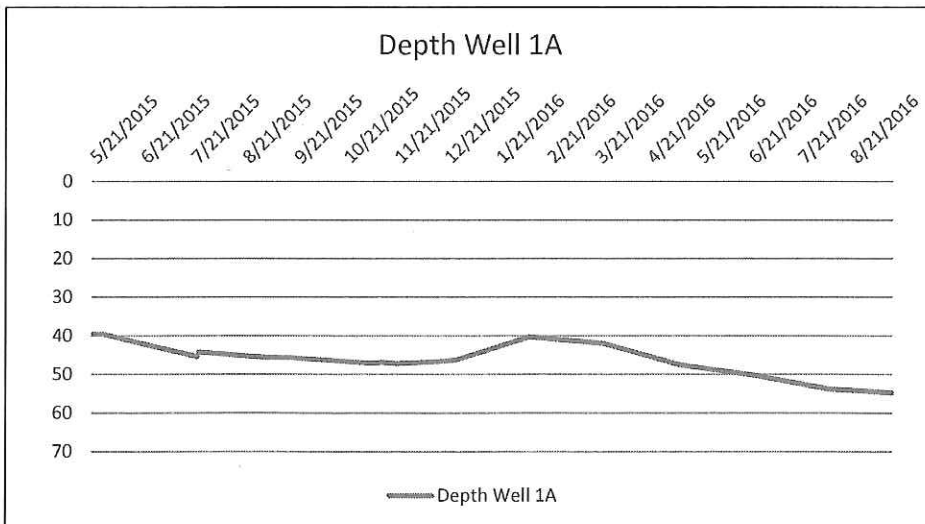
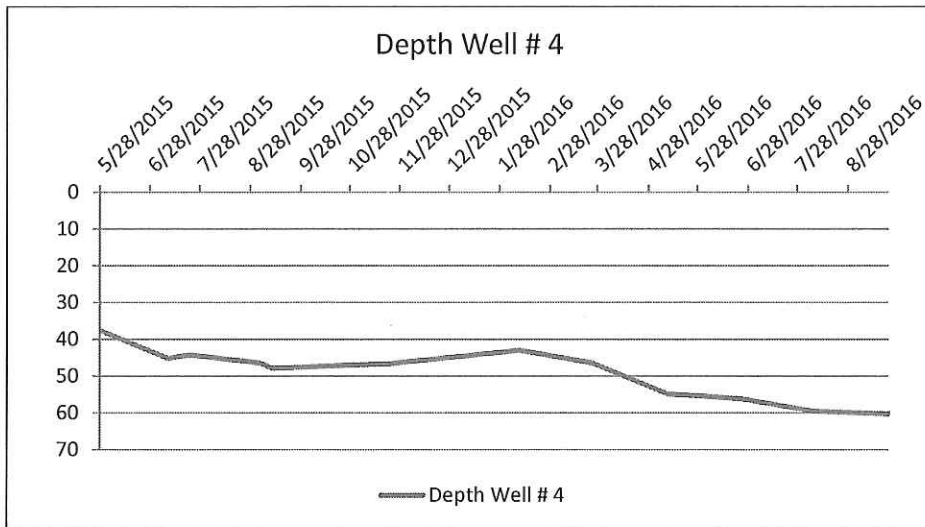
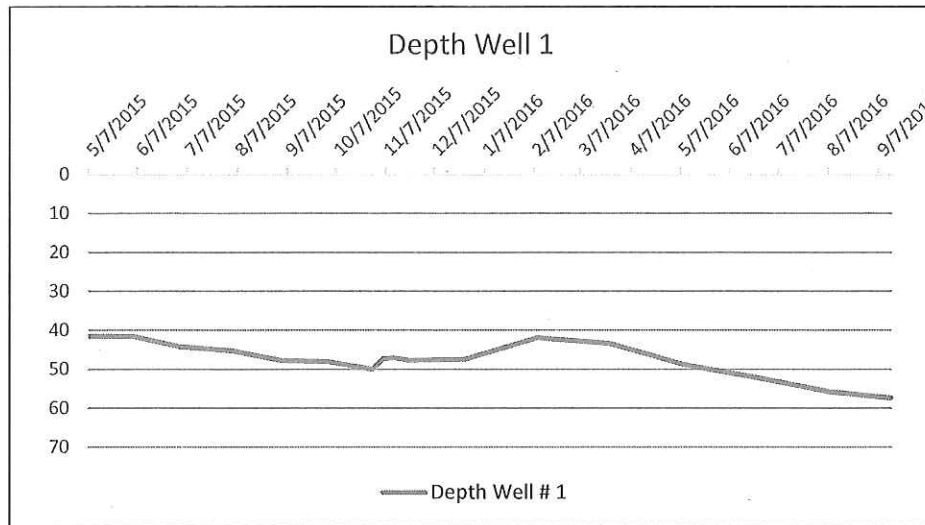
In addition to the above regular and routine tasks we also performed the following operational tasks.

- Well #4 is back on line with new pump installed.
- Influent EQ basin pump #2 has been overhauled and is back in service. Pump #1 has been removed for overhaul of the same failure, seal fail.
- Influent pump #5 has failed and is scheduled for removal and repair.
- Overflow storage basin (north end of TVWRF) is completely empty. Awaiting design of modifications.
- Submitted August report to the State Water Resources Control Board via CWIQS.

Sincerely,



Kenneth R. Caldwell, Operations Superintendent



**TEMESCAL VALLEY WATER DISTRICT
ENGINEERING DEPARTMENT**

DISTRICT ENGINEER'S MONTHLY REPORT

Date: September 21, 2016
To: Jeff Pape, General Manager
From: Neil A. Harper, District Engineer
Subject: Engineering Activities Update for the Month of August 2016

Following is a summary of the status of current engineering projects:

PLAN CHECKING & DEVELOPER RELATED PROJECTS

Terramor Water, Sewer, & RW Improvements In-Tract Backbone (8432) – No engineering activity this month.

Terramor Water, Sewer, & RW Improvements In-Tract Laterals (8773) – No engineering activity this month.

Terramor Regional Sewer LS (8957) – No engineering activity this month.

Forest Boundary Tract 35249 (9351) – No engineering activity this month.

TVWD Water Reclamation Facility Expansion (9830) – Continue plan check with review of PDR and 30% plans.

CAPITAL IMPROVEMENT PROJECTS

None Currently.

AS-NEEDED ENGINEERING SERVICES

General Engineering Initiated During FY 2015/16 (1401-15XX)

Phase 1503: Wastewater Related Services for FY 2015/16. No engineering activity this month.

Phase 1504: Potable Water Related Services for FY 2015/16. Prepare District Engineer's report and attend monthly board meeting.

Phase 1505: Non-Potable Water Related Services for FY 2015/16. No engineering activity this month.

Phase 1506: Wastewater Mapping Updates for FY 2015/16. No engineering activity this month.

Phase 1507: Potable Water Mapping Updates for FY 2015/16. No engineering activity this month.