

**AGENDA FOR THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
TEMESCAL VALLEY WATER DISTRICT
NOVEMBER 22, 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 November 19, 2016.

Allison Harnden, Office Manager

**AGENDA FOR REGULAR MEETING
November 22, 2016**

Page No.

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

BOARD ITEMS:

4. **Minutes of the October 25, 2016 Regular Meeting.** **6-8**
RECOMMENDATION: Approve Minutes as written.
5. **Payment Authorization Report.** **9-12**
RECOMMENDATION: Approve Report and authorize payment of the October 25-November 22, 2016 invoices.
6. **Revenue & Expenditure Reports. (Unaudited).**
 - a. Revenue & Expenditure Reports. **13-31**
RECOMMENDATION: Note and file.
 - b. Lien update. **32**
RECOMMENDATION: 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. 1390 houses occupied to date. 80% complete.

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9. Terramor Development (Forestar Toscana).	
a. Project Update.	(-)
b. Open Public Hearing.	(-)
c. Public Comment.	(-)
d. Resolution No. R-16-13. Resolution of the Board of Directors of Temescal Valley Water District Establishing Community Facilities District No. 4 (Terramor) of Temescal Valley Water District and Improvement Area No. 1 therein, authorizing the Levy of Special Taxes and calling an election therein. RECOMMENDATION: To be made by the Board.	33-57
e. Resolution No. R-16-14. Resolution of the Board of Directors of Temescal Valley Water District, acting as the Legislative Body of Community Facilities District No. 4 (Terramor) of Temescal Valley Water District, determining the necessity to incur bonded indebtedness within Improvement Area No. 1 of said Community Facilities District and calling for an election therein. RECOMMENDATION: To be made by the Board.	58-60
f. Resolution No. R-16-15. Resolution of the Board of Directors of Temescal Valley Water District, acting in its capacity as the Legislative Body of Community Facilities District No. 4 (Terramor) of Temescal Valley Water District, certifying the results of the November 22, 2016 Special Tax and Bond Elections. RECOMMENDATION: To be made by the Board.	61-64
g. Reading of Ordinance O-16-01 of the Board of Directors of Temescal Valley Water District, acting in its capacity as the Legislative Body of Community Facilities District No.4 (Terramor) of Temescal Valley Water District, authorizing the Levy of Special Tax within Improvement Area No. 1 of the District. RECOMMENDATION: To be made by the Board.	65-67
h. 1443 estimated houses to be built.	
10. Water Utilization Reports. RECOMMENDATION: Note and file.	68-80

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11. Committee Reports.	
a. Finance (Director Rodriguez).	(-)
b. Engineering (Director Destache).	
1. Agenda for engineering committee meeting 11/17/16.	81
c. Public Relations (Allison Harnden).	(-)
12. General Manager's Report.	
a. General Manager's Report.	82
1. SWRCB Update.	83-84
2. Rate and Fee Public Hearing Schedule.	85
3. 2015 Urban Water Management Plan.	86-94
RECOMMENDATION: To be made by the Board.	
b. Operations Report.	95-96
13. District Engineer's Report.	97
a. Status of Projects.	
14. District Counsel's Report.	(-)
15. Seminars/Workshops.	(-)
16. Consideration of Correspondence.	98
An informational package containing copies of all pertinent correspondence for the Month of October will be distributed to each Director along with the Agenda.	
17. Adjournment.	(-)

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

October 25, 2016

PRESENT

C. Colladay
P. Rodriguez
D. De Frates
J. Butler

ABSENT

G. Destache

GUESTS

J. Sincich
B. Clingman
H. Isaac
A. Boehling
C. Larimore
R. Mucha
J. Jackson
R. Jackson
L. Dunbar

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 September 27, 2016 Regular Meeting.

ACTION: Director Rodriguez moved to approve the Minutes as presented. Director De Frates seconded. Motion carried unanimously.

5. Payment Authorization Report.

ACTION: Director Rodriguez moved to approve the financial report and to authorize payment of the September 27-October 25, 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. Raftelis Financial Consultants, Inc. presentation on TVWD Rates.**
ACTION: Raftelis presented a comprehensive rate plan that will be used as the basis for the District's proposed rates. A public hearing will be held on January 24, 2017 for consideration of adoption by the Board of Directors.
- 8. Trilogy Development.**
- a. Homeowners Association update.
 - b. Golf Course update.
- 9. Sycamore Creek Development.**
- a. Project Update.
 - b. 1738 homes to be built. 1375 houses occupied to date. 80% complete.
- 10. Terramor Development (Forestar Toscana).**
- a. Project Update.
 - b. 1443 estimated houses to be built.
- 11. Water Utilization Reports.**
ACTION: Note and file.
- 12. Committee Reports.**
- a. Finance (Director Rodriguez).
 - b. Engineering (Director Destache).
 - c. Public Relations (Allison Harnden).
- 13. General Manager's Report.**
- a. General Manager's Report.
 1. SWRCB Update.
 - b. Operations Report.
- 14. District Engineer's Report.**
- a. Status of Projects.

- 15. **District Counsel’s Report** – Mr. Saunders reported that he is working with Jeff and the developer for the Arantine Hills project to protect our water line.

- 16. **Seminars/Workshops** – Director Rodriguez reported that he and Director Destache attended the CSDA Annual Conference on October 10-13, 2016.

- 17. **Consideration of Correspondence.**
An informational package containing copies of all pertinent correspondence for the Month of September was distributed to each Director along with the Agenda.

- 18. **Adjournment.**
There being no further business, the October 25, 2016 Regular Meeting of the Temescal Valley Water District Board of Directors was adjourned at 10:32 a.m. by President Colladay.

ATTEST:

APPROVED:

Paul Rodriguez, Secretary

Charles Colladay, President

Date: _____

Date: _____

TEMESCAL VALLEY WATER DISTRICT
Payment Authorization Report
November 22, 2016

Check #	Date	Payee ID	Payee	Amount
18731	10/22/16		VOID	\$ -
18732	10/22/16	SWRCB	STATE WATER RESOURCES CONTROL BOARD	80.00
18733	10/22/16	REFUND	JANET TUCKER	300.00
18734	10/22/16	EL	EDUARDO LOPEZ-TRK MINT	80.00
18735	10/25/16	REFUND	KINGDOM CAPITAL-TRILOGY GOLF COURSE	128,526.03
18736	10/25/16	CO	CHARLES W. COLLADAY	202.52
18737	10/25/16	DD	DAMON DE FRATES	147.82
18738	10/25/16	JB	JOHN B. BUTLER	147.82
18739	10/25/16	RO	PAUL RODRIGUEZ	147.82
18740	10/24/16	GD	GRANT DESTACHE	142.30
18741	10/25/16	DU01	DUDEK & ASSOCIATES-CONT MGT	24,947.00
18742	10/25/16	DU03	DUDEK & ASSOCIATES-PASS THRU	3,500.00
18743	10/25/16		VOID	-
18744	10/25/16		VOID	-
18745	10/25/16	DO01	DOWNS OIL CO., INC.	311.28
18746	10/26/16	BL02	BLUE SHIELD OF CALIFORNIA	108.61
18747	10/26/16	DMV	DMV	10.00
18748	10/26/16	DU03	DUDEK & ASSOCIATES-PASS THRU	1,840.00
18749	10/26/16	DU04	DUDEK & ASSOCIATES-GENERAL ENG	7,643.75
18750	10/26/16	GM	GLEN MUNCY (INSPECTION)	3,213.00
18751	10/26/16		VOID	-
18752	10/26/16	SAQMDHB	SOUTH COAST AIR QUALITY MGT DIST	124.35
18753	10/26/16	ST02	STATE COMPENSATION INSUR.FUND	1,393.55
18754	10/26/16	WIN	WIN-911 SOFTWARE	495.00
18755	10/26/16	WTI	WTI COMMUNICATIONS INC.	513.19
18756	10/31/16	PR	PAUL RODRIGUEZ-TRAVEL EXP	761.01
18757	11/4/16	AD	PAYROLL	-
18758	11/4/16	BE	PAYROLL	-
18759	11/4/16	CC	PAYROLL	-
18760	11/4/16	CG	PAYROLL	-
18761	11/4/16	CL	PAYROLL	-
18762	11/4/16	JH	PAYROLL	-
18763	11/4/16	KC	PAYROLL	-
18764	11/4/16	KN	PAYROLL	-
18765	11/4/16	MM	PAYROLL	-
18766	11/4/16	CL	PAYROLL	-
18767	11/4/16	KN	PAYROLL	-

TEMESCAL VALLEY WATER DISTRICT
Payment Authorization Report
November 22, 2016

Check #	Date	Payee ID	Payee	Amount	
18768	11/4/16	CL	PAYROLL	-	
18769	11/4/16	KN	PAYROLL	-	
18770	11/4/16	MCC	PAYROLL	-	
18771	11/4/16	FI01	FIDELITY INVESTMENTS	910.80	
18772	11/4/16	EL	EDUARDO LOPEZ-TRK MAINT	80.00	
18773	11/4/16	ACSI	ALEXANDER'S CONTRACT SERVICES, INC.	4,878.25	
18774	11/4/16	GM	GLEN MUNCY (INSPECTION)	3,753.00	
18775	11/4/16	ST02	STATE COMPENSATION INSUR.FUND	2,361.67	
18776	11/4/16	TR01	TRAN CONTROLS SCADA SOLUTIONS, LLC.	2,880.00	
18777	11/4/16		VOID		
18778	11/4/16	TR012	TRAN CONTROLS SCADA SOLUTIONS, LLC.	15,276.67	SCADA REPAIR/OFFICE COMP/SCADA TERRAMOI
18779	11/4/16	USB01	US BANK GOVERNMENT SERVICES	240.70	
18780	11/4/16	SO03	SOUTHERN CALIF EDISON CO.	43,990.10	
18781	11/4/16		VOID	-	
18782	11/4/16	JH	PAYROLL	-	
18783	11/8/16	REFUND	OSCAR GIL	190.19	
18784	11/8/16	REFUND	JESSE HUGGINS	190.01	
18785	11/8/16	REFUND	MICHAEL MATHEWS	167.46	
18786	11/8/16	REFUND	VD SYCAMORE CREEK LLC	1,152.54	
18787	11/8/16	REFUND	YESSICA MEDINA	131.95	
18788	11/8/16	REFUND	KHADIM NAEEMY	60.40	
18789	11/8/16	REFUND	KHADAR HADDADIN	83.81	
18790	11/8/16	REFUND	GLEN EDEN CORP	647.87	
18791	11/8/16	DT	DALTON TRUCKING INC.	849.60	
18792	11/8/16	HO01	HOME DEPOT CREDIT SERVICES	256.98	
18793	11/8/16	SEMA	SEMA INC.	607.66	
18794	11/8/16	DO01	DOWNS OIL CO., INC.	136.39	
18795	11/8/16		VOID	-	
18796	11/11/16	CRTD	COUNTY OF RIVERSIDE-TRANS DEPT	1,504.46	
18797	11/15/16	EL	EDUARDO LOPEZ-TRK MAINT	60.00	
18798	11/18/16	AD	PAYROLL	-	
18799	11/18/16	BE	PAYROLL	-	
18800	11/18/16	CC	PAYROLL	-	
18801	11/18/16	CG	PAYROLL	-	
18802	11/18/16	CL	PAYROLL	-	
18803	11/18/16	JH	PAYROLL	-	
18804	11/18/16	KC	PAYROLL	-	

TEMESCAL VALLEY WATER DISTRICT

Payment Authorization Report

November 22, 2016

Check #	Date	Payee ID	Payee	Amount	
18805	11/18/16	KN	PAYROLL	-	
18806	11/18/16	MM	PAYROLL	-	
18807-18809	11/18/16		VOID	-	
18810	11/18/16	JH	PAYROLL	-	
18811	11/18/16	KN	PAYROLL	-	
18812	11/18/16	JH	JASON HODEL-MILEAGE	97.20	
18813	11/18/16	KN	KIMBERLEY NEGRETE-MILEAGE	16.20	
18814	11/18/16	ACJS	MIKE ARAGON-BUILD MAINT	300.00	
18815	11/18/16	ATT01	AT&T	466.95	
18816	11/18/16	ATTM	AT & T MOBILITY	548.76	
18817	11/18/16	ATTUV01	AT & T U-VERSE	65.81	
18818	11/18/16	BA01	BABCOCK LABORATORIES, INC	2,208.00	
18819	11/18/16	BEP	BARRETT ENGINEERED PUMPS	1,810.56	
18820	11/18/16	BRE	BRITHINEE ELECTRIC	3,761.18	
18821	11/18/16	BT	BT PIPELINE INC.	23,109.00	WATER LINE REPAIR/CAP IMP
18822	11/18/16	CAM	CHANDLER INVESTMENT MANAGEMENT	1,000.00	
18823	11/18/16	CE01	CENTRAL COMMUNICATIONS	69.90	
18824	11/18/16	CFP	CINTAS FIRE PROTECTION	326.60	
18825	11/18/16	CL01	CLAYSON, MANN, YAEGER & HANSEN	2,275.00	
18826	11/18/16	CO06	CORONA ROSE FLOWERS & GIFTS	118.75	
18827	11/18/16	CS01	CSDA - CAL.SPECIAL DISTR.ASSN	6,485.00	
18828	11/18/16	CUSI	CONTINENTAL UTILITY SOLUTIONS, INC.	1,146.00	
18829	11/18/16	DU01	DUDEK & ASSOCIATES-CONTRACT MGT	23,002.60	
18830	11/18/16	EMS	EMS ELECTRIC MOTOR	8,478.57	REPAIR EQ PUMP
18831	11/18/16	FE01	FEDERAL EXPRESS	36.46	
18832	11/18/16	GBL	GOLDEN BELL PRODUCTS	561.60	
18833	11/18/16	HAP	HAITBRINK ASPHALT PAVING	3,950.00	
18834	11/18/16	HDS	HD SUPPLY/WATERWORKS	7,470.55	
18835	11/18/16	KAI	KELSOE & ASSOCIATES, INC	750.00	
18836	11/18/16	NAIT	NORTH AMERICAN INDUTRY TECH	2,575.80	
18837	11/18/16	NC	NORTHSTAR CHEMICAL	3,374.06	
18838	11/18/16	ON01	ONE STOP LANDSCAPE SUPPLY INC.	3,021.15	
18839	11/18/16	PLM01	PARRA LANDSCAPE MAINTENANCE	1,717.00	
18840	11/18/16	PO05	POLLARDWATER.COM	518.34	
18841	11/18/16	PO07	POLYDYNE, INC.	6,706.80	
18842	11/18/16	PPE	PRIVATE PEST EXTERMINATORS	150.00	
18843	11/18/16	RTL	RUTAN & TUCKER, LLP	2,013.42	

TEMESCAL VALLEY WATER DISTRICT

Payment Authorization Report

November 22, 2016

Check #	Date	Payee ID	Payee	Amount	
18844	11/18/16	SA02	SAM'S CLUB	351.59	
18845	11/18/16	SAQMDHB	SOUTH COAST AIR QUALITY MGT DIST	479.21	
18846	11/18/16	ST01	STAPLES CREDIT PLAN	77.95	
18847	11/18/16	ST05	STATE WATER RES. CONTROL BOARD	4,548.90	
18848	11/18/16	TA01	DAVID TAUSSIG & ASSOC., INC.	9,260.93	TERRAMOR CFD
18849	11/18/16	UN01	UNDERGROUND SERVICE ALERT	33.00	
18850	11/18/16	WA01	WASTE MANAGEMENT - INLAND EMPIRE	645.84	
18851	11/18/16	WE01	WESTERN MUNICIPAL WATER DISTR.	337,275.12	
18852	11/18/16	WTFC	WILMINGTON TRUST FEE COLLECTIONS	1,500.00	
18853	11/18/16	CAM	CHANDLER INVESTMENT MANAGEMENT	1,000.00	
18854	11/18/16	WTI	WTI COMMUNICATIONS INC.	514.94	
18855	11/18/16	CA16	CALIFORNIA CHOICE BENEFIT ADMINISTRATOR	6,166.21	
18856	11/18/16	DO01	DOWNS OIL CO., INC.	306.32	
18857	11/18/16	DU01	DUDEK & ASSOCIATES	1,649.06	
Total				<u>\$ 726,985.89</u>	

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

 11/22/16

 Date

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	OCTOBER			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>WASTEWATER DEPARTMENT</u>								
OPERATING REVENUE:								
MONTHLY SEWER SERVICE CHARGE	171,337	167,000	4,337	682,460	668,000	14,460	2,002,000	(1,319,540)
MONTHLY SERVICE CHARGE-ID #1	10,766	10,767	(1)	43,066	43,068	(2)	129,200	(86,134)
MONTHLY SERVICE CHARGE-ID #2	12,178	12,180	(2)	48,714	48,720	(6)	146,150	(97,436)
MONTHLY SEWER SERVICE CHG-R COM	9,384	9,600	(216)	37,947	38,200	(253)	115,000	(77,053)
MISC UTILITY CHARGES/ REVENUE	5,646	4,400	1,246	24,839	17,600	7,239	52,000	(27,161)
STANDBY CHARGES	-	-	-	1,992	-	1,992	110,000	(108,008)
CFD REIMBURSEMENTS	-	-	-	-	-	-	20,000	(20,000)
INSPECTION CHARGES	-	-	-	3,664	2,500	1,164	10,000	(6,336)
TOTAL WASTEWATER REVENUE	209,311	203,947	5,364	842,682	818,088	24,594	2,584,350	(1,741,668)
OPERATING EXPENSES:								
PLANT WAGES EXPENSE	8,418	9,400	(982)	35,163	36,000	(837)	165,000	(129,837)
PAYROLL TAXES EXP	132	130	2	624	640	(16)	3,000	(2,376)
EMPLOYEE BENEFITS-INS	1,050	1,100	(50)	4,393	5,200	(807)	15,500	(11,107)
EMPLOYEE BENEFITS-RETIREMENT	1,272	1,300	(28)	4,295	4,850	(555)	22,500	(18,205)
OVERTIME EXP	823	750	73	4,257	3,000	1,257	9,000	(4,743)
MILEAGE EXP	-	75	(75)	130	300	(170)	800	(670)
VACATION EXP	624	700	(76)	2,497	2,800	(303)	8,300	(5,803)
ELECTRICIAN LABOR COSTS	-	625	(625)	-	2,500	(2,500)	7,500	(7,500)
SCADA SYSTEM ADMIN/MAINT	-	750	(750)	2,056	3,000	(944)	9,000	(6,944)
LABORATORY TESTING COSTS	1,175	2,700	(1,525)	4,935	10,800	(5,865)	32,000	(27,065)
SLUDGE DISPOSAL/PUMPING COSTS	4,435	2,000	2,435	12,687	8,000	4,687	25,000	(12,313)
SLUDGE DISPOSAL BAG EXP	-	-	-	-	-	-	25,000	(25,000)
SLUDGE CHEMICAL EXP	1,677	2,000	(323)	1,677	2,000	(323)	20,000	(18,323)
CHEMICALS, LUBRICANTS & FUELS	3,768	5,000	(1,232)	32,335	32,000	335	95,000	(62,665)
EQUIPMENT RENTAL COSTS	-	200	(200)	675	800	(125)	2,000	(1,325)
EQUIPMENT REPAIRS & MAINT.	20,202	16,000	4,202	68,400	64,000	4,400	190,000	(121,600)
SEWER LINE REPAIRS	-	-	-	3,001	2,500	501	10,000	(6,999)
SEWER CLEANING AND VIDEO EXP	-	1,500	(1,500)	-	4,500	(4,500)	15,000	(15,000)
SECURITY AND ALARM EXP	-	350	(350)	641	1,050	(409)	4,000	(3,359)
PROPERTY MAINTENANCE	2,237	1,750	487	20,126	7,000	13,126	20,000	126
ENGINEERING/ADMIN. STUDIES	-	-	-	-	-	-	20,000	(20,000)
ENERGY COSTS	15,429	13,000	2,429	69,662	71,500	(1,838)	195,000	(125,338)
CONSUMABLE SUPPLIES & CLEANING	-	850	(850)	470	3,400	(2,930)	10,000	(9,530)
SMALL EQUIPMENT & TOOLS COST	1,004	250	754	5,766	1,000	4,766	3,000	2,766
PERMITS, FEES & TAXES	3,093	2,200	893	5,677	8,800	(3,123)	25,000	(19,323)
SAWPA BASIN MONITORING EXP	-	-	-	20,240	15,000	5,240	15,000	5,240
MAP UPDATING/GIS EXP	-	1,000	(1,000)	-	1,000	(1,000)	2,000	(2,000)
MISC. OPERATING EXP	257	100	157	377	300	77	1,000	(623)
BAD DEBT EXPENSES	-	-	-	-	-	-	1,500	(1,500)
CONTINGENCIES	-	-	-	-	-	-	36,000	(36,000)
TOTAL OPERATING EXPENSES	65,596	63,730	1,866	300,084	291,940	8,144	987,100	(687,016)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	OCTOBER			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	8,081	8,350	(269)	29,726	30,400	(674)	100,000	(70,274)
GENERAL ENGINEERING EXP	4,288	1,400	2,888	5,629	5,600	29	16,000	(10,371)
ANNUAL ASSESSMENT EXP	-	-	-	2,868	2,000	868	2,000	868
PLAN CHECK & INSPECTION EXP	-	400	(400)	-	1,600	(1,600)	5,000	(5,000)
EMPLOYEE BENEFITS-INS	2,787	2,800	(13)	7,166	7,400	(234)	19,000	(11,834)
EMPLOYEE BENEFITS-RETIREMENT	1,908	1,900	8	4,980	5,300	(320)	21,000	(16,020)
WAGES EXPENSE	10,750	11,000	(250)	41,621	42,400	(779)	142,000	(100,379)
VACATION EXP	797	800	(3)	3,189	3,200	(11)	9,600	(6,411)
OVERTIME EXP	-	85	(85)	-	340	(340)	1,000	(1,000)
MILEAGE EXP ADMIN	-	45	(45)	125	180	(55)	500	(375)
PAYROLL TAX EXPENSES	159	200	(41)	780	900	(120)	2,500	(1,720)
CONTRACT STAFFING EXP	-	-	-	-	-	-	2,000	(2,000)
LEGAL EXPENSES	910	650	260	2,362	2,600	(238)	7,600	(5,238)
AUDIT EXPENSES	-	-	-	-	-	-	5,000	(5,000)
BOARD COMMITTEE MEETING EXP.	404	625	(221)	1,677	2,500	(823)	7,500	(5,823)
ELECTION & PUBLIC HEARING EXP	-	-	-	-	-	-	6,600	(6,600)
COMPUTER SYSTEM ADMIN	-	1,700	(1,700)	4,513	6,800	(2,287)	20,000	(15,487)
BANK CHARGES EXP	726	750	(24)	2,896	3,000	(104)	9,000	(6,104)
MISCELLANEOUS & EDUCATION EXP	361	85	276	825	340	485	1,000	(175)
TELEPHONE, FAX & CELL EXP	640	675	(35)	3,707	2,700	1,007	8,000	(4,293)
OFFICE SUPPLIES EXP	610	1,400	(790)	2,836	5,600	(2,764)	16,000	(13,164)
PRINTING EXPENSES	-	-	-	111	-	111	5,000	(4,889)
POSTAGE & DELIVERY EXPENSE	829	1,000	(171)	3,423	4,000	(577)	12,000	(8,577)
PUBLICATIONS, NOTICES & DUES	33	500	(467)	102	2,000	(1,898)	5,000	(4,898)
EQUIPMENT LEASE EXPENSES	243	500	(257)	2,217	2,000	217	6,000	(3,783)
INSURANCE EXPENSES	2,895	2,700	195	9,912	10,800	(888)	32,000	(22,088)
INVESTMENT EXP	-	-	-	1,200	1,200	-	4,800	(3,600)
COMMUNITY OUTREACH EXP	-	-	-	7,901	-	7,901	7,000	901
TOTAL ADMINISTRATIVE EXPENSES	36,421	37,565	(1,144)	139,766	142,860	(3,094)	473,100	(333,334)
TOTAL WASTEWATER EXPENSES	102,017	101,295	722	439,850	434,800	5,050	1,460,200	(1,020,350)
NET OPERATING REVENUE/EXPENSE	107,294	102,652	4,642	402,832	383,288	19,544	1,124,150	(721,318)
NON-OPERATING SOURCE OF FUNDS:								
OTHER REVENUE REIMB-MANDATE COSTS	-	-	-	-	-	-	-	-
CONNECTION FEES	-	-	-	-	-	-	-	-
INTEREST INCOME	836	1,000	(164)	9,516	4,000	5,516	12,000	(2,484)
PROPERTY TAX INCOME	-	-	-	6,189	-	6,189	65,000	(58,811)
TOTAL NON-OPER SOURCE OF FUNDS	836	1,000	(164)	15,705	4,000	11,705	77,000	(61,295)
TOTAL SEWER REVENUE/EXPENSE	108,130	103,652	4,478	418,537	387,288	31,249	1,201,150	(782,613)
TRANSFER TO CAPITAL FUND-REPLACEMENT				325,989				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				92,548				
				-				

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

WASTE WATER CAPITAL FUND:

ENDING FUNDS AVAILABLE 2015-2016	8,846,278
TRANSFER FOR CAPITAL FUND REPLACEMENT	325,989
TRANSFER FOR CAPITAL IMPROVEMENTS	92,548
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	<u>(73,068)</u>
TOTAL FUNDS AVAILABLE	<u>9,191,747</u>

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	OCTOBER			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>WATER DEPARTMENT</u>								
OPERATING REVENUE:								
WATER SERVICE CHARGE	116,456	112,500	3,956	454,227	450,000	4,227	1,350,000	(895,773)
WATER USAGE CHARGES	299,651	216,000	83,651	1,383,354	1,080,000	303,354	2,700,000	(1,316,646)
WATER PUMPING CHARGE	9,657	6,000	3,657	42,772	30,000	12,772	75,000	(32,228)
FIRE PROTECTION CHARGES	2,567	2,400	167	10,226	9,600	626	28,000	(17,774)
MISC. UTILITY CHARGES	5,970	4,200	1,770	18,862	16,800	2,062	50,000	(31,138)
SERVICE METER INCOME	4,500	1,700	2,800	20,500	6,800	13,700	20,000	500
CELLULAR SITE LEASE	2,787	2,500	287	11,067	10,000	1,067	30,000	(18,933)
MWD READINESS TO SERVE CHARGE	19,493	18,750	743	77,657	75,000	2,657	225,000	(147,343)
STANDBY CHARGES	-	-	-	664	-	664	35,000	(34,336)
CFD REIMBURSEMENTS	-	-	-	-	-	-	20,000	(20,000)
INSPECTION CHARGES	-	-	-	-	-	-	10,000	(10,000)
TOTAL WATER REVENUE	461,081	364,050	97,031	2,019,329	1,678,200	341,129	4,543,000	(2,523,671)
OPERATING EXPENSES:								
WAGES EXPENSE	7,365	7,900	(535)	30,767	31,400	(633)	145,000	(114,233)
PAYROLL TAXES EXP	116	250	(134)	546	1,100	(554)	3,000	(2,454)
EMPLOYEE BENEFITS-INS	918	1,175	(257)	4,966	5,100	(134)	14,000	(9,034)
EMPLOYEE BENEFITS-RETIREMENT	1,115	1,535	(420)	4,062	4,200	(138)	20,000	(15,938)
OPERATION-MILEAGE EXP	81	70	11	194	280	(86)	750	(556)
OVERTIME EXPENSE/ ON CALL	-	750	(750)	-	3,000	(3,000)	9,000	(9,000)
VACATION EXP	780	800	(20)	3,120	3,250	(130)	7,300	(4,180)
CONTRACT STAFFING-METER READS	4,878	5,000	(122)	19,394	20,000	(606)	60,000	(40,606)
SCADA SYSTEM ADMIN/MAINT	-	600	(600)	1,799	2,400	(601)	7,000	(5,201)
LABORATORY TESTING COSTS	1,033	1,100	(67)	2,073	2,400	(327)	12,500	(10,427)
COMPLIANCE TESTING (ISDE/CROSS)	-	-	-	1,793	1,800	(7)	3,000	(1,207)
LEAK DETECTION EXPENSE	-	-	-	-	2,000	(2,000)	8,000	(8,000)
EPA WATER TESTING EXP	-	-	-	-	-	-	-	-
EQUIPMENT RENTAL COSTS	-	175	(175)	-	700	(700)	2,000	(2,000)
EQUIPMENT REPAIRS & MAINT.	9,336	6,250	3,086	15,668	17,500	(1,832)	75,000	(59,332)
WATER LINE REPAIRS	-	3,500	(3,500)	9,819	14,000	(4,181)	40,000	(30,181)
ALARM MONITORING COSTS	-	175	(175)	560	700	(140)	2,000	(1,440)
PROPERTY MAINTENANCE	-	500	(500)	-	2,000	(2,000)	6,000	(6,000)
ENGINEERING/ADMIN. STUDIES	-	650	(650)	-	2,600	(2,600)	8,000	(8,000)
ENERGY COSTS	10,844	10,000	844	54,511	50,000	4,511	125,000	(70,489)
CONSUMABLE SUPPLIES & CLEANING	-	700	(700)	613	2,800	(2,187)	8,000	(7,387)
CHEMICALS, LUBRICANTS & FUELS	243	425	(182)	4,113	1,700	2,413	5,000	(887)
SMALL EQUIPMENT & TOOLS COST	3,094	200	2,894	24,569	800	23,769	2,000	22,569
PERMITS, FEES & TAXES	2,367	1,450	917	3,486	6,850	(3,364)	18,500	(15,014)
MAP UPDATING/GIS EXP	-	625	(625)	-	2,500	(2,500)	7,500	(7,500)
SERVICE METERS & PARTS COSTS	6,363	2,500	3,863	35,655	10,000	25,655	30,000	5,655
WHOLESALE WATER PURCHASES	258,703	185,000	73,703	1,279,201	1,000,000	279,201	2,585,000	(1,305,799)
WATER-MWD CAPACITY CHARGE	11,808	6,700	5,108	23,616	26,800	(3,184)	80,000	(56,384)
WATER-READINESS TO SERVE/REFUSAL CHARGE	25,316	14,200	11,116	50,631	56,800	(6,169)	170,000	(119,369)
BAD DEBT EXPENSES	-	-	-	-	-	-	1,500	(1,500)
CONSERVATION REBATE EXP	248	625	(377)	387	2,500	(2,113)	7,500	(7,113)
CONTINGENCIES -SMALL TOOLS	-	-	-	-	-	-	35,000	(35,000)
TOTAL OPERATING EXPENSES	344,608	252,855	91,753	1,571,543	1,275,180	296,363	3,497,550	(1,926,007)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	OCTOBER			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	7,070	7,300	(230)	26,011	27,200	(1,189)	87,500	(61,489)
GENERAL ENGINEERING EXP	2,281	1,400	881	2,281	5,600	(3,319)	16,000	(13,719)
PLAN CHECK & INSPECTION EXP	135	1,400	(1,265)	162	5,600	(5,438)	16,000	(15,838)
EMPLOYEE BENEFITS-INS	1,246	1,300	(54)	5,116	5,300	(184)	16,650	(11,534)
EMPLOYEE BENEFITS-RETIREMENT	1,670	1,600	70	6,782	6,800	(18)	18,350	(11,568)
ANNUAL ASSESSMENT EXP	-	-	-	2,868	2,000	868	2,000	868
WAGES EXPENSE	9,406	9,530	(124)	36,418	38,940	(2,522)	124,000	(87,582)
VACATION EXP	996	900	96	3,986	3,600	386	8,200	(4,214)
MILEAGE EXP ADMIN	-	45	(45)	114	180	(66)	500	(386)
OVERTIME EXPENSE	-	75	(75)	-	325	(325)	1,000	(1,000)
PAYROLL TAX EXPENSES	139	180	(41)	686	840	(154)	2,400	(1,714)
CONTRACT STAFFING OFFICE	-	-	-	-	-	-	2,000	(2,000)
LEGAL EXPENSES	796	1,000	(204)	2,067	4,000	(1,933)	15,000	(12,933)
AUDIT EXPENSES	-	-	-	-	-	-	5,000	(5,000)
BOARD COMMITTEE/ MEETING EXP.	354	525	(171)	1,205	2,100	(895)	6,300	(5,095)
COMPUTER SYSTEM EXP	-	1,000	(1,000)	1,756	4,000	(2,244)	12,000	(10,244)
BANK CHARGES EXP	635	600	35	2,534	2,400	134	7,000	(4,466)
MISCELLANEOUS & EDUCATION EXP	316	75	241	722	325	397	1,000	(278)
TELEPHONE, FAX, PAGER & RADIO	560	600	(40)	2,867	2,400	467	7,000	(4,133)
OFFICE SUPPLIES EXP	307	1,100	(793)	2,158	3,400	(1,242)	13,000	(10,842)
PRINTING EXPENSES	-	-	-	14	-	14	5,000	(4,986)
POSTAGE & DELIVERY EXPENSE	694	450	244	2,964	3,000	(36)	9,000	(6,036)
PUBLICATIONS, NOTICES & DUES	-	500	(500)	13	2,000	(1,987)	5,000	(4,987)
EQUIPMENT LEASE EXPENSES	212	500	(288)	1,939	2,000	(61)	6,000	(4,061)
INSURANCE EXPENSES	2,533	2,400	133	8,672	9,600	(928)	28,000	(19,328)
INVESTMENT EXPENSE	-	350	(350)	1,050	1,400	(350)	4,200	(3,150)
ELECTION & PUBLIC HEARING EXP	-	-	-	-	-	-	6,600	(6,600)
COMMUNITY OUT REACH EXP	-	-	-	-	3,500	(3,500)	7,000	(7,000)
TOTAL ADMINISTRATIVE EXPENSES	29,350	32,830	(3,480)	112,385	136,510	(24,125)	431,700	(319,315)
TOTAL WATER EXPENSES	373,958	285,685	88,273	1,683,928	1,411,690	272,238	3,929,250	(2,245,322)
NET OPERATING REVENUE/EXPENSE	87,123	78,365	8,758	335,401	266,510	68,891	613,750	(278,349)
NON-OPERATING SOURCE OF FUNDS:								
OTHER REVENUE REIMB-MANDATE COSTS	-	-	-	-	-	-	-	-
CONNECTION FEES	-	-	-	51,578	-	51,578	-	51,578
INTEREST INCOME	1,056	1,600	(544)	12,016	6,400	5,616	19,000	(6,984)
PROPERTY TAX INCOME	-	-	-	3,048	-	3,048	30,000	(26,952)
TOTAL NON-OP SOURCE OF FUNDS	1,056	1,600	(544)	66,642	6,400	60,242	49,000	17,642
TOTAL REVENUE/EXPENSE	88,179	79,965	8,214	402,043	272,910	129,133	662,750	(260,707)
TRANSFER TO CAPITAL FUND-REPLACEMENT				175,037				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				227,006				
CAPACITY USAGE INCOME				166,604				
LONG TERM DEBT REDUCTION				(166,604)				
				-				

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

WATER CAPITAL FUND:

ENDING FUNDS AVAILABLE 2015-2016	7,622,794
TRANSFER FOR CAPITAL FUND REPLACEMENT	175,037
TRANSFER FOR CAPITAL IMPROVEMENTS	227,006
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	<u>(28,388)</u>
TOTAL FUNDS AVAILABLE	<u>7,996,449</u>

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	OCTOBER			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
<u>ID#1 DEPARTMENT</u>								
OPERATING REVENUE:								
ANNUAL SEWER SERVICE CHARGE	13,725	13,725	-	54,900	54,900	-	164,700	(109,800)
TOTAL ID #1 REVENUE	13,725	13,725	-	54,900	54,900	-	164,700	(109,800)
OPERATING EXPENSES:								
MONTHLY TREATMENT PLANT COSTS	10,766	10,766	-	43,066	43,066	-	129,200	(86,134)
TOTAL OPERATING COSTS	10,766	10,766	-	43,066	43,066	-	129,200	(86,134)
ADMINISTRATIVE EXPENSES:								
ANNUAL ASSESSMENT PROCESSING	-	-	-	-	-	-	3,000	(3,000)
TOTAL ADMINISTRATIVE EXPENSES	-	-	-	-	-	-	3,000	(3,000)
TOTAL ID#1 EXPENSES	10,766	10,766	-	43,066	43,066	-	132,200	(89,134)
NET OPERATING REVENUE/EXPENSE	2,959	2,959	-	11,834	11,834	-	32,500	(20,666)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	22	31	(9)	250	124	126	370	(120)
TOTAL NON-OPER SOURCE OF FUNDS	22	31	(9)	250	124	126	370	(120)
TOTAL REVENUE/EXPENSE	2,981	2,990	(9)	12,084	11,958	126	32,870	(20,786)
TRANSFER TO CAPITAL FUND-REPLACEMENT				8,586				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				3,498				
				-				
<u>ID #1 FUND BALANCE:</u>								
ENDING FUNDS AVAILABLE 2015-2016	407,229							
TRANSFER FOR CAPITAL FUND REPLACEMENT	8,586							
TRANSFER FOR CAPITAL IMPROVEMENTS	3,498							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	-							
TOTAL FUNDS AVAILABLE	419,313							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	OCTOBER			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	-	62,100	62,100	-	186,300	(124,200)
TOTAL ID #2 REVENUE	15,525	15,525	-	62,100	62,100	-	186,300	(124,200)
OPERATING EXPENSES:								
MONTHLY TREATMENT PLANT COSTS	12,179	12,179	-	48,714	48,714	-	146,150	(97,436)
TOTAL OPERATING COSTS	12,179	12,179	-	48,714	48,714	-	146,150	(97,436)
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	-	48,714	48,714	-	151,650	(102,936)
NET OPERATING REVENUE/EXPENSE	3,346	3,346	-	13,386	13,386	-	34,650	(21,264)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	44	61	(17)	501	244	257	732	(231)
TOTAL NON-OPER SOURCE OF FUNDS	44	61	(17)	501	244	257	732	(231)
TOTAL REVENUE/EXPENSE	3,390	3,407	(17)	13,887	13,630	257	35,382	(21,495)
TRANSFER TO CAPITAL FUND-REPLACEMENT				11,297				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				2,590				
				-				
<i>ID #2 FUND BALANCE:</i>								
ENDING FUNDS AVAILABLE 2015-2016	108,626							
TRANSFER FOR CAPITAL FUND REPLACEMENT	11,297							
TRANSFER FOR CAPITAL IMPROVEMENTS	2,590							
CAPITAL IMPROVEMENT-PLANT REMOVAL	-							
TOTAL FUNDS AVAILABLE	122,513							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	OCTOBER			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	156,065	107,000	49,065	772,061	585,000	187,061	1,300,000	(527,939)
RECYCLED/ NON-POT WATER FIXED CHARGE	11,344	11,250	94	54,944	45,000	9,944	135,000	(80,056)
RECYCLED/NON-POTABLE PUMPING CHARGE	4,437	2,700	1,737	21,029	13,500	7,529	30,000	(8,971)
MISC INCOME	3,231	850	2,381	4,332	3,400	932	10,000	(5,668)
TOTAL NON-POTABLE REVENUE	175,077	121,800	53,277	852,366	646,900	205,466	1,475,000	(622,634)
OPERATING EXPENSES:								
RECYCLED/NON-POTABLE LABOR EXP	5,261	5,500	(239)	21,977	22,700	(723)	103,000	(81,023)
PAYROLL TAXES EXP	82	138	(56)	390	524	(134)	1,800	(1,410)
EMPLOYEE BENEFITS-INS	655	840	(185)	2,400	2,600	(200)	10,000	(7,600)
EMPLOYEE BENEFITS-RETIREMENT	793	1,077	(284)	3,029	3,200	(171)	14,000	(10,971)
MILEAGE EXP	-	20	(20)	81	80	1	200	(119)
OVERTIME EXP	-	475	(475)	-	1,900	(1,900)	5,700	(5,700)
VACATION EXP	156	250	(94)	625	1,000	(375)	5,200	(4,575)
SCADA SYS EXP	-	575	(575)	1,285	2,300	(1,015)	6,800	(5,515)
LABORATORY TESTING COSTS	-	1,250	(1,250)	500	5,000	(4,500)	15,000	(14,500)
EQUIPMENT REPAIRS & MAINT.	40	1,000	(960)	4,647	5,600	(953)	50,000	(45,353)
NONPOTABLE WATER LINE REPAIR	-	8,500	(8,500)	-	34,000	(34,000)	100,000	(100,000)
SECURITY AND ALARM EXP	-	85	(85)	401	340	61	1,000	(599)
PROPERTY MAINTENANCE	326	420	(94)	326	1,680	(1,354)	5,000	(4,674)
ENERGY COSTS	17,716	18,750	(1,034)	98,964	112,750	(13,786)	275,000	(176,036)
CONSUMABLE SUPPLIES EXP	-	30	(30)	-	120	(120)	350	(350)
CHEMICALS, LUBRICANTS & FUELS	109	850	(741)	364	3,400	(3,036)	10,000	(9,636)
PERMITS AND FEES EXP	1,633	500	1,133	1,744	2,000	(256)	6,000	(4,256)
SERVICE METERS AND PARTS COSTS	-	600	(600)	5,181	2,400	2,781	7,000	(1,819)
RECYCLED SIGN EXP	-	250	(250)	-	1,000	(1,000)	3,000	(3,000)
MISC OPERATING EXP	-	42	(42)	-	168	(168)	500	(500)
POTABLE WATER EXP	41,309	-	41,309	145,942	-	145,942	-	145,942
BAD DEBT	-	-	-	-	-	-	1,600	(1,600)
TOTAL OPERATING EXPENSES	68,080	41,152	26,928	287,856	202,762	85,094	621,150	(333,294)

**TEMESCAL VALLEY WATER DISTRICT
INTERNAL BALANCE SHEET
10/31/016**

ASSETS

Fixed Assets (net of accumulated depreciation)		
Land	\$	902,118
Treatment Plants		9,559,529
Capacity Rights		13,503,639
Water System, Reservoir & Wells		9,529,654
Water & Sewer Mains		27,234,147
General Equipment Sewer/Water/ Furniture		423,221
Buildings & Entrance Improvements		352,141
		\$ 61,504,449
Current Assets		
Cash - Wastewater	8,124,833	
Cash - Water	6,988,546	
Cash - ID #1	419,313	
Cash - ID #2	122,513	
Cash - Nonpotable	1,584,465	
Cash - Deposits	2,582,000	19,821,669
Accounts Receivable-Services/Developers		2,241,250
Assessment Receivable		162,756
Interest Receivable		18,442
Prepaid Expenses		33,560
Inventory		153,149
		22,430,826
Other Assets		
Work-in-Process		520,972
Deferred Outflows - Pension		\$ 113,747
TOTAL ASSETS		\$ 84,569,994

LIABILITIES

Current Liabilities		
Accounts Payable	\$	487,236
Security Deposits		328,592
Payroll & Payroll Taxes Payable		27,618
Capacity & Meter Deposits		116,930
Fiduciary Payments Payable		1,836,586
Developer Deposits		284,351
Other Deposits		15,541
		3,096,853
Long-term Liabilities		
TVRP Note		2,078,717
Deferred Inflows - Pension		84,186
TOTAL LIABILITIES		\$ 5,259,756

FUND EQUITY

Fund Balances		
Waste Water Fund Balance		26,511,951
Water Fund Balance		42,846,355
ID #1 Fund Balance		566,268
ID #2 Fund Balance		647,426
Recycled Water Fund Balance		8,738,237
TOTAL FUND EQUITY		\$ 79,310,237
TOTAL LIABILITIES & FUND EQUITY		\$ 84,569,994

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Three Months ending September 30, 2016**

	APRIL			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	5,050	5,225	(175)	18,579	18,900	(321)	62,500	(43,921)
GENERAL ENGINEERING/ PLAN CHECK EXP	162	1,250	(1,088)	1,647	5,000	(3,353)	15,000	(13,353)
INSPECTION EXP	-	1,250	(1,250)	-	5,000	(5,000)	15,000	(15,000)
EMPLOYEE BENEFITS-INS	903	1,000	(97)	3,911	4,000	(89)	12,000	(8,089)
EMPLOYEE BENEFITS-RETIREMENT	1,192	1,000	192	3,982	4,500	(518)	13,000	(9,018)
WAGES EXPENSE	6,719	6,840	(121)	26,012	27,500	(1,488)	89,000	(62,988)
VACATION EXP	199	200	(1)	798	800	(2)	5,800	(5,002)
MILEAGE EXP	-	15	(15)	58	60	(2)	150	(92)
OVERTIME EXP	-	105	(105)	-	420	(420)	1,250	(1,250)
PAYROLL TAX EXPENSE	99	123	(24)	497	554	(57)	1,600	(1,103)
CONTRACT STAFFING EXP	-	-	-	-	-	-	2,000	(2,000)
LEGAL EXPENSE	569	1,000	-	1,642	4,000	(2,358)	12,000	(10,358)
AUDIT EXP	-	-	-	-	-	-	5,000	(5,000)
BOARD FEES EXP	253	375	(122)	861	1,500	(639)	4,500	(3,639)
ELECTION EXP	-	-	-	-	-	-	6,800	(6,800)
COMPUTER SYSTEMS EXP	-	750	(750)	3,158	3,000	158	9,000	(5,842)
BANK CHARGES	454	550	(96)	1,810	2,200	(390)	6,500	(4,690)
TELEPHONE EXP	400	420	(20)	1,914	1,680	234	5,000	(3,086)
OFFICE SUPPLIES	131	500	(369)	1,292	2,000	(708)	6,000	(4,708)
PRINTING EXP	-	-	-	-	-	-	2,500	(2,500)
POSTAGE EXP	495	540	(45)	2,407	2,160	247	6,500	(4,093)
PUBLICATION EXP	-	250	(250)	9	1,000	(991)	3,000	(2,991)
EQUIPMENT LEASE EXP	152	250	(98)	1,386	1,000	386	3,000	(1,614)
INSURANCE EXPENSE	1,810	1,700	-	6,194	6,800	(606)	20,000	(13,806)
ANNUAL ASSESSMENT EXP	-	-	-	-	2,100	(2,100)	2,100	(2,100)
INVESTMENT EXPENSE	-	-	-	750	750	-	3,000	(2,250)
COMMUNITY OUTREACH EXP	-	-	-	-	-	-	4,800	(4,800)
MISC & EDUCATION EXP	226	85	141	226	340	(114)	1,000	(774)
TOTAL ADMINISTRATIVE EXPENSES	18,814	23,428	(4,293)	77,133	95,264	(18,131)	318,000	(240,867)
TOTAL NON-POTABLE OPERATING EXPENSES	86,894	64,580	22,314	364,989	298,026	66,963	939,150	(574,161)
NET OPERATING REVENUE/EXPENSE	88,183	57,220	30,963	487,377	348,874	138,503	535,850	(48,473)
NON-OPERATING SOURCE OF FUNDS:								
CONNECTION FEES	-	-	-	4,629	-	4,629	-	4,629
INTEREST INCOME	242	350	(108)	2,757	1,400	1,357	4,100	(1,343)
TOTAL NON-OP SOURCE OF FUNDS	242	350	(108)	7,386	1,400	5,986	4,100	3,286
TOTAL REVENUE/EXPENSE	88,425	57,570	30,855	494,763	350,274	144,489	539,950	(45,187)
TRANSFER TO CAPITAL FUND-REPLACEMENT				78,742				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				416,021				
				-				
NON-POTABLE FUND BALANCE:								
ENDING FUNDS AVAILABLE 2015-2016	1,215,422							
TRANSFER FOR CAPITAL FUND REPLACEMENT	78,742							
TRANSFER FOR CAPITAL IMPROVEMENTS	416,021							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	(75,921)							
TOTAL FUNDS AVAILABLE	1,634,264							

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

FY 2016/2017 Maintenance/ General Projects	Total Cost	Source of Funding			AS OF OCT 30, 2016 EXPENDITURES				Total YTD	Variance
		Sewer Fund	Water Fund	Recycled Fund	Previous YRS	Current				
						Sewer Fund	Water Fund	Recycled Fund		
Billing Software Update/HARDWARE	\$ 110,000	\$ 44,000	\$ 38,500	\$ 27,500	\$ 48,963	\$ 6,335	\$ 5,543	\$ 3,960	\$ 15,838	\$ 45,199
Rate study	\$ 130,000	\$ 52,000	\$ 45,500	\$ 42,500	\$ 15,782	\$ 23,888	\$ 20,552	\$ 14,281	\$ 58,721	\$ 55,497
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	\$ 8,267				\$ -	\$ 81,733
Air Actuator valves	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -				\$ -	\$ 40,000
Subtotal Maintenance and General	\$ 1,039,150	\$ 349,150	\$ 225,000	\$ 300,000	\$ 220,921	\$ 71,921	\$ 26,095	\$ 18,241	\$ 116,257	\$ 701,972

Multiple Fiscal Year Projects

TWC Pipeline- Retrofit and Improvements	\$ 5,240,100	\$ 890,000	\$ 3,450,000	\$ 900,000	\$ 4,930,973			\$ 45,187	\$ 45,187	\$ 263,940
Dawson Canyon Recycled Water Storage Reserv	\$ 2,816,000	\$ 1,126,400	\$ 985,600	\$ 704,000	\$ 1,971,791	\$ 1,147	\$ 1,000	\$ 793	\$ 2,940	\$ 841,269
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	\$ -				\$ -	\$ 25,000
SCADA Tower	\$ 60,000	\$ 30,000	\$ 30,000	\$ -	\$ -				\$ -	\$ 60,000
Non-Potable Groundwater Development	\$ 185,000	\$ -	\$ -	\$ 185,000	\$ 62,031			\$ 11,700	\$ 11,700	\$ 111,269
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	\$ -	\$ -				\$ -	\$ 145,000
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	\$ 7,113,850	\$ 1,147	\$ 2,293	\$ 57,680	\$ 61,120	\$ 1,922,830

TOTAL \$ 10,136,950 \$ 2,461,550 \$ 5,251,600 \$ 2,238,700 \$ 7,334,771 **\$ 73,068 \$ 28,388 \$ 75,921 \$ 177,377** \$ 2,624,802

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 1
Financing Authority
(Sycamore Creek)
10/31/2016

Special Tax Fund (Acct #105636-009)
Account Balance at Wilmington Trust \$ 16.74

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 1,591,778.81

Re-call Fund (Acct #105636-025)
Account Balance at Wilmington Trust -

TOTAL \$ 1,591,797.22

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 2
Financing Authority
(Montecito Ranch)
10/31/2016

Special Tax Fund (Acct #105636-014)
Account Balance at Wilmington Trust \$ 2.17

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

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

Surplus Fund (Acct #105636-017)
Account Balance at Wilmington Trust 464,789.87

TOTAL \$ **464,793.37**

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 3
Financing Authority
(The Retreat)
10/31/2016

<u>Special Tax Fund (Acct #105636-019)</u> Account Balance at Wilmington Trust	\$	9.92
<hr/>		
<u>BONDS PR ACCT (Acct # 105636-020)</u> Account Balance at Wilmington Trust		-
<hr/>		
<u>Administrative Expense Fund(Acct #105636-021)</u> Account Balance at Wilmington Trust		1.42
<hr/>		
<u>Surplus Fund (Acct #105636-022)</u> Account Balance at Wilmington Trust		1,263,768.74
<hr/>		
TOTAL	\$	1,263,780.08

**TEMESCAL VALLEY WATER DISTRICT
Community Facilities District
Financing Authority
10/31/2016**

Senior Lien Bonds - Revenue Fund (Acct #105636-000)	\$	0.02
- Lien Interest A/C (Acct #105636-001)		479.40
- Lien Principal A/C (Acct #105636-002)		-
- Financing Authority Surplus A/C (Acct #105636-003)		-
- Reserve Fund CFD #1 (Acct #105636-004)		2,265,531.02
- Reserve Fund CFD #2 (Acct #105636-005)		276,065.15
- Reserve Fund CFD #3 (Acct #105636-006)		1,495,526.26
Junior Lien Bonds - Revenue Fund (Acct #105639-000)		0.01
- Lien Interest A/C (Acct #105639-001)		191.57
- Lien Principal A/C (Acct #105639-002)		-
- Financing Authority Surplus A/C (Acct #105639-003)		-
- Reserve Fund CFD #1 (Acct #105639-004)		789,410.54
- Reserve Fund CFD #2 (Acct #105639-005)		100,174.25
- Reserve Fund CFD #3 (Acct #105639-006)		540,860.14
TOTAL		
	\$	5,468,238.36



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
10/17/16	0.65	0.65	168
10/18/16	0.65	0.65	167
10/19/16	0.65	0.65	166
10/20/16	0.65	0.65	164
10/21/16	0.66	0.65	165
10/22/16	0.66	0.65	165
10/23/16	0.66	0.65	165
10/24/16	0.66	0.65	164
10/25/16	0.66	0.65	168
10/26/16	0.66	0.65	167
10/27/16	0.66	0.65	171
10/28/16	0.66	0.65	172
10/29/16	0.66	0.65	172
10/30/16	0.66	0.65	172
10/31/16	0.67	0.65	163
11/01/16	0.66	0.66	170
11/02/16	0.67	0.66	173
11/03/16	0.67	0.66	174
11/04/16	0.67	0.66	173
11/05/16	0.67	0.66	173
11/06/16	0.67	0.66	173
11/07/16	0.67	0.66	173
11/08/16	0.67	0.66	176
11/09/16	0.67	0.66	176
11/10/16	0.68	0.66	180
11/11/16	0.68	0.66	180
11/12/16	0.68	0.66	180
11/13/16	0.68	0.66	180
11/14/16	0.68	0.66	176
11/15/16	0.68	0.66	177
11/16/16	0.68	0.66	181

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

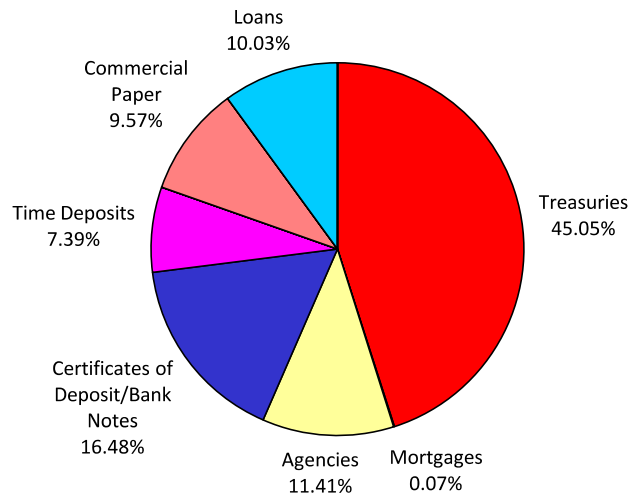
Quarter Ending 09/30/16

Apportionment Rate: 0.60%
 Earnings Ratio: .00001651908048883
 Fair Value Factor: 1.000306032
 Daily: 0.65%
 Quarter to Date: 0.61%
 Average Life: 165

PMIA Average Monthly Effective Yields

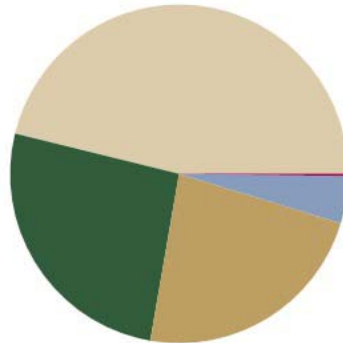
Oct 2016 0.654%
 Sep 2016 0.634%
 Aug 2016 0.614%

**Pooled Money Investment Account
Portfolio Composition
10/31/16
\$70.4 billion**



Holdings by Asset Class for All Accounts and Groups

As Of 11/16/2016



Asset Class ▲		Cusip	Name	Maturity Date	% of Total MV	Qty	Purchase Yield	Market Yield	Original Cost	Market Value
Agency					46.2%				4,620,366.83	4,601,738
		313313HM3	FFCB Discount Note	06/29/2017	2.0%	200,000	0.58	0.58	198,866.33	199,290
		3130A6LZ8	FHLB Note	10/26/2017	2.0%	200,000	0.63	0.85	199,984.00	199,584
		313380EC7	FHLB Note	09/08/2017	2.0%	200,000	0.64	0.85	200,256.00	199,846
		313379DT3	FHLB Note	06/08/2018	2.0%	200,000	0.76	1.02	201,846.00	200,710
		313313GA0	FFCB Discount Note	05/25/2017	2.0%	200,000	0.76	0.76	198,487.50	199,212
		3130A8PK3	FHLB Note	08/07/2018	2.5%	250,000	0.79	1.03	249,150.00	248,254
		313376BR5	FHLB Note	12/14/2018	2.0%	200,000	0.79	1.10	204,582.00	202,676
		3137EAEA3	FHLMC Note	04/09/2018	2.0%	200,000	0.85	0.97	199,660.00	199,397
		3133EGFQ3	FFCB Note	09/14/2018	2.0%	200,000	0.85	1.08	200,098.00	199,256
		3130A8EJ8	FHLB Note	06/05/2018	2.0%	200,000	0.86	1.06	199,968.00	199,366
		313378A43	FHLB Note	03/09/2018	2.0%	200,000	0.96	0.98	201,466.00	201,020
		3137EADK2	FHLMC Note	08/01/2019	2.0%	200,000	1.01	1.29	201,448.00	199,803
		3133EFX69	FFCB Note	10/05/2018	2.0%	200,000	1.03	1.03	199,678.00	199,736
		3133EFPJ0	FFCB Note	11/19/2018	2.0%	200,000	1.04	1.15	201,228.00	200,551
		3130A8DB6	FHLB Note	06/21/2019	2.0%	200,000	1.04	1.26	200,496.00	199,322
		313380FB8	FHLB Note	09/13/2019	2.0%	200,000	1.05	1.32	202,040.00	200,286
		3135G0UU5	FNMA Callable Note 1X3/6/2014	03/06/2020	1.5%	150,000	1.06	1.48	153,717.00	151,289
		3135G0Z44	FNMA Note	02/19/2019	2.0%	200,000	1.08	1.14	204,258.00	203,264
		3137EADM8	FHLMC Note	10/02/2019	2.0%	200,000	1.08	1.33	201,074.00	199,564
		3133782M2	FHLB Note	03/08/2019	2.0%	200,000	1.09	1.15	202,254.00	201,570
		3133EGCA1	FFCB Note	06/03/2019	2.0%	200,000	1.11	1.32	199,716.00	198,679
		3133EFW52	FFCB Note	07/01/2019	2.0%	200,000	1.12	1.27	200,162.00	199,374
		3137EADZ9	FHLMC Note	04/15/2019	2.0%	200,000	1.14	1.19	199,932.00	199,680
Commercial Paper					4.5%				448,248.16	449,396
		21687AMK6	Rabobank Nederland NV NY Discount CP	12/19/2016	2.5%	250,000	0.86	0.86	248,938.33	249,813
		06538BNW9	Bank of Tokyo Mitsubishi NY Discount CP	01/30/2017	2.0%	200,000	1.03	1.03	199,309.83	199,584
Money Market Fund FI					0.2%				20,437.80	20,437
		31846V203	First American Govt Obligation Fund	11/16/2016	0.2%	20,437.8	0.01	0.01	20,437.80	20,437
US Corporate					26.1%				2,616,876.30	2,600,833
		713448CW6	Pepsico Inc. Note	07/17/2017	1.3%	125,000	0.81	1.01	125,403.75	125,096
		717081DJ9	Pfizer Inc. Note	05/15/2017	1.3%	125,000	0.84	0.94	125,300.00	125,096



084664BS9	<u>Berkshire Hathaway Note</u>	05/15/2017	1.3%	125,000	0.88	0.90	125,850.00	125,434
69371RL87	<u>Paccar Financial Corp Note</u>	06/06/2017	1.3%	125,000	0.90	1.06	125,241.25	125,025
166764BC3	<u>Chevron Corp Note</u>	11/09/2017	1.3%	125,000	0.91	1.11	125,707.50	125,285
36962G5W0	<u>General Electric Capital Corp Note</u>	04/27/2017	1.3%	125,000	0.92	0.90	126,527.50	125,775
458140AL4	<u>Intel Corp Note</u>	12/15/2017	1.3%	125,000	0.94	1.10	125,742.50	125,340
747525AG8	<u>Qualcomm Inc Note</u>	05/18/2018	1.3%	125,000	1.05	1.43	125,840.00	124,951
594918BN3	<u>Microsoft Note</u>	08/08/2019	1.1%	115,000	1.14	1.55	114,881.55	113,615
808513AK1	<u>Charles Schwab Corp Callable Note Cont 2/10/2018</u>	03/10/2018	1.0%	100,000	1.17	1.23	100,576.00	100,331
48126EAA5	<u>JP Morgan Note</u>	08/15/2017	1.3%	125,000	1.19	1.31	126,131.25	125,635
24422ETE9	<u>John Deere Capital Corp Note</u>	01/08/2019	1.3%	125,000	1.26	1.65	126,957.50	125,790
30231GAP7	<u>Exxon Mobil Corp Note</u>	03/01/2019	1.3%	125,000	1.32	1.58	126,290.00	125,345
02665WAH4	<u>American Honda Finance Note</u>	08/15/2019	1.3%	125,000	1.32	1.78	128,545.00	126,567
037833AQ3	<u>Apple Inc Note</u>	05/06/2019	1.3%	125,000	1.35	1.53	127,667.50	126,712
68389XAX3	<u>Oracle Corp Note</u>	10/08/2019	1.3%	125,000	1.36	1.69	128,238.75	126,973
89236TDE2	<u>Toyota Motor Credit Corp Note</u>	05/20/2019	1.2%	125,000	1.45	1.74	124,826.25	123,955
91159HHH6	<u>US Bancorp Callable Note Cont 3/25/2019</u>	04/25/2019	1.3%	125,000	1.48	1.68	127,482.50	126,485
06406HCW7	<u>Bank of New York Callable Note Cont 8/11/2019</u>	09/11/2019	1.3%	125,000	1.53	1.82	127,923.75	126,595
94974BFQ8	<u>Wells Fargo Corp Note</u>	01/15/2019	1.3%	125,000	1.59	1.81	126,778.75	125,883
40428HPH9	<u>HSBC USA Inc Note</u>	01/16/2018	1.3%	125,000	1.64	1.68	124,965.00	124,923
US Treasury			23.0%				2,309,777.21	2,294,316
912828TG5	<u>US Treasury Note</u>	07/31/2017	2.0%	200,000	0.57	0.72	199,844.42	199,687
912828UA6	<u>US Treasury Note</u>	11/30/2017	2.0%	200,000	0.61	0.83	200,039.73	199,575
912828K82	<u>US Treasury Note</u>	08/15/2018	2.0%	200,000	0.66	1.00	201,406.92	200,015
912828XJ4	<u>US Treasury Note</u>	06/30/2017	1.0%	100,000	0.67	0.69	99,957.36	99,957
912828RY8	<u>US Treasury Note</u>	12/31/2018	2.0%	200,000	0.67	1.08	203,453.79	201,225
912828XK1	<u>US Treasury Note</u>	07/15/2018	2.0%	200,000	0.79	0.97	200,344.42	199,695
912828UF5	<u>US Treasury Note</u>	12/31/2019	2.0%	200,000	0.82	1.32	202,102.23	198,795
912828UB4	<u>US Treasury Note</u>	11/30/2019	2.0%	200,000	0.82	1.29	201,172.54	198,265
912828P20	<u>US Treasury Note</u>	01/31/2018	2.0%	200,000	0.84	0.86	199,703.79	199,725
912828R51	<u>US Treasury Note</u>	05/31/2018	2.0%	200,000	0.87	0.95	200,008.48	199,757
912828H52	<u>US Treasury Note</u>	01/31/2020	2.0%	200,000	1.00	1.35	201,649.11	199,351
912828UV0	<u>US Treasury Note</u>	03/31/2020	2.0%	200,000	1.11	1.39	200,094.42	198,257
			100.0%				10,015,706.30	9,966,724

Active Lien Board Update

Balance as of 10/25/16: \$13,460.67

Payments received: \$259.23

New liens recorded: \$0.00

ACTIVE

Active liens value \$749.23

Number of active liens 5

WRITTEN OFF

Written off liens value \$12,452.21

Number of written off liens 61

Released liens 6/13/07 - 11/22/16: \$169,151.19

RESOLUTION NO. R-16-13

RESOLUTION OF THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT AND IMPROVEMENT AREA NO. 1 THEREIN, AUTHORIZING THE LEVY OF SPECIAL TAXES AND CALLING AN ELECTION THEREIN

WHEREAS, the Board of Directors of Temescal Valley Water District (the "Board of Directors") has heretofore adopted Resolution No. R-16-11 (the "Resolution of Intention") stating its intention to form Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the "District") and Improvement No. 1 therein ("Improvement Area No. 1") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, a copy of the Resolution of Intention setting forth a description of the proposed boundaries of the District, Improvement Area No. 1 and the area proposed for annexation to the District in the future, the improvements and the incidental expenses to be financed by the District (the "Improvements," and the "Incidental Expenses," respectively) is on file with the Secretary and is incorporated herein by reference; and

WHEREAS, a combined notice of a public hearing to be held on November 22, 2016 was published and mailed to all landowners of the land proposed to be included within the initial boundaries of the District; and

WHEREAS, on November 22, 2016, the Board of Directors opened the public hearing (the "Hearing") as required by law; and

WHEREAS, at the Hearing there was filed with this Board of Directors a report containing a description of the improvements necessary to meet the needs of the District and an estimate of the cost of such improvements as required by Section 53321.5 of the Act (the "Community Facilities District Report"); and

WHEREAS, at the Hearing all persons desiring to be heard on all matters pertaining to the proposed formation of the District and Improvement Area No. 1 and the levy of the special taxes and the issuance of bonded indebtedness were heard and a full and fair hearing was held; and

WHEREAS, at the Hearing, evidence was presented to the Board of Directors on the matters before it, and the proposed formation of the District and Improvement Area No. 1 and the levy of special taxes was not precluded by a majority protest of the type described in Section 53324 of the Act, and this Board of Directors at the conclusion of the hearing is fully advised as to all matters relating to the formation of the District and Improvement Area No. 1, the levy of the special taxes and the issuance of bonded indebtedness; and

WHEREAS, the Board of Directors has determined that there have been no registered voters residing in the proposed boundaries of Improvement Area No. 1 for the period of 90 days

prior to the Hearing and that the qualified electors in Improvement Area No. 1 are the landowners within Improvement Area No. 1; and

WHEREAS, on the basis of all of the foregoing, the Board of Directors has determined at this time to proceed with the establishment of the District and Improvement Area No. 1 and with the calling of an election within the boundaries of the District and Improvement Area No. 1 to authorize (i) the levy of special taxes within Improvement Area No. 1 pursuant to the rate and method of apportionment of the special tax set forth in the Resolution of Intention, to the extent modified as set forth in Attachment "A" hereto (as modified, the "Rate and Method"), (ii) the issuance of bonds for Improvement Area No. 1 to finance the Improvements and Incidental Expenses, and (iii) the establishment of an appropriations limit for the District; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. Each of the above recitals is true and correct.

2. A community facilities district to be designated "Community Facilities District No. 4 (Terramor) of Temescal Valley Water District" and "Improvement Area No. 1" therein is hereby established pursuant to the Act. The Board of Directors hereby finds and determines that all prior proceedings taken with respect to the establishment of the District were valid and in conformity with the requirements of law, including the Act. This finding is made in accordance with the provisions of Section 53325.1(b) of the Act.

3. The boundaries of the District, Improvement Area No. 1 and the area proposed to be annexed to the District are established as shown on the map designated "Proposed Boundaries of Temescal Valley Water District Community Facilities District No. 4 (Terramor)", which map is on file in the office of the Secretary and was recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code in the County of Riverside Book of Maps of Assessment and Community Facilities Districts in the County Recorder's Office in Book No. 80, Page No. 78 on September 28, 2016.

4. The types of Improvements and Incidental Expenses authorized to be provided for the District are those set forth in the Resolution of Intention. The estimated cost of the Improvements and Incidental Expenses to be financed is set forth in the Community Facilities District Report, which estimates may change as the Improvements are designed and bid for construction and acquisition.

Temescal Valley Water District (the "Water District") is authorized by the Act to contribute revenue to, or to construct or acquire the Improvements, all in accordance with the Act. The Board of Directors finds that the proposed Improvements are necessary to meet the increased demand that will be placed upon public infrastructure as a result of new development within the District.

5. The Board of Directors hereby adopts the Rate and Method attached to the hereto as Attachment "A" as the applicable rate and method of apportionment for Improvement Area No. 1. Except where funds are otherwise available, it is the intention of the Board of Directors, subject to the approval of the eligible voters within Improvement Area No. 1, to levy the proposed special taxes in the District and Improvement Area No. 1 at the rates set forth in the Rate and Method hereto on all non-exempt property within Improvement Area No. 1 sufficient to pay (i) the principal and interest and other periodic costs on the bonds proposed to be issued by the District for

Improvement Area No. 1 to finance the Improvements and Incidental Expenses, including the establishment and replenishment of reserve funds, 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) and other expenses of the type permitted by Section 53345.3 of the Act; and (ii) the Incidental Expenses. The District expects to incur, and in certain cases has already incurred, Incidental Expenses in connection with the creation of the District and Improvement Area No. 1, the issuance of bonds, the levying and collecting of the special tax, the completion and inspection of the Improvements and the annual administration of the bonds and the District. The Rate and Method is described in detail in Attachment "A" hereto and incorporated herein by this reference, and the Board of Directors hereby finds that said Attachment "A" contains sufficient detail to allow each landowner within Improvement Area No. 1 to estimate the maximum amount that may be levied against each parcel. As described in greater detail in the Community Facilities District Report, which is incorporated by reference herein, the special tax is based on the expected demand that each parcel of real property within the District will place on the Improvements and on the benefit that each parcel will derive from the right to access the Improvements and, accordingly, is hereby determined to be reasonable. The special tax shall be levied on each assessor's parcel pursuant to the Rate and Method, but the special tax shall not be levied after Fiscal Year 2055-56. The special tax is apportioned to each parcel on the foregoing bases pursuant to Section 53325.3 of the Act and such special tax is not a tax on or a tax based upon the ownership of real property.

Temescal Valley Water District's General Manager will be responsible for preparing annually, or authorizing a designee to prepare, a current roll of special tax levy obligations by assessor's parcel number and will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Act.

The special tax shall be levied on parcels within Improvement Area No. 1 and on any parcel or parcels annexed to the District, only with the written unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels to be annexed to the District or Improvement Area No. 1, or in compliance with other procedures established by the Act, without any requirement for further public hearings or additional proceedings. Each Unanimous Approval shall be in such form authorized by the General Manager of the Water District and shall approve the rates and method of apportionment of the special tax to be levied on such property, and, if such property is to be annexed to an improvement area within the District other than Improvement Area No. 1, the Unanimous Approval shall approve the maximum amount of bonds to be issued by such improvement area.

6. In the event that a portion of the property within Improvement Area No. 1 shall become for any reason exempt, wholly or partially, from the levy of the special tax specified in the Rate and Method, the Board of Directors shall, on behalf of the District, increase the levy to the extent necessary and permitted by law and these proceedings upon the remaining property within Improvement Area No. 1 which is not delinquent or exempt in order to yield the required debt service payments on any outstanding bonds of the District for Improvement Area No. 1 or to prevent the District from defaulting on any other obligations or liabilities of the District; provided, however, that in no event shall the special tax on a residential property increase by more than ten percent as a result of a default or defaults in the payment of special taxes by other property owner(s). The amount of the special tax will be set in accordance with the Rate and Method.

7. Upon recordation of a notice of special tax lien within Improvement Area No. 1 pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the District and Improvement

Area No. 1; and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the special tax by the District for Improvement Area No. 1 ceases.

8. Consistent with Section 53325.6 of the Act, the Board of Directors finds and determines that the land within the District, if any, devoted primarily to agricultural, timber or livestock uses and being used for the commercial production of agricultural, timber or livestock products is contiguous to other land within the District and will be benefited by the Improvements proposed to be provided within the District.

9. It is hereby further determined that there is no ad valorem property tax currently being levied on property within the proposed District for the exclusive purpose of paying the principal of or interest on bonds or other indebtedness incurred to finance the construction of capital facilities which provide the same services to the territory of the District as are proposed to be provided by the Improvements to be financed by the District.

10. Written protests against the establishment of the District or Improvement Area No. 1 have not been filed by one-half or more of the registered voters within the boundaries of Improvement Area No. 1 or by the property owners of one-half or more of the area of land within the boundaries of Improvement Area No. 1. The Board of Directors hereby finds that the proposed special tax has not been precluded by a majority protest pursuant to Section 53324 of the Act.

11. An election is hereby called for the District and Improvement Area No. 1 on the propositions of levying the special tax on the property within Improvement Area No. 1 and establishing an appropriations limit for the District pursuant to Section 53325.7 of the Act and shall be consolidated with the election on the proposition of incurring bonded indebtedness of the District for Improvement Area No. 1, pursuant to Section 53351 of the Act. The propositions to be placed on the ballot for the District are attached hereto as Attachment "B."

12. The date of the election within the District shall be November 22, 2016, or such later date as is consented to by the Office Manager of the Water District and the landowners within the District and Improvement Area No. 1. The Office Manager of the Water District shall conduct the election. Except as otherwise provided by the Act, the election shall be conducted by personally delivered or mailed ballot and, except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of Temescal Valley Water District insofar as such provisions are determined by the Office Manager of the Water District to be applicable.

It is hereby found that there are not more than twelve registered voters within the territory of Improvement Area No. 1, and, pursuant to Section 53326 of the Act, each landowner who is the owner of record on the date hereof, or the authorized representative thereof, shall have one vote for each acre or portion thereof that he, she or it owns within Improvement Area No. 1. The voters shall be the landowners of record within Improvement Area No. 1 as of November 22, 2016.

13. The preparation of the Community Facilities District Report is hereby ratified. The Community Facilities District Report, as submitted, is hereby approved and made a part of the record of the public hearing regarding the formation of the District, and is ordered to be kept on file with the transcript of these proceedings and open for public inspection.

14. The form of agreement for bond counsel services with Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby approved, as submitted, and the General Manager is hereby authorized and directed to execute such agreement with such changes as he deems appropriate.

15. This Resolution shall be effective upon its adoption.

Dated: November 22, 2016.

C.W. Colladay, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the Temescal Valley Water District at its meeting held on November 22, 2016.

ATTEST:

Paul Rodriguez, Board Secretary

(SEAL)

ATTACHMENT "A"

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	< 1,851 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

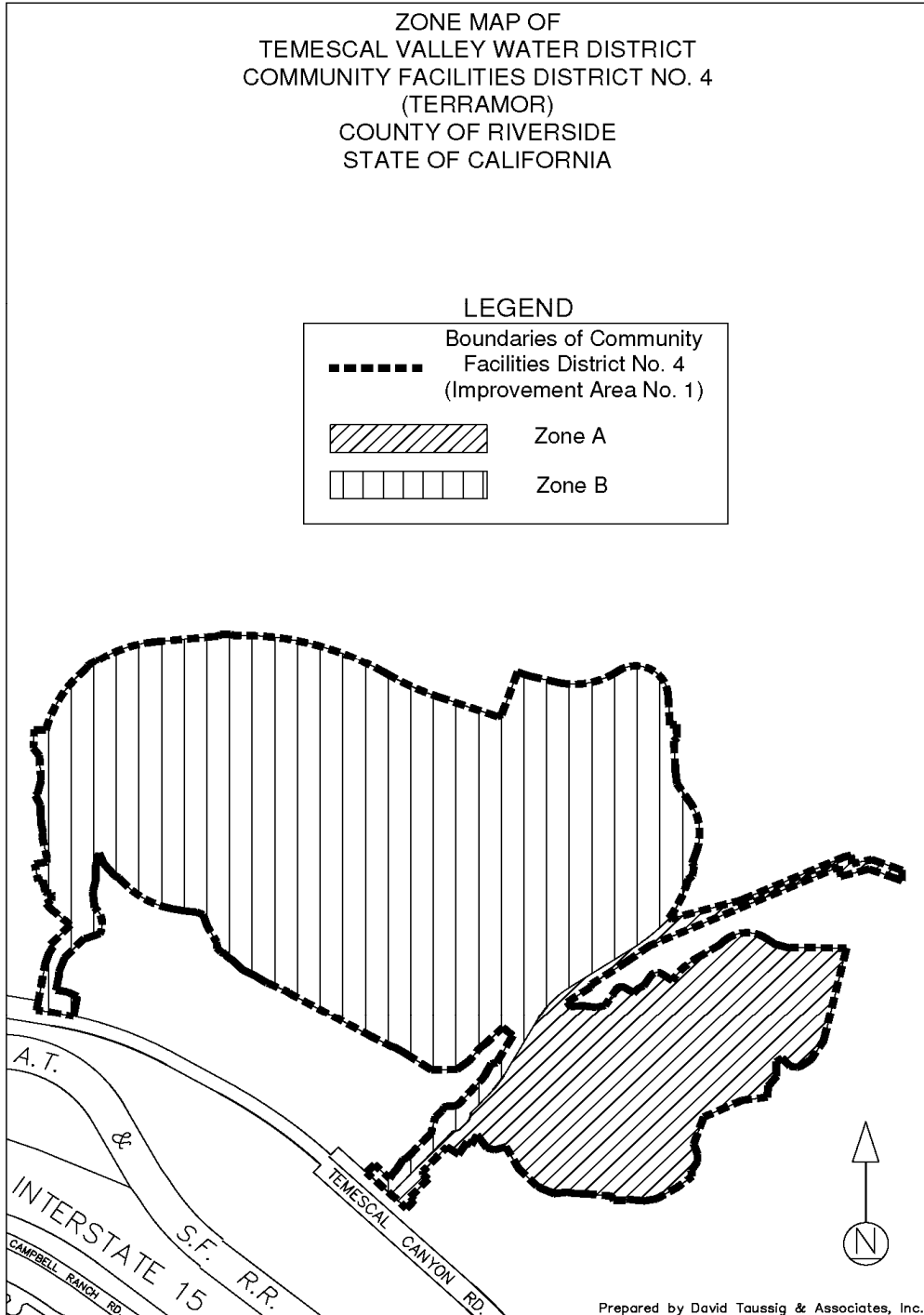


EXHIBIT B

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	< 1,851 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]

ATTACHMENT "B"

SAMPLE BALLOT

COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
OF TEMESCAL VALLEY WATER DISTRICT

SPECIAL TAX AND SPECIAL BOND ELECTION

November 22, 2016

This ballot represents ___ votes.

To vote, write or stamp a cross ("+" or "X") in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the Office Manager of the Temescal Valley Water District and obtain another.

PROPOSITION A: Shall Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the "District") incur an indebtedness and issue bonds for Improvement Area No. 1 of the District ("Improvement Area No. 1") in the maximum principal amount of \$28,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Improvements and the Incidental Expenses described in Resolution No. R-16-13 of the Board of Directors of Temescal Valley Water District?

YES_____

NO_____

PROPOSITION B: Shall a special tax with a rate and method of apportionment as provided in Resolution No. R-16-13 of the Board of Directors of Temescal Valley Water District for Improvement Area No. 1 of the District be levied to pay the principal of and interest on bonds issued to finance the Improvements and Incidental Expenses and the other purposes described in Resolution No. R-16-13?

YES_____

NO_____

PROPOSITION C: For each year commencing with Fiscal Year 2017-18, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District be an amount equal to \$5,000,000?

YES_____

NO_____

RESOLUTION NO. R-16-14

RESOLUTION OF THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN IMPROVEMENT AREA NO. 1 OF SAID COMMUNITY FACILITIES DISTRICT AND CALLING AN ELECTION THEREIN

WHEREAS, on September 27, 2016, the Board of Directors of Temescal Valley Water District (the "Board of Directors") adopted Resolution No. R-16-11 (the "Resolution of Intention") stating its intention to form Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the "District"), Improvement Area No. 1 therein ("Improvement Area No. 1") and such area as may be annexed to the District in the future, all pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"); and

WHEREAS, on September 27, 2016, the Board of Directors also adopted Resolution No. R-16-12 stating its intention to incur bonded indebtedness within the proposed District for Improvement Area No. 1 in an amount not to exceed \$28,000,000 to finance: (1) the purchase, construction, expansion, improvement or rehabilitation of public improvements identified in Attachment "D" to Resolution No. R-16-11, including all furnishings, equipment and supplies related thereto (collectively, the "Improvements") and (2) the incidental expenses to be incurred in financing the Improvements and forming and administering the District (the "Incidental Expenses"); and

WHEREAS, notice was published as required by law relative to the intention of the Board of Directors to form the proposed District and Improvement Area No. 1 and to incur bonded indebtedness of the District for Improvement Area No. 1; and

WHEREAS, on November 22, 2016, the Board of Directors opened a noticed public hearing to determine whether it should proceed to form the District and Improvement Area No. 1, issue bonds to pay for the Improvements and Incidental Expenses and to authorize the rate and method of apportionment of a special tax to be levied within Improvement Area No. 1 for the purposes described in the Resolution of Intention; and

WHEREAS, at said public hearing all persons desiring to be heard on all matters pertaining to the formation of the District and Improvement Area No. 1, the levy of a special tax and the issuance of bonds to pay for the cost of the proposed Improvements and Incidental Expenses were heard and a full and fair hearing was held; and

WHEREAS, subsequent to such hearing the Board of Directors adopted a resolution establishing the District, designating Improvement Area No. 1 and identifying property to be annexed to the District in the future (the "Resolution of Formation"); and

WHEREAS, the Board of Directors desires to make the necessary findings to incur bonded indebtedness for the District and Improvement Area No. 1, to declare the purpose for said indebtedness, and to authorize the submittal of certain propositions to the voters of Improvement

Area No. 1, being the owners of land within Improvement Area No. 1, all as authorized and required by law;

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

1. It is necessary to incur bonded indebtedness of the District for Improvement Area No. 1 in a maximum aggregate principal amount not to exceed \$28,000,000.

2. The indebtedness is to be incurred for the purpose of financing the costs of purchasing, constructing, modifying, expanding, improving, or rehabilitating the Improvements, as described in the Resolution of Intention and the Resolution of Formation, financing the Incidental Expenses, and carrying out the powers and purposes of the District, including, but not limited to, financing the costs of selling the bonds, establishing and replenishing bond reserve funds and paying 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), administrative expenses and other expenses of the type authorized by Section 53345.3 of the Act.

3. The whole of the property within Improvement Area No. 1 and any property annexed to Improvement Area No. 1 pursuant to the Act, other than property exempted from the special tax pursuant to the provisions of the rate and method of apportionment attached to the Resolution of Formation as Attachment "A," shall pay for the bonded indebtedness of the District for Improvement Area No. 1 pursuant to the levy of the special tax authorized by the Resolution of Formation.

4. The maximum aggregate principal amount of bonds authorized for any property annexed to or as an improvement area of the District other than Improvement Area No. 1 shall be set forth in the Unanimous Approval (as defined in the Resolution of Formation) delivered in connection with such annexation.

5. The maximum term of the bonds to be issued shall in no event exceed forty (40) years.

6. The bonds shall bear interest at the rate or rates not to exceed the maximum interest rate permitted by law, payable annually or semiannually, or in part annually and in part semiannually, except the first interest payment may be for a period of less than six months, with the actual rate or rates and times of payment to be determined at the time or times of sale thereof.

7. The bonds may bear a variable or fixed interest rate, provided that such variable rate or the fixed rate shall not exceed the maximum rate permitted by Section 53531 of the California Government Code, or any other applicable provision of law limiting the maximum interest rate on the bonds.

8. Pursuant to Section 53351 of the Act, a special election is hereby called for the District on the proposition of incurring the bonded indebtedness of the District for Improvement Area No. 1. The proposition relative to incurring bonded indebtedness of the District for Improvement Area No. 1 shall be in the form set forth in Attachment "B" to the Resolution of Formation. The election in Improvement Area No. 1 on the proposition of incurring bonded indebtedness shall be consolidated with the election and on the propositions to levy a special tax in Improvement Area No. 1 and to establish an appropriations limit for the District, which propositions shall be in the form set forth in Attachment "B" to the Resolution of Formation.

9. The date of the consolidated special election for the District and Improvement Area No. 1 shall be November 22, 2016, or such later date as is consented to by the Office Manager of of Temescal Valley Water District (the "Office Manager") and the owners of land within Improvement Area No. 1. The election shall be conducted by the Office Manager. Except as otherwise provided by the Act, the election shall be conducted in accordance with the provisions of law regulating elections of Temescal Valley Water District insofar as such provisions are determined by the Office Manager to be applicable. The Office Manager is authorized to conduct the election following the adoption of the Resolution of Formation and this resolution; and all ballots shall be received by, and the Office Manager shall close the election by 1:00 p.m. on the election day; provided the election shall be closed at such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act. It is hereby found that there are fewer than 12 registered voters within the territory of Improvement Area No. 1, pursuant to Section 53351(j) of the Act, the ballots for the special election shall be distributed in person or by mail with return postage prepaid to the landowners of record within Improvement Area No. 1 as of the close of the November 22, 2016 hearing regarding the formation of the District and Improvement Area No. 1. Each landowner shall have one vote for each acre or portion thereof that he, she or it owns within Improvement Area No. 1, as provided in Section 53326 of the Act.

10. This Resolution shall be effective upon its adoption.

Dated: November 22, 2016.

C.W. Colladay, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the Temescal Valley Water District at its meeting held on November 22, 2016.

ATTEST:

Paul Rodriguez, Board Secretary

(SEAL)

RESOLUTION NO. R-16-15

RESOLUTION OF THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT, CERTIFYING THE RESULTS OF THE NOVEMBER 22, 2016 SPECIAL TAX AND BOND ELECTIONS

WHEREAS, the Board of Directors of Temescal Valley Water District (the "Water District"), acting as the legislative body of Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the "Board of Directors") called and duly held elections on November 22, 2016 within the boundaries of Improvement Area No. 1 ("Improvement Area No. 1") of Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the "District") pursuant to Resolution Nos. R-16-13 and R-16-14 for the purpose of presenting to the qualified electors within the District the propositions which are attached hereto as Attachment "A"; and

WHEREAS, there has been presented to the Board of Directors a certificate of the Office Manager of the Water District canvassing the results of the election, a copy of which is attached hereto as Attachment "B";

NOW, THEREFORE, THE BOARD OF DIRECTORS, DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.
2. Propositions A, B and C presented to the qualified electors of Improvement Area No. 1 of the District on November 22, 2016 were approved by more than two-thirds of the votes cast at the election held for Improvement Area No. 1 of the District, and each of Propositions A, B and C has carried. The Board of Directors is hereby authorized to levy on the land within Improvement Area No. 1 of the District the special tax described in Proposition B for the purposes described therein and to take the necessary steps to levy the special tax authorized by Proposition B and to issue bonds in an amount not to exceed \$28,000,000 specified in Proposition A.
3. The Secretary is hereby directed to record in the Office of the County Recorder within fifteen days of the date hereof a notice of special tax lien which Bond Counsel to the District shall prepare in the form required by Streets and Highways Code Section 3114.5.

4. This Resolution shall be effective upon its adoption.

Dated: November 22, 2016

C.W. Colladay, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the Temescal Valley Water District at its meeting held on November 22, 2016.

ATTEST:

Paul Rodriguez, Board Secretary

(SEAL)

ATTACHMENT A

SAMPLE BALLOT

COMMUNITY FACILITIES DISTRICT NO. 4
(TERRAMOR)
OF TEMESCAL VALLEY WATER DISTRICT

SPECIAL TAX AND SPECIAL BOND ELECTION

November 22, 2016

This ballot represents ___ votes.

To vote, write or stamp a cross (“+” or “X”) in the voting square after the word “YES” or after the word “NO”. All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the Office Manager of the Temescal Valley Water District and obtain another.

PROPOSITION A: Shall Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the “District”) incur an indebtedness and issue bonds for Improvement Area No. 1 of the District (“Improvement Area No. 1”) in the maximum principal amount of \$28,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law, to finance the Improvements and the Incidental Expenses described in Resolution No. R-16-13 of the Board of Directors of Temescal Valley Water District?

YES_____

NO_____

PROPOSITION B: Shall a special tax with a rate and method of apportionment as provided in Resolution No. R-16-13 of the Board of Directors of Temescal Valley Water District for Improvement Area No. 1 of the District be levied to pay the principal of and interest on bonds issued to finance the Improvements and Incidental Expenses and the other purposes described in Resolution No. R-16-13?

YES_____

NO_____

PROPOSITION C: For each year commencing with Fiscal Year 2017-18, shall the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, for the District be an amount equal to \$5,000,000?

YES_____

NO_____

ATTACHMENT B

**CERTIFICATE OF SECRETARY
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS**

I, Allison Harnden, Office Manager of Temescal Valley Water District (the "Water District"), do hereby certify that I have examined the returns of the Special Tax and Bond Election for Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the "District"). The election was held in the Administrative Office of the Water District at 22646 Temescal Canyon Road, Temescal Valley, California 92883, on November 22, 2016. I caused to be delivered ballots to each qualified elector. ____ () ballots were returned.

I further certify that the results of said election and the number of votes cast for and against Propositions A, B and C are as follows:

<u>PROPOSITION A</u>	<u>PROPOSITION B</u>	<u>PROPOSITION C</u>
YES:	YES:	YES:
NO:	NO:	NO:
TOTAL:	TOTAL:	TOTAL:

Dated this 22nd day of November, 2016.

Allison Harnden
Allison Harnden, Office Manager
Temescal Valley Water District

ORDINANCE NO. O-16-01

ORDINANCE OF THE BOARD OF DIRECTORS OF TEMESCAL VALLEY WATER DISTRICT, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN IMPROVEMENT AREA NO. 1 OF THE DISTRICT

WHEREAS, on September 27, 2016, the Board of Directors (the "Board of Directors") of Temescal Valley Water District (the "Water District") adopted Resolution No. R-16-11 declaring its intention to form Community Facilities District No. 4 (Terramor) of Temescal Valley Water District (the "District") and Improvement Area No. 1 therein ("Improvement Area No. 1") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"), and adopted Resolution No. R-16-12 declaring its intention to incur bonded indebtedness for Improvement Area No. 1 of the District; and

WHEREAS, on November 22, 2016, after providing all notice required by the Act, the Board of Directors opened a public hearing required by the Act relative to the formation of the District and Improvement Area No. 1, the proposed levy of a special tax within Improvement Area No. 1 of the District to finance certain public improvements described in Resolution No. R-16-11 and to secure the payment of any bonded indebtedness of the District for Improvement Area No. 1, and the proposed issuance of up to \$28,000,000 of bonded indebtedness for Improvement Area No. 1; and

WHEREAS, at the public hearing, all persons desiring to be heard on all matters pertaining to the formation of the District and Improvement Area No. 1, the proposed levy of the special tax within Improvement Area No. 1 of the District to finance the improvements and the payment of a special tax lien described in Resolution of Formation (as defined below) and the proposed issuance of bonded indebtedness for Improvement Area No. 1 of the District were heard and a full and fair hearing was held; and

WHEREAS, on November 22, 2016, following the close of the public hearing, the Board of Directors adopted a resolution establishing the District and Improvement Area No. 1 (the "Resolution of Formation") and a resolution determining the necessity to incur bonded indebtedness for Improvement Area No. 1 of the District (the "Resolution to Incur Bonded Indebtedness") each of which called a consolidated special election on November 22, 2016 within Improvement Area No. 1 of the District on three propositions relating to the levying of a special tax, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District; and

WHEREAS, on November 22, 2016, a special election was held within Improvement Area No. 1 of the District at which the qualified electors approved by more than a two-thirds vote Propositions A, B and C authorizing the levy of a special tax within Improvement Area No. 1 of the District for the purposes described in the Resolution of Formation and the issuance of bonded indebtedness for Improvement Area No. 1 of the District as described in the Resolution to Incur Bonded Indebtedness.

NOW, THEREFORE, THE BOARD OF DIRECTORS, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT 4 (TERRAMOR) OF TEMESCAL VALLEY WATER DISTRICT, ORDAINS AS FOLLOWS:

1. The above recitals are all true and correct.
2. By the passage of this Ordinance, the Board of Directors authorizes the levy of a special tax within Improvement Area No. 1 of the District at the maximum rates and in accordance with the rates and method of apportionment set forth in Attachment "A" to Resolution No. R-16-13, which rate and method of apportionment is incorporated by reference herein (the "Rate and Method").
3. The Board of Directors is hereby further authorized to determine in each subsequent fiscal year, by ordinance, or by resolution if permitted by then applicable law, on or before August 10 of each year, or such later date as is permitted by law, the specific special tax rate and amount to be levied on each parcel of land in Improvement Area No. 1 of the District pursuant to the Rate and Method. The special tax rate to be levied pursuant to the Rate and Method shall not exceed the applicable maximum rates set forth therein, but the special tax may be levied at a lower rate.
4. Properties or entities of the state, federal or other local governments shall be exempt from the special tax, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act and the Rate and Method. No other properties or entities are exempt from the special tax unless the properties or entities are expressly exempted in the Resolution of Formation, or in a resolution of consideration to levy a new special tax or special taxes or to alter the Rate or Method of an existing special tax as provided in Section 53334 of the Act.
5. All of the collections of the special tax pursuant to the Rate and Method shall be used as provided for in the Act and the Resolution of Formation. The special tax shall be levied within Improvement Area No. 1 of the District only so long as needed for the purposes described in the Resolution of Formation.
6. The special tax levied pursuant to the Rate and Method shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem taxes (which such procedures include the exercise of all rights and remedies permitted by law to make corrections, including, but not limited to, the issuance of amended or supplemental tax bills), as such procedure may be modified by law or by this Board of Directors from time to time.
7. As a cumulative remedy, if any amount levied as a special tax for payment of the interest or principal of any bonded indebtedness of the District for Improvement Area No. 1, together with any penalties and other charges accruing under this Ordinance, are not paid when due, the Board of Directors may, not later than four years after the due date of the last installment of principal on the Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such special tax.
8. The President shall sign this Ordinance and the Secretary shall attest to the President's signature and then cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in Temescal Valley Water District.

9. This Ordinance relating to the levy of the special tax within the Improvement Area No. 1 of the District shall take effect 30 days following its final passage, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Act.

10. The Secretary is hereby authorized to transmit a certified copy of this ordinance to the Riverside County Assessor and Treasurer-Tax Collector, and to perform all other acts which are required by the Act, this Ordinance or by law in order to accomplish the purpose of this Ordinance.

INTRODUCED ON the 22nd day of November, 2016.

C.W. Colladay, President

I hereby certify that the foregoing is a full, true and correct copy of the Ordinance adopted by the Board of Directors of the Temescal Valley Water District at its meeting held on December __, 2016.

ATTEST:

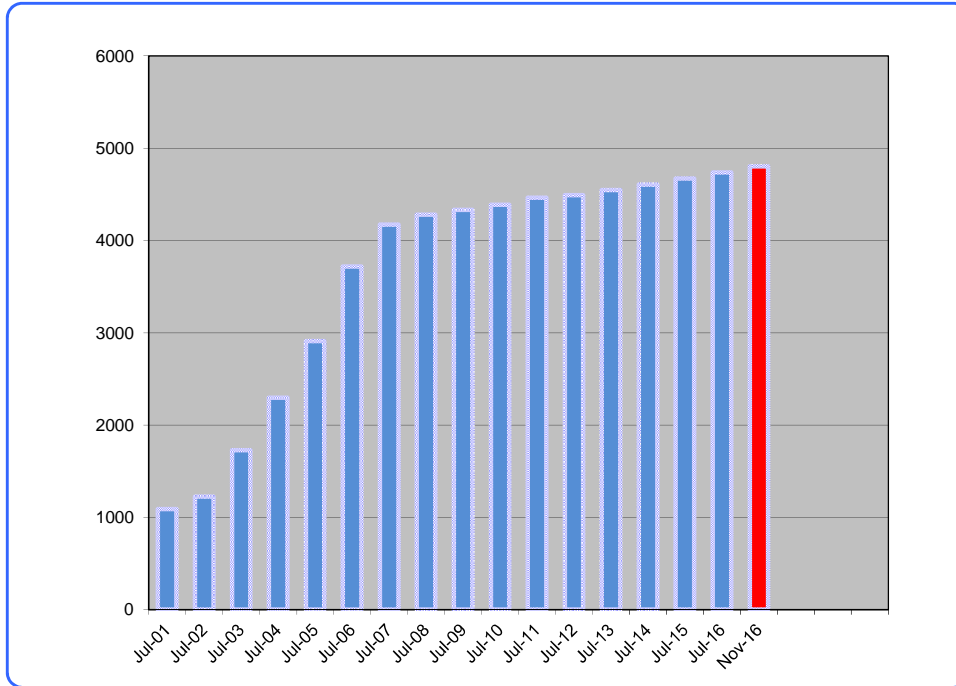
Paul Rodriguez, Board Secretary

(SEAL)

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	Nov-16
CUSTOMERS	1090	1223	1729	2295	2910	3718	4173	4279	4332	4386	4463	4492	4547	4605	4670	4736	4802



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	1390	80%
The Retreat	525	517	98%
Toscana Hills	1443	0	0%
	6611	4802	73%

TOTAL CUSTOMER COUNT REPORT
October 31, 2016

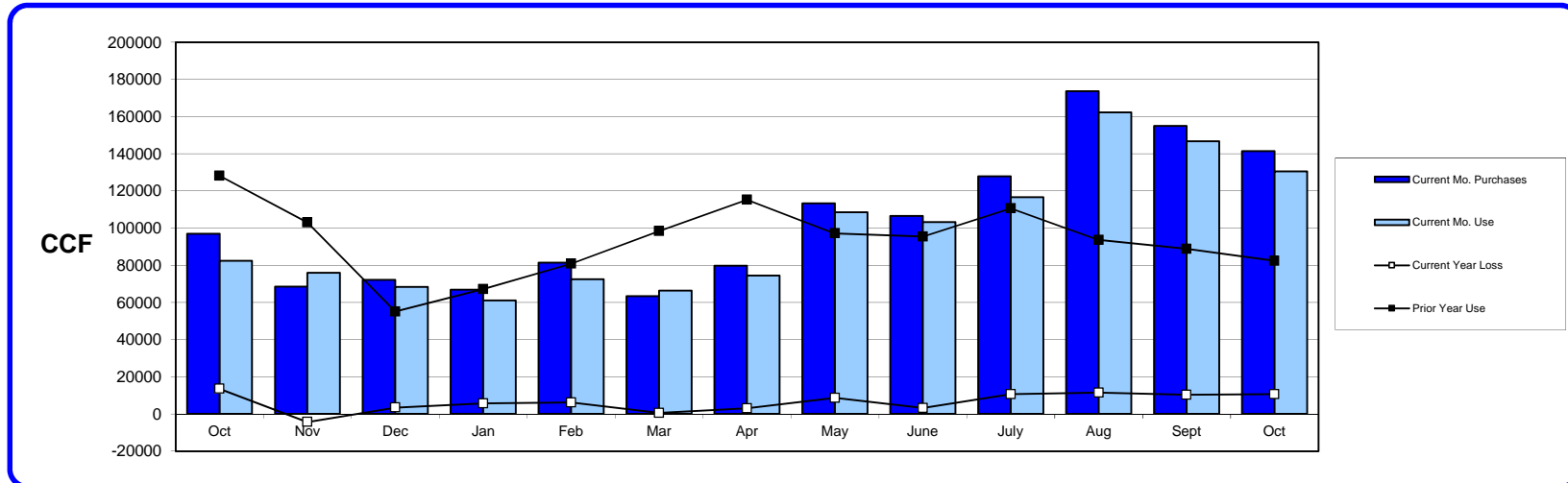
	Water & Sewer	Water Only	Sewer Only	Count
New homes added 15				
Accts closed/transferred 68			Butterfield (305)	
Empty Homes 2			Calif. Meadows (345)	
Residential	4916	2	650	5568
Commercial	84	0	2	86
Commercial-fireheld inactive	41			41
Public Govt	3	1	0	4
Irrigation-Industrial	0	66	0	66
Non-Potable Water other	0	134	0	134
Construction-Bulk Sales	0	6	0	6
Total Active Customers				

DELINQUENT REPORT

Meters Read - Customers Billed	5212	
Received Delinquent Notice on current bill	534	10.25%
Turned Off for lack of payment	19	0.36%
Customers turned back on, amount paid	18	0.35%

WATER USAGE REPORT FOR THIRTEEN MONTHS

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	TOTAL
Beg Water Levels	9587	10765	7718	8157	8223	11024	7649	9846	8387	8502	9117	9865	7982	
Ending Water Levels	10765	7718	8157	8223	11024	7649	9846	8387	8502	9117	9865	7982	8320	
Cur Yearly Purchases	96985	68505	72145	66752	81421	63424	79673	113267	106499	127829	173678	154992	141397	1346567
Cur Yr Monthly Use	82309	75904	68282	60973	72419	66313	74479	108426	103216	116641	162272	146618	130468	1268320
Prior Yr Monthly Use	128147	103024	55145	67177	80811	98395	115197	97158	95479	110679	93626	88794	82309	1215941



SUMMARY

CCF

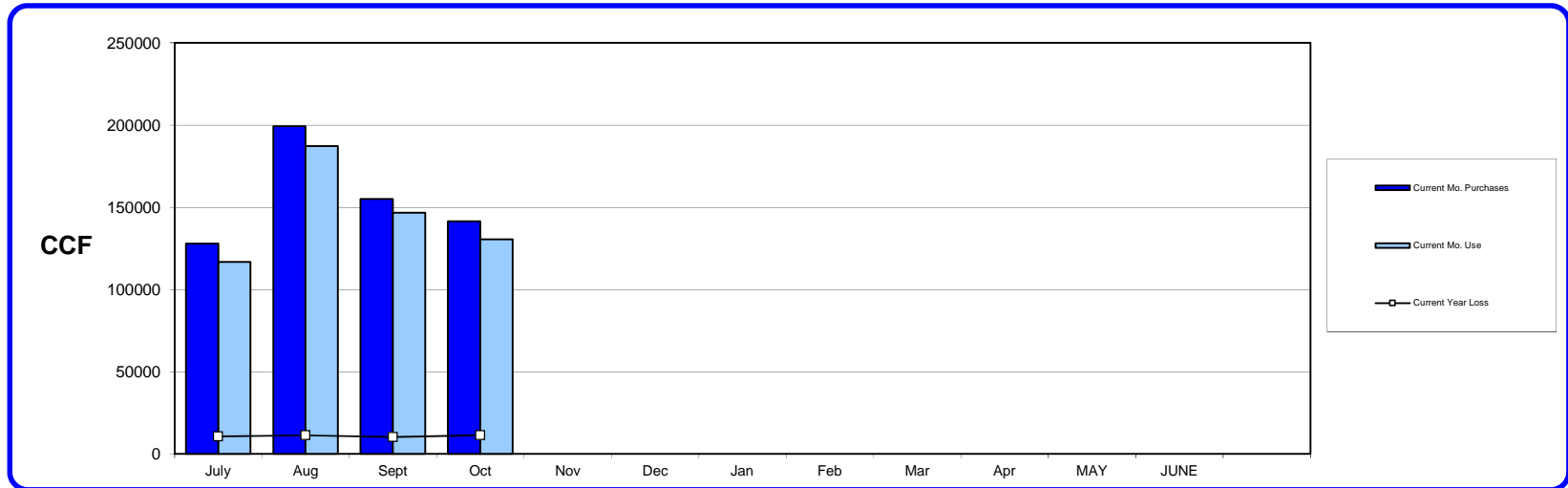
Beginning Water in System	9587 CCF
Water Purchased in last 13 months	1346567 CCF
Water Used in last 13 months	1268320 CCF
Water Remaining in System	8320 CCF
(Loss)/Gain over last 13 months	(79514) CCF

-5.90%

KEY
2014-2015
2015-2016
2016-2017

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	9865	7982									
Ending Water Levels	9117	9865	7982	8320									
Cur Yearly Purchases	127829	173678	154992	141397									597896
Cur Yr Monthly Use	116641	162272	146618	130468									555999
GAIN/LOSS (UNITS)	10573	11310	10257	11267									43407

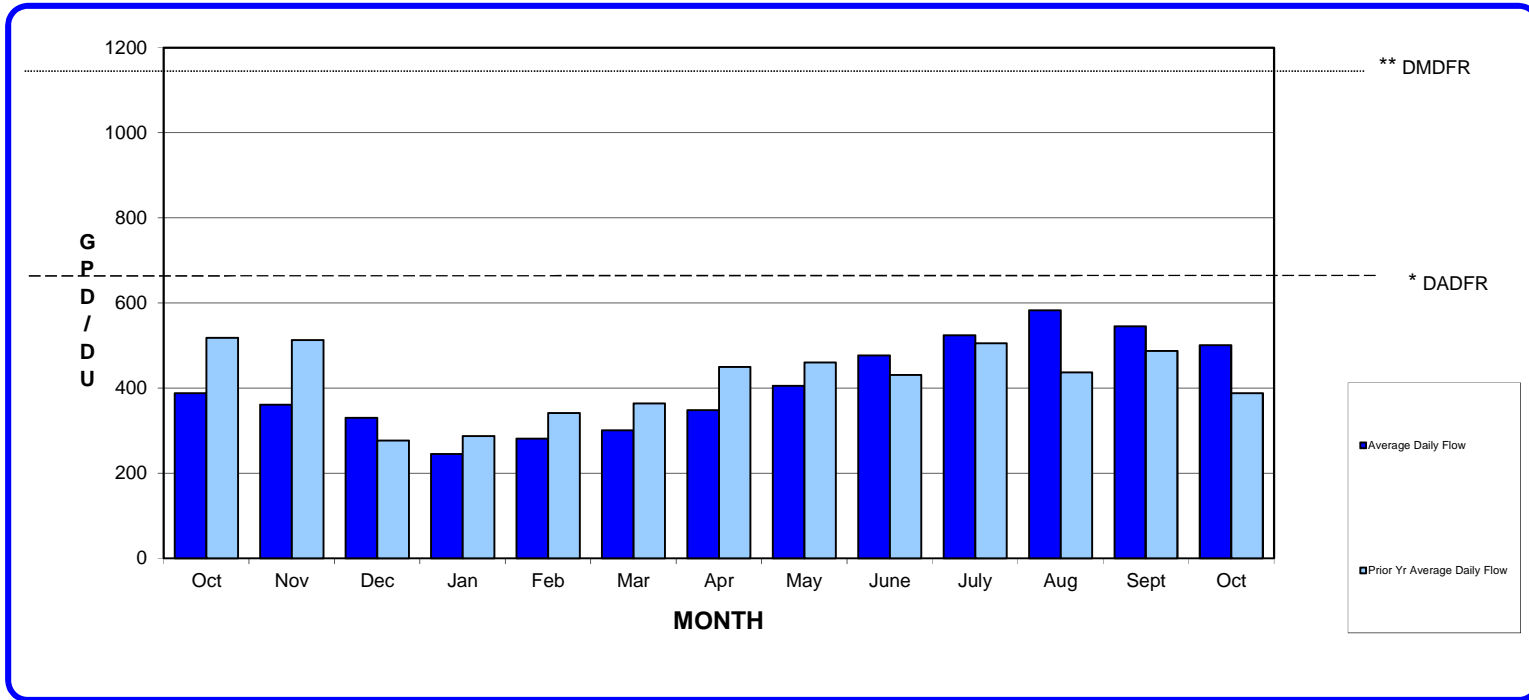


YEAR	%
2014-2015	-5.61
2015-2016	-4.83

SUMMARY	CCF
Beginning Water in System	8502 CCF
Water Purchased	597896 CCF
Water Used	555999 CCF
Water Remaining in System	7982 CCF
(Loss)/Gain FY to date	(42417) CCF
	-7.09%

RESIDENTIAL WATER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per RESIDENTIAL DWELLING UNIT CONNECTED)

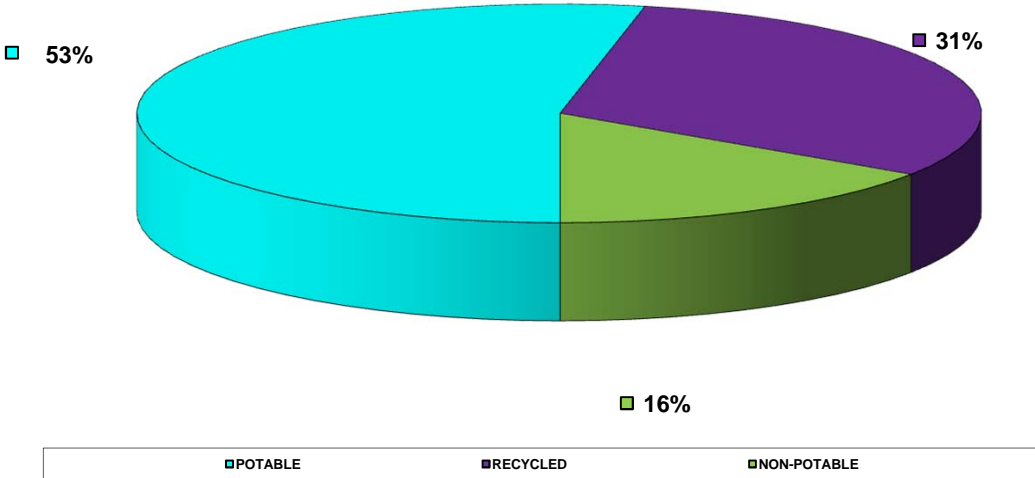
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	YEARLY AVERAGE
Average Daily Flow	388	361	330	245	281	301	348	405	477	524	583	545	501	408
Prior Yr Average Daily Flow	518	513	277	287	341	364	450	460	431	505	437	487	388	412



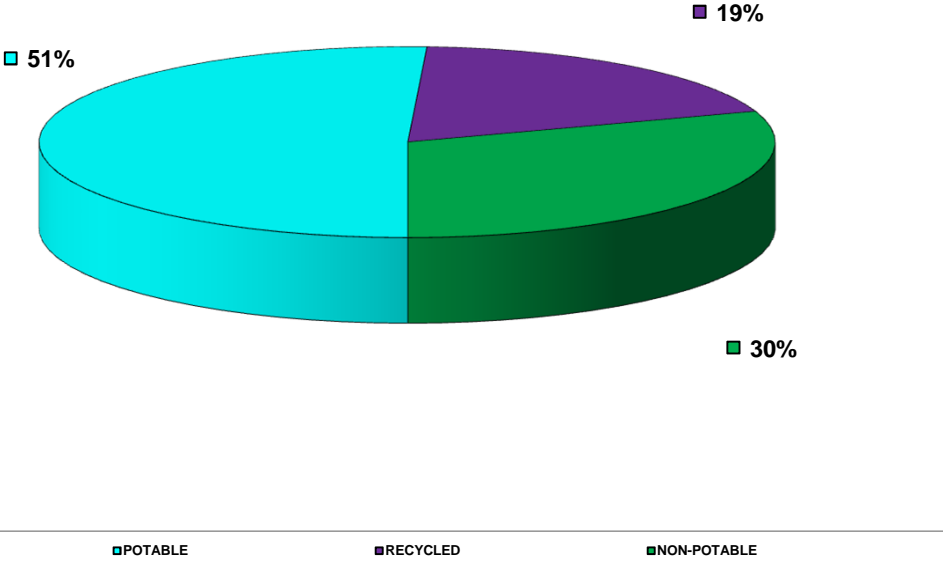
Key
 2014-2015
 2015-2016
 2016-2017

* 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 Four Months Ending October 31, 2016
F/Y 2016-2017**

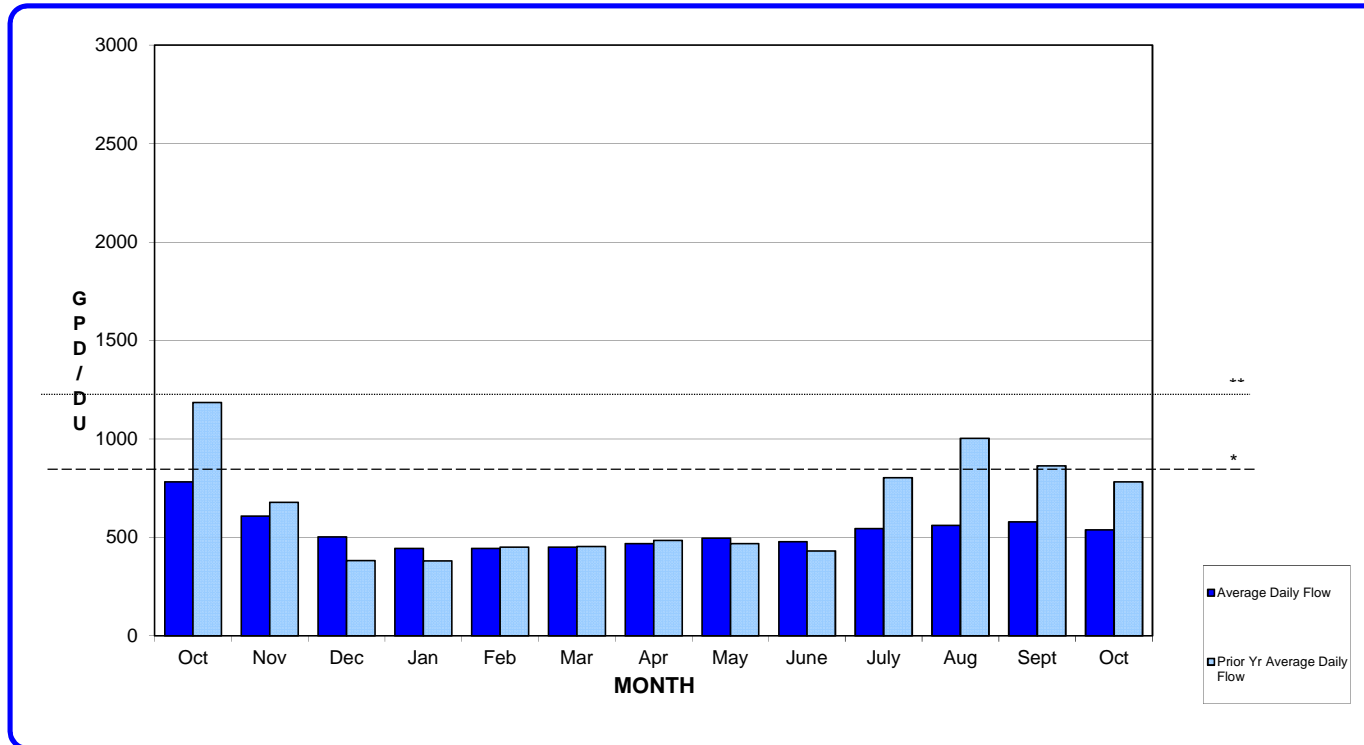


**Temescal Valley Water District
Water Volume Sold
For F/Y 2015-2016
Twelve Months**



COMMERCIAL WATER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per COMMERCIAL DWELLING UNIT CONNECTED)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	YEARLY AVERAGE
Average Daily Flow	782	608	503	444	444	451	469	496	478	546	561	579	539	510
Prior Yr Average Daily Flow	1185	679	383	381	451	454	485	469	431	803	1004	863	782	1026



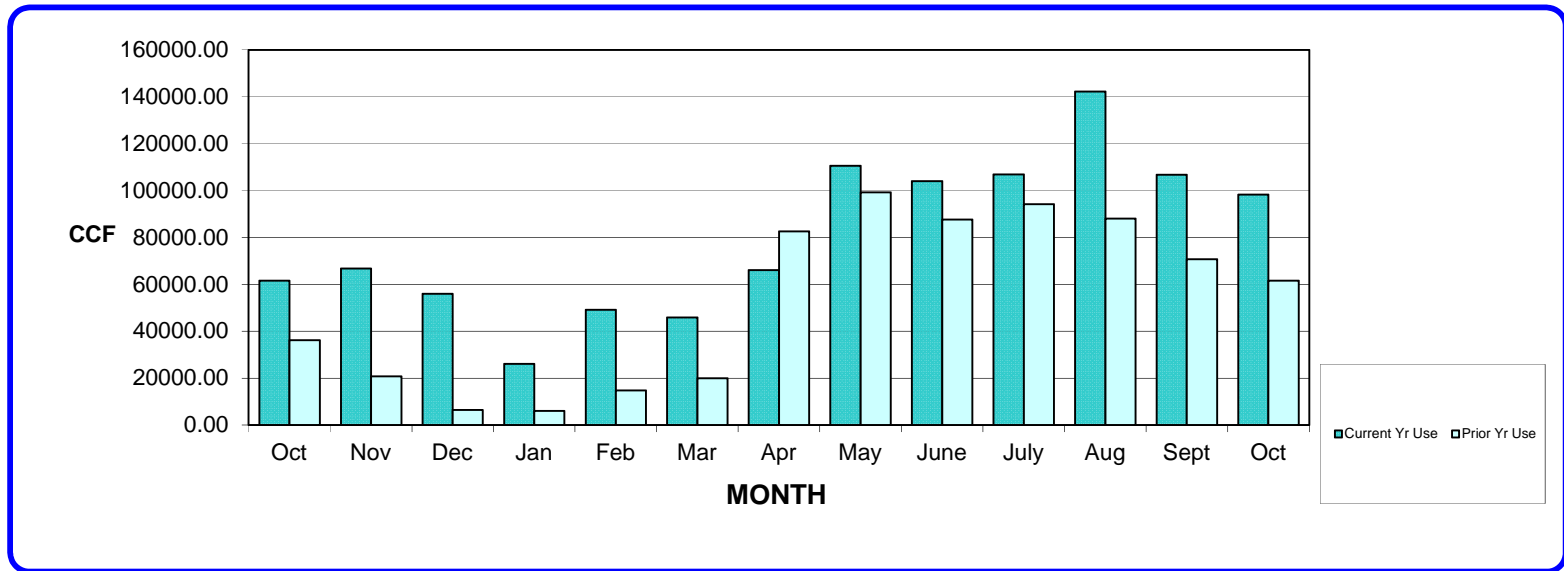
Key
2014-2015
2015-2016
2016-2017

- * 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)

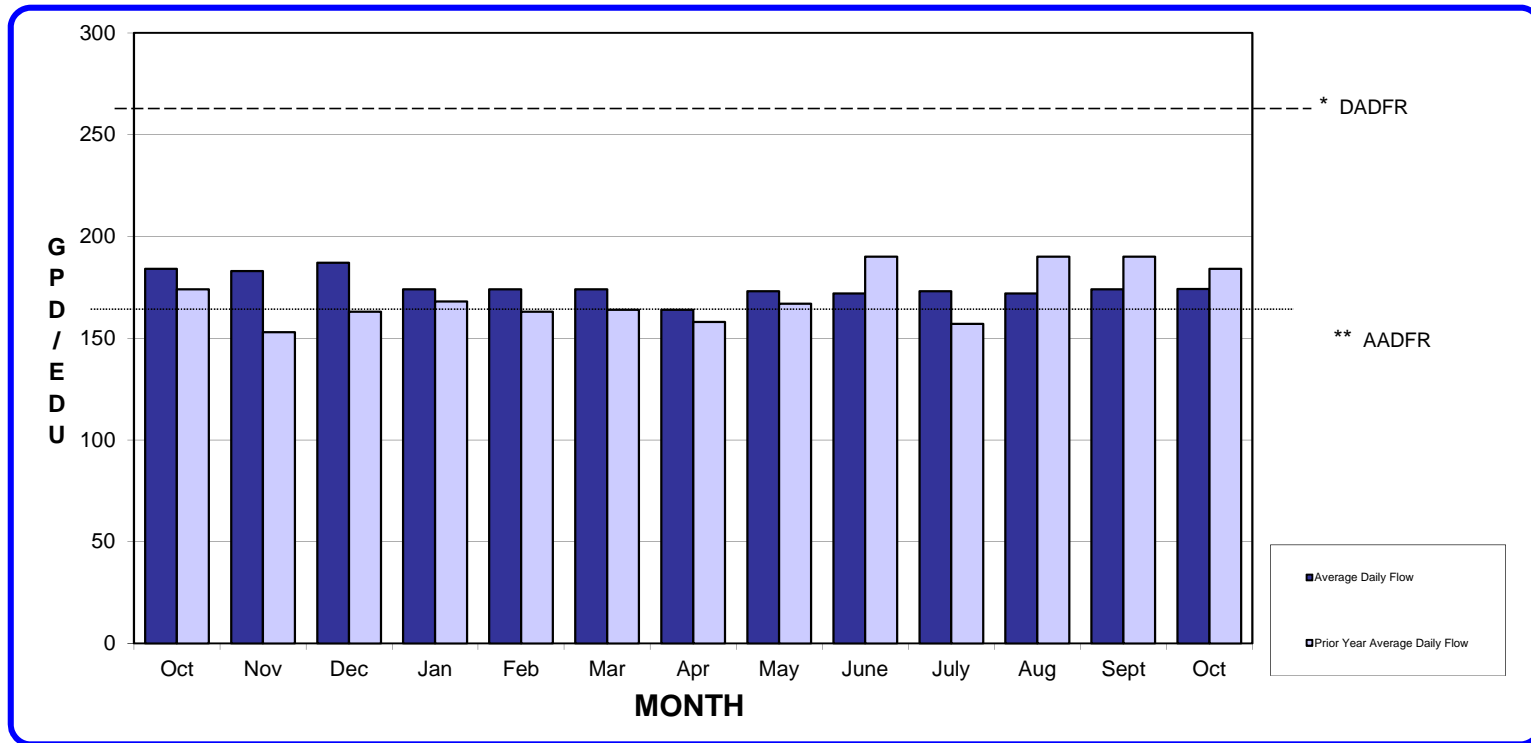
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Current Yr Use	61621.08	66739.00	56050.32	26122.81	49169.19	45887.67	66124.51	110560.21	104019.74	106957.12	142210.12	106718.90	98261.40
Prior Yr Use	36215.46	20721.94	6409.58	6042.52	14725.03	19938.46	82604.83	99197.00	87702.00	94170.28	88058.82	70781.92	61621.08
Revenue	\$106,221	\$112,800	\$94,725	\$44,147	\$84,561	\$77,550	\$77,550	\$190,723	\$179,425	\$183,977	\$240,312	\$184,646	\$169,073



Key
 2014-2015
 2015-2016
 2016-2017

RESIDENTIAL & COMMERCIAL SEWER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per DWELLING UNIT)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	12-Month Average
Average Daily Flow	184	183	187	174	174	174	164	173	172	173	172	174	174	190
Prior Year Average Daily Flow	174	153	163	168	163	164	158	167	190	157	190	190	184	171



Key
2014-2015
2015-2016
2016-2017

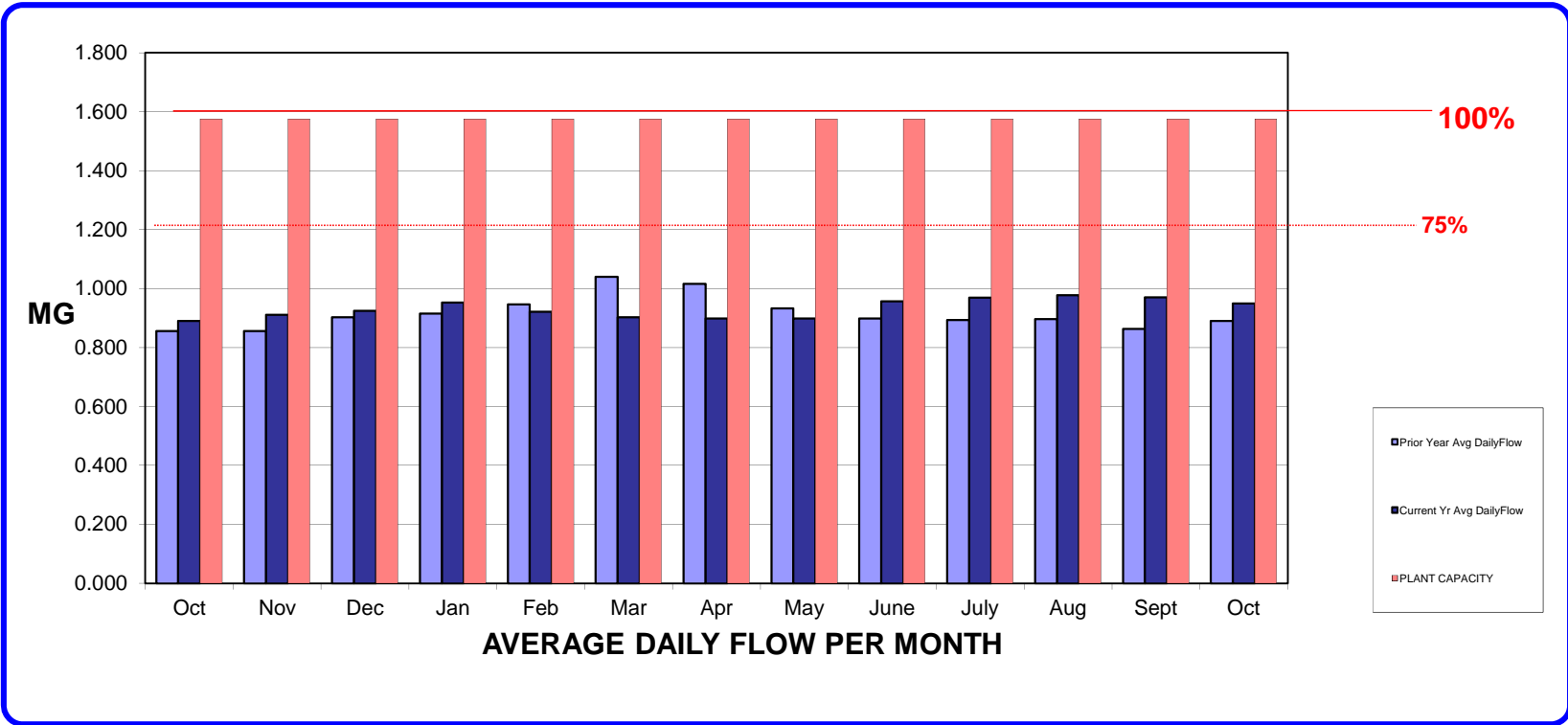
** ACTUAL AVERAGE DAILY FICCF

RECLAMATION PLANT FLOW REPORT

AVERAGE DAILY FLOW (Million Gallons)

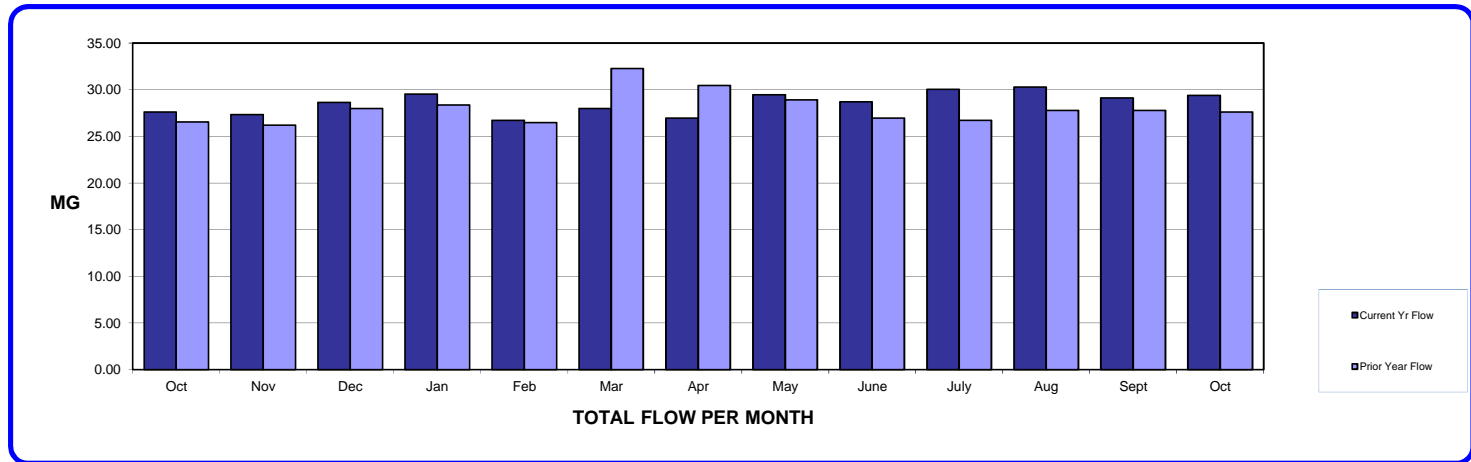
Key	
2013-2014	■
2014-2015	■
2015-2016	■

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
Current Yr Avg DailyFlow	0.8900	0.9110	0.9240	0.9530	0.9210	0.9030	0.8990	0.8990	0.9570	0.9690	0.9770	0.9700	0.9490
Prior Year Avg DailyFlow	0.8560	0.8560	0.9030	0.9150	0.9460	1.0400	1.0160	0.9330	0.8990	0.8930	0.8960	0.8630	0.8900
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)

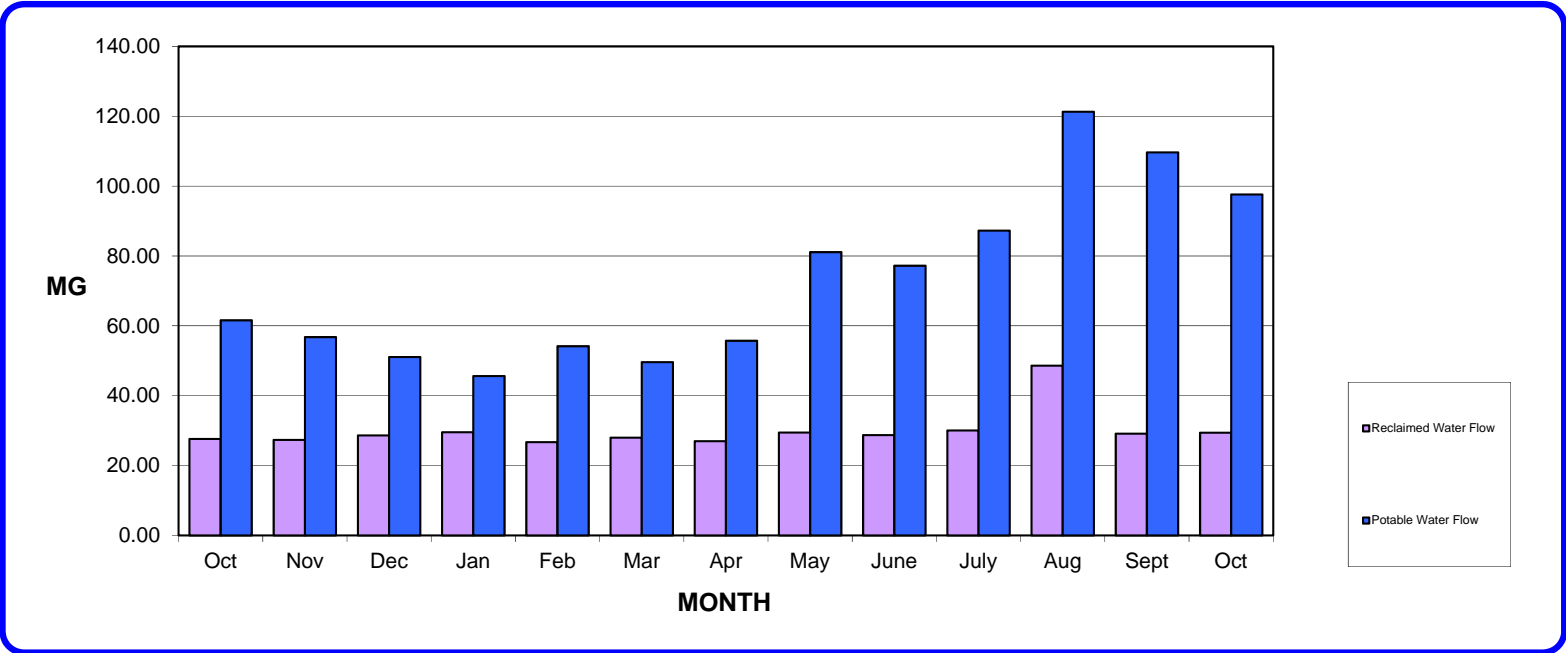
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Total/yr
Current Yr Flow	27.60	27.32	28.64	29.54	26.71	27.99	26.96	29.47	28.70	30.03	30.30	29.11	29.41	344.18
Prior Year Flow	26.55	26.22	27.99	28.35	26.48	32.26	30.47	28.92	26.97	26.72	27.78	27.78	27.60	337.54
Potential Revenue	\$62,337	\$61,716	\$64,700	\$66,740	\$84,561	\$63,220	\$60,894	\$66,582	\$64,842	\$67,836	\$68,448	\$65,748	\$66,439	\$801,726
Current Month Revenue	\$38,434	\$20,598	\$11,332	\$18,687	\$55,530	\$56,976	\$60,894	\$66,582	\$64,842	\$67,836	\$68,448	\$65,748	\$66,439	\$623,911
Additional Potential Rev	\$23,903	\$41,118	\$53,368	\$48,052	\$29,031	\$6,245	(\$0)	(\$0)	\$0	(\$0)	(\$0)	\$0	\$0	\$177,814



Key
2014-2015
2015-2016
2016-2017

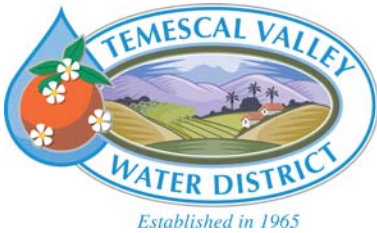
RECLAIMED WATER VERSUS POTABLE WATER MONTHLY FLOW (Million Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
No. of Sewer Dwelling Units Connected	5430	5457	5471	5470	5480	5493	5492	5513	5507	5515	5541	5559	5568
Reclaimed Water Flow	27.60	27.32	28.64	29.54	26.71	27.99	26.96	29.47	28.70	30.03	48.60	29.11	29.41
Potable Water Flow	61.57	56.78	51.08	45.61	54.17	49.60	55.71	81.10	77.21	87.25	121.30	109.67	97.59



Month	AVG								TOTAL		
	Wildrose(2)	Montecito(3)	Trilogy(4)	Painted Hills(5)	Syc Crk(6)	Retreat(7)	Avg All Resid	IND-BK / IRR	RECYCLED	NON 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	28.5	42.5	39.1	42.2	27.1	43.1	31.1	375.7	60,099.0	31,347.0	15,211.0
Oct-16	19.5	32.8	21.1	25.6	19.0	27.8	21.8	121.4	57,201.0	27,684.8	12,592.0
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.)



TEMESCAL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

C.W. Colladay
Paul Rodriguez
Grant E. Destache
John Butler
Damon De Frates

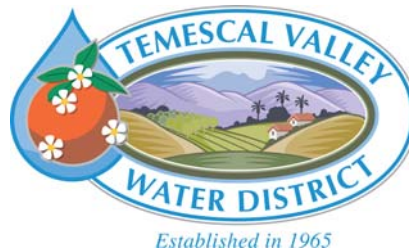
GENERAL MANAGER

Jeff R. Pape

Engineering Committee Meeting Agenda

8:30 AM – 9:30 AM
November 17, 2016

- I. WWTP Capital Projects
 - a. New Generator Design
 - b. Terramor Expansion
 - c. Perk Pond Takeout Structure
 - d. WWTP Permit renewal
- II. Discussion Potable and Non-Potable Water Reliability Capital Projects
 - a. Sump Well Improvements
 - i. New Well Pump
 - ii. New 10" PVC Park Canyon Drive – K&A Design
 - b. Groundwater Fracture Study
 - c. GSA Formation
 - d. Dawson Canyon Potable Water Reservoir Site Design and Pipeline Alignment
 - e. Terramor Perk Pond Structure
 - f. Urban water Management Plan
- III. General Discussion.



November 22, 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 – New Well Pump – **In and operational**
 - Terramor Basin Park Perk Piping – **Design**
 - Park Canyon Drive RW line - **Design**
 -
- Working on Conservation opportunities and RW conversion locations -
- 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**
- Terramor CFD
- Terramor Review:
 - New sewer lift station – **In Construction**
 - Percolation area – **In Design**
 - RW and Potable Tank Siting – **In Design**
- 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

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	8%
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	-31%
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	-29%
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%
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		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		156,629	117,158,492	93,726,794	201.0	1%
SEPT	143,899	107,636,452	86,109,162	185	146,670	109,709,407	87,767,525	188		124,044	92,784,912	74,227,930	159.2	-14%
OCT	105,745	79,097,260	63,277,808	136	128,088	95,809,644	76,647,716	164		110,245	82,463,260	65,970,608	141.5	4%
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			1,119,504.39	Units				
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3,000.98 ACFT

3,033.80 ACFT

2,570.03 ACFT

Sum of Residential Water
SWRCB Water Year ending May 31, 2013

782,245,235

790,798,627

Sum of Residential Water
SWRCB Water Year ending July 31, 2016

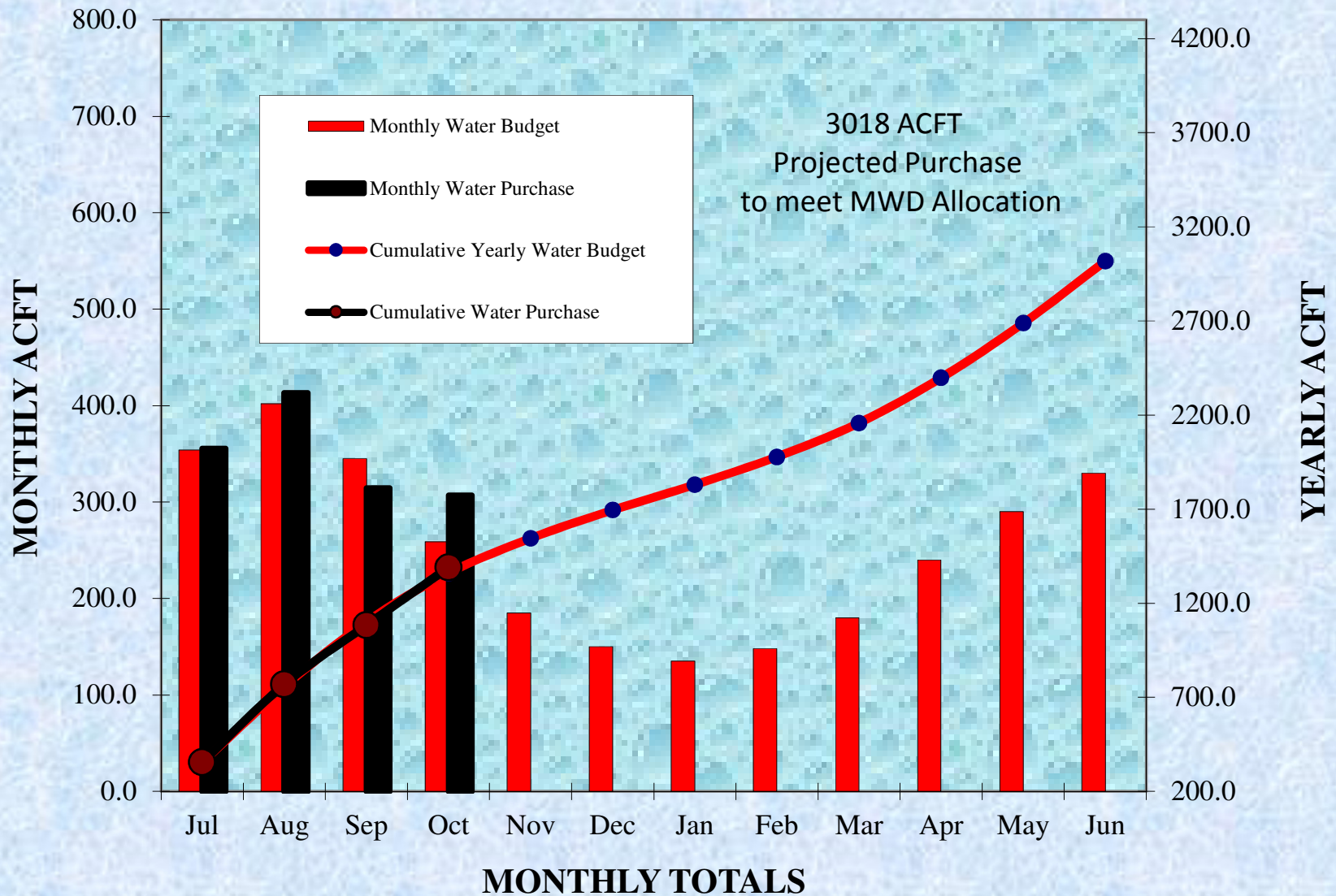
669,911,427

SWRCB AVG SAVINGS -14.36%

WHOLESALE BUDGET vs PURCHASE

Water Year July 2016 through June 2017

3018 ACFT ALLOCATION



MEMORANDUM

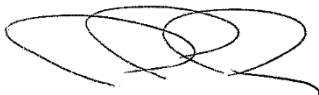
DATE: November 22, 2016
TO: Board of Directors
Temescal Valley Water District
FROM: General Manager
SUBJECT: **Rate and Fee Public Hearing**

BACKGROUND

We have concluded the Board presentations of the Raftelis 2016 Water, Wastewater and Recycled Water Financial Plan and Rate Study. This included two Finance Committee presentations, one Board Workshop and a complete presentation of the Financial Plan, and Rate recommendations at our last Board Meeting. Please see below the schedule for implementation of the recommended rates.

- Final Raftelis Plan: November 22, 2016
- Final 218 Notice to Printer: November 28, 2016
- Last day to Post office: December 9, 2016
- 45 day review period: December 9, 2016 to January 23, 2017
- Public Hearing: January 24, 2017

Respectfully submitted,



Jeff Pape
General Manager

MEMORANDUM

DATE: November 15, 2016
TO: Board of Directors
Temescal Valley Water District
FROM: General Manager
SUBJECT: **2015 Urban Water Management Plan**

BACKGROUND

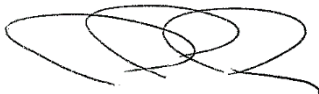
Urban Water Management Plans are required State Water Resources Control Board and if you are looking for State Grant Funding. We have previously utilized a section of the Western Municipal Water District plan for our potable supply when completing Water Supply Assessments for developments. I had budgeted for the completion of the plan this fiscal year. This plan will also account for our new RW/ Non-potable system resources. I researched multiple firms with other Water Districts and chose RMC on recommendations from Wester Municipal Water District.

RMC Proposal = \$53,616

RECOMMENDATION

To be made by the Board

Respectfully submitted,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Jeff Pape
General Manager

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791

RECEIVED NOV 0 2 2016

October 27, 2016

C.W. Colladay
Board President
Temescal Valley Water District
22646 Temescal Canyon Road
Temescal Valley, California 92883

RE: Urban Water Management Plan Non-Submittal

Dear Dear M. Colladay:

This letter is to advise Temescal Valley Water District that Temescal Valley Water District is required by Section 10621 of the California Water Code to submit a 2015 Urban Water Management Plan (UWMP) to the Department of Water Resources (DWR) by July 1, 2016. As of the date of this letter, DWR has not received a 2015 UWMP from Temescal Valley Water District.

The California Water Code (CWC) directs DWR to report to the Legislature once every five years on the status of submitted plans. Urban water suppliers that have not submitted their UWMPs will be included in this report as having not submitted their 2015 UWMP. Additionally, these urban water suppliers are not eligible to receive grants or loans from the State of California.

DWR encourages Temescal Valley Water District to prepare and submit a 2015 UWMP. DWR provides guidance to urban water suppliers for preparing their UWMPs, including a 2015 UWMP Guidebook. This guidance can be found on the UWMP homepage:

<http://www.water.ca.gov/urbanwatermanagement/uwmp2015.cfm>

Please feel free to contact Gwen Huff at (916) 651-9672 or gwen.huff@water.ca.gov if you have any questions or would like to discuss 2015 Urban Water Management Plans.

Sincerely,

A handwritten signature in blue ink, appearing to read "Vicki Lake".

Vicki Lake
Unit Chief
Urban Water Use Efficiency
Department of Water Resources
(916) 651-0740



National Experience. Local Focus.

November 8, 2016

Jeff Pape
General Manager
Temescal Valley Water District
22646 Temescal Canyon Road
Temescal Valley, CA 92883

Re: Proposal for 2015 Urban Water Management Plan Support

Dear Mr. Pape:

RMC Water and Environment, a Woodard & Curran Company (RMC) is pleased to submit our letter proposal to prepare Temescal Valley Water District's 2015 Urban Water Management Plan (UWMP). RMC offers a highly qualified team to provide services to develop Temescal VWD's 2015 UMWP. For the 2015 UWMP cycle, RMC prepared 23 UWMPs throughout California, including Western Municipal Water District's 2015 UWMP. RMC staff is familiar with the requirements for successful completion of a compliant UWMP.

In March 2016, the California Department of Water Resources (DWR) released the *Final 2015 UWMP Guidebook for Urban Water Suppliers*. The 2015 UWMP will need to incorporate specific information about Temescal VWD's water system and water use, supply diversification and associated reliability, conservation measures, and water shortage contingency planning. With the ongoing drought, this 2015 UWMP cycle is anticipated to be more heavily scrutinized by DWR in terms of compliance with state conservation mandates. The water use targets established in compliance with the Water Conservation Act of 2009 (also referred to as SBx7-7) will be a critical element of the 2015 UWMPs.

Our team members are experienced, local professionals who are committed to working closely with the Temescal VWD to make this project a success. Our team has:

- ✓ *A successful track record for preparing DWR-compliant UWMPs*
- ✓ *A thorough understanding of Temescal VWD's potable water supplier*
- ✓ *A regional understanding of water supplies, uses, and issues*

RMC Offers a Highly Qualified Team

RMC's proposed team combines demand assessment and forecasting expertise with supply planning and proven urban water management plan development capabilities. Key staff include Crystal Benham, as Project Manager; Enrique Lopezcalva, as Principal-in-Charge and Technical Advisor; and Sally Johnson and Micah Eggleton, as our water resources planning team. Résumé summaries of our key team members are provided below.

Enrique Lopezcalva | Principal-in-Charge and Technical Advisor – Enrique's experience in the water industry has focused on water resources systems analysis and planning, and includes master planning, capital projects development and prioritization, and integrated infrastructure planning. He recently managed 2015 UWMPs for Western Municipal Water District, Pasadena Water and Power, and the City of Patterson. Enrique has extensive experience in supply planning and climate change using a variety of approaches and tools. He has developed Integrated Resources Plans and Long-Range Water Supply Plans for various agencies, including the City of Los Angeles, City of San

Diego, Eastern Municipal Water District, Western Municipal Water District, Otay Water District, Moulton Niguel Water District, Santa Fe Irrigation District, and Rancho California Water District.

Crystal Benham | Project Manager – Crystal is a project manager with experience working on multiple UWMP and Integrated Regional Water Management (IRWM) programs; federal and state-level grant and loan applications; permitting documents; and environmental studies in compliance with California Environmental Quality Act (CEQA) regulations. She served as project manager for 2015 UWMPs for the City of Escondido, Sweetwater Authority, and Santa Fe Irrigation District, and worked with Enrique as Deputy Project Manager for Pasadena Water and Power’s 2015 UWMP.

Sally Johnson | Water Resources Planner – Sally is a water resources planner with experience in UWMPs; federal and state funding programs; integrated water resource management planning; and writing a variety of environmental documents compliant with the requirements of CEQA. She served as Deputy Project Manager on 2015 UWMPs for Western Municipal Water District, Carlsbad Municipal Water District, and the City of Oceanside. Sally has contributed to integrated regional water management plans for a variety of Southern California clients.

Micah Eggleton | Environmental Planner – Micah is an environmental planner with experience in public outreach for potable reuse, GIS mapping, data management, and funding. He has also helped write two integrated regional water management funding applications.

RMC’s Approach to UWMP Development

RMC will comply with DWR’s 2015 UWMP Guidebook, and coordinate with DWR on appropriate ways to address 2015 UWMP Standards for a new UWMP

Temescal VWD has not previously submitted an UWMP to DWR, though a draft 2010 UWMP was developed. Significant changes in the state’s water management priorities have occurred since Temescal VWD completed its draft 2010 UWMP, especially in light of the current drought. The 2015 UWMP will update supply and demand forecasts and will provide information demonstrating Temescal VWD’s progress toward meeting SBx7-7 (20% by 2020) targets. For most urban water suppliers, DWR requires the gallons per capita per day computations developed in 2010 to be updated using 2010 Census data. However, as an agency submitting a new UWMP, rather than an update to a previous UWMP, Temescal VWD is unable to compare its progress against the projections in a DWR-approved 2010 UWMP. RMC will coordinate with DWR and Temescal VWD to provide an appropriate and adequate analysis to meet SBx7-7 requirements, along with other items that may be different for a new UWMP. Additional supply reliability planning, along with other changes that have taken place as a result of the drought, will also be captured in the 2015 UWMP.

RMC’s experience in developing standards-compliant planning documents ranges from UWMPs to IRWM plans to facilities plans. In each of these planning documents, RMC carefully tracks each of the required plan elements at multiple levels. We will use this approach to ensure that Temescal VWD’s 2015 UWMP will meet DWR compliance requirements. All requirements for the 2015 UWMPs will be identified on DWR-approved checklists for Temescal VWD review. A senior reviewer from the RMC team, Enrique Lopezcalva, will conduct QA/QC on the UWMP before submittal.

RMC understands the region’s water supply and demand situation

UWMPs are used to support a wide range of other planning processes. Water supply quantification must, therefore, be solid and founded on a sound technical analysis. Additionally, it is important that those supply values are consistent across planning documents to avoid introducing potential

confusion and possible conflicting information. Our approach will bring consistency across all of Temescal VWD's planning documents with a broader water supply planning focus. The 2015 UWMP will need to reflect and incorporate Temescal VWD's various planning documents, including its existing water master plan, recycled water master plan, water conservation plan, and draft 2010 UWMP. RMC will also incorporate information from Western MWD's 2015 UWMP, and leverage our understanding of the region's supplies and demands to better inform Temescal VWD's 2015 UWMP.

RMC will collaborate with Temescal VWD staff via responsive, consistent communication

RMC's proposed Project Manager, Crystal Benham, is located in our San Diego office. She will be responsible for all correspondence and interface with Temescal VWD on a day-to-day basis. She will monitor progress over the duration of the project, and ensure that internal quality assurance and quality control reviews take place. Bi-weekly progress meetings and other communications will help keep key team members and Temescal VWD staff on the same page.

Proposed Scope of Work

To produce a useful, compliant 2015 UWMP for Temescal VWD, RMC proposes the following Scope of Work:

Task 1: Project Management – A 2015 UWMP outline and chapter template will be prepared and submitted for Temescal VWD staff's review and approval. RMC will generally follow the outline recommended in the 2015 Guidebook, unless otherwise directed by Temescal VWD. Bi-weekly progress check-ins will be conducted via phone or email, and the detailed project schedule will be updated monthly to reflect progress.

Task 2: Project Kick-Off, Literature Review, and Initial Data Request – RMC will review Temescal VWD's existing planning documents and draft 2010 UWMP, along with other relevant regional planning documents. This proposal assumes that the existing documents will be provided by Temescal VWD at least one week in advance of the Project Kick-Off Meeting. Based on these documents, RMC will develop an initial data request for Temescal VWD. The Project Kick-Off Meeting with Temescal VWD staff is also included in this task. This proposal assumes the kick-off meeting will occur in-person at Temescal VWD's offices and provide an opportunity to introduce project staff, review RMC's initial data request, approve chapter outline and templates, and establish a common understanding of project management and processes. RMC will prepare meeting materials and submit an agenda to Temescal VWD staff in advance of the kick-off meeting. RMC will provide a copy of the AWWA Water Loss Audit form and instructions to Temescal VWD staff at or in advance of the kick-off meeting. This proposal assumes Temescal VWD staff will complete the water loss audit form, and that RMC will incorporate the findings into the 2015 UWMP.

Task 3: Preliminary Draft UWMP Chapters – Using the draft 2010 UWMP as a starting point, RMC will update each chapter of the 2015 UWMP with updated planning document information and data received under Task 2. To the best of our ability, using the information from the data request and relevant planning documents, RMC will complete all required DWR-tables within each chapter. Regional and system information will rely heavily on existing planning documents, while data for tables will be based on supply and use data provided by Temescal VWD. GIS shapefiles provided by Temescal VWD will be used to create required maps. Preliminary draft chapters will be provided to Temescal VWD for review in accordance with the project schedule (see below). In the event that additional data (beyond those included in the initial data request) are required, such information will be clearly identified in the preliminary draft chapter. As a cost-saving measure, this task assumes that

graphics will either exist as rough sketches or remain in descriptive form at this stage of the UWMP, to allow comments and feedback from Temescal VWD prior to involving RMC's graphics team. This task assumes that the two optional sections (Climate Change and Water Energy) will not be developed. Should Temescal VWD request these sections be added, an amendment may be required to the scope and fee.

Task 4: Administrative Draft UWMP – RMC will incorporate comments and edits from Temescal VWD on the preliminary draft chapters (Task 3), develop graphics and report cover, and compile an Administrative Draft UWMP. This proposal assumes that any questions about the preliminary draft chapters or clarification that may be required to adequately address Temescal VWD's comments will be raised at one or more of the bi-weekly project check-in calls (Task 1), and that no additional calls or meetings will be required to produce the Administrative Draft UWMP. The Administrative Draft UWMP will be submitted to Temescal VWD for review and comment, with a minimum of 3 weeks for review, unless otherwise agreed to in writing.

Task 5: Screencheck Draft UWMP – Following receipt of Temescal VWD comments on the Administrative Draft UWMP, RMC will compile all received comments, and will walk through the comments over the phone with staff from Temescal VWD. The purpose of this conference call will be to ensure that any potential issues are addressed and that all changes are consistent with Temescal VWD's existing policies and vision. Following the conference call, RMC will incorporate all edits and comments and submit a formatted screencheck draft to Temescal VWD for approval. This proposal assumes a minimum of 1 week for review of the screencheck draft, unless otherwise agreed to in writing.

Task 6: Public Draft UWMP – Any final edits from Temescal VWD will be incorporated into the Public Draft UWMP. RMC will coordinate with Temescal VWD to publish the Draft 2015 UWMP online or elsewhere as appropriate, as well as to submit copies to relevant agencies.

Task 7: Public Hearing and Adoption of Final 2015 UWMP – RMC will prepare and issue notices for the public hearing in compliance with the water code, with at least 60 days notification (prior to public hearing) to interested cities and counties and at least 30 days (prior to public hearing) to the general public. Draft notices will be submitted to Temescal VWD for review and approval RMC will assist Temescal VWD with preparing a presentation on the 2015 UWMP for use at the public hearing and adoption meeting. This presentation will be in Microsoft Powerpoint format. RMC staff will attend the public hearing and adoption meeting to provide support to Temescal VWD staff and respond to questions as necessary. This proposal assumes the public hearing will be held immediately prior to the adoption meeting (i.e., the meetings will be held on the same date).

Task 8: Final 2015 UWMP and Submittal – Following the public hearing, RMC will incorporate any changes as directed by Temescal VWD or its Board of Directors as a contingency for adoption. Following adoption of the 2015 UWMP (Task 7), RMC will submit copies of the plan to DWR and the California State Library. RMC will also prepare a notice to any city, county, or agency that was sent a 60-day notice to notify them of the Final 2015 UWMP's availability and how to access a copy (anticipated to be available on Temescal VWD's website). RMC will also upload UWMP Tables to DWR's online tool – the WUE database.

Task 9: Coordination with DWR – This will be Temescal VWD's first UWMP submitted to DWR for review and approval. RMC will coordinate with DWR to ensure Temescal VWD's 2015 UWMP is compliant with the *2015 UWMP Guidebook*. Based on RMC's experience with developing 2015 UWMPs, coordination with DWR may be required to clarify completion of certain sections or tables,

such as the SBx7-7 tables or recycled water tables. Such clarification is typically necessary when the tables, with their limited flexibility, do not easily accommodate an agency's particular situation.

Project Schedule

RMC proposed to complete the above scope of work over a 5-month period from December 2016 through May 2017. A detailed schedule has been provided in Attachment A of this letter.

Fee Estimate

RMC proposes to complete Temescal VWD's 2015 UWMP for a total cost of \$53,631. A detailed fee estimate has been provided in Attachment A of this letter.

Please contact me at (858) 875-7421 if you have any questions. We look forward to working with you on this project!

Sincerely,



Crystal Benham
Project Manager
RMC Water and Environment
10509 Vista Sorrento Parkway, Suite 205
San Diego, CA 92121

Attachments:
A. Proposed Schedule
B. Fee Estimate

Temescal Valley Water District 2015 Urban Water Management Plan Project Schedule

Task Name	Start	Finish	Duration	2017						
				Nov	Dec	Jan	Feb	Mar	Apr	May
Prepare 2015 Urban Water Management Plan	Fri 12/2/16	Mon 5/29/17	127 days							
Notice to Proceed	Fri 12/2/16	Fri 12/2/16	0 days							
Kickoff Meeting	Wed 12/7/16	Wed 12/7/16	0 days							
Preliminary Draft 2015 UWMP	Wed 12/7/16	Tue 1/17/17	30 days							
RMC Prepare Preliminary Draft	Wed 12/7/16	Tue 1/3/17	20 days							
Temescal VWD Review Period	Wed 1/4/17	Tue 1/17/17	10 days							
Administrative Draft 2015 UWMP	Wed 1/18/17	Tue 2/21/17	25 days							
RMC Prepare Administrative Draft	Wed 1/18/17	Tue 1/31/17	10 days							
Temescal VWD Review Period	Wed 2/1/17	Tue 2/21/17	15 days							
Screencheck Draft 2015 UWMP	Wed 2/22/17	Tue 3/7/17	10 days							
RMC Prepare Screencheck Draft	Wed 2/22/17	Tue 2/28/17	5 days							
Temescal VWD Review Period	Wed 3/1/17	Tue 3/7/17	5 days							
Public Draft 2015 UWMP	Wed 2/22/17	Tue 4/25/17	45 days							
RMC Provide 60-Day Notification to Land Use Agencies	Wed 2/22/17	Wed 2/22/17	0 days							
RMC Incorporate Edits and Prepare Public Draft	Wed 3/8/17	Tue 3/21/17	10 days							
Public Review Period	Wed 3/22/17	Tue 4/25/17	25 days							
Publish Public Hearing Notice #1	Wed 3/22/17	Wed 3/22/17	0 days							
Publish Public Hearing Notice #2	Tue 4/4/17	Tue 4/4/17	0 days							
<i>Public Hearing and Adoption Hearing</i>	Tue 4/25/17	Tue 4/25/17	0 days							
Final 2015 UWMP	Tue 4/25/17	Mon 5/29/17	25 days							
RMC Prepare Final Draft 2015 UWMP	Tue 4/25/17	Mon 5/8/17	10 days							
Temescal VWD Review Final Draft 2015 UWMP	Tue 5/9/17	Mon 5/22/17	10 days							
<i>Submit 2015 UWMP to DWR</i>	Tue 5/23/17	Mon 5/29/17	5 days							

Task Milestone Summary



National Experience. Local Focus.

Proposed Fee Estimate

Temescal Valley Water District 2015 Urban Water Management Plan

November 8, 2016

Tasks	Labor						Total Hours	Total Labor Costs (1)	ODCs		Total
	Enrique Lopezcalva	Crystal Benham	Sally Johnson	Micah Eggleton	Adam Fox	Jen Sindermann			ODCs	Total ODCs (3)	Total Fee (4)
	Principal/ Technical Advisor	Project Manager	Project Planner	Project Planner	Graphics	Admin					
	\$282	\$199	\$178	\$148	\$132	\$100					
Temescal Valley Water District 2015 UWMP	24	66	70	130	7	5	302	\$53,026	\$550	\$605	\$53,631
<i>Task 1: Project Management</i>	2	8	4	0	0	4	18	\$3,268	\$0	\$0	\$3,268
<i>Task 2: Project Kick-Off, Literature Review, and Initial Data Request</i>	4	6	4	8	0	0	22	\$4,218	\$100	\$110	\$4,328
<i>Task 3: Preliminary Draft UWMP Chapters</i>	6	16	32	80	0	0	134	\$22,412	\$0	\$0	\$22,412
<i>Task 4: Administrative Draft UWMP</i>	2	8	10	16	4	0	40	\$6,832	\$0	\$0	\$6,832
<i>Task 5: Screencheck Draft UWMP</i>	2	4	6	10	2	0	24	\$4,172	\$100	\$110	\$4,282
<i>Task 6: Public Draft UWMP</i>	2	6	8	8	0	0	24	\$4,366	\$0	\$0	\$4,366
<i>Task 7: Public Hearing and Adoption of Final 2015 UWMP</i>	4	10	0	0	0	0	14	\$3,118	\$250	\$275	\$3,393
<i>Task 8: Final 2015 UWMP and Submittal</i>	2	4	6	8	1	1	22	\$3,844	\$100	\$110	\$3,954
<i>Task 9: Coordination with DWR</i>	0	4	0	0	0	0	4	\$796	\$0	\$0	\$796
TOTAL	24	66	70	130	7	5	302	\$53,026	\$550	\$605	\$53,631

1. The individual hourly rates include salary, overhead and profit
2. Subconsultants will be billed at actual cost plus 10%.
3. Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
4. RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts

November 17, 2016

Board of Directors
Temescal Valley Water District

Re: Water and Sewer Operations – October 2016

Dear Board Members:

Temescal Valley Water District operations personnel perform the following tasks on a regular and routine basis:

- Managed 324.60 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 5212 water meters.
- Maintained aesthetic appearance of all District facilities.
- 19 shut-offs.
- Responded 136 service calls.
- Installed 15 meters for the various developers
- Responded to 48 USA Dig Alerts to mark District underground utilities.

In addition to the above regular and routine tasks we also performed the following operational tasks.

- New pump has been installed at Sump Well. This pump will be able to pump directly into Dawson reservoir when piping is in place. Currently in service with Sump Booster.
- As part of Terramor upgrade to TVWD water system, pumps at Sycamore potable water booster pump station have been upsized in order to pump into two reservoirs, Sycamore and Terramor. This work is 90% complete.
- Influent EQ basin pump #1 has been removed for overhaul. Damage a result of a seal failure. Still waiting on pump return.
- Influent pump #5 has failed and is scheduled for removal and repair. Pump is at shop awaiting parts to complete overhaul. Still waiting on pump return.
- Overflow storage basin (north end of TVWRF) is completely empty. Earthwork to remove bottom foot of material and scarify bottom to promote water percolation has been completed. Currently work is progressing on pump station to facilitate use of stored water in the future.
- Submitted October 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: November 14, 2016
To: Jeff Pape, General Manager
From: Neil A. Harper, District Engineer
Subject: Engineering Activities Update for the Month of October 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) – Review and respond to contractor RFIs and submittals.

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 2016/17 (1401-16XX)

Phase 1603: Wastewater Related Services for FY 2016/17. No engineering activity this month.

Phase 1604: Potable Water Related Services for FY 2016/17. Prepare District Engineer's report and attend monthly board meeting.

Phase 1605: Non-Potable Water Related Services for FY 2016/17. No engineering activity this month.

Phase 1606: Wastewater Mapping Updates for FY 2016/17. No engineering activity this month.

Phase 1607: Potable Water Mapping Updates for FY 2016/17. No engineering activity this month.