



# Annual Disclosure Report Fiscal Year Ending June 30, 2023

**Eastern Municipal Water District**

**Community Facilities District 2002-07 Improvement Area C  
(Pacific Mayfield)  
2019 Special Tax Bonds**

Prepared For



March 2024



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The information herein for the Eastern Municipal Water District's (the "District") Community Facilities District No. 2002-07 Improvement Area C ("CFD 2002-07 IA C") was prepared by Webb Municipal Finance, LLC and Eastern Municipal Water District, as Administrators. Except as otherwise noted all information is current as of September 2, 2023.

## Community Facilities District No. 2002-07 Improvement Area C

### Project Location

The District is located South of Newport Road and East of Murrieta Road in the City of Menifee and contains approximately 50.46 net acres classified as Taxable Property

### Project Description

The Improvement Area C project includes the acquisition or construction of certain water and sewer system improvements by or for the District that are required in order to provide water and sewer service to the property within Improvement Area C and payments to the District of Improvement Area C's proportionate share of the costs of the District's water, sewer and sewer treatment facilities.

### Improvement Area C 2019 Special Tax Bonds

The Bonds of Improvement Area C are secured only by the Net Special Taxes of such Improvement Area and amounts on deposit in the Special Tax Fund established by the Indenture relating to such Improvement Area. Neither the Net Special Taxes of the other Improvement Area nor any money on deposit in any fund or account established by the other Indenture secure such 2019 Bonds.

Improvement Area C 2019 Special Tax Bonds (the "Bonds") in the amount of \$3,945,000 with interest rates ranging from 3.00% to 4.00% were issued on November 21, 2019. As of September 2, 2023, \$3,710,000 remains outstanding. Interest on the Bonds is payable semi-annually on March 1 and September 1. The final maturity of the Bonds is September 1, 2049.

Eastern Municipal Water District was authorized to issue bonds in an aggregate principal amount of up to \$8,000,000 for Improvement Area C. In addition to the 2019 Special Tax Bonds, CFD 2002-07 IA C issued bonds in April 2017 in the principal amount of \$2,125,000.

### CUSIP Numbers – Improvement Area C 2019 Special Tax Bonds

Year	CUSIP	Year	CUSIP	Year	CUSIP	Year	CUSIP
2024	27627MTH0	2030	27627MTP2	2036	27627MTV9	2045	27627MUB1
2025	27627MTJ6	2031	27627MTQ0	2037	27627MTW7	2049	27627MUC9
2026	27627MTK3	2032	27627MTR8	2038	27627MTX5		
2027	27627MTL1	2033	27627MTS6	2039	27627MTY3		
2028	27627MTM9	2034	27627MTT4	2040	27627MTZ0		
2029	27627MTN7	2035	27627MTU1	2041	27627MUA3		

Table 2-1  
Fund Balances as of September 2, 2023

Fund Description	Fund Balance
Principal Account	\$10.78
Interest Account	\$6,506.21
Special Tax Fund	\$9,153.69
Reserve Fund	\$271,296.11
Menifee – La Piedra Capacity Fund	\$7,711.15
<b>Total</b>	<b>\$294,677.94</b>

### Special Tax Fund

The Special Tax Revenues deposited in the Special Tax Fund will be held in trust and deposited into the following funds and accounts in the following order of priority:

1. Administrative Expenses in an amount equal to the Administrative Expense Requirement
2. Interest Account
3. Principal Account
4. Reserve Fund
5. Redemption Account
6. Surplus fund

### Reserve Account of the Special Tax Fund

The Reserve Account must be maintained at the Reserve Requirement which is defined as, an amount that is equal to the least of (i) 10% of the initial principal amount of the 2019 Bonds, (ii) Maximum Annual Debt Service on the then Outstanding 2019 Bonds, (iii) 125% of Average Annual Debt Service on the then Outstanding 2019 Bonds, or (iv) \$270,073.79 the initial 2019 Bonds Reserve Requirement.

As of September 2, 2023, the Reserve Requirement for the Bonds is \$270,073.79. As of September 2, 2023, the balance in the Reserve Fund for the 2019 Bonds is \$271,296.11. The Reserve Fund is fully funded.

### Improvement Fund

The Improvement Fund was established under the Indenture as a separate fund. The moneys in the Capacity and Improvement Account have been or will be disbursed.

A Special Tax is levied and collected each year to pay the principal and interest obligations on the Bonds. The amount levied each year is determined by the Rate and Method of Apportionment (the "RMA") and can vary from year to year but shall not exceed the maximum authorized (or permitted) Special Tax rates. The amounts levied for Improvement Area C are detailed in the table below.

### Improvement Area C Special Taxes

The amount levied for the 2023-24 tax year was \$356,563.60 and is based on 298 building permits issued within the following tax classes. The Special Tax rates for the 2023-24 tax year are:

**Table 3-1  
Special Tax Rates  
Fiscal Year 2023-24**

Land Use Category	Description	FY 2023-24 Amount Levied Per Category	Assigned Tax Rate	Number of Parcels Charged
SFR1-Z1	Single Family (1,599 sq. ft. or less)	\$31,009.12	\$1,191.00	29
SFR1-Z2	Single Family (1,999 sq. ft. or less)	\$78,259.20	\$1,362.00	64
SFR2-Z1	Single Family (1,600 sq. ft. to 1,799 sq. ft.)	\$60,068.52	\$1,239.00	54
SFR2-Z2	Single Family (2,000 sq. ft. to 2,499 sq. ft.)	\$90,530.40	\$1,505.00	67
SFR3-Z1	Single Family (1,800 sq. ft. to 2,199 sq. ft.)	\$60,097.76	\$1,263.00	53
SFR4-Z1	Single Family (2,200 sq. ft. or greater)	\$36,598.60	\$1,315.00	31
<b>Total</b>		<b>\$356,563.60</b>		<b>298</b>

### Rate and Method of Apportionment

There have been no changes to the Rate and Method of Apportionment of the Special Tax for CFD 2002-07 IA C.

### Development Status and Bond Information

The table below presents the value-to-lien by development status for CFD 2002-07 IA C.

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

Development Status	Parcels	Total Special Tax FY 2023-24	Total AV FY 2023-24	Bonds Outstanding <sup>(1)</sup>	Aggregate Value-to-Lien
Developed Property	298	\$356,563.60	\$130,879,333	\$5,555,000	23.56:1
Approved Property	0	\$0.00	\$0	\$0	N/A
<b>Total</b>	<b>298</b>	<b>\$356,563.60</b>	<b>\$130,879,333</b>	<b>\$5,555,000</b>	<b>23.56:1</b>

<sup>(1)</sup> Includes the outstanding 2017 Bonds' outstanding principal balance of \$1,845,000.

### Building Permit Status

Improvement Area C is completely developed. All Final Maps have been recorded and include 298 parcels. As of April 1, 2023, 298 building permits have been issued for single family residential units.

### Construction Status of Public Improvements

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

## Information Concerning Delinquent Parcels

CFD 2002-07 IA C's Special Tax delinquency information is illustrated below:

Table 5-1  
Special Tax Delinquency Information

Fiscal Year	Amount Levied	Parcels Levied	Delinquencies as of June 30 of Fiscal Year in which Special Taxes were Levied			Delinquencies as of November 30, 2023		
			Parcels Delinquent	Amount Delinquent	Percent Delinquent	Parcels Delinquent	Amount Delinquent	Percent Delinquent
2016/17	\$86,586.00	70	4	\$4,192.50	4.84%	0	\$0.00	0.00%
2017/18	\$165,037.00	131	7	\$8,601.00	5.21%	0	\$0.00	0.00%
2018/19	\$239,119.00	185	2	\$1,957.50	0.82%	0	\$0.00	0.00%
2019/20	\$254,771.00	197	4	\$3,864.00	1.52%	1	\$1,263.00	0.50%
2020/21	\$357,712.28	298	7	\$7,289.00	2.04%	1	\$1,263.00	0.35%
2021/22	\$353,741.16	298	6	\$5,496.91	1.55%	1	\$1,124.94	0.32%
2022/23	\$355,982.36	298	4	\$4,065.35	1.14%	3	\$3,531.58	0.99%
<b>Total</b>	<b>\$1,812,948.80</b>					<b>3</b>	<b>\$7,182.52</b>	<b>0.40%</b>

## Foreclosure Covenant

Pursuant to Section 53356.1 of the Mello-Roos Act, the Community Facilities District has covenanted in the Indenture with and for the benefit of the Bondowners of the applicable 2019 Bonds that it will order, and cause to be commenced, on or before October 1 of the Fiscal Year immediately following the Fiscal Year in which a delinquency in the payment of a Special Tax occurs in the applicable Improvement Area, and thereafter diligently prosecute to judgement (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due, provided that the Community Facilities District need not commence or pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of Special Taxes in an amount less than \$5,000 if both (i) the aggregate amount of such delinquent Special Taxes does not exceed 5% of the total Special Taxes due and payable for the Fiscal Year in question and (ii) the balance on deposit in the applicable Reserve Account is not less than the Reserve Requirement (except the Community Facilities District will nevertheless be required to commence and pursue such proceedings with respect to any property owned by a single property owner who is delinquent in the payment of the Special Taxes in the amount of \$5,000 or more).

## Collection and Foreclosure Actions

As of September 30, 2023, no foreclosure actions have been filed with the Superior Court.

## Financial Statements

**PLEASE NOTE: Audited financial statements of the Eastern Municipal Water District are available at the following internet address: [www.emwd.org](http://www.emwd.org)**

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

**Section 5**

<b>Significant Events</b>	<b>Occurred in FY 2022-23</b>	<b>Date of Event</b>
1. Principal and interest payment delinquencies;	No	Not Applicable
2. Non-payment related defaults, if material;	No	Not Applicable
3. Tender offers;	No	Not Applicable
4. Bond calls, if material;	No	Not Applicable
5. Defeasances;	No	Not Applicable
6. Rating changes;	No	Not Applicable
7. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;	No	Not Applicable
8. Unscheduled draws on debt service reserves reflecting financial difficulties;	No	Not Applicable
9. Unscheduled draws on credit enhancements reflecting financial difficulties;	No	Not Applicable
10. Substitution of credit or liquidity providers, or their failure to perform;	No	Not Applicable
11. Modifications to rights of security holders, if material;	No	Not Applicable
12. Release, substitution, or sale of property securing repayment of the securities, if material;	No	Not Applicable
13. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties;	No	Not Applicable
14. Bankruptcy, insolvency, receivership or similar event of the obligated person;	No	Not Applicable
15. The consummation of a merger, consolidation, or acquisition involving an obligation person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business;	No	Not Applicable
16. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and	No	Not Applicable
17. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.	No	Not Applicable



**APPENDIX A**

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**Debt Service Schedule**



Eastern Municipal Water District

685923 - CFD 2002-07 IA C (Original)

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
3/1/2020			\$3,945,000.00	\$37,342.01	\$37,342.01		0.0000%
9/1/2020	3.0000%	\$15,000.00	\$3,930,000.00	\$67,215.63	\$82,215.63	\$119,557.64	0.0000%
3/1/2021			\$3,930,000.00	\$66,990.63	\$66,990.63		0.0000%
9/1/2021	3.0000%	\$75,000.00	\$3,855,000.00	\$66,990.63	\$141,990.63	\$208,981.26	0.0000%
3/1/2022			\$3,855,000.00	\$65,865.63	\$65,865.63		0.0000%
9/1/2022	3.0000%	\$70,000.00	\$3,785,000.00	\$65,865.63	\$135,865.63	\$201,731.26	0.0000%
3/1/2023			\$3,785,000.00	\$64,815.63	\$64,815.63		0.0000%
9/1/2023	4.0000%	\$75,000.00	\$3,710,000.00	\$64,815.63	\$139,815.63	\$204,631.26	0.0000%
3/1/2024			\$3,710,000.00	\$63,315.63	\$63,315.63		0.0000%
9/1/2024	4.0000%	\$80,000.00	\$3,630,000.00	\$63,315.63	\$143,315.63	\$206,631.26	0.0000%
3/1/2025			\$3,630,000.00	\$61,715.63	\$61,715.63		0.0000%
9/1/2025	4.0000%	\$85,000.00	\$3,545,000.00	\$61,715.63	\$146,715.63	\$208,431.26	0.0000%
3/1/2026			\$3,545,000.00	\$60,015.63	\$60,015.63		0.0000%
9/1/2026	4.0000%	\$85,000.00	\$3,460,000.00	\$60,015.63	\$145,015.63	\$205,031.26	0.0000%
3/1/2027			\$3,460,000.00	\$58,315.63	\$58,315.63		0.0000%
9/1/2027	4.0000%	\$90,000.00	\$3,370,000.00	\$58,315.63	\$148,315.63	\$206,631.26	0.0000%
3/1/2028			\$3,370,000.00	\$56,515.63	\$56,515.63		0.0000%
9/1/2028	4.0000%	\$90,000.00	\$3,280,000.00	\$56,515.63	\$146,515.63	\$203,031.26	0.0000%
3/1/2029			\$3,280,000.00	\$54,715.63	\$54,715.63		0.0000%
9/1/2029	4.0000%	\$95,000.00	\$3,185,000.00	\$54,715.63	\$149,715.63	\$204,431.26	0.0000%
3/1/2030			\$3,185,000.00	\$52,815.63	\$52,815.63		0.0000%
9/1/2030	4.0000%	\$95,000.00	\$3,090,000.00	\$52,815.63	\$147,815.63	\$200,631.26	0.0000%
3/1/2031			\$3,090,000.00	\$50,915.63	\$50,915.63		0.0000%
9/1/2031	4.0000%	\$105,000.00	\$2,985,000.00	\$50,915.63	\$155,915.63	\$206,831.26	0.0000%
3/1/2032			\$2,985,000.00	\$48,815.63	\$48,815.63		0.0000%
9/1/2032	4.0000%	\$105,000.00	\$2,880,000.00	\$48,815.63	\$153,815.63	\$202,631.26	0.0000%
3/1/2033			\$2,880,000.00	\$46,715.63	\$46,715.63		0.0000%
9/1/2033	4.0000%	\$115,000.00	\$2,765,000.00	\$46,715.63	\$161,715.63	\$208,431.26	0.0000%
3/1/2034			\$2,765,000.00	\$44,415.63	\$44,415.63		0.0000%
9/1/2034	4.0000%	\$115,000.00	\$2,650,000.00	\$44,415.63	\$159,415.63	\$203,831.26	0.0000%
3/1/2035			\$2,650,000.00	\$42,115.63	\$42,115.63		0.0000%
9/1/2035	4.0000%	\$120,000.00	\$2,530,000.00	\$42,115.63	\$162,115.63	\$204,231.26	0.0000%
3/1/2036			\$2,530,000.00	\$39,715.63	\$39,715.63		0.0000%
9/1/2036	3.0000%	\$125,000.00	\$2,405,000.00	\$39,715.63	\$164,715.63	\$204,431.26	0.0000%
3/1/2037			\$2,405,000.00	\$37,840.63	\$37,840.63		0.0000%
9/1/2037	3.0000%	\$125,000.00	\$2,280,000.00	\$37,840.63	\$162,840.63	\$200,681.26	0.0000%
3/1/2038			\$2,280,000.00	\$35,965.63	\$35,965.63		0.0000%
9/1/2038	3.0000%	\$135,000.00	\$2,145,000.00	\$35,965.63	\$170,965.63	\$206,931.26	0.0000%
3/1/2039			\$2,145,000.00	\$33,940.63	\$33,940.63		0.0000%
9/1/2039	3.0000%	\$135,000.00	\$2,010,000.00	\$33,940.63	\$168,940.63	\$202,881.26	0.0000%
3/1/2040			\$2,010,000.00	\$31,915.63	\$31,915.63		0.0000%
9/1/2040	3.0000%	\$140,000.00	\$1,870,000.00	\$31,915.63	\$171,915.63	\$203,831.26	0.0000%
3/1/2041			\$1,870,000.00	\$29,815.63	\$29,815.63		0.0000%
9/1/2041	3.0000%	\$145,000.00	\$1,725,000.00	\$29,815.63	\$174,815.63	\$204,631.26	0.0000%
3/1/2042			\$1,725,000.00	\$27,640.63	\$27,640.63		0.0000%
9/1/2042	3.1250%	\$145,000.00	\$1,580,000.00	\$27,640.63	\$172,640.63	\$200,281.26	0.0000%
3/1/2043			\$1,580,000.00	\$25,375.00	\$25,375.00		0.0000%

Eastern Municipal Water District

685923 - CFD 2002-07 IA C (Original)

Payment Date	Interest Rate	Principal	Principal Outstanding	Interest	Semi Annual Debt Service	Annual Debt Service	Call Premium
9/1/2043	3.1250%	\$155,000.00	\$1,425,000.00	\$25,375.00	\$180,375.00	\$205,750.00	0.0000%
3/1/2044			\$1,425,000.00	\$22,953.13	\$22,953.13		0.0000%
9/1/2044	3.1250%	\$160,000.00	\$1,265,000.00	\$22,953.13	\$182,953.13	\$205,906.26	0.0000%
3/1/2045			\$1,265,000.00	\$20,453.13	\$20,453.13		0.0000%
9/1/2045	3.1250%	\$165,000.00	\$1,100,000.00	\$20,453.13	\$185,453.13	\$205,906.26	0.0000%
3/1/2046			\$1,100,000.00	\$17,875.00	\$17,875.00		0.0000%
9/1/2046	3.2500%	\$170,000.00	\$930,000.00	\$17,875.00	\$187,875.00	\$205,750.00	0.0000%
3/1/2047			\$930,000.00	\$15,112.50	\$15,112.50		0.0000%
9/1/2047	3.2500%	\$300,000.00	\$630,000.00	\$15,112.50	\$315,112.50	\$330,225.00	0.0000%
3/1/2048			\$630,000.00	\$10,237.50	\$10,237.50		0.0000%
9/1/2048	3.2500%	\$310,000.00	\$320,000.00	\$10,237.50	\$320,237.50	\$330,475.00	0.0000%
3/1/2049			\$320,000.00	\$5,200.00	\$5,200.00		0.0000%
9/1/2049	3.2500%	\$320,000.00	\$0.00	\$5,200.00	\$325,200.00	\$330,400.00	0.0000%
<b>Totals:</b>		<b>\$3,945,000.00</b>		<b>\$2,488,757.88</b>	<b>\$6,433,757.88</b>	<b>\$6,433,757.88</b>	

Bond Issue Date: 11/21/2019  
 Original Bond Principal: \$3,945,000.00



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[www.webbfinance.com](http://www.webbfinance.com)