

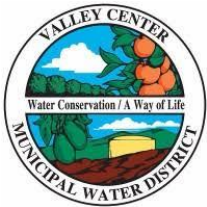


Valley Center Municipal Water District

Consideration of Resolution of Issuance

CFD No. 2020-1
2024 Special Tax Bonds

August 5, 2024

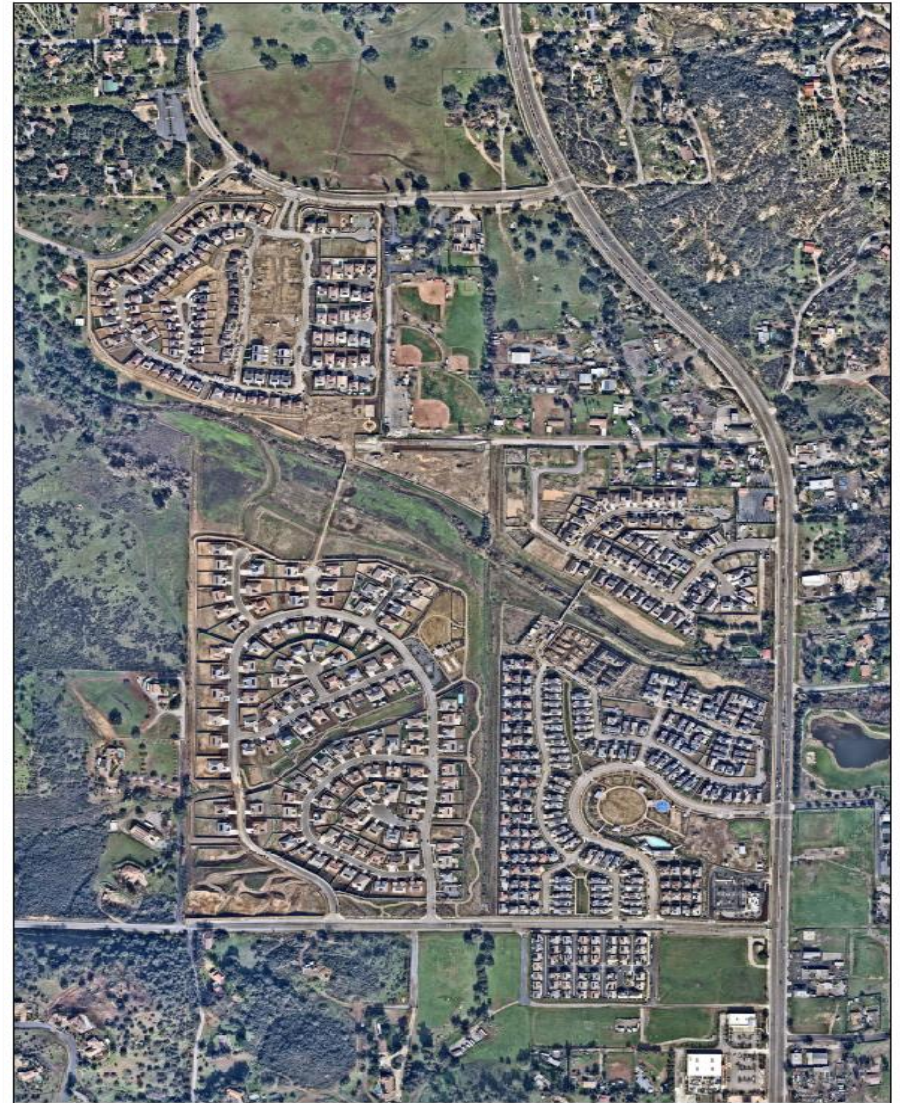


Community Facilities District No. 2020-1

- On May 18, 2020, the Board of Directors of the Water District approved a resolution to form Community Facilities District No. 2020-1 ("CFD No. 2020-1") and authorized the issuance of bonds in an aggregate principal amount not to exceed \$20,000,000
- CFD No. 2020-1 is expected to issue the first series of special tax bonds in August 2024 ("2024 Bonds") for financing the Authorized Facilities on parity with State Revolving Funds ("SRF") Loans 110, 120 and 130
- Issuance of CFD No. 2020-1 bonds requires amendments to the SRF Loans documents. The State is currently reviewing what the finance team believes is nearly final language
- CFD No. 2020-1 currently expected to issue the first series of special tax bonds in an estimated amount of \$5,130,000*
- As of June 13, 2024, the development within CFD No. 2020-1 is as follows:
 - ✓ Total planned development: 634 units
 - ✓ Homes closed to homeowners: 595 units
 - ✓ Estimated Assessed Value of Closed Lots: \$471,324,246
 - ✓ Value-to-Lien: 95 to 1



Boundary/Aerial Map of CFD No. 2020-1



Series 2024 Special Tax Bonds Overview*

Sources & Uses	
SOURCES	
Bond Proceeds	
Par Amount	\$ 5,130,000.00
Net Premium	164,558.85
Total Sources	\$ 5,294,558.85
USES	
Project Fund Deposits	
Project Fund	\$ 4,525,000.00
Other Fund Deposits	
Debt Service Reserve Fund	465,857.76
Delivery Date Expenses	
Cost of Issuance	200,000.00
Underwriter's Discount	102,600.00
	302,600.00
Other Uses of Funds	
Contingency	1,101.09
Total Uses	\$ 5,294,558.85

CFD No. 2020-1 Facility Costs	
Funding Item	Total Cost
Orchard Run Lift Station	\$4,050,000
CFD Planning and Formation	375,000
Reimbursement for prior expenses	100,000
Totals	\$4,525,000



- Preliminary, subject to change.
- Based on current market conditions as of July 11, 2024.

Series 2024 Debt Service Coverage*

Period Ending	2024 Bonds Proposed Principal	2024 Bonds Proposed Debt Service	Existing Debt Service	Total Debt Service	Revenue Constraints	Coverage
9/1/2025	-	267,900	477,675	745,575	862,821	115.73%
9/1/2026	-	256,500	477,675	734,175	880,078	119.87%
9/1/2027	-	256,500	477,675	734,175	897,679	122.27%
9/1/2028	-	256,500	477,675	734,175	915,633	124.72%
9/1/2029	-	256,500	477,675	734,175	933,946	127.21%
9/1/2030	-	256,500	477,675	734,175	952,625	129.75%
9/1/2031	-	256,500	477,675	734,175	971,677	132.35%
9/1/2032	-	256,500	477,675	734,175	991,111	135.00%
9/1/2033	-	256,500	477,675	734,175	1,010,933	137.70%
9/1/2034	-	256,500	477,675	734,175	1,031,151	140.45%
9/1/2035	-	256,500	477,675	734,175	1,051,774	143.26%
9/1/2036	-	256,500	477,036	733,536	1,072,810	146.25%
9/1/2037	120,000	376,500		376,500	1,094,266	290.64%
9/1/2038	135,000	385,500		385,500	1,116,151	289.53%
9/1/2039	150,000	393,750		393,750	1,138,475	289.14%
9/1/2040	165,000	401,250		401,250	1,161,244	289.41%
9/1/2041	180,000	408,000		408,000	1,184,469	290.31%
9/1/2042	200,000	419,000		419,000	1,208,158	288.34%
9/1/2043	220,000	429,000		429,000	1,232,321	287.25%
9/1/2044	235,000	433,000		433,000	1,256,968	290.29%
9/1/2045	260,000	446,250		446,250	1,282,107	287.31%
9/1/2046	280,000	453,250		453,250	1,307,749	288.53%
9/1/2047	305,000	464,250		464,250	1,333,904	287.32%
9/1/2048	325,000	469,000		469,000	1,360,582	290.10%
9/1/2049	350,000	477,750		477,750	1,387,794	290.49%
9/1/2050	380,000	490,250		490,250	1,415,550	288.74%
9/1/2051	410,000	501,250		501,250	1,443,861	288.05%
9/1/2052	440,000	510,750		510,750	1,472,738	288.35%
9/1/2053	470,000	518,750		518,750	1,502,193	289.58%
9/1/2054	505,000	530,250		530,250	1,532,237	288.97%
Total	\$5,130,000	11,197,150	\$5,731,461	\$16,928,611	\$35,003,005	



- Preliminary, subject to change.
- Based on current market conditions as of July 11, 2024.

Good Faith Estimates*

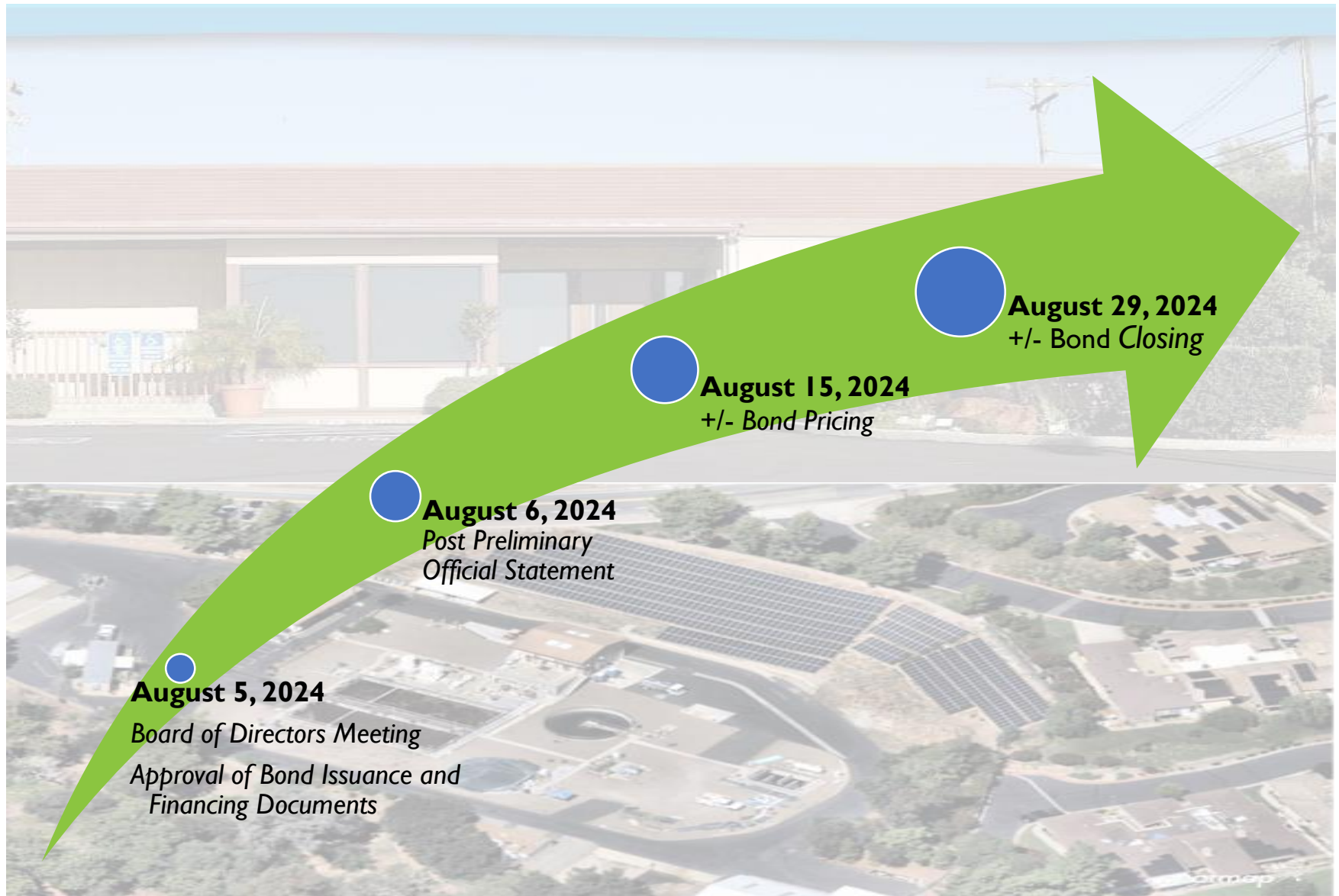
- The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1.
- The good faith estimate of the aggregate principal amount of the Bonds to be sold is **\$5,130,000** (the "Estimated Principal Amount"), together with premium of **\$164,559**.
- Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate:
- The good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is **4.91%**.
- The good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties, is **\$302,600** of which **\$200,000** is for costs of issuance to be paid from Bond proceeds and **\$102,600** is for Underwriter's discount.
- The good faith estimate of the amount of proceeds expected to be received for sale of the Bonds, less the finance charge of the Bonds paid from Bond proceeds, which amount is estimated to be **\$302,600**, which result in net proceeds of **\$4,361,542**.
- The good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Bonds, plus the finance charge for the Bonds as described in (b) above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is **\$11,197,150**.



Community Facilities District No. 2020-1

- Fiscal Agent Agreement. Agreement between the Water District and Fiscal Agent that includes the terms of the 2024 Bonds, provides for the funds and accounts to be held by the Fiscal Agent, the bond redemption provisions and the certain covenants of the Water District
- Bond Purchase Agreement. Agreement between the Water District and Underwriter whereby the Water District agrees to sell the 2024 Bonds to the Underwriter and the Underwriter agrees to buy the 2024 Bonds from the Water District and sell them to the public
- Preliminary Official Statement. Disclosure document used by the Underwriter to inform investors about the upcoming bond sale and provide all material information for the potential investors to make a decision whether or not to buy the 2024 Bonds
- Continuing Disclosure Agreement. Specifies the Water District obligation to provide annual disclosure to the municipal bond market related to the 2024 Bonds by preparing and filing annual disclosure reports, and provides for the Water District to give notices of certain material events related to the CFD and the 2024 Bonds, if they occur

Financing Schedule*



* Preliminary, subject to change.