



ROOT CREEK WATER DISTRICT
COMMUNITY FACILITIES DISTRICT No. 2016-1

**LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT
COMPLIANCE (SB 165)
FISCAL YEAR 2020/2021**

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SECTION I. LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT COMPLIANCE (SB 165)

The Local Agency Special Tax and Bond Accountability Act (“Accountability Act”) was enacted by California State Legislature through Senate Bill 165 to provide accountability measures for any local special tax and/or bond measure subject to voter approval on or after January 1, 2001. According to the requirements of the Accountability Act (*Sections 50075.1 and 53410 of the Government Code of the State of California*), an annual report must be filed by the local agency levying a special tax and/or issuing a bond measure on or before each January 1, commencing January 1, 2001 and shall contain a description of the following:

- (1) The amount of funds collected and expended to fund authorized facilities/services in the previous fiscal year.
- (2) The status of any project required or authorized to be funded by the special tax and/or bond measure.

The report is being prepared for Community Facilities District No. 2016-1 (“CFD No. 2016-1” or “CFD”) of the Root Creek Water District (“District”) in accordance with the requirements outlined in the Accountability Act for Fiscal Year 2020/2021.

SECTION II. COMMUNITY FACILITIES DISTRICT NO. 2016-1 AND BOND OVERVIEW

A. Summary

On August 10, 2016, the District’s Board of Directors (“the Board”) adopted a Resolution of intention to form CFD No. 2017-1, including Improvement Area No. 1 (“IA No. 1”) and Future Annexation Areas, to authorize the levy of a special tax. After conducting a noticed public hearing on September 14, 2016, the Board adopted resolutions establishing CFD No. 2016-1, providing for a special tax, and approving the proposed rate and method of appointment of the special tax.

On September 14, 2016, an election was held within CFD No. 2016-1 in which the landowner(s) eligible to vote unanimously approved the levy of special tax and the incurrence of bonded indebtedness in an amount not to exceed \$85,000,000 divided between IA No. 1 and Future Annexation Areas as \$11,000,000 and \$74,000,000 respectively.

Annexation No. 1 was approved by unanimous consent and waiver. On November 4, 2019, the Notice of Special Tax Lien was recorded and the recordation of the final boundary map of CFD No. 2016-1, Annexation No. 1 amended the original boundary map of CFD No. 2016-1 which established IA No. 2. IA No. 2 has a bond authorization of \$26,000,000.

B. Authorized Facilities

The purpose of CFD No. 2016-1 is to provide for the cost of (1) construction and acquisition capacity in the water system and/or sewer system and/or storm drain system (“Facilities”), (2) paying principal and interest on bonds sold to finance the Facilities, and (3) incidental expenses related to financing, forming and administering CFD No. 2016-1.

C. Bond Issuance Summary

Below is a detailed history of the bonds issued by CFD No. 2016-1.

BOND ISSUANCE SUMMARY

BOND ISSUE	DATE OF ISSUANCE	PRINCIPAL AMOUNT
Improvement Area No. 1 Series 2021	June 2, 2021	\$5,830,000
Improvement Area No. 2 Series 2021	June 2, 2021	\$2,565,000

SECTION III. COLLECTION OF SPECIAL TAXES & EXPENDITURES

A. District Fund

The following table shows the amount of Special Taxes collected and the expenditures made to fund the authorized facilities and incidental expenses of CFD No. 2016-1 from July 1, 2020 through June 30, 2021.

DISTRICT FUND	
DESCRIPTION	AMOUNT
BEGINNING BALANCE AS OF JULY 1, 2020	\$343,817.58
Sources of Funds	
Special Tax Collections	\$335,893.07
Interest Earnings	\$91.60
Subtotal Sources of Funds	\$335,985.27
Uses of Funds	
Administrative Expenses	(\$20,827.19)
Facilities Costs	(\$104,202.91)
Subtotal Uses of Funds	(\$125,030.10)
ENDING BALANCE AS OF JUNE 30, 2021	\$554,772.75

SECTION IV. PROJECT STATUS AND BOND PROCEEDS AND EXPENDITURES

A. Bond Proceeds

Improvement Area No. 1 (“IA No. 1”) of CFD No. 2016-1 issued the IA No. 1 Series 2021 Special Tax Bonds on June 2, 2021 in the total amount of \$5,830,000 (the “IA No. 1 2021 Bonds”). Improvement Area No. 2 (“IA No. 2”) of CFD No. 2016-1 issued the IA No. 2 Series 2021 Special Tax Bonds on June 2, 2021 in the total amount of \$2,565,000 (the “IA No. 2 2021 Bonds”). The IA No. 1 2021 Bonds together with the IA No. 2 2021 Bonds (collectively the “Bonds”) were primarily issued to finance certain public facilities to be owned and operated by the District.

Proceeds of the Bonds were deposited into the funds, accounts and in the amounts as shown in the table below. Differences between the bond proceeds shown in the table below and the total principal amounts are a result of any underwriter’s premium/discounts¹ and/or net issue premiums/discounts.²

BOND PROCEEDS	
FUND/ACCOUNT/SUBACCOUNT	BOND PROCEEDS
IMPROVEMENT AREA NO. 1 -SERIES 2021 BONDS	
Project Account	\$5,888,800.16
Cost of Issuance Account	\$173,615.25
Interest Account	\$56,786.94
Reserve Account	\$345,000.00
Total	\$6,464,202.35
IMPROVEMENT AREA NO. 2 -SERIES 2021 BONDS	
Project Account	\$2,506,189.81
Cost of Issuance Account	\$76,384.75
Interest Account	\$23,254.34
Reserve Account	\$148,462.50
Total	\$2,754,291.40

¹ The differential between the price paid to the issuer by the underwriter for a new issue of municipal debt and the price that the securities are sold to the public by the underwriter.

² Issue discount is created when the lender or underwriter pays less for a bond than the amount of the principal - known as par value. Issue premium is generated when the lender or underwriter pays more for a bond than the par value (or principal amount).

B. Construction/Project Fund(s)

A portion of the proceeds from the Bonds issued by CFD No. 2016-1 were to be deposited into various Construction/Project Fund(s) held by the trustee to pay for authorized facilities. The following table shows deposits, interest accrued, expenditures and transfers in the Construction/Project Fund(s) for fiscal year ended June 30, 2021. The acquisition and construction of the authorized facilities is ongoing.

CONSTRUCTION/PROJECT FUNDS		
DESCRIPTION	2021A IA No. 1 PROJECT FUND	2021A IA No. 2 PROJECT FUND
INITIAL BOND PROCEEDS DEPOSITED	\$5,888,800.16	\$2,506,189.81
BEGINNING BALANCE AS OF JULY 1, 2020	\$0.00	\$0.00
Sources of Funds		
Bond proceeds deposited	\$5,888,800.16	\$2,506,189.81
Interest Earnings	\$0.00	\$0.00
Transfers from Reserve Fund (excess earnings)	\$0.00	\$0.00
Miscellaneous Transfers In	\$0.00	\$0.00
Subtotal Sources of Funds	\$5,888,800.16	\$2,506,189.81
Uses of Funds		
Facilities Costs	\$0.00	\$0.00
Miscellaneous Transfers Out	\$0.00	\$0.00
Subtotal Uses of Funds	\$0.00	\$0.00
ENDING BALANCE AS OF JUNE 30, 2021	\$5,888,800.16	\$2,506,189.81