

Agenda Item: {{section.number}}F

May 19, 2025

TO: THE FINANCE COMMITTEE

Director Mike Gardner
Director Laura Roughton

FROM: Richard R. Aragon, Assistant General Manager/Chief Financial Officer

**ADOPT RESOLUTION 3350 AND 3351 APPROVING THE FISCAL YEAR 2025-2026 BUDGETS AND
LEVY OF SPECIAL TAXES FOR COMMUNITY FACILITIES DISTRICT NO. 88-1 AND COMMUNITY
FACILITIES DISTRICT NO. 99-1**

RECOMMENDATION:

Staff requests that the Finance Committee recommend the Board of Directors:

1. Adopt Resolution 3350 approving the budget and levy of special taxes for Fiscal Year 2025-2026 for Community Facilities District No. 88-1; and
2. Adopt Resolution 3351 approving the budget and levy of special taxes for Fiscal Year 2025-2026 for Community Facilities District No. 99-1.

EXECUTIVE SUMMARY:

The request for adoption of the budget and levy for each of the two Murrieta Community Facilities Districts comes before the Board of Directors each year. The Community Facilities Districts are separate legal entities from Western Municipal Water District and therefore require their own adopted budgets. The proposed levy of special taxes for Community Facilities District Nos. 88-1 and 99-1 on the County tax rolls collect the revenue needed to pay the debt service that is due in the coming calendar year, as well as related administrative expenses.

BUDGET IMPACT:

Since the Community Facilities Districts are separate legal entities, they are not included in Western Municipal Water District's (Western Water) financial statements, nor are the revenues and expenses included in the budget. The approval of the recommendations will allow the placement of \$130,615 on the tax rolls for property within the boundaries of Community Facilities

District No. 88-1 and \$151,050 on the tax rolls for property within the boundaries of Community Facilities District No. 99-1. The levy amounts are preliminary and may change prior to the final levy submitted to the County of Riverside.

DETAIL:

Western Water is required annually to adopt a budget for the two Community Facilities Districts (CFDs). The budget is used to calculate the special tax rates for applicable parcels within each CFD. When placed on the tax rolls, these special tax rates provide the necessary funds to pay the debt service on the bonds that were issued by the CFDs and the related administrative expenses.

The Board is authorized to adopt the special tax rates by resolution, provided the special tax rates do not exceed the authorized amounts provided in the Rate and Method of Apportionment (RMA) for each CFD. The proposed special tax rates comply with the established formulas in the RMA.

The following table summarizes key information related to the CFD bonds and levies.

CFD	FY 2024-2025 Levy	FY 2025-2026 Levy (Proposed)	Change from Prior Year Levy	Bond Principal Balance as of July 2025	Levied Parcels	Final Bond Maturity Date
88-1	\$132,623	\$130,615	-1.5%	\$615,165	2,367	October 1, 2030
99-1	\$153,195	\$151,050	-1.4%	\$740,731	161	October 1, 2030

Reason for Action:

The debt service and administration expenses are the obligation of properties within boundaries of each CFD and, therefore, need to be collected accordingly.

Solution:

Adopt a budget for each CFD and then levy amounts on the County tax rolls sufficient to pay the Fiscal Year 2025-2026 obligations as identified in the budgets.

STRATEGIC PRIORITIES REFERENCE:

This action aligns with Western Water's Strategic Priority of Financial Stewardship.

PROPOSED DATE OF ACTION:

If approved by the Committee, this item is scheduled for consideration by the full Board of Directors at their meeting on June 18, 2025.

LEGAL COUNSEL REVIEW:

Legal counsel has reviewed Resolution 3350 and Resolution 3351.

Respectfully submitted by:

Richard R. Aragon, Assistant General Manager/Chief Financial Officer

Attachments:

1. Resolution 3350 for CFD 88-1 with Exhibits A & B
2. Resolution 3351 for CFD 99-1 with Exhibits A & B
3. Boundary Map of CFDs