



AGENDA

**CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
MORENO VALLEY PUBLIC FINANCING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

December 7, 2021

REGULAR MEETING – 6:00 PM

City Council Study Sessions

Second Tuesday of each month – 6:00 p.m.

City Council Meetings

Special Presentations – 5:30 P.M.

First & Third Tuesday of each month – 6:00 p.m.

City Council Closed Sessions

Will be scheduled as needed at 4:30 p.m.

City Hall Council Chamber – 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the ADA Coordinator, at 951.413.3120 at least 72 hours before the meeting. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Dr. Yxstian A. Gutierrez, Mayor

Ulises Cabrera, Council Member

David Marquez, Council Member

Edward A. Delgado, Council Member

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
MORENO VALLEY PUBLIC FINANCING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING – 6:00 PM
DECEMBER 7, 2021**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees - actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item.

PLEDGE OF ALLEGIANCE

INVOCATION

Tamrat Seyoum, Bahai' Faith

ROLL CALL

INTRODUCTIONS

**PUBLIC COMMENTS ON ANY SUBJECT ON THE AGENDA AND NOT ON THE
AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL**

Those wishing to speak should complete and submit a BLUE speaker slip to the Sergeant-at-Arms. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council.

JOINT CONSENT CALENDARS (SECTIONS A-E)

All items listed under the Consent Calendars, Sections A, B, C, D, and E are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. MINUTES - CITY COUNCIL - SPECIAL MEETING - OCT 27, 2021 6:00 PM

Recommendation: Approve as submitted.

- A.3. MINUTES - CITY COUNCIL - CLOSED SESSION - NOV 16, 2021 5:00 PM

Recommendation: Approve as submitted.

- A.4. MINUTES - CITY COUNCIL - REGULAR MEETING - NOV 16, 2021 6:00 PM

Recommendation: Approve as submitted.

- A.5. RESOLUTION CERTIFYING PURSUANT TO SECTION 10262 (B) OF THE CALIFORNIA ELECTIONS CODE, THE RESULTS OF THE NOVEMBER 2, 2021, SPECIAL ELECTION FOR THE BALLOT MEASURE G (Report of: City Clerk)

Recommendations: That the City Council:

1. Adopt the resolution certifying pursuant to Section 10262 (b) of the California Elections Code, the results of the November 2, 2021, Special Election for the ballot Measure G.

- A.6. 2022 CITY COUNCIL COMMISSION, BOARD, AND INTER-AGENCY APPOINTMENTS (Report of: City Clerk)

Recommendation: That the City Council:

1. Ratify the appointments to the various committees and regional bodies as noted on the 2022 Council Committee Participation List – terms end December 31, 2022.

- A.7. NOTICE OF CESSATION OF SPECIAL TAX LIEN FOR COMMUNITY FACILITIES DISTRICT 87-1 (TOWNGATE) (Report of: Financial & Management Services)

Recommendation:

Adopt Resolution No. 2021-____. A Resolution of the City Council of the City of Moreno Valley, Acting as the Legislative Body of City of Moreno Valley Towngate Community Facilities District No. 87-1, Determining that the Special Tax of Said Community Facilities District Shall Cease to be Levied, Authorizing and Directing the Recordation of a Notice of Cessation of Special Tax and Taking Certain Other Actions in Connection Therewith

- A.8. CERTIFY ANNEXATION OF ONE PARCEL INTO COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE - ANNEXATION NO. 2021-04 (RESO. NO. 2021-___) (Report of: Financial & Management Services)

Acting as the legislative body of Community Facilities District No. 4-Maintenance, adopt Resolution No. 2021-___, a Resolution of the City Council of the City of Moreno Valley, California, Certifying the Results of an Election and Adding Property to such Community Facilities District. (Annexation No. 20121-04) (Alessandro Industrial No. 14 LP, located on the south side of Alessandro Blvd., west of Heacock St.).

- A.9. PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCEL(S) INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AMENDMENT NO. 61 AND 62 (RESO. NO. 2021-___ AND 2021-___) (Report of: Financial & Management Services)

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2021-___, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District (Amendment No. 61) (Ada Velis Iglesias de Turcios, located on the north side of Angella Way, east of Indian St.).
 2. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2021-___, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District (Amendment No. 62) (Alessandro Industrial No. 14 LP, located on the south side of Alessandro Blvd., west of Heacock St.).
- A.10. RECEIPT OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended September 30, 2021, in compliance with the City's Investment Policy.

A.11. AUTHORIZE THE EXPANSION OF THE WI-FI GARDEN PROGRAM UTILIZING COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS (CDBG-CV) FUNDS (Report of: Financial & Management Services)

Recommendations:

1. Approve the expansion of the Wi-Fi Garden Program to provide free Wi-Fi in locations throughout the City.
2. Approve the use of CDBG-CV funds for this program as outlined in the Fiscal Impact section of this report.
3. Authorize the Purchasing & Sustainability Division Manager to purchase the materials, supplies, contractors, and services necessary to expand the Wi-Fi Garden Program within the expenditures outlined in the Fiscal Impact section and compliant with both the City's Purchasing Ordinance (No. 587) and the current Procurement Procedures Manual.

A.12. RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2022 THROUGH JUNE 30, 2023 (ROPS 22-23) (RESO. NO. SA 2021-XX) (Report of: Financial & Management Services)

Recommendations: That the City Council as Successor Agency:

1. Adopt Resolution No. SA 2021-XX. A Resolution of the City Council of the City of Moreno Valley, California, serving as Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Approving the Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2022 through June 30, 2023 (ROPS 22-23), and Authorizing the City Manager acting for the Successor Agency or his/her Designee to Make Modifications Thereto.
2. Authorize the City Manager acting for the Successor Agency or his Designee to make modifications to the Schedule.
3. Authorize the transmittal of the ROPS 22-23, for the period of July 1, 2022 through June 30, 2023 ("Exhibit A"), including Administrative Budget ("Exhibit B") for the said period, to the Countywide Oversight Board for County of Riverside for review and approval.

A.13. AWARD OF AN INDEPENDENT CONTRACT AGREEMENT FOR RENTAL AND SERVICE OF PORTABLE TOILETS (Report of: Parks & Community Services)

Recommendations:

1. Award a professional services agreement to Diamond Environmental Services LP, and authorize and execute a contract with Diamond Environmental Services LP, in the amount of \$157,160.35, for a five-year contract term; and
2. Authorize the City Manager, or designee, to execute all necessary documents to implement the Agreement, and extend the Agreement for a five-year term; and
3. Authorize contingency in the amount of \$7,000 per year, total contingency over five-year term of up to \$35,000 for additional rental and service that may arise during the term of the agreement; and
4. Authorize the Parks and Community Services Director to execute any subsequent change orders to, agreement, but not exceeding the total, subject to the approval of the City Attorney.

A.14. ADOPT RESOLUTION NO. 2021-XX, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE 2022 UPDATES TO THE WILDFIRE MITIGATION PLAN FOR MORENO VALLEY UTILITY (Report of: Public Works)

Recommendation:

Adopt Resolution No. 2021-XX, a Resolution of the City Council of the City of Moreno Valley, California, approving the Moreno Valley Utility 2022 Wildfire Mitigation Plan.

A.15. APPROVE ADDITIONAL FUNDING FOR COVID-19 UTILITY ASSISTANCE PROGRAM, APPROVE CONTINUATION OF SUSPENSION OF LATE FEES AND DISCONNECTS, AND APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY TO CONFIRM THE ELECTRIC RATES AND RULES FOR MORENO VALLEY UTILITY (MVU) (Report of: Public Works)

Recommendations:

1. Approve an additional budget allocation of \$300,000 for the COVID-19 Utility Assistance Program;
2. Approve an Electric Vehicle Discount Program providing a \$0.05 per kWh discount on electric bills for electric vehicle owners;

3. Approve suspension of late fees and disconnects for non-payment until the Emergency Resolution is lifted by the City; and
4. Approve Resolution 2021-XX. A Resolution of the City Council of the City of Moreno Valley, California, to confirm the Electric Rates and Rules for Moreno Valley Utility (MVU) as currently required by increased energy costs, operating costs, operating agreements, and City resolution.

A.16. PEN20-0037 (PM 37478) – APPROVE PARCEL MAP 37478 LOCATED AT THE SOUTHEAST CORNER OF ALESSANDRO BOULEVARD AND REBECCA STREET. DEVELOPER: ALESSANDRO INDUSTRIAL NO. 14 LP (Report of: Public Works)

Recommendations:

1. Approve Parcel Map 37478.
2. Authorize the City Clerk to sign the map and transmit said map to the Riverside County Recorder’s Office for recordation.

A.17. PEN21-0135 (PM 38112) - APPROVE PARCEL MAP 38112 LOCATED AT THE SOUTHWEST CORNER OF PERRIS BOULEVARD AND IRIS AVENUE DEVELOPER: THE LYNCH GROUP, INC. (Report of: Public Works)

Recommendations:

1. Approve Parcel Map 38112.
2. Authorize the City Clerk to sign the map and transmit said map to the Riverside County Recorder’s Office for recordation.

A.18. PM 9184 AND PM 12374 - ADOPT RESOLUTION NO. 2021-XX ACCEPTING PUBLIC RIGHT OF WAY FOR PORTIONS OF ANGELLA WAY AND BAY AVENUE (Report of: Public Works)

Recommendations:

1. Adopt Resolution 2021-XX. A Resolution of the City Council of the City of Moreno Valley, California, Accepting Dedication of Easements over Certain Property for Public Right of Way Purposes for Portions of Bay Avenue east of Nason Street and Angella Way east of Indian Street.
2. Direct the City Clerk to certify the acceptance of said dedication and cause said certification to be recorded in the Office of the Recorder of the County of Riverside together with said Resolution.

- A.19. PEN20-0099 (PM 37920) – APPROVE PARCEL MAP 37920 LOCATED AT THE NORTHEAST CORNER OF ALESSANDRO BLVD AND GRAHAM STREET. OWNER: GRAHAM SQUARE, LLC (Report of: Public Works)

Recommendations:

1. Approve Parcel Map 37920.
2. Authorize the City Clerk to sign the map and transmit said map to the Riverside County Recorder's Office for recordation.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - REGULAR MEETING OF SEPTEMBER 7, 2021 6:00 PM (See A.2)

Recommendation: Approve as submitted.

- B.3. MINUTES - REGULAR MEETING OF OCTOBER 5, 2021 6:00 PM (See A.3)

Recommendation: Approve as submitted.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - REGULAR MEETING OF SEPTEMBER 7, 2021 6:00 PM (See A.2)

Recommendation: Approve as submitted.

- C.3. MINUTES - REGULAR MEETING OF OCTOBER 5, 2021 6:00 PM (See A.3)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - REGULAR MEETING OF SEPTEMBER 7, 2021 6:00 PM (See A.2)

Recommendation: Approve as submitted.

- D.3. MINUTES - REGULAR MEETING OF OCTOBER 5, 2021 6:00 PM (See A.3)

Recommendation: Approve as submitted.

E. CONSENT CALENDAR - PUBLIC FINANCING AUTHORITY

- E.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- E.2. MINUTES - REGULAR MEETING OF SEPTEMBER 7, 2021 6:00 PM (See A.2)

Recommendation: Approve as submitted.

- E.3. MINUTES - REGULAR MEETING OF OCTOBER 5, 2021 6:00 PM (See A.3)

Recommendation: Approve as submitted.

F. PUBLIC HEARINGS

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration.

Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Sergeant-at-Arms.

- F.1. PAA21-0001 Moreno Valley Trade Center Appeal (Report of: Community Development)

Recommendation:

That the City Council consider the Appeal filed by MVTC, LLC, (the "Appellant") appealing the Planning Commission's denial of the Appellant's application for a General Plan Amendment to develop a warehouse and logistics center on approximately 80 acres located south of Eucalyptus Avenue, north of Encelia Avenue, east of Quincy Street, and west of Redlands Boulevard and take any action the City Council deems appropriate

F.2. PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO COMMUNITY FACILITIES DISTRICT 2021-01 (PARKS MAINTENANCE) (RESO. NO. CSD 2021-___, CSD 2021-___, CSD 2021-___, CSD 2021-___, CSD 2021-___, and CSD 2021-___) (Report of: Financial & Management Services)

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed annexations into Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance).
2. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 5 - LCG MVD II, LLC, Located at the Southeast Corner of Heacock St. and Hemlock Ave.).
3. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 6 - Maria J. Luna, located at 11950 Mathews Rd.).
4. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 7 - Ada Velis Iglesias de Turcios, located on the north side of Angella Way, east of Indian St.).
5. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 8 - MV Resource Center, LLC, located at the northeast corner of Resource Way and Corporate Way).
6. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such

Territory (Annexation No. 10 - Alessandro Industrial No. 14, LP, located on the south side of Alessandro Blvd., west of Heacock St.).

7. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 11 - Gold Coast Properties CA 3, LLC, located southwest of Indian St. and Hemlock St.).
8. Direct the Secretary of the CSD to canvass the returned ballots and report the results of the special election to the CSD Board.
9. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 5 - LCG MVD II, LLC, Located at the Southeast Corner of Heacock St. and Hemlock Ave.).
10. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 6 - Maria J. Luna, located at 11950 Mathews Rd.).
11. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 7 - Ada Velis Iglesias de Turcios, located on the north side of Angella Way, east of Indian St.).
12. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 8 - MV Resource Center, LLC, located at the northeast corner of Resource Way and Corporate Way).
13. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No.

2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 10 - Alessandro Industrial No. 14, LP, located on the south side of Alessandro Blvd., west of Heacock St.).

14. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 11 - Gold Coast Properties CA 3, LLC, located southwest of Indian St. and Hemlock St.).

- F.3. PUBLIC HEARING TO DESIGNATE FUTURE ANNEXATION AREA FOR COMMUNITY FACILITIES DISTRICT 2021-01 (PARKS MAINTENANCE) (ORDINANCE NO. CSD ___) (Report of: Financial & Management Services)

Recommendations: That the CSD:

1. Conduct the Public Hearing for the designation of the Future Annexation Area for the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance).
2. Introduce Ordinance No. CSD ___, an Ordinance of the Moreno Valley Community Services District of the City of Moreno Valley, California, Providing for Future Annexation of Territory to its Community Facilities District No. 2021-01 (Parks Maintenance) and Taking Certain Related Actions.

- F.4. PUBLIC HEARING FOR ADOPTION OF STATE MANDATED SENATE BILL 1383 ORDINANCE TO AMEND MUNICIPAL CODE TITLE 6 ADDING CHAPTER 6.03 MANDATORY ORGANIC WASTE DISPOSAL REDUCTION REQUIREMENTS (Report of: Financial & Management Services)

Recommendation:

Adoption of Ordinance Amending City of Moreno Valley Municipal Code Title 6, adding Chapter 6.03 Mandatory Organic Waste Disposal Reduction Requirements, which is a required State mandate under Senate Bill 1383.

- F.5. PUBLIC HEARING FOR THE ANNUAL ACTION PLAN FOR PROGRAM YEAR 2022-2023 & TO ADOPT 2022-2023 OBJECTIVES AND POLICIES (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow for the public to comment on the needs of low- and moderate-income residents in Moreno Valley.

2. Approve the proposed CDBG, HOME, and ESG Grant Objectives and Policies for the 2022-2023 Program Year.

F.6. PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT NO. 2 TO THE 2019-2020 ANNUAL ACTION PLAN CARES ACT AMENDMENT - REPROGRAMMING ESG-CV FUNDING (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow public comment on the proposed Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment.
2. Review and adopt the proposed Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment.
3. Authorize a budget amendment as set forth in the fiscal impact section and authorize the Chief Financial Officer to allocate grant funds between HUD- approved grant activities.

G. GENERAL BUSINESS

G.1. AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO. NO. 2021-__) (Report of: Financial & Management Services)

Recommendation: That the City Council:

Adopt Resolution No. 2021-__, a Resolution of the City Council of the City of Moreno Valley, Acting as the Legislative Body of Community Facilities District No. 5 of the City of Moreno Valley, Approving the Issuance of its Special Tax Refunding Bonds, Series 2021 in a Principal Amount Not To Exceed Six Million Dollars (\$6,000,000) and Delivery of Related Documents.

G.2. ADOPTION OF RESOLUTIONS CALLING AND GIVING NOTICE OF A SPECIAL MUNICIPAL ELECTION FOR APRIL 12, 2022 TO FILL THE DISTRICT 1 CITY COUNCIL VACANCY, REQUESTING CONSOLIDATION AND ESTABLISHING REGULATIONS AND COSTS FOR CANDIDATE STATEMENTS (Report of: City Clerk)

Recommendations: That the City Council:

1. Adopt Resolution No. 2021-XX, a Resolution of the City Council of the City of Moreno Valley, California, calling and giving notice of a Special Municipal Election to be held in the City of Moreno Valley on Tuesday, April 12, 2022, to fill the District 1 City Council vacancy, and requesting that the Board of Supervisors of the County of Riverside consolidate the Special Municipal Election with any other election to be held on that same date.

2. Adopt Resolution No. 2021-XX, a Resolution of the City Council of the City of Moreno Valley, California, establishing regulations pertaining to materials for candidates and costs pertaining to candidate statements submitted to the voters.

G.3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CURING AND CORRECTING, PURSUANT TO SECTIONS 54960, 54960.1 AND 54960.2 OF THE CALIFORNIA GOVERNMENT CODE, THE ALLEGED BROWN ACT VIOLATIONS DESCRIBED IN THE LETTER, RECEIVED ON NOVEMBER 18, 2021, FROM THE RIVERSIDE COUNTY DISTRICT ATTORNEY'S OFFICE (Report of: City Attorney)

Recommendations: That the City Council:

Approve and Adopt a Resolution of the City Council of the City of Moreno Valley, California, Curing and Correcting, pursuant to Sections 54960, 54960.1 and 54960.2 of the California Government Code, the alleged Brown Act violations described in the letter, dated November 18, 2021, received from Riverside County District Attorney.

G.4. CITY COUNCIL REORGANIZATION - SELECTION OF MAYOR PRO TEM (Report of: City Clerk)

Recommendation: That the City Council:

1. Conduct the reorganization of the City Council by selecting one Council Member to serve as Mayor Pro Tem until December 31, 2022.

H. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

I. REPORTS

I.1. CITY COUNCIL REPORTS

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Riverside County Habitat Conservation Agency (RCHCA)

Riverside County Transportation Commission (RCTC)

Riverside Transit Agency (RTA)

Western Riverside Council of Governments (WRCOG)

Western Riverside County Regional Conservation Authority (RCA)

School District/City Joint Task Force

I.2. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY, PUBLIC FINANCING AUTHORITY, AND THE BOARD OF LIBRARY TRUSTEES.

ADJOURNMENT

PUBLIC INSPECTION

The contents of the agenda packet are available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

Any written information related to an open session agenda item that is known by the City to have been distributed to all or a majority of the City Council less than 72 hours prior to this meeting will be made available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

CERTIFICATION

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, certify that 72 hours prior to this Regular Meeting, the City Council Agenda was posted on the City's website at: www.moval.org and in the following three public places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Pat Jacquez-Nares, CMC & CERA
City Clerk

Date Posted: December 2, 2021

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
MORENO VALLEY PUBLIC FINANCING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

SPECIAL MEETING – 6:00 PM

October 27, 2021

CALL TO ORDER

The Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:00 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Assistant City Manager/Chief Financial Officer/City Treasurer Mohan.

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	D. LaDonna Jempson	Council Member
	David Marquez	Council Member
	Ulises Cabrera	Council Member

Council Member Jempson stated since the Special Meeting was related to the appointment, the City Attorney recommended she recuse herself.

Council Member Jempson left the dais at 6:05 p.m.

Minutes Acceptance: Minutes of Oct 27, 2021 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

INTRODUCTIONS

Staff:	Pat Jacquez-Nares	City Clerk
	Steven Quintanilla	Interim City Attorney
	Mike Lee	City Manager
	Brian Mohan	Assistant City Manager/Chief Financial Officer/City Treasurer
	Michael Lloyd	Public Works Director/City Engineer
	Manuel Mancha	Community Development Director
	John Salisbury	Chief of Police
	Jesse Park	Fire Chief
	Dave Rodriguez	Battalion Chief

Mayor Gutierrez questioned how the Special Meeting came about.

City Clerk Jacquez-Nares reported Council Member Cabrera requested the meeting and Council Member Marquez supported the meeting.

PUBLIC COMMENTS ON MATTERS ON THE SPECIAL MEETING AGENDA ONLY

Alicia Espinoza

1. Expressed support for the appointment of Council Member Jempson.
2. Recounted the appointment Mayor Gutierrez on September 24, 2013.

Sandra Murphy

1. Expressed her disappointment in Council Members Cabrera and Marquez.
2. Opposed to the appointment of Council Member Jempson.

Scott Heveran

1. Indicated his support for the appointment of Council Member Jempson.
2. Expressed the need for representation.
3. Supported the appointment of the runners-up for the vacant City Council seats.

Donovan Saadiq

1. Thanked Parks and Recreation, Mayor Gutierrez, and Mayor Pro Tem Baca for replacing the benches at Adrienne Mitchell Memorial Park. Remarked that the lights also require replacement.
2. Expressed opposition to the appointment of Council Member Jempson.
3. Recounted the appointment of Mayor Gutierrez.
4. Chastised Council Members Cabrera and Marquez for failing to heed the advice of staff.

Bob Palomarez

1. Thanked Police and Fire for the work they do every day.
2. Opposed the appointment of Council Member Jempson.
3. Criticized Council Members Marquez and Jempson.

Nina Ramos Hiers

1. Expressed her sympathy for the passing of Mayor Pro Tem Baca.

2. Recounted the appointment of Mayor Gutierrez in 2013.
3. Supported the appointment of Council Member Jempson.

Fred Banuelos

1. Opposed the appointment of Council Member Jempson.
2. Questioned the motives of the City Council.

Radene Ramos

1. Claimed the 2013 appointment of Mayor Gutierrez included Brown Act violations.
2. Suggested the Brown Act violations be cured and corrected.
3. Supported the appointment of Council Member Jempson.

Rafael Brugueras

1. Criticized the comments made by Radene Ramos.
2. Opposed the appointment of Council Member Jempson.
3. Reminded Council Member Cabrera of all of the work that he did to help him get elected.
4. Stated his disappointment in Council Member Cabrera's action to appoint Ms. Jempson to the City Council.

Elmer Thomas

1. Opposed the appointment of Council Member Jempson.
2. Called for the resignation of Council Members Marquez and Cabrera.
3. Praised Mayor Gutierrez for the work he has done for the City.

Roy Bleckert

1. Opposed the appointment of Council Member Jempson.
2. Accused the City Council of being morally and ethically wrong, and denying the people a voice.

Tom Jerele Sr.

1. Opposed the appointment of Council Member Jempson.
2. Suggested the implementation of a waiting list of qualified applicants for temporary appointment to the City Council.

Mayra Miramontes

1. Opposed the appointment of Council Member Jempson.
2. Criticized Council Member Cabrera.

Jasmine Jempson

1. Praised Council Member Jempson.
2. Supported the appointment of Council Member Jempson.

Jackie Jempson

1. Claimed anyone opposed to warehouses was subject to hatred.
2. Suggested that a former opponent of Council Member Jempson is fueled by his two losses to her.

Elena Santa Cruz

1. Stated Council Member Jempson was utilizing public funds.
2. Claimed Mayor Pro Tem Baca's endorsement garnered electoral victories for each Council Member.
3. Criticized Council Members Cabrera and Marquez.

Louise Palomarez

1. Called for the resignation of Council Member Cabrera and Council Member Marquez.
2. Opposed the appointment of Council Member Jempson.
3. Praised Mayor Gutierrez.

Matthew Chen

1. Declared his candidacy for District 2.
2. Opposed the appointment of Council Member Jempson.
3. Declared District 1 should have been given the opportunity to run and vote for their representative.

David Lara Telles

1. Opposed the appointment of Council Member Jempson.
2. Criticized Council Members Cabrera and Marquez.
3. Recounted Mayor Gutierrez's appointment of 2013.

Mrs. McIntosh

1. Opposed the appointment of Council Member Jempson.
2. Commended Mayor Pro Tem Baca.
3. Criticized Council Member Jempson.

Mrs. Lopez

1. Opposed the appointment of Council Member Jempson.
2. Praised Mayor Gutierrez.
3. Called for the resignation of Council Members Cabrera and Marquez.
4. Expressed disappointment of Council Members Cabrera and Marquez's decision to appoint Council Member Jempson.

Mayor Gutierrez thanked the Public for attending the meeting and voicing their concerns. He stated that on the advice of authorities, he announced that this meeting may be considered an illegal meeting; based on how it had been called and he could not vote on any of the three agenda items because they were being looked at by the District Attorney's office in regard to his colleagues, Mayor Gutierrez respectfully ended the meeting at 7:09 p.m. resulting in no quorum.

Council Member Cabrera asked for clarification regarding the quorum.

City Clerk Jacquez-Nares deferred to Interim City Attorney Quintanilla.

Interim City Attorney Quintanilla confirmed that no quorum exists, as the City Council was now comprised of four Council Members requiring three for a majority. He

explained that Council Member Jempson could not return to establish a quorum because she had a conflict of interest.

Council Member Cabrera remarked that she recused herself and didn't participate in the meeting at all.

Interim City Attorney Quintanilla stated Council Member Jempson couldn't participate in the meeting. He announced that as a quorum does not exist the meeting couldn't continue.

Council Member Cabrera requested confirmation that the next regularly scheduled meeting was on November 16.

Interim City Attorney Quintanilla responded in the affirmative.

Council Member Marquez questioned Interim City Attorney Quintanilla about why the City Council members were not previously advised of Mayor Gutierrez's intent to depart the meeting.

Interim City Attorney Quintanilla asserted that he had no idea Mayor Gutierrez was going to leave the meeting.

Council Member Cabrera questioned Interim City Attorney Quintanilla as to why he quickly followed behind Mayor Gutierrez as he left the meeting.

Interim City Attorney Quintanilla expressed he was trying to convince Mayor Gutierrez to return to the meeting.

Council Member Marquez asked if the meeting was still being televised.

Interim City Attorney Quintanilla reiterated the meeting would have to be adjourned due to a lack of quorum.

Council Member Marquez remarked Mayor Gutierrez stated he received advice from outside counsel.

Interim City Attorney Quintanilla affirmed he did not advise Mayor Gutierrez to leave and he was only able to confirm that he was going to attend the meeting to ensure a quorum.

A. BUSINESS

- A.1. REQUEST TO PLACE ON A FUTURE AGENDA THE RESCISSION OF THE DECISION TO APPOINT DOLORES LADONNA JEMPSON TO FILL THE VACANCY OF THE CITY COUNCIL FOR DISTRICT 1 IN RESPONSE TO THE “BROWN ACT DEMAND FOR CURE AND CORRECTION” LETTER, DATED OCTOBER 22, 2021, FROM CALIFORNIANS AWARE, THE CENTER FOR PUBLIC

No vote was taken due to a lack of quorum.

- A.2. REQUEST TO PLACE ON A FUTURE AGENDA THE CONSIDERATION OF A PROCESS, APPOINTMENT OR ELECTION, TO FILL VACANCY OF THE CITY COUNCIL FOR DISTRICT 1; and

No vote was taken due to a lack of quorum.

- A.3. REQUEST TO PLACE ON A FUTURE AGENDA THE CONSIDERATION OF APPOINTMENT TO FILL COUNCIL SEAT FOR DISTRICT 1, INCLUDING SWEARING IN OF THE SUCCESSFUL CANDIDATE.

No vote was taken due to a lack of quorum.

(ITEMS MAY BE DEFERRED BY COUNCIL IF TIME DOES NOT PERMIT FULL REVIEW.)

ADJOURNMENT

On the direction of the Interim City Attorney Quintanilla, Council Member Marquez adjourned the meeting at 7:12 p.m.

Submitted by:

Pat Jacquez-Nares, CMC & CERA
 City Clerk
 Secretary, Moreno Valley Community Services District
 Secretary, City as Successor Agency for the Community
 Redevelopment Agency of the City of Moreno Valley
 Secretary, Moreno Valley Housing Authority
 Secretary, Board of Library Trustees
 Secretary, Public Financing Authority

Approved by:

David Marquez
 Council Member
 City of Moreno Valley
 Member, Moreno Valley Community Services District
 Member, City as Successor Agency for the Community
 Redevelopment Agency of the City of Moreno Valley
 Member, Moreno Valley Housing Authority
 Member, Board of Library Trustees
 Member, Public Financing Authority

**MINUTES
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY PUBLIC FINANCING AUTHORITY
MORENO VALLEY HOUSING AUTHORITY**

CLOSED SESSION – 5:00 PM

November 16, 2021

CALL TO ORDER

The Closed Session of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Housing Authority, and the Moreno Valley Public Financing Authority was called to order at 5:00 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street, Moreno Valley, California.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

ROLL CALL

Council:	D. LaDonna Jempson	Council Member
	Dr. Yxstian A. Gutierrez	Mayor
	David Marquez	Council Member
	Ulises Cabrera	Council Member

PUBLIC COMMENTS ON MATTERS ON THE AGENDA ONLY

Mayor Gutierrez opened the public comments portion of the meeting for items listed on the agenda only. There being no members of the public to come forward to speak, he closed the public comments.

Minutes Acceptance: Minutes of Nov 16, 2021 5:00 PM (CONSENT CALENDAR-CITY COUNCIL)

CLOSED SESSION

Interim City Attorney Quintanilla announced that the City Council would recess to Closed Session to discuss the items as listed on the agenda and that he did not anticipate any reportable action.

The Closed Session will be held pursuant to Government Code:

- 1 Section 54956.9: Anticipated Litigation - Significant Exposure to Litigation (One Potential Case)

Facts & Circumstances: Regarding Receipt of "Brown Act Demand for Cure and Correction," dated October 22, 2021, from Californians Aware, the Center for Public Forum Rights

Conference with Interim City Attorney Steve B. Quintanilla

- 2 SECTION 54956.9(d)(1) - CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION

Case: Robert Palomarez v. City of Moreno Valley, City of Moreno Valley City Council, and LaDonna Jempson
 Court: Superior Court of California County of Riverside
 Case No: CVRI2105131

Council Member Jempson recused herself from the meeting at 5:02 p.m., as her appointment was the topic of the litigation.

Mayor Gutierrez recessed the City Council to the City Manager's Conference Room, second floor, City Hall, for their Closed Session at 5:02 p.m.

Mayor Gutierrez reconvened the City Council in the Council Chamber from their Closed Session at 5:51 p.m.

REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY

Interim City Attorney Quintanilla announced that there was no reportable action taken in Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Gutierrez adjourned the meeting at 5:51 p.m.

Submitted by:

Pat Jacquez-Nares, CMC & CERA
 City Clerk
 Secretary, Moreno Valley Community Services District
 Secretary, City as Successor Agency for the Community
 Redevelopment Agency of the City of Moreno Valley
 Secretary, Moreno Valley Housing Authority
 Secretary, Board of Library Trustees
 Secretary, Public Financing Authority

Approved by:

Dr. Yxstian A. Gutierrez
 Mayor
 City of Moreno Valley
 President, Moreno Valley Community Services District
 Chairperson, City as Successor Agency for the Community
 Redevelopment Agency of the City of Moreno Valley
 Chairperson, Moreno Valley Housing Authority
 Chairperson, Board of Library Trustees
 Chairperson, Public Financing Authority

MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
November 16, 2021

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Proclamation Recognizing November As National Veteran and Military Families Month
2. Proclamation Recognizing Val Verde Unified School District Police Department

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
MORENO VALLEY PUBLIC FINANCING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:00 PM
November 16, 2021**

CALL TO ORDER

The Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:07 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Gutierrez.

ROLL CALL

Mayor Gutierrez noted that Pastor Munoz was unable to provide the Invocation due to illness.

Council:	David Marquez	Council Member
	Ulises Cabrera	Council Member
	D. LaDonna Jempson	Council Member
	Dr. Yxstian A. Gutierrez	Mayor

INTRODUCTIONS

Staff:	Pat Jacquez-Nares	City Clerk
	Steven Quintanilla	Interim City Attorney
	Mike Lee	City Manager
	Brian Mohan	Assistant City Manager/Chief Financial

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Ben Kim
 Manuel Mancha
 Jeremy Bubnick
 John Salisbury
 Jesse Park

Officer/City Treasurer
 Assistant City Manager
 Community Development Director
 Parks & Community Services Director
 Chief of Police
 Fire Chief

City Manager Lee introduced Assistant City Manager Kim, and Parks & Community Services Director Bubnick.

PUBLIC COMMENTS ON ANY SUBJECT ON THE AGENDA AND NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Alicia Espinoza

1. Criticized Mayor Gutierrez.
2. Expressed support for the appointment of Council Member Jempson.

Radine Hiers

1. Expressed support for the appointment of Council Member Jempson.

Donovan Saadig

1. Informed Parks & Community Services Director Bubnick that he would be in contact with him to request a bathroom at Adrienne Mitchell Memorial Park.
2. Congratulated Council Member Delgado.
3. Disagreed with the comments made by Alicia Espinoza.
4. Criticized Council Member Jempson.

Martin Cabrera

1. Praised Council Members Cabrera and Marquez.
2. Criticized Mayor Gutierrez.

Bob Palomarez

1. Thanked the Chiefs of Police and the Fire Department.
2. Expressed joy for the passing of Measure G, suggested additional Police and Fire personnel.
3. Congratulated Council Member Delgado.
4. Praised Mayor Gutierrez.
5. Suggested the adoption of an ordinance preventing individuals with a criminal past from serving on the City Council.

Brian Beck

1. Asked that the City focus street repairs on the Towngate area.

Fred Banuelos

1. Indicated his disappointment regarding the passage of Measure G.
2. Discouraged that none of the City Council members took him up on his offer to request additional funding from the State Legislators.

3. Announced that he would closely monitor the City's expenditures after the passage of Measure G, to ensure road improvements were a priority.
4. Expressed his desire for warehouse development to be halted.
5. Opposed the appointment of Council Member Jempson.
6. Congratulated Council Member Delgado.

Daryl Terrell

1. Indicated his opposition to Council Member Jempson's appointment.
2. Expressed hope for the City.

Tom Thornsley

1. Suggested the City adopt a policy wherein interested parties are notified when a development project is submitted.
2. Called for a moratorium on warehouses.
3. Admonished Interim City Attorney Quintanilla for not advising the City Council to adjourn the October 19, 2021 City Council meeting.
4. Opposed the appointment of Council Member Jempson.

Robert Then

1. Thanked the staff involved in the Veteran's Day ceremony, especially the students from Canyon Springs High School.
2. Recounted his time in the military.

Elena Santa Cruz

1. Opposed to the appointment of Council Member Jempson.
2. Criticized Council Member's Marquez and Cabrera.
3. Implored the City to not use public funds for the legal defense of Council Member's Marquez and Cabrera.
4. Criticized Council Member Jempson.

Tom Jerele Sr.

1. Complimented the Veteran's Day celebration and thanked those involved.
2. Congratulated Council Member Delgado.
3. Recounted the appointment of Mayor Gutierrez in 2013.
4. Claimed Council Member Jempson was heavily influenced by former Council Member Price.

Russell Shafer

1. Opposed the appointment of Council Member Jempson.
2. Criticized Council Member's Cabrera and Marquez.

JoAnn Stephan

1. Opposed the appointment of Council Member Jempson.
2. Criticized Council Member's Cabrera, Jempson, and Marquez.
3. Expressed her disappointment in Council Member Marquez.

Roy Bleckert

1. Commended former Mayor Owings.

- 2. Urged the City Council to seat Council Member Delgado as soon as possible.
- 3. Asked Council Member Jempson to step down.

Louise Palomarez

- 1. Criticized Council Member's Cabrera and Marquez.
- 2. Accused Council Member's Cabrera and Marquez of bullying Interim City Attorney Quintanilla.
- 3. Praised Mayor Gutierrez.

Mary White

- 1. Commended Council Member Marquez.
- 2. Supported the appointment of Council Member Jempson.

JOINT CONSENT CALENDARS (SECTIONS A-E)

RESULT: APPROVED [UNANIMOUS]
MOVER: David Marquez, Council Member
SECONDER: Ulises Cabrera, Council Member
AYES: D. LaDonna Jempson, Dr. Yxstian A. Gutierrez, David Marquez, Ulises Cabrera

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. ITEM NO. A.2 WAS REMOVED FOR SEPARATE ACTION BY COUNCIL MEMBER CABRERA

- A.3. COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2021/2022 FROM JULY 1, 2021 THROUGH SEPTEMBER 30, 2021 (Report of: City Clerk)

Recommendation:

- 1. Receive and file the Fiscal Year 2021/2022 Council Discretionary Expenditure Report for July 1, 2021 through September 30, 2021.

- A.4. MAYORAL APPOINTMENT TO THE PARKS, COMMUNITY SERVICES, AND TRAILS COMMITTEE (Report of: City Clerk)

Council Member Marquez congratulated Alejandra Herrera on her appointment.

Recommendation:

- 1. Receive and confirm the Mayoral appointment as follows:

PARKS, COMMUNITY SERVICES, AND TRAILS COMMITTEE

<u>Name</u>	<u>Position</u>	<u>Term</u>
Alejandra Herrera	Member	Ending 06/30/23

- A.5. PAYMENT REGISTER- AUGUST 2021 (Report of: Financial & Management Services)

Recommendation:

- 1. Receive and file the Payment Register.

- A.6. PAYMENT REGISTER- SEPTEMBER 2021 (Report of: Financial & Management Services)

Recommendation:

- 1. Receive and file the Payment Register.

- A.7. LIST OF PERSONNEL CHANGES (Report of: Financial & Management Services)

Recommendation:

- 1. Ratify the list of personnel changes as described.

- A.8. AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO ALL AMERICAN ASPHALT FOR THE HEACOCK STREET PEDESTRIAN AND BICYCLE FACILITY ENHANCEMENTS NEAR GREGORY LANE, PROJECT NO. 801 0076 (AGMT. NO. 2021-232) (Report of: Public Works)

Recommendations:

- 1. Award a construction contract to All American Asphalt for the Heacock Street Pedestrian and Bicycle Facility Enhancements Near Gregory Lane project and authorize the City Manager to execute a contract with All American Asphalt in the amount of \$395,254.00 for the construction of the project, funded by the SCAG Article 3 Fund (2800) and DIF Arterial Streets (3301);
- 2. Authorize the issuance of a Purchase Order to All American Asphalt, in the amount of \$434,779 (\$395,254.00 bid amount plus a 10% contingency) when the contract has been signed by all parties; and

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3. Authorize the Public Works Director/City Engineer to execute any subsequent change orders to All American Asphalt contract, but not exceeding the total contingency of \$39,525, subject to the approval of the City Attorney.

A.9. ACCEPTANCE OF LOCAL ROADWAY SAFETY PLAN (LRSP) GRANT FUNDING (AGMT. NOS. 2021-233 AND 2021-233-01) (Report of: Public Works)

Recommendations:

1. Accept the Local Road Safety Plan (LRSP) grant funding of up to \$138,600 for development of a LRSP, which is a citywide systematic evaluation of roadway safety;
2. Authorize the Public Works Director to execute the Master Agreement and Program Supplement Agreement (Agreement No 08-5441S21) with Caltrans;
3. Amend the Fiscal Year 2021/22 & 2022/23 Adopted Capital Improvement Plan to include the Local Roadway Safety Plan for Moreno Valley (Project No. 810 0020); and
4. Authorize a budget adjustment as set forth in the Fiscal Impact section of this report.

A.10. AUTHORIZATION TO AWARD AN AGREEMENT TO FEHR & PEERS FOR THE LOCAL ROADWAY SAFETY PLAN FOR MORENO VALLEY (PROJECT NO. 810 0020) (AGMT. NO. 2021-234) (Report of: Public Works)

Recommendations:

1. Award an Agreement for Professional Consultant Services to Fehr & Peers to provide a Local Road Safety Plan for Moreno Valley and authorize the City Manager to execute the agreement with Fehr & Peers in the amount of \$153,382;
2. Authorize the issuance of a Purchase Order to Fehr & Peers, in the amount of \$153,382 when the agreement has been signed by all parties using LRSP grant funding and the General Fund (Funds 2301 and 1010); and
3. Authorize the Public Works Director to execute any subsequent related amendments to the Agreement with Fehr & Peers, not to exceed the agreement amount, subject to the approval by the City Attorney.

- A.11. APPROVE THE SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL CONSULTANT SERVICES WITH WSP USA INC FOR THE SUNNYMEAD MASTER DRAIN PLAN STORM DRAIN LINE F STAGE 5 AND LINE F-7 STAGE 1, PROJECT NO. 804 0008 (AGMT. NO. 2020-223-01) (Report of: Public Works)

Recommendations:

1. Approve the Second Amendment to the Agreement for Professional Consultant Services with WSP USA Inc (WSP USA), to perform Final Design, Environmental Clearance, for the Sunnymead Master Drainage Plan Line F Stage 5 and Line F-7 Stage 1 project, funded with FEMA HMGP Funds and RCFC&WCD Master Drainage Plan Fees;
 2. Authorize the City Manager to execute the Second Amendment to Agreement for Professional Consultant Services with WSP USA, subject to the approval by the City Attorney;
 3. Authorize an amendment to the existing Purchase Order with WSP USA in the amount of up to but not to exceed \$479,715.00 once the Agreement has been signed by all parties;
 4. Authorize an amendment to the Agreement termination date, extending the termination date from December 31, 2022 to December 31, 2023;
 5. Authorize a budget adjustment as set forth in the Fiscal Impact section of this report; and
 6. Authorize the Public Works Director to execute any subsequent related amendments to the Agreement for Professional Consultant Services with WSP USA, not to exceed the total Purchase Order amount, subject to approval by the City Attorney.
- A.12. AUTHORIZE THE AWARD OF PROFESSIONAL SERVICES AGREEMENTS TO M. BREY ELECTRIC, INC. AND RS CONSTRUCTION & DEVELOPMENT, INC. FOR GENERAL CONTRACTOR SERVICES FOR MAINTENANCE AND REPAIRS AT CITY FACILITIES AND SITES (AGMT. NOS. 2021-235 AND 236) (Report of: Public Works)

Recommendations:

1. Award a five-year contract to M. BREY ELECTRIC, INC. for a total not-to-exceed amount of \$1,760,000 for general contractor services to include all labor, equipment, materials, and performance of operation in connection with construction, repair and maintenance services for City Facilities on an on-call basis; and authorize the City Manager to

execute contracts in conformance with the attached Agreement using fund 7310, Facilities Maintenance;

2. Award a five-year contract to RS CONSTRUCTION & DEVELOPMENT, INC. for a total not-to-exceed amount of \$440,000 for general contractor services to include all labor, equipment, materials, and performance of operation in connection with construction, repair and maintenance services for City Facilities on an on-call basis; and authorize the City Manager to execute contracts in conformance with the attached Agreements using fund 7310, Facilities Maintenance;
 3. Authorize the issuance of annual purchase orders for M. BREY ELECTIRIC, INC. and RS CONSTRUCTION & DEVELOPMENT, INC. on an as needed basis each year of the Agreement term subject to funds available in the City Council approved Operating Budget; and
 4. Authorize the Director of Public Works/City Engineer to execute any amendments, purchase orders and/ or change orders not-to-exceed the authorized amounts, contingent upon approved budget and approval of the City Attorney.
- A.13. ACCEPT AND RECEIVE A GRANT AWARD FROM THE CALIFORNIA STATE LIBRARY, CALIFORNIA LIBRARY LITERACY SERVICES PROGRAM (Report of: Parks & Community Services)

Recommendations:

1. Accept and receive a grant award from the California State Library in the amount of \$30,000 from the California Library Literacy Services program;
2. Authorize the City Manager to process a budget amendment and appropriation in the amount of \$30,000 in FY21/22 and FY22/23; and
3. Authorize the City Manager to accept, receive, and appropriate California Library Literacy Services program grant funds in subsequent fiscal years, as this is an on-going grant program;
4. Authorize the Library Director to submit yearly reporting and application documents for the California Library Literacy Services program, to secure on-going funding; and
5. Authorize and designate the Library Director to accept California Library Literacy Services program on-going funds.

- A.14. REQUEST FOR CITY SPONSORSHIP OF SOUTHWEST VETERANS' BUSINESS RESOURCE CENTER ANNUAL SUMMIT (Report of: Parks & Community Services)

Recommendations:

1. Approve a request for sponsorship for Southwest Veterans' Business Resource Center based on prior Council approvals.
2. Approve a sponsorship greater than the limit of \$2,500 as set forth in the General Management Policy No. 2.13, City Sponsorship Policy, Section V Sponsorship Amounts.

- A.15. AUTHORIZE THE SUBMISSION OF A GRANT APPLICATION FOR 21ST CENTURY COMMUNITY LEARNING CENTERS ELEMENTARY AND MIDDLE SCHOOL FUNDING (RESO. NO. CSD 2021-37) (Report of: Parks & Community Services)

Recommendations:

1. Authorize the City Manager to submit a grant application in the amount of \$50,000 to the California Department of Education for the 21st Century Community Learning Centers Program to provide funding for summer program at Edgemont Elementary School;
2. Adopt Resolution No. CSD 2021-37. A resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, approving application for 21st Century Community Learning Centers grant funds and to authorize designated personnel to sign grant-related document;
3. Upon award, accept and receive a grant award from the California Department of Education in the awarded amount from 21st Century Community Learning Centers program; and
4. Authorize the City Manager to process a budget amendment and appropriation in the awarded amount in FY 22/23 and four subsequent fiscal years.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - CITY COUNCIL - REGULAR MEETING - OCT 19, 2021 6:00 PM
(See A.2)

Recommendation: Approve as submitted.

- B.3. AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO MUSCO SPORTS LIGHTING, LLC FOR SPORTS LIGHTING AT EL POTRERO PARK, (PROJECT NO. 807 0059) (AGMT. NO. CSD 2021-77)
(Report of: City Manager)

Council Member Cabrera welcomed Parks & Community Services Director Bubnick and thanked staff for securing the lighting contract, illuminating much needed playing fields for the City's residents.

Recommendations:

1. Award a construction contract to Musco Sports Lighting, LLC for sports lighting at El Potrero Park in substantial conformance with the attached contract, in the amount of \$749,782, funded by Park Improvement funds (Fund 3015);
2. Authorize the issuance of a Purchase Order for Musco Sports Lighting, LLC in the amount of \$824,761 (bid amount plus a 10% contingency) when the contract has been signed by all parties;
3. Authorize the Executive Director to execute any subsequent change orders to the contract, but not exceeding the total contingency of \$74,979, subject to the approval of the City Attorney;
4. Approve Musco Sports Lighting, LLC as the sole source for procurement and installation of the proposed lights and associated equipment;
5. Amend the Fiscal Year 2021/22 & 2022/23 Adopted Capital Improvement Plan to transfer the "Sports Field Lighting Upgrade at Various Park Sites" project from Parks - Unfunded to Parks - Partially Funded; and
6. Authorize a budget adjustment as set forth in the Fiscal Impact section of this report.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - CITY COUNCIL - REGULAR MEETING - OCT 19, 2021 6:00 PM
(See A.2)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - CITY COUNCIL - REGULAR MEETING - OCT 19, 2021 6:00 PM
(See A.2)

Recommendation: Approve as submitted.

E. CONSENT CALENDAR - PUBLIC FINANCING AUTHORITY

- E.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- E.2. MINUTES - CITY COUNCIL - REGULAR MEETING - OCT 19, 2021 6:00 PM
(See A.2)

Recommendation: Approve as submitted.

F. PUBLIC HEARINGS - NONE

G. GENERAL BUSINESS - NONE

H. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

- A.2. City Council - Regular Meeting - Oct 19, 2021 6:00 PM

Recommendation: Approve as submitted.

City Clerk Jacquez-Nares reported that in reference to the motion to appoint Council Member Jempson, MinuteTraq automatically defaults to yes when a mover and seconder is selected. She stated that the minutes need to be corrected to remove the vote count, leaving only the first and second motions.

Council Member Cabrera asked if City Clerk Jacquez-Nares was clarifying the minutes from the October 19th City Council meeting, when Council Member Jempson was appointed.

City Clerk Jacquez-Nares responded in the affirmative. She noted that when the first and second are selected the system automatically populates the vote.

Council Member Cabrera commented that Mayor Gutierrez didn't attend the meeting. He claimed he was made aware of the Mayor's absence by either City Clerk Jacquez-Nares or Interim City Attorney Quintanilla. This information was provided right before the start of the meeting. He stressed the importance of all three Council Members attending City Council meetings considering the two vacancies in Districts 1 and 2. He explained that upon being informed of Mayor Gutierrez's absence, his initial thought was the meeting could not take place, with only two Council Members. He stated Interim City Attorney Quintanilla advised that the meeting could resume with two Council Members, which constituted a majority in addition to a quorum. In agreement with previous speakers, he also expressed his concern whether two Council Members comprised a quorum and Council Member Cabrera questioned whether the advice provided by Interim City Attorney Quintanilla was accurate. Being unaware of the nature of Mayor Gutierrez's absence, he felt it necessary to take action that night. He remarked that in order to keep the City functioning, he and Council Member Marquez made a necessary decision. He affirmed making comments about District 2 residents after the passing of Council Member Thornton, affirming it was the City Council's duty to represent the entire City. He went on to explain that with the passing of Mayor Pro Tem Baca, there were two vacant districts. He commented that there were many reasons why he and Council Member Marquez made the action they did and his intent was to provide context and clarification to the community. He indicated that he believed they received questionable legal advice that night.

Mayor Gutierrez stated that attacks on Interim City Attorney Quintanilla were not necessary.

Council Member Cabrera explained that no one was attacking Interim City Attorney Quintanilla.

Mayor Gutierrez disagreed and explained if there was a problem the illegal meeting shouldn't have continued.

RESULT: ACCEPTED [UNANIMOUS]
MOVER: Ulises Cabrera, Council Member
SECONDER: Dr. Yxstian A. Gutierrez, Mayor
AYES: D. LaDonna Jempson, Dr. Yxstian A. Gutierrez, David Marquez, Ulises Cabrera

I.REPORTS

I.1. CITY COUNCIL REPORTS

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC) - None

Riverside County Habitat Conservation Agency (RCHCA) - None

Riverside County Transportation Commission (RCTC) - None

Riverside Transit Agency (RTA) - None

Western Riverside Council of Governments (WRCOG) - Mayor Gutierrez

Mayor Gutierrez reported the following:

Updates were provided on a number of continuing business items of the WRCOG Executive Committee, but there are no major items to report on.

Western Riverside County Regional Conservation Authority (RCA) - Council Member Marquez

Council Member Marquez reported the following:

- Moreno Valley's MSHCP fee collection totaled \$23,349.00 (7 residential permits) for the month of September 2021.

School District/City Joint Task Force - None

I.2. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

City Manager Lee reported the City's win of the Innovation Use of Technology award at the IEEP Annual Turning Red Tape to Red Carpet ceremony in addition to 1st runner up for four other awards. He announced that the Media team also received four National Association of Telecommunications Officers and Advisors (NATOA) awards for programming. He urged residents to visit City Hall to pick up free smoke detectors, carbon monoxide detectors, hand sanitizer, and masks.

Mayor Gutierrez thanked City Manager Lee for his service to the City.

Council Member Cabrera commended City Manager Lee for his Outstanding Leadership award.

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY, PUBLIC FINANCING AUTHORITY, AND THE BOARD OF LIBRARY TRUSTEES.

Council Member Cabrera raised a point of order. He asked if time limits would be placed on the City Council members closing comments.

Mayor Gutierrez replied he was going to allow five minutes for comments.

Council Member Cabrera asked if it could be extended to ten or fifteen minutes.

Mayor Gutierrez remarked eight minutes would be reasonable. He noted that Council Member Cabrera had five minutes during his discussion of the October 19th minutes for clarification.

Council Member Cabrera stated pursuant to the City Council rules and procedures section 5.5.6, Limitation of Debate, the five minute limit set forth herein shall not apply to remarks by a Council Member under Council Member reports and closing comments. As such, he respectfully asked if the time limit for closing comments be extended to ten minutes.

Mayor Gutierrez explained that the limit was instituted to curtail verbose Council Members. He indicated he felt comfortable setting the time limit at eight minutes.

Council Member Cabrera requested ten minutes and explained that it is against the rules to set a time limit.

Mayor Gutierrez asked Council Member Jempson for her closing comments.

Council Member Cabrera asked if he could appeal Mayor Gutierrez's decision.

Mayor Gutierrez stated that Council Member Cabrera was out of order.

Council Member Cabrera responded that it needed to go for a vote for the entire City Council and that by shutting off his microphone, Mayor Gutierrez was taking away his 1st amendment rights.

Mayor Gutierrez asked Council Member Jempson for her closing comments.

Council Member Jempson

1. Reported on the successful inaugural Apprenticeship Expo event. Expressed her appreciation of the City for offering resources to assist students.
2. Praised the residents that participated in the November 1st Beautify MoVal event.
3. Announced the names of the Moreno Valley Elks Hoop Shoot finalists and wished them luck as they advanced to Riverside.
4. Commended staff for the recent outstanding City events, despite being understaffed.
5. Participated in ride-a longs with the Salvation Army and Fire Captain. Expressed discouragement to hear that none of the 2012 Fire Strategic Plan has been completed. Indicated her hope that the Fire Department would have additional personnel to ensure the new strategic plan would not befall the same fate.
6. Invited residents to attend the nonprofit clergy roundtable on November 18th, and a Thanksgiving food bank on November 22nd.
7. She explained that the people she serves keep her grounded and remind her why she is and desires to be on the City Council. She remarked that she'd like to follow in Mayor Gutierrez's footsteps in that it took the court to remove him and it'll take the court to remove her. She declared her desire to serve the community. She disclosed that she requested Interim City Attorney Quintanilla to determine whether the cure and correct would be addressed if she promised to serve for the balance of the term with no pay and benefits. She asserted that the cure and correct should have been corrected previously and hasn't been because of Mayor Gutierrez.
8. She stated that several people in District 1 called her for assistance and thanked her for cleaning up the streets, and for doing what needed to be done.
9. Commented that she had referred to the Bible passage Luke 6:28 various times during the past week.

Council Member Marquez

1. Remarked that some of the previous speakers were misinformed and explained that the City Council does consult with staff. He stated decisions are made after consulting with staff.
2. He stated that none of the speakers reached out to him to express their interest in being appointed as a City Council member.
3. In response to a speaker, he asked City Manager Lee to explain how money is collected from measures, such as Measure G.

City Manager Lee explained that the collection for Measure G will not commence until April of 2022 and that it could be a complete year until the City could realize the potential revenue from the tax measure.

4. Council Member Marquez reiterated that the City won't receive the revenue immediately, and that it could potentially take one to two years.
5. He stated that the City is currently repairing its roads with the SB 1 funds.
6. Refuting remarks made by a previous speaker, he requested confirmation from Chief Salisbury that the Police Department was involved in the Cops and Clergy Walk.

Chief Salisbury reported there was large turnout comprised of the Community, the Sheriff's Station, and the City Council.

7. He stated that before the meeting on October 19th, he received a text from Mayor Gutierrez informing him that he was ill and was unable to attend. Mayor Gutierrez instructed him to hold the Special Presentations as well as the City Council meeting. Council Member Marquez indicated his skepticism that the meeting could continue with only two Council Members and remarked that he conferred with Interim City Attorney Quintanilla prior to the meeting's commencement.
8. Read the City Council rules and procedures regarding the appointment of the Mayor Pro Tem, which stated the office of the Mayor/Mayor Pro Tem shall be deemed vacant upon happening of the following; the death of the holder of such office. He went on to read section 4.2.2, Filling Vacancies; at it's first regular meeting after the occurrence of a vacancy created by the foregoing event, the Council shall select a successor to that office. He indicated his dismay that Mayor Pro Tem Baca passed away on October 6th and to date a successor has not been selected.

Council Member Marquez moved to agendize the nomination and vote of a new Mayor Pro Tem on December 7th.

The City Council came to consensus.

9. He decried the speakers who belittle the City Council members and made personal attacks. He refuted the claim that he and Council Member Cabrera colluded to appoint Council Member Jempson and announced that he has never violated the Brown Act.

Council Member Cabrera

1. Stated for the record that he unsuccessfully requested ten minutes for the City Council's closing comments, even though the rules stipulate no limit. He appealed the decision, as allowed by the rules and procedures, and there was no vote taken on his motion. He explained that he tried to exercise all of his rights entitled to the City Council and his rights are being denied.
2. He accused Mayor Gutierrez of violating his First Amendment rights by attempting to shut off his microphone during the City Council meeting and during previous meetings.
3. He recounted the October 27th meeting which ended abruptly, when Mayor Gutierrez left early. He stated that once Mayor Gutierrez left the meeting, Interim City Attorney Quintanilla advised the City Council there was no quorum. He explained that Mayor Gutierrez allowed all of the public comment to occur subjecting the City Council to verbal attacks, provided his deliberation, then left preventing the other members of the City Council to provide their own comments. He reiterated that Interim City Attorney Quintanilla informed them they had no quorum which he disagreed with. Thus, preventing the City Council from taking action on the cure and correct. He noted that he has attempted to call three special meetings to address the cure and correct, but has been

unsuccessful as Mayor Gutierrez has declined each request. He questioned why Mayor Gutierrez is preventing the cure and correct from taking place and allowing the City to be open to litigation. He expressed his frustration that he is being prevented from doing what's right for the City to cure and correct. He recounted that after the City Council meeting on October 27th he stopped at BJ's to pick up dinner, coincidentally Mayor Gutierrez was dining with Robert Palomarez, Louise Palomarez, and other individuals. He found it suspicious as a lawsuit was filed against the City by Robert Palomarez.

4. He accused some of the public speakers of lying and condemned them for their personal attacks, especially against his newborn son.
5. He explained that he was initially part of that group, but his morals and ethics didn't allow him to continue and he has since distanced himself from them.
6. He remarked that Interim City Attorney Quintanilla suggested that he contact other attorneys to seek guidance on the cure and correct. He stressed the need for better relationships, as there was currently too much division.

Mayor Gutierrez interjected that a meeting is scheduled for Thursday, November 18th.

7. Special Closed Session at 5:00 p.m.

Council Member Cabrera moved to call for a Special Closed Session on Thursday, November 18th to consider pursuant to Government Code section 54957(b1) discussion to consider the appointment, employment, evaluation of performance discipline or dismissal for the position of Interim City Attorney and pursuant to Government Code section 54957(1a5) action to appoint, employ, dismiss, accept the resignation of or otherwise affect the employment for the position of Interim City Attorney and public employment title Interim City Attorney and public employment discipline, dismissal, or release.

Mayor Gutierrez remarked the City has been through a lot in the past two weeks and is facing a lot of litigation. He noted that he held no ill will toward Council Member Jempson and that they worked very well together in the past. He explained that the public is upset about the process in which she was appointed. He expressed his opinion that the City would be viewed in a bad light if they were to fire Interim City Attorney Quintanilla, as he had advised Council Member's Marquez and Cabrera against the Brown Act violation. He noted that there are ways to go about it differently. He suggested that the cure and correct first be addressed and to wait for the hearing on Friday, November 20th to occur. He called for reason and asked that the City Council not allow their emotions to get to them and should therefore wait to take any action.

Council Member Jempson requested clarification whether a special meeting was also scheduled for Thursday, November 18th.

Mayor Gutierrez responded in the affirmative.

Council Member Jempson asked if the agenda items were going to be modified and asked for direction.

Mayor Gutierrez replied that Council Member Cabrera asked for a special closed session to release the Interim City Attorney at 5:00 p.m. on Thursday, November 18th.

Council Member Cabrera disagreed with Mayor Gutierrez's assessment of the special closed session.

Mayor Gutierrez clarified the meeting would be to discuss and release the Interim City Attorney.

Council Member Cabrera remarked that it was a possibility.

Mayor Gutierrez explained that type of meeting required affirmative votes from a majority of the City Council.

Council Member Jempson stated that there would be two meetings, one to discuss the cure and correct and a second meeting to discuss Interim City Attorney Quintanilla.

Mayor Gutierrez reiterated that he felt it was not the time to take that type of action.

Council Member Cabrera stated that it was necessary to at least have the discussion, which is why he called for the Closed Session. He remarked that although the City Council was informed Mayor Gutierrez was calling a Special Meeting on Thursday, November 18th, they were uniformed on the agenda language, the items considered, as well as the meeting time.

Mayor Gutierrez recited the motion and the second to place the item on the agenda.

Council Member Cabrera moved to add an item to the Thursday November 18th Special Meeting agenda, rescission of the decision to appoint Delores LaDonna Jempson to fill the vacancy of the City Council for District 1 in response to the Brown Act demand for cure and correction letter dated October 2, 2021 from Californians Aware the Center for Public Forum rights and consideration of a process, appointment, or election to fill vacancy of the City Council for District 1 and consideration of appointment to fill Council seat for District 1 including swearing-in of the successful candidate and consideration of holding public and open interviews to fill the vacancy for District 1 that shall be held in the Council Chamber by and before the City Council.

Mayor Gutierrez stated that he already had that scheduled for the Special Meeting on Thursday.

Council Member Cabrera asked if the wording was exactly the same.

Mayor Gutierrez replied that the wording was not identical, but it was on the two items previously discussed by Interim City Attorney Quintanilla.

Council Member Cabrera remarked that as he was not familiar with the language he moved to have his item added to Thursday's agenda and asked for a second and a vote.

Mayor Gutierrez explained that as Council Member Jempson had a conflict of interest preventing her from voting there wouldn't be a majority as he would vote no because he already called the Special Meeting.

Council Member Cabrera asked if Council Member Jempson needed to recuse herself from the vote.

Interim City Attorney Quintanilla responded in the affirmative and noted that she can not be counted toward the majority.

Council Member Cabrera asked if she then would not be counted toward the quorum which would temporarily reduce the City Council to three members.

Interim City Attorney Quintanilla repeated that there is a quorum without her present, but she can not be counted toward the majority and three votes are necessary to add the item to the agenda.

Mayor Gutierrez noted that this was explained to Council Member Cabrera multiple times by Interim City Attorney Quintanilla and staff, hence staff has accused him of bullying and harassing them, prompting City Clerk Jacquez-Nares to file a harassment claim against him.

Council Member Cabrera accused Mayor Gutierrez of violating HIPAA laws.

Council Member Marquez called the meeting out of order.

Mayor Gutierrez exclaimed that he was merely stating the facts.

Council Member Cabrera chastised Mayor Gutierrez for revealing employee's personal business and violating City Clerk Jacquez-Nares' HIPPA rights.

Mayor Gutierrez accused City Council Member Cabrera of violating City Clerk Jacquez-Nares' HIPPA rights by sending an email to staff.

Council Member Marquez accused Mayor Gutierrez of sending him bribes via email. He asked for the arguments to stop and the meeting to continue.

Mayor Gutierrez said he had no idea what Council Member Marquez was talking about.

Council Member Cabrera concluded that the attacks were unnecessary and that revealed that when he was first elected the group he previously mentioned told him, "We got you elected, you're supposed to do what we ask you to do." He remarked that no one is perfect and questioned the speaker who said felons should be prevented from serving in public office. He explained that goes counter to the teachings of Jesus Christ and expressed his hope to get past the litigation and avoid having to pay legal fees.

RESULT: APPROVED [3 TO 1]
MOVER: Ulises Cabrera, Council Member
SECONDER: David Marquez, Council Member
AYES: D. LaDonna Jempson, David Marquez, Ulises Cabrera
NAYS: Dr. Yxstian A. Gutierrez

Mayor Gutierrez

1. Congratulated staff for their recent awards and for facing the difficulty of the past two weeks.
2. He announced the upcoming Special Meeting scheduled for Thursday, November 18th.
3. He mentioned the passing of former Mayor Tom Owings.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Gutierrez adjourned the meeting in memory of former Mayor Tom Owings at 7:50 p.m.

Submitted by:

Pat Jacquez-Nares, CMC & CERA
 City Clerk
 Secretary, Moreno Valley Community Services District
 Secretary, City as Successor Agency for the Community
 Redevelopment Agency of the City of Moreno Valley
 Secretary, Moreno Valley Housing Authority
 Secretary, Board of Library Trustees
 Secretary, Public Financing Authority

Approved by:

Dr. Yxstian A. Gutierrez
 Mayor
 City of Moreno Valley
 President, Moreno Valley Community Services District
 Chairperson, City as Successor Agency for the Community
 Redevelopment Agency of the City of Moreno Valley
 Chairperson, Moreno Valley Housing Authority
 Chairperson, Board of Library Trustees
 Chairperson, Public Financing Authority



Report to City Council

TO: Mayor and City Council

FROM: Pat Jacquez-Nares, City Clerk
Steve Quintanilla, Interim City Attorney

AGENDA DATE: December 7, 2021

TITLE: RESOLUTION CERTIFYING PURSUANT TO SECTION 10262 (B) OF THE CALIFORNIA ELECTIONS CODE, THE RESULTS OF THE NOVEMBER 2, 2021, SPECIAL ELECTION FOR THE BALLOT MEASURE G

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Adopt the resolution certifying pursuant to Section 10262 (b) of the California Elections Code, the results of the November 2, 2021, Special Election for the ballot Measure G.

SUMMARY

The City Council must certify the results of the Special Election, held on November 2, 2021, within 28 days after receiving the results of the Special Election.

DISCUSSION

The Riverside County Registrar of Voters canvassed the returns of the November 2, 2021, Special Election on November 18, 2021, and the City Clerk, serving as the City's Elections Official, has received the official results which are attached to the Resolution. The California Elections Code sets forth certain mandatory duties for the City's Elections Official (City Clerk) and the City Council with respect to implementing the official results of the Special Election once the final results have been sent by the Riverside County Registrar's Office to the City's Elections Official (City Clerk).

Section 10262 (b) of the California Elections Code provides that for a consolidated election, the City's Elections Official (City Clerk), upon receipt of the results of the election from the elections official conducting the election (Riverside County Registrar of

Voters), shall certify the results to the governing body (City Council) which shall, no later than the next regularly scheduled City Council meeting following presentation of the 28-day canvass of the returns, comply with the applicable provisions of Section 10263 of the California Elections Code. Section 10263 (b) of the California Elections Code provides that for a consolidated election, the governing body (City Council) shall meet at its usual place of meeting (Council Chamber) no later than the next regularly scheduled City Council meeting following presentation of the 28-day canvass of the returns, or at a special meeting called for this purpose, to declare the results.

Section 10264 of the California Elections Code provides that as soon as the results of the Special Election is declared, the elections official (City Council) of the governing body (City Council) shall enter on its records a statement of the result which shall include: (a) the whole number of votes cast in the City; (b) the measure voted upon; (c) the number of votes given at each precinct for and against Measure G; and (d) the number of votes given in the City for and against Measure G.

In light of the foregoing, the attached Resolution recites the facts of the November 2, 2021, Special Election results as reported by the Riverside County Registrar’s Office, which includes the following:

- (a) The whole number of votes cast in the City of Moreno Valley was 13,869 votes;
- (b) The measure that appeared on the ballot and voted upon was Measure G;
- (c) For the number of votes given at each precinct for and against Measure G please see Exhibit A of the attached resolution.
- (d) The total number of votes for and against Measure G are as follows:
 - a. Yes: 7,471
 - b. No: 6,398

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS



To view large attachments, please click your “bookmarks” on the left hand side of this document for the necessary attachment.

- 1. RESOLUTION Special Municipal Election.doc

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	12/02/21 4:33 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	12/02/21 4:45 PM

RESOLUTION NO. 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CERTIFYING PURSUANT TO SECTION 10262 (B) OF THE CALIFORNIA ELECTIONS CODE, THE RESULTS OF THE NOVEMBER 2, 2021, SPECIAL ELECTION FOR THE BALLOT MEASURE G

WHEREAS, on March 16, 2021, at a regularly scheduled meeting of the Moreno Valley City Council, the City Council, instead of appointing an individual to fill the District 2 City Council Member vacancy, called for a Special Election to allow the eligible voters of District 2 to choose who they preferred to fill out the remainder of the District 2 City Council Member vacancy resulting from the death of the late Dr. Carla Thornton; and

WHEREAS, on March 16, 2021, the City Council of the City of Moreno Valley approved Resolution No. 2021-19, which called for a Special Election to be consolidated with the November 2, 2021, Statewide General Election that would be administered by Riverside County Registrar of Voters; and

WHEREAS, the Riverside County Registrar of Voters canvassed the returns of the November 2, 2021, Special Election on November 18, 2021, at approximately [REDACTED] p.m. and the City Clerk, serving as the City's Elections Official, has received the official results which are attached to this Resolution, as Exhibit A, which is hereby incorporated herein by this reference; and

WHEREAS, the California Elections Code sets forth certain mandatory duties for the City's Elections Official (City Clerk) and the City Council with respect to implementing the official results of the Special Election once the final results have been sent by the Riverside County Registrar's Office to the City's Elections Official (City Clerk); and

WHEREAS, Section 10262 (b) of the California Elections Code provides that for a consolidated election, the City's Elections Official (City Clerk), upon receipt of the results of the election from the elections official conducting the election (Riverside County Registrar of Voters), shall certify the results to the governing body (City Council) which shall, no later than the next regularly scheduled city council meeting following presentation of the 28-day canvass of the returns, or at a special meeting called for this purpose, comply with the applicable provisions of Section 10263 of the California Elections Code; and

Attachment: RESOLUTION Special Municipal Election.doc (5616 : CERTIFICATION OF ELECTION - MEASURE G)

WHEREAS, Section 10263 of the California Elections Code provides that upon the completion of the canvass and before installing the new officers, the governing body (City Council) shall adopt a resolution reciting the fact of the election and the other matters that are enumerated in Section 10264 of the California Elections Code and the governing body (City Council) shall declare elected the persons for whom the highest number of votes were cast for each office, which in this case is Ed Delgado; and

WHEREAS, Section 10264 of the California Elections Code provides that as soon as the result of the election is declared, the elections official of the governing body (City Clerk) shall enter on its records a statement of the result which shall include: (a) the whole number of votes cast in the city; (b) the names of the persons voted for; (c) for what office each person was voted for; (d) the number of votes given at each precinct to each person; and (e) the number of votes given in the city to each person; and

WHEREAS, Section 10263 (b) of the California Elections Code provides that for a consolidated election, the governing body (City Council) shall meet at its usual place of meeting (Council Chamber) no later than the next regularly scheduled City Council meeting following presentation of the 28-day canvass of the returns, or at a special meeting called for this purpose, to declare the results and to install the newly elected officers; and

WHEREAS, Section 10265 of the California Elections Code provides that the City's elections official (City Clerk) shall immediately sign and deliver to each person elected a "Certificate of Election" and the City Clerk shall also administer to each person elected the "Oath of Office" prescribed in the California Constitution; and

WHEREAS, the City's Elections Official (City Clerk) may administer a written Oath of Office for signature by each elected official in the form required by the California Constitution and if an elected official is sworn in properly by the City's elections official (City Clerk), a ceremonial swearing-in that deviates from the required form of oath will not be subject to challenge; and

WHEREAS, as permitted under Section 10262 (b) of the California Elections Code, on November 17, 2021, at approximately 12:00 p.m., the directly elected Mayor of the City of Moreno Valley, pursuant to Section 1.5.2 (Notice) of the "City of Moreno Valley City Council Rules of Procedure for Council Meetings and Related Functions and Activities" and Section 54956 of the California Government Code, called a Special Meeting of the City Council for November 18, 2021, at 4:00 p.m., that included an agenda item entitled "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CERTIFYING PURSUANT TO SECTION 10262 (B) OF THE CALIFORNIA ELECTIONS CODE, THE RESULTS OF THE NOVEMBER 2, 2021, SPECIAL ELECTION FOR FILLING THE VACANCY OF THE DISTRICT 2 CITY COUNCIL SEAT, AS DULY PRESENTED TO THE CITY CLERK BY THE RIVERSIDE COUNTY REGISTRAR OF VOTERS**"; and

WHEREAS, in light of the facts that: 1) Section 10263 of the California Elections Code provides that the governing body (City Council) ***shall*** meet at its usual place of meeting (Council Chamber) to declare the results and to install the newly elected officers; 2) Section 10262 of the California Elections Code provides that the City's Elections Official (City Clerk), upon receipt of the results of the election from the elections official conducting the election ***shall*** certify the results to the governing body (City Council) which ***shall*** comply with the applicable provisions of Section 10263 of the California Elections Code; 3) Section 10263 of the California Elections Code provides that upon the completion of the canvass and before installing the new officers, the governing body (City Council) ***shall*** adopt a resolution reciting the fact of the election and the governing body (City Council) ***shall*** declare elected the persons for whom the highest number of votes were cast for each office; 4) Section 10264 of the California Elections Code provides that as soon as the result of the election is declared, the elections official of the governing body (City Clerk) ***shall*** enter on its records a statement of the results of the election; and Section 10265 of the California Elections Code provides that the City's elections official (City Clerk) ***shall*** immediately sign and deliver to each person elected a "Certificate of Election" and the City Clerk ***shall*** also administer to each person elected the "Oath of Office" prescribed in the California Constitution, indicate in all respects that the duties imposed on the City Council and the City Clerk as the City's Election Official under the above-referenced California Elections Code provisions are ministerial in nature in light of the case law set forth below; and

WHEREAS, the California Supreme Court has held in *Kevelin v. Jordan* (1964) 62 Cal.2d 82, 83 that the State's Constitution and statutes impose on the Secretary of State the clear ministerial duty to certify an initiative enacted by the voters; and

WHEREAS, the California Court of Appeal has held in *Martinez v. Board of Supervisors* (1972) 23 Cal. App. 3d 679, 684 that it is well settled that mandamus will not be issued to prevent the official recordation of the vote of the people under their reserved legislative power even if there is any apparent unconstitutionality of a measure that the voters approved; and

WHEREAS, the California Court of Appeal has also held in *International Assn. of Fire Fighters v. City of Oakland* (1985) 174 Cal. App. 3d 687, 690–691, & fn. 3 "it would be an intolerable interference with the people's reserved legislative power to prevent the official recordation of their vote".

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. RECITALS.

That the Recitals set forth above are true and correct and are hereby incorporated herein by this reference.

Section 2. CERTIFICATION OF THE NOVEMBER 2, 2021 ELECTION RESULTS AS REPORTED BY THE RIVERSIDE COUNTY REGISTRAR'S OFFICE

That the City Council hereby recites the facts of the November 2, 2021, Election results as reported by the Riverside County Registrar's Office, attached hereto, as follows:

(a) The whole number of votes cast in the City of Moreno Valley is [to be inserted] votes;

Section 5. STATEMENT OF THE RESULT

That pursuant to Section 10264 of the California Elections Code the City Clerk shall enter on into the records a Statement of the result which shall include: (a) the whole number of votes cast in the city; (b) the names of the persons voted for; (c) for what office each person was voted for; (d) the number of votes given at each precinct to each person; and (e) the number of votes given in the city to each person.

Section 6. SEVERABILITY.

That should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

Section 7. REPEAL OF CONFLICTING PROVISIONS.

That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

Section 8. EFFECTIVE DATE.

That this Resolution shall take effect immediately upon the adoption and approval by the City Council by at least a majority vote of a quorum of the City Council.

Section 9. CERTIFICATION.

That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 7th day of December 2021.

4
Resolution No. 2021-XX
Date Adopted: December 18, 2021

Dr. Yxstian A. Gutierrez
Mayor
City of Moreno Valley

ATTEST:

APPROVED AS TO FORM:

Pat Jacquez-Nares, City Clerk

Steven B. Quintanilla, Interim City
Attorney

Attachment: RESOLUTION Special Municipal Election.doc (5616 : CERTIFICATION OF ELECTION - MEASURE G)

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-XX was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the December 7, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

PAT JACQUEZ-NARES, CITY CLERK

(SEAL)

Attachment: RESOLUTION Special Municipal Election.doc (5616 : CERTIFICATION OF ELECTION - MEASURE G)

ATTACH ROV CERTIFICATE

Attachment: RESOLUTION Special Municipal Election.doc (5616 : CERTIFICATION OF ELECTION - MEASURE G)



Report to City Council

TO: Mayor and City Council

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: December 7, 2021

TITLE: 2022 CITY COUNCIL COMMISSION, BOARD, AND INTER-AGENCY APPOINTMENTS

RECOMMENDED ACTION

Recommendation: That the City Council:

1. Ratify the appointments to the various committees and regional bodies as noted on the 2022 Council Committee Participation List – terms end December 31, 2022.

SUMMARY

The previous Council Committee Participation appointments were for either six months or one year and have come to their end. Mayor Gutierrez has compiled the new 2022 Council Committee Participation appointments with the terms to end on December 31, 2022 (Attachment A).

NOTIFICATION

The Form 806 (Attachment B) which lists all the paid appointed positions to which an official will vote to appoint themselves was posted on the City's website on December 2, 2021 pursuant to FPPC Regulation 18702.5 and posting of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Pat Jacquez-Nares
City Clerk

Department Head Approval:
Pat Jacquez-Nares
City Clerk

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”



on the left hand side of this document for the necessary attachment.

- 1. Attachment A - 2022 Council Committee Participation
- 2. Attachment B - FPPC Form 806

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	12/02/21 2:55 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	12/02/21 3:01 PM

2022
MAYOR'S RECOMMENDATIONS
2021 COUNCIL COMMITTEE PARTICIPATION

CITY COUNCIL ADVISORY COMMISSIONS/BOARDS :	Primary	Alternate	Term
Arts Commission	Cabrera	Marquez	12/31/2022
Emerging Leaders Council	Cabrera	Marquez	12/31/2022
Environmental and Historical Preservation Board	Marquez	Cabrera	12/31/2022
Library Commission	Marquez	Cabrera	12/31/2022
Parks, Community Services and Trails Committee	Cabrera	Delgado	12/31/2022
Senior Citizens' Board	Marquez	Cabrera	12/31/2022
Traffic Safety Commission	Marquez	Delgado	12/31/2022
Utilities Commission	Marquez	Delgado	12/31/2022

CITY COUNCIL SUBCOMMITTEES :

Economic Development Subcommittee <i>Appoint 2 Primary</i>	Marquez/Delgado	Cabrera	12/31/2022
Finance Subcommittee <i>Appoint 2 Primary</i>	Gutierrez/Cabrera	Delgado	12/31/2022
Citizens Public Safety Committee	Delgado	Marquez	12/31/2022
Public Safety Subcommittee <i>Appoint 2 Primary</i>	Gutierrez/Delgado		12/31/2022
Parks and Community Services Council Committee <i>Appoint 2 Primary 2 Alternates</i>	Gutierrez/Delgado		12/31/2022

INTER-AGENCY:

March Joint Powers Commission (JPC) <i>Appoint 2 Primary</i>	Delgado/Gutierrez		12/31/2022
School Districts/City Joint Task Force <i>Appoint 2 Primary</i>	Cabrera/Marquez		12/31/2022
Riverside County Habitat Conservation Agency (RCHCA)	Cabrera	Marquez	12/31/2022
Riverside County Transportation Commission (RCTC)	Gutierrez	Delgado	12/31/2022
Riverside Transit Agency (RTA)	Marquez	Gutierrez	12/31/2022
Western Riverside Council of Governments (WRCOG)	Delgado	Gutierrez	12/31/2022
Western Riverside County Regional Conservation Authority (RCA)	Marquez	Cabrera	12/31/2022

**Agency Report of:
Public Official Appointments**

A Public Document

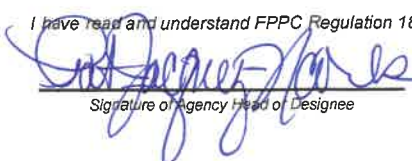
1. Agency Name City of Moreno Valley		California Form 806	For Official Use Only
Division, Department, or Region (If Applicable)			
City Clerk			
Designated Agency Contact (Name, Title) Pat Jacquez-Nares		Date Posted: 12/02/2021 <small>(Month, Day, Year)</small>	
Area Code/Phone Number (951) 413-3010	E-mail patjn@moval.org		
		Page 1 of 2	

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
March Joint Powers Commission (MJPC)	▶ Name <u>Delgado, Edward A.</u> <small>(Last, First)</small> Alternate, if any <u>Gutierrez, Yxstian A.</u> <small>(Last, First)</small>	▶ <u>12 / 07 / 21</u> <small>Appt Date</small> ▶ <u>12 Months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input checked="" type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Riverside County Habitat Conservation Agency (RCHCA)	▶ Name <u>Cabrera, Ulises</u> <small>(Last, First)</small> Alternate, if any <u>Marquez, David</u> <small>(Last, First)</small>	▶ <u>12 / 07 / 21</u> <small>Appt Date</small> ▶ <u>12 Months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100.00</u> ▶ Estimated Annual: <input checked="" type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Riverside County Transportation Commission (RCTC)	▶ Name <u>Gutierrez, Yxstian A.</u> <small>(Last, First)</small> Alternate, if any <u>Delgado, Edward A.</u> <small>(Last, First)</small>	▶ <u>12 / 07 / 21</u> <small>Appt Date</small> ▶ <u>12 Months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Riverside Transit Agency (RTA)	▶ Name <u>Marquez, David</u> <small>(Last, First)</small> Alternate, if any <u>Gutierrez, Yxstian A.</u> <small>(Last, First)</small>	▶ <u>12 / 07 / 21</u> <small>Appt Date</small> ▶ <u>12 Months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>150.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other

3. Verification

I have read and understand FPPC Regulation 18702.5. I have verified that the appointment and information identified above is true to the best of my information and belief.

	Pat Jacquez-Nares	City Clerk	12/02/2021
<small>Signature of Agency Head or Designee</small>	<small>Print Name</small>	<small>Title</small>	<small>(Month, Day, Year)</small>

Comment: _____

Attachment B - FPPC Form 806 (5617 : 2022 CITY COUNCIL COMMITTEE PARTICIPATION APPOINTMENTS)

**Agency Report of:
Public Official Appointments
Continuation Sheet**

1. Agency Name City of Moreno Valley	Date Posted: <u>12/07/2021</u> <small>(Month, Day, Year)</small>
--	---

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Western Riverside Council of Governments (WRCOG)	▶ Name <u>Delgado, Edward A.</u> <small>(Last, First)</small> Alternate, if any <u>Gutierrez, Yxstian A.</u> <small>(Last, First)</small>	▶ <u>12 / 07 / 21</u> <small>Appt Date</small> ▶ <u>12 Months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>150.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input checked="" type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
Western Riverside County Regional Conservation Authority (RCA)	▶ Name <u>Marquez, David</u> <small>(Last, First)</small> Alternate, if any <u>Cabrera, Ulises</u> <small>(Last, First)</small>	▶ <u>12 / 07 / 21</u> <small>Appt Date</small> ▶ <u>12 Months</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>100.00</u> ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other
	▶ Name _____ <small>(Last, First)</small> Alternate, if any _____ <small>(Last, First)</small>	▶ _____ <small>Appt Date</small> ▶ _____ <small>Length of Term</small>	▶ Per Meeting: \$ _____ ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input type="checkbox"/> Other

Attachment: Attachment B - FPPC Form 806 (5617 : 2022 CITY COUNCIL COMMITTEE PARTICIPATION APPOINTMENTS)

Print **Clear**



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: NOTICE OF CESSATION OF SPECIAL TAX LIEN FOR COMMUNITY FACILITIES DISTRICT 87-1 (TOWNGATE)

RECOMMENDED ACTION

Recommendation:

Adopt Resolution No. 2021-____. A Resolution of the City Council of the City of Moreno Valley, Acting as the Legislative Body of City of Moreno Valley Towngate Community Facilities District No. 87-1, Determining that the Special Tax of Said Community Facilities District Shall Cease to be Levied, Authorizing and Directing the Recordation of a Notice of Cessation of Special Tax and Taking Certain Other Actions in Connection Therewith

SUMMARY

This report recommends adoption of a Resolution to authorize the recordation of a Notice of Cessation of the special tax lien against properties within Community Facilities District (CFD) No. 87-1 (Towngate) and the use of moneys in the funds and accounts established with respect to the CFD No. 87-1 bonds for any lawful purpose of CFD No. 87-1 including to reimburse the City for staff time and expenses related to the administration of CFD No. 87-1 (Attachment 1). The bonds have been paid in full and the special tax lien has been satisfied.

DISCUSSION

In October 1987, at the request of the property owners, the City formed CFD No. 87-1 to financing certain public facilities. On April 20, 1988 the City of Moreno Valley Towngate Community Facilities District No. 87-1, Special Tax Bonds, Series A were issued and on August 14, 1991 the City of Moreno Valley Towngate Community Facilities District No. 87-1, Special Tax Bonds, Series B were issued (together, the "Original Bonds"). On June 23, 1994 the City of Moreno Valley Towngate Community Facilities District No. 87-

1, 1994 Special Tax Refunding Bonds, Series A and City of Moreno Valley Towngate Community Facilities District No. 87-1, 1994 Special Tax Refunding Bonds, Series B (together, the "1994 Bonds") were issued to refinance the outstanding Original Bonds. On November 29, 2007, the City of Moreno Valley Towngate Community Facilities District No. 87-1 Special Tax Refunding Bonds, Series A and City of Moreno Valley Towngate Community Facilities District No. 87-1 Special Tax Refunding Bonds, Series B 2007 (together, the "2007 Bonds") were issued to refinance the outstanding 1994 Bonds. The 2007 Bonds matured in 2021, with the final debt service payment made on December 1, 2021.

Section 53330.5 of the California Government Code provides that a special tax may be levied by a community facilities district only so long as it is needed to pay the principal and interest on debt incurred by the community facilities district. Given the special tax is no longer needed to make debt service payments, a Notice of Cessation of Special Tax is required to be recorded against the affected properties.

Adoption of the resolution directs the City Clerk to record the Notice of Cessation against the property in the CFD, thereby eliminating the City's ability to levy the special tax.

Further, in an overabundance of caution, the City did not take the total administrative fee as authorized by the Bond Indenture for the 2007 Bonds, leaving an uncollected balance of \$244,000. The City now seeks to be reimbursed from the approximately \$198,000 remaining in the bond accounts. Adoption of the Resolution will enable CFD No. 87-1 to reimburse the City up to such amount, as determined by the City Manager and in consultation with bond counsel.

ALTERNATIVES

1. Adopt the Resolution and recommended actions as presented. *Staff recommends this alternative because it is consistent with the legal requirements necessary to remove the taxing obligation on those properties formerly subject to the special tax.*
2. Do not approve the recommended actions. *Staff does not recommend this alternative since the bonds have been paid in full and there is no longer a legislative requirement to maintain the Notice of Special Tax Lien.*

FISCAL IMPACT

Administrative costs incurred as part of this action are not expected to exceed \$2,500 and will be paid from administrative fees received by the City for administration of the CFD.

NOTIFICATION

Agenda process.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Brian Mohan
Assistant City Manager
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Resolution Authorizing Notice of Cessation

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 8:18 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:05 AM

RESOLUTION NO. 2021-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, ACTING AS THE LEGISLATIVE BODY OF CITY OF MORENO VALLEY TOWNGATE COMMUNITY FACILITIES DISTRICT NO. 87-1, DETERMINING THAT THE SPECIAL TAX OF SAID COMMUNITY FACILITIES DISTRICT SHALL CEASE TO BE LEVIED, AUTHORIZING AND DIRECTING THE RECORDATION OF A NOTICE OF CESSATION OF SPECIAL TAX AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, in 1987, the City Council of the City of Moreno Valley (the "City Council") previously formed the City of Moreno Valley Towngate Community Facilities District No. 87-1 (the "District") pursuant to the terms and provisions of the Mello Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act"); and

WHEREAS, the property within the District is subject to the lien of a special tax (the "Special Tax") as set forth in that Notice of Special Tax Authorization recorded in the Official Records of Riverside County on November 20, 1987 as Document No. 333039 and in that Notice of Special Tax Lien recorded in the Official Records of Riverside County on February 23, 1989 as Document No. 055318 (together, the "Notice of Special Tax Lien"); and

WHEREAS, pursuant to the Act, the District previously issued its City of Moreno Valley Towngate Community Facilities District No. 87-1, Special Tax Bonds, Series A on April 20, 1988 and City of Moreno Valley Towngate Community Facilities District No. 87-1, Special Tax Bonds, Series B on August 14, 1991 (together, the "Original Bonds"); and

WHEREAS, pursuant to the Act, the District previously issued its City of Moreno Valley Towngate Community Facilities District No. 87-1, 1994 Special Tax Refunding Bonds, Series A and City of Moreno Valley Towngate Community Facilities District No. 87-1, 1994 Special Tax Refunding Bonds, Series B (together, the "1994 Bonds") on June 23, 1994 to refund the Original Bonds; and

WHEREAS, pursuant to the Act, the District previously issued its City of Moreno Valley Towngate Community Facilities District No. 87-1 Special Tax Refunding Bonds, Series A and City of Moreno Valley Towngate Community Facilities District No. 87-1 Special Tax Refunding Bonds, Series B 2007 (together, the "2007 Bonds") on November 29, 2007 to refund the 1994 Bonds; and

WHEREAS, on December 1, 2021, the remaining outstanding 2007 Bonds matured; and

1
Resolution No. 2021-_____
Date Adopted: December 7, 2021

WHEREAS, Government Code Section 53330.5 provides that a special tax may be levied only so long as it is needed to pay the principal and interest on debt incurred in order to construct facilities under authority of the Act, or so long as it is needed to pay the costs and incidental expenses of services or of the construction of facilities authorized by the Act; and

WHEREAS, Government Code Section 53330.5 further provides that when the legislative body determines that the special tax shall cease to be levied, the legislative body shall direct the clerk to record a Notice of Cessation of Special Tax that shall state that the obligation to pay the special tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished; and

WHEREAS, as a result of the maturity of the remaining outstanding 2007 Bonds, the City Council acting as the legislative body of the District desires to take action in accordance with Government Code Section 53330.5 to determine that the obligation to pay the Special Tax within the District has ceased and to extinguish the lien created by the Notice of Special Tax Lien.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF CITY OF MORENO VALLEY TOWNGATE COMMUNITY FACILITIES DISTRICT NO. 87-1, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

SECTION 2. In accordance with Government Code Section 53330.5, the City Council acting as the legislative body of the District hereby determines that the obligation to pay the Special Tax within the District has ceased and hereby authorizes and directs the City Clerk to execute a Notice of Cessation of Special Tax and to cause it to be recorded with the County Recorder of the County of Riverside.

SECTION 3. Any moneys in the funds and accounts established pursuant to the Rate and Method of Apportionment of Special Tax for the District and the Bond Indenture, dated as of October 1, 2007, by and between the District and Computershare Trust Company, N.A. (as successor trustee to Wells Fargo Bank, National Association) pursuant to which the 2007 Bonds were issued may be used by the District for any lawful purpose including to reimburse the City for staff time and expenses related to the administration of the District as determined by the City Manager in consultation with bond counsel.

SECTION 4. All of the officers and staff of the City of Moreno Valley and the District who are responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and to execute and deliver any and all documents as are necessary to carry out the intent of this Resolution.

2
Resolution No. 2021-
Date Adopted: December 7, 2021

Attachment: Resolution Authorizing Notice of Cessation (5536 : NOTICE OF CESSATION OF SPECIAL TAX LIEN FOR COMMUNITY FACILITIES

SECTION 5. This Resolution shall take effect from and after its adoption and approval.

APPROVED AND ADOPTED this 7th day of December, 2021.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Authorizing Notice of Cessation (5536 : NOTICE OF CESSATION OF SPECIAL TAX LIEN FOR COMMUNITY FACILITIES

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

PAT JACQUEZ-NARES, CITY CLERK

(SEAL)

Resolution No. 2021-4
Date Adopted: December 7, 2021



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: CERTIFY ANNEXATION OF ONE PARCEL INTO COMMUNITY FACILITIES DISTRICT NO. 4- MAINTENANCE - ANNEXATION NO. 2021-04 (RESO. NO. 2021-__)

RECOMMENDED ACTION

Acting as the legislative body of Community Facilities District No. 4-Maintenance, adopt Resolution No. 2021-__, a Resolution of the City Council of the City of Moreno Valley, California, Certifying the Results of an Election and Adding Property to such Community Facilities District. (Annexation No. 20121-04) (Alessandro Industrial No. 14 LP, located on the south side of Alessandro Blvd., west of Heacock St.).

SUMMARY

Adoption of the resolution (Attachment 1) will certify annexation of one parcel into Community Facilities District (CFD) No. 4-Maintenance (CFD No. 4-M) (the "District"). This action impacts only the property owner identified below, not the general citizens or taxpayers of the City.

DISCUSSION

As a condition of approval for the development project identified below, the applicant is required to provide an ongoing funding source for the maintenance of certain stormwater and detention basin improvements. The table below provides information for the property under development.

Property Owner Project ACP Record #s	Assessor's Parcel Number	Location	Annexation No.

Alessandro Industrial No. 14 LP 280,800 sq. ft. business park PEN20-0038/SCP20-0027	297-170-083	South side of Alessandro Blvd., west of Heacock St.	2021-04
---	-------------	--	---------

At the request of the property owners within the District, the City Council formed CFD No. 4-M on October 25, 2005 to provide an alternative funding tool to provide the required funding. It provides a mechanism to fund the maintenance of certain stormwater and detention basin improvements included within the District. After a landowner approves annexation of their property into the District and the City Council approves the annexation, the City is authorized to levy a special tax onto the annual property tax bill to fund the services related to or impacted by the development.

On November 8, 2005, the City Council adopted Resolution No. 2005-108, which designated a future annexation area for the District. With the future annexation area designated, annexations can occur without an additional public hearing as long as the annexing landowner provides unanimous consent. Once annexed, parcels are subject to the annual special tax to fund the service they are receiving.

An applicant has two options to satisfy the condition of approval:

1. The property owner submits a Landowner Petition unanimously approving annexation of the property into the District. Approval of the ballot and special tax rate allows the City to annually levy the special tax on the property tax bill of their property. This option is only available if there are fewer than 12 registered voters living within the proposed annexation area; or
2. The applicant funds an endowment.

The Property Owner listed above elected to annex the property into CFD No. 4-M and have the special tax applied to the annual property tax bill. The Office of the Riverside County Registrar of Voters confirmed there were no registered voters residing at the property, allowing a special election of the landowner. Adoption of the resolution adds the property to the District. The resolution also directs the recordation of the boundary map (Attachment 2) and amended notice of special tax lien for the annexation. The City Clerk received and reviewed the ballot materials and confirmed the Property Owner unanimously approved the annexation of their property into the District.

Successful completion of the annexation process satisfies the project's condition of approval to provide a funding source for the maintenance of certain stormwater and detention basin improvements.

This action meets the Strategic Plan Priorities to manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

ALTERNATIVES

1. Adopt the resolution. *Staff recommends this alternative since it will annex the property into CFD No. 4-M at the request of the Property Owner and satisfy the condition of approval for the proposed development.*
2. Do not adopt the resolution. *Staff does not recommend this alternative because it is contrary to the request of the Property Owner, will not satisfy the condition of approval, and may delay development of the project.*
3. Do not adopt the resolution but rather continue the item to a future regularly scheduled City Council meeting. *Staff does not recommend this alternative as it will delay the Property Owner from satisfying the condition of approval and may delay development of the project.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund specific services within the District. The special tax can only be applied to a property tax bill of a parcel wherein the qualified electors (i.e., landowners or registered voters, depending upon the number of registered voters) have previously provided approval. If the projected revenue from the maximum special tax exceeds what is necessary to fund the services within the District, a lower amount will be applied to the property tax bill for all of the properties within the District. The maximum special tax rate is listed below.

Property Owner Project ACP Record #s	Annexation No.	FY 2021/22 Maximum Special Tax Rate
Alessandro Industrial No. 14 280,800 sq. ft. business park PEN20-0038/SCP20-0027	2021-04	\$0.010725/square feet of land area
<p>¹The special tax rate applied to the property tax bill will be based on the needs of the District. The applied special tax rate can be lower than but cannot exceed the maximum special tax rate. The FY 2021/22 applied rate is \$0.008689/square foot of land area.</p>		

The maximum special tax rates are subject to an annual inflation adjustment based on the change in the Engineering News-Record Building Cost Index (BCI) for the City of Los Angeles, CA, measured as of the end of the calendar year. However, the annual adjustment cannot be applied unless the City Council annually authorizes such adjustment. The increase to the maximum special tax rate cannot exceed the annual inflationary adjustment without a two-thirds approval of the qualified electors within the District.

NOTIFICATION

The annexation materials were mailed to the Property Owner on October 21, 2021. The materials included a cover letter, instructions to the property owner, a Consent and

Waiver form, description of maintenance services, Rate and Method of Apportionment of Special Tax, official ballot, and ballot envelope.

PREPARATION OF STAFF REPORT

Prepared by:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Brian Mohan
Assistant City Manager

Concurred by:
Michael Lloyd, P.E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

See the Discussion section above for details of how this action supports the City Council's Strategic Priorities.

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

1. Resolution Certifying Annexation 2021-04
2. Boundary Map - Annexation 2021-04

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 9:22 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:26 AM

RESOLUTION NO. 2021-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ACTING AS LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE OF THE CITY OF MORENO VALLEY, CERTIFYING THE RESULTS OF AN ELECTION AND ADDING PROPERTY TO SUCH COMMUNITY FACILITIES DISTRICT

WHEREAS, THE CITY OF MORENO VALLEY, CALIFORNIA (the "City"), has previously formed a community facilities district pursuant to the provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, said Article 3.5 thereof. The existing community facilities district is designated as COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE OF THE CITY OF MORENO VALLEY (the "District"); and,

WHEREAS, the legislative body has also established a procedure to allow and provide for future annexations to the District and the territory proposed to be so annexed in the future was designated as FUTURE ANNEXATION AREA OF COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE OF THE CITY OF MORENO VALLEY (the "Future Annexation Area"); and

WHEREAS, the District and its Future Annexation Area are generally bounded by Alessandro Boulevard on the north, Cactus Avenue on the south, Frederick Street on the west, and Heacock Street on the east; and

WHEREAS, at this time the unanimous consent to the annexation of certain territory to the District has been received from the property owner or owners of such territory, and such territory has been designated as ANNEXATION NO. 2021-04 (the "Annexed Area"); and

WHEREAS, less than twelve (12) registered voters have resided within the Annexed Area for each of the ninety (90) days preceding November 5, 2021, therefore, pursuant to the Act the qualified electors of the Annexed Area shall be the "landowners" of such Annexed Area as such term is defined in Government Code Section 53317(f) and each such landowner who is the owner of record as of November 5, 2021, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that she or he owns within such Annexed Area; and

WHEREAS, the time limit specified by the Act for conducting an election to submit the levy of the special taxes on the property within the Annexed Area to the qualified electors of the Annexed Area and the requirements for impartial analysis and ballot arguments have been waived with the unanimous consent of the qualified electors of the Annexed Area; and

Resolution No. 2021-__
Date Adopted: December 7, 2021

WHEREAS, the City Clerk of the City of Moreno Valley, legislative body for Community Facilities District No. 4-Maintenance of the City of Moreno Valley, has caused ballots to be distributed to the qualified electors of the Annexed Area, has received and canvassed such ballots and made a report to the City Council regarding the results of such canvas, a copy of which is attached as Exhibit A hereto and incorporated herein by this reference; and

WHEREAS, at this time the measure voted upon did receive the favorable 2/3's vote of the qualified electors, and this Board of Directors desires to declare the results of the election; and

WHEREAS, a map showing the Annexed Area and designated as Annexation Map No. 2021-04 (the "Annexation Map"), a copy of which is attached as Exhibit B hereto and incorporated herein by this reference, has been submitted to this legislative body.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The above recitals are all true and correct.

SECTION 2. Findings. This legislative body does hereby further determine as follows:

A. The unanimous consent to the annexation of the Annexed Area to the District has been given by all of the owners of the Annexed Area and such consent shall be kept on file in the Office of the City Clerk.

B. Less than twelve (12) registered voters have resided within the territory of Annexed Area for each of the ninety (90) days preceding November 5, 2021, therefore, pursuant to the Act the qualified electors of the Annexed Area are to be the "landowners" of such Annexed Area as such term is defined in Government Code Section 53317(f).

C. The qualified electors of the Annexed Area have unanimously voted in favor of the levy of special taxes within the Annexed Area upon its annexation to the District.

SECTION 3. Annexed Area. The boundaries and parcels of territory within the Annexed Area and on which special taxes will be levied in order to pay for the costs and expenses of authorized public services are shown on the Annexation Map as submitted to and hereby approved by this legislative body.

SECTION 4. Declaration of Annexation. This legislative body does hereby determine and declare that the Annexed Area is now added to and becomes a part of the District. The City Council, acting as the legislative body of the District, is hereby empowered to levy the authorized special tax within the Annexed Area.

Resolution No. 2021-____
Date Adopted: December 7, 2021

SECTION 5. Notice. Immediately upon adoption of this Resolution, notice shall be given as follows:

A. A copy of the annexation map as approved shall be filed in the Office of the County Recorder no later than fifteen (15) days after the date of adoption of this Resolution.

B. An Amendment to the Notice of Special Tax Lien (Notice of Annexation) shall be recorded in the Office of the County Recorder no later than fifteen (15) days after the date of adoption of this Resolution.

SECTION 6. Effective Date. This Resolution shall become effective upon its adoption.

APPROVED AND ADOPTED this 7th day of December 2021.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: Resolution Certifying Annexation 2021-04 (5550 : CERTIFY ANNEXATION OF ONE PARCEL INTO COMMUNITY FACILITIES

Resolution No. 2021-____
Date Adopted: December 7, 2021

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-___ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2021-___
Date Adopted: December 7, 2021

Exhibit A

CERTIFICATE OF ELECTION OFFICIAL AND STATEMENT OF VOTES CAST

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

The undersigned, ELECTION OFFICIAL OF THE COMMUNITY FACILITIES DISTRICTS NO. 4-MAINTENANCE OF THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DOES HEREBY CERTIFY that pursuant to the provisions of Section 53326 of the Government Code and Division 12, commencing with Section 17000 of the Elections Code of the State of California, I did canvass the returns of the votes cast at the

COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE OF THE CITY OF MORENO VALLEY SPECIAL ELECTION ANNEXATION NO. 2021-04

held November 5, 2021.

I FURTHER CERTIFY that this Statement of Votes Cast shows the whole number of votes cast in the area proposed to be annexed to Community Facilities District No. 4-Maintenance for or against the Measure are full, true and correct.

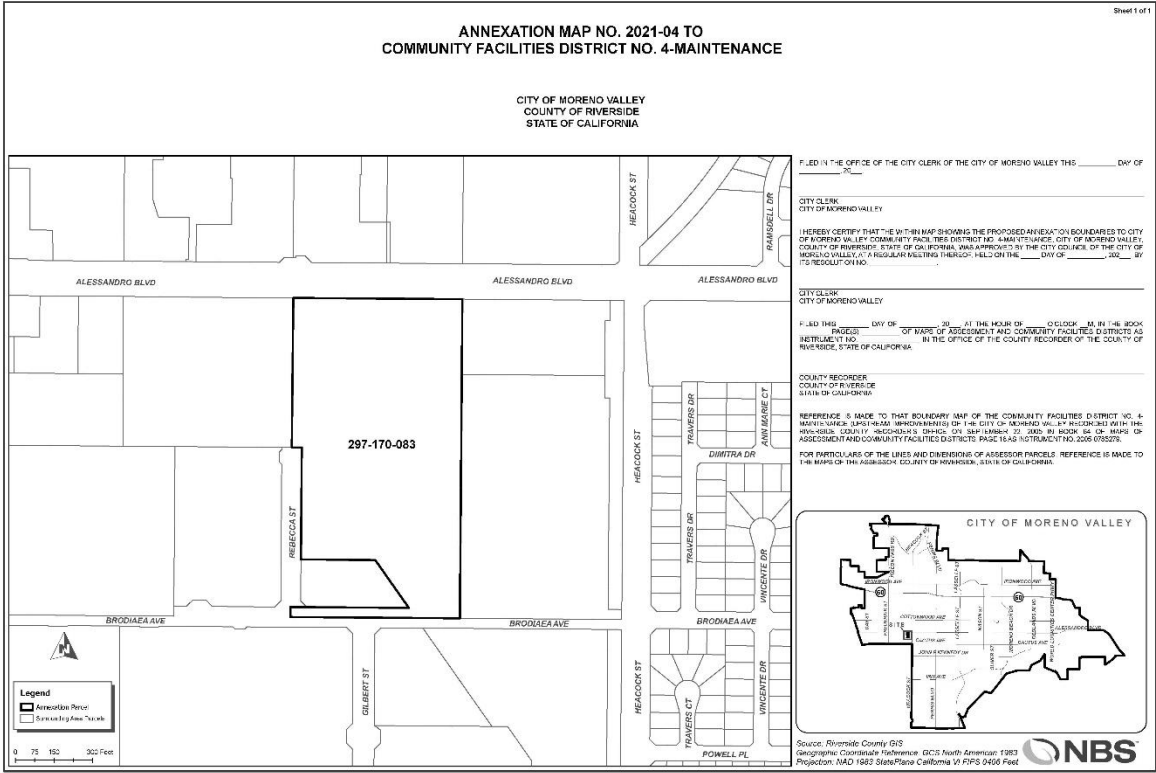
VOTES CAST ON PROPOSITION 1: YES ___X___ NO _____

WITNESS my hand this 5th day of November, 2021.

[Signature]
CITY CLERK OF THE CITY OF MORENO VALLEY
ELECTION OFFICIAL FOR
COMMUNITY FACILITIES DISTRICT NO. 4-
MAINTENANCE OF THE CITY OF MORENO VALLEY
STATE OF CALIFORNIA

Attachment: Resolution Certifying Annexation 2021-04 (5550 : CERTIFY ANNEXATION OF ONE PARCEL INTO COMMUNITY FACILITIES

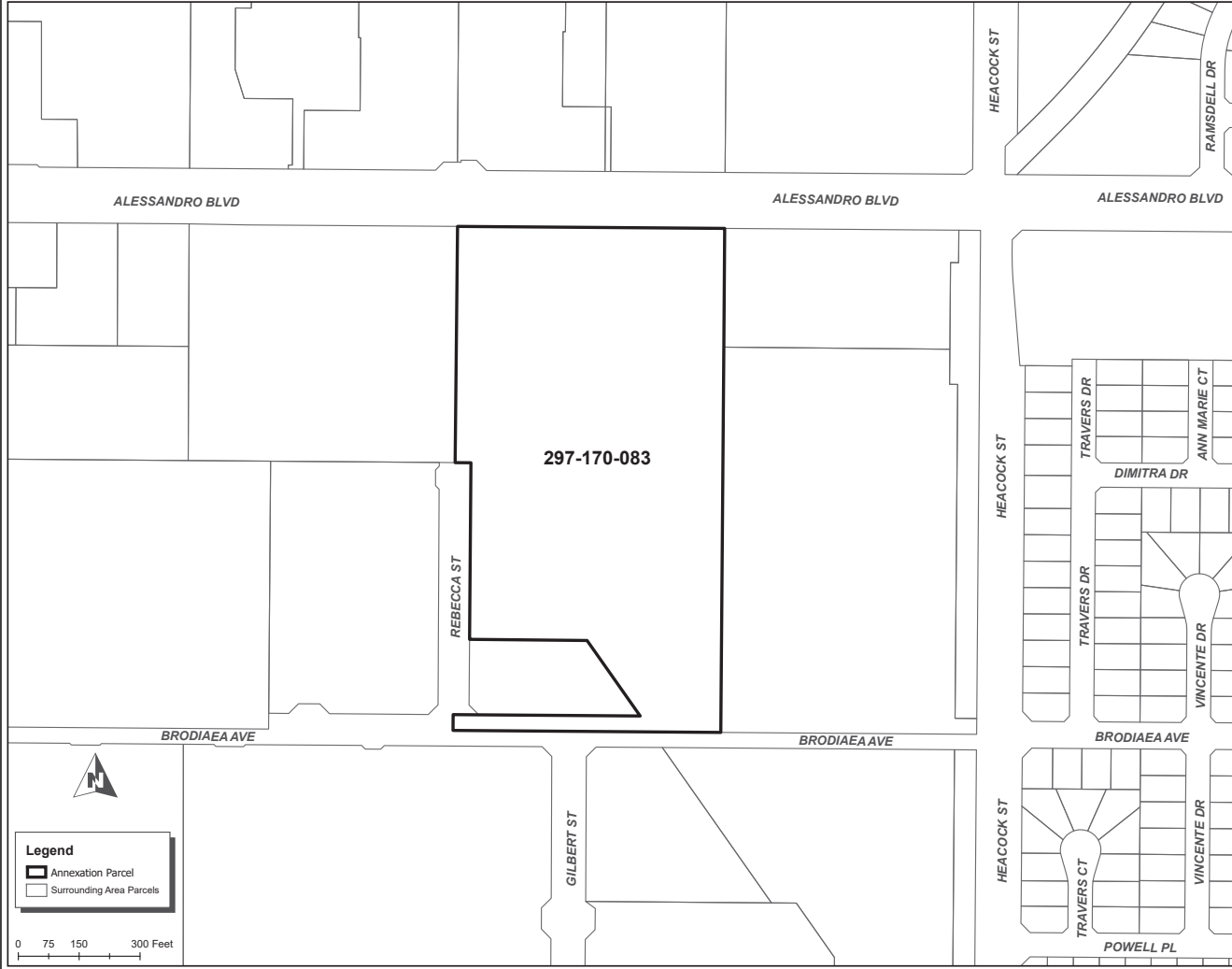
Exhibit B



Attachment: Resolution Certifying Annexation 2021-04 (5550) : CERTIFY ANNEXATION OF ONE PARCEL INTO COMMUNITY FACILITIES

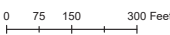
ANNEXATION MAP NO. 2021-04 TO COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA



Legend

- Annexation Parcel
- Surrounding Area Parcels



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS _____ OF _____, 20__.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED ANNEXATION BOUNDARY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF MORENO VALLEY, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20__ BY ITS RESOLUTION NO. _____.

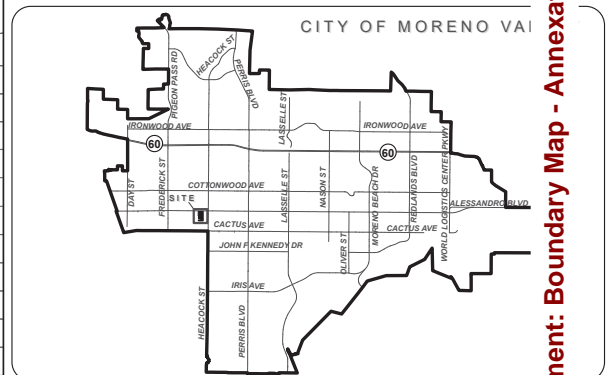
CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____, 20__, AT THE HOUR OF _____ O'CLOCK _____ M, IN _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT NO. _____ INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 4-MAINTENANCE (UPSTREAM IMPROVEMENTS) OF THE CITY OF MORENO VALLEY RECORDED IN THE COUNTY RECORDER'S OFFICE ON SEPTEMBER 22, 2005 IN BOOK 64 OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 18 AS INSTRUMENT NO. 2005-071.

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.



Source: Riverside County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 0406 Feet

Attachment: Boundary Map - Annexation 2021-04 (5550 : CERTIFY ANNEXATION OF ONE PARCEL INTO



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: PURSUANT TO A LANDOWNER PETITION, ANNEX CERTAIN PARCEL(S) INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) - AMENDMENT NO. 61 AND 62 (RESO. NO. 2021-__ AND 2021-__)

RECOMMENDED ACTION

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2021-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District (Amendment No. 61) (Ada Velis Iglesias de Turcios, located on the north side of Angella Way, east of Indian St.).

2. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2021-__, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said District (Amendment No. 62) (Alessandro Industrial No. 14 LP, located on the south side of Alessandro Blvd., west of Heacock St.).

SUMMARY

Adoption of the resolutions (Attachments 1 and 2) will certify the annexation of two parcels into Community Facilities District (CFD) No. 2014-01 (Maintenance Services) ("District"). This action impacts only the property owners identified below, not the general citizens or taxpayers of the City.

DISCUSSION

As a condition of approval for the development projects identified below, the applicants are required to provide an ongoing funding source for certain public services (i.e., the operation and maintenance services of public landscaping and/or street lighting). The funding is used to mitigate the cost of the impacts created by the proposed development.

Property Owner/ Project ACP Record #	APN	Location
Ada Velis Iglesias de Turcios Two single-family residences PEN18-0042/SCP21-0007	316-110-021	North side of Angella Way, east of Indian St.
Alessandro Industrial No. 14 LP 280,800 sq. ft. business park PEN20-0038/SCP20-0026	297-170-083	South side of Alessandro Blvd., west of Heacock St.

The City Council formed CFD No. 2014-01 (Maintenance Services) to provide an alternative funding tool to provide the required funding. It provides a mechanism to fund the operation and maintenance of public street lighting, landscaping, and streets and drainage. After a landowner approves annexation of their property into the District and the City Council approves the annexation, the City is authorized to levy a special tax onto the annual property tax bill to fund the services related to or impacted by their development.

The Third Amended and Restated Rate and Method of Apportionment of Special Tax (“RMA”) for the District describes the different special tax rate areas, services provided, and formula to calculate the special tax rate for each of the tax rate areas. Several special tax rate areas were created to accommodate a variety of scenarios to ensure costs are fairly shared between property owners. For example, there is a tax rate area for “single-family residential street lighting” and one for “street lighting for property other than single-family residential” (e.g., commercial, industrial, or multi-family projects). Different tax rate areas are needed for street lighting because the spacing and size/type of lights differ based on the type of development. Likewise, there are several tax rate areas for maintenance of public landscaping (i.e. medians, parkways, and/or traffic circles). A property’s proportionate share of landscape maintenance costs will vary depending upon the total square footage of landscaping to be maintained and the number of properties sharing in the cost for that development. There is also a tax rate area for streets and drainage within single-family residential projects, which is calculated based on each parcel’s proportionate share of the improvements.

On April 20, 2021, the City Council adopted Ordinance No. 980, which designated the entire territory of the City as a future annexation area for the District. With the future annexation area designated, annexations can occur without an additional public hearing as long as the annexing landowner provides unanimous consent. Once annexed, parcels are subject to the annual special tax to fund the service they are receiving.

An applicant has two options to satisfy the condition(s) of approval:

1. The property owner submits a Landowner Petition unanimously approving annexation of the property into the District. Approval of the petition and special tax rate allows the City to annually levy the special tax on the property tax bill of the property. This option is only available if there are fewer than 12 registered voters living within the proposed annexation area; or
2. The applicant establishes a homeowner or property owner association to provide the ongoing operation and maintenance of the improvements.

The Property Owners listed above elected to annex their property into CFD No. 2014-01 and have the special tax applied to the annual property tax bill. The Office of the Riverside County Registrar of Voters confirmed there were no registered voters residing at the property, allowing a special election of the landowner. Adoption of the resolutions amends the District and adds the property to the tax rate area identified in the Fiscal Impact section of this report. The resolution also directs the recordation of the boundary maps (Attachments 3 and 4) and amended notice of special tax liens for the amendments. The City Clerk received and reviewed the Landowner Petitions and confirmed the Property Owners unanimously approved the annexation of their property into the District (Attachments 5 and 6).

Successful completion of the annexation process satisfies each project's condition of approval to provide a funding source for the operation and maintenance of public landscaping and/or street lighting.

ALTERNATIVES

1. Adopt the resolutions. *Staff recommends this alternative since it will annex the property into CFD No. 2014-01 at the request of the Property Owners and satisfy the condition of approval for the proposed developments.*
2. Do not adopt the resolutions. *Staff does not recommend this alternative because it is contrary to the request of the Property Owners, will not satisfy the condition of approval, and may delay development of the projects.*
3. Do not adopt the resolutions but rather continue the item to a future regularly scheduled City Council meeting. *Staff does not recommend this alternative as it will delay the Property Owners from satisfying the condition of approval and may delay development of the projects.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund the

services for each tax rate area within the District. The special tax can only be applied to a property tax bill of a parcel wherein the qualified electors (i.e., landowners or registered voters, depending upon the number of registered voters) have previously provided approval. If the projected revenue from the maximum special tax exceeds what is necessary to fund the services within the tax rate area, a lower amount will be applied to the property tax bill for all of the properties within the affected tax rate area. The maximum special tax rates are detailed below.

Property Owner Project ACP Record #	Amendment No.	Tax Rate Area ¹	FY 2021/22 Maximum Special Tax Rate ¹
Ada Velis Iglesias de Turcios ² Two single-family residences PEN18-0042/SCP21-0007	61	SL-01A	\$277.71/parcel
Alessandro Industrial No. 14 ³ 280,800 sq. ft. business park PEN20-0038/SCP20-0026	62	SL-02 LM-02B	\$4.53/front linear foot \$7.66/front linear foot
¹ The special tax applied to the property tax bill will be based on the needs of the tax rate area within the District. The applied special tax rate cannot exceed the maximum special tax rate. The FY 2021/22 applied rates for SL-01A (SFR Street Lighting, Perimeter and Interior Street Lighting) is \$38.40/SFR parcel. For SL-02 (Street Lighting for Property Other than SFR), is \$0.70/front linear foot. For LM-02B (Landscaping for Property other than SFR), it is \$3.59/front linear foot. ² One street light is to be installed along Angella Way. ³ Seven street lights are planned to be installed along Brodiaaea Ave., Rebecca St., and Alessandro Blvd. Landscape maintenance is for that area of the Alessandro median adjacent to the project.			

The maximum special tax rate is subject to an annual inflation adjustment based on the change in the Consumer Price Index (CPI) or five percent (5%), whichever is greater. However, the annual adjustment cannot be applied unless the City Council annually authorizes such adjustment. The increase to the maximum special tax rate cannot exceed the annual inflationary adjustment without a two-thirds approval of the qualified electors within the affected tax rate area.

NOTIFICATION

The annexation materials were mailed to the Property Owner on October 21, 2021. A cover letter, Landowner Petition, RMA, and an envelope to return the completed petition were included.

PREPARATION OF STAFF REPORT

Prepared by:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Brian Mohan
Assistant City Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

Objective 5.2: Promote the installation and maintenance of cost effective, low maintenance landscape, hardscape and other improvements which create a clean, inviting community.

ATTACHMENTS

To view large attachments, please click your “bookmarks”



on the left hand side of this document for the necessary attachment.

- 1. Resolution Ordering Annexation - Amendment No. 61
- 2. Resolution Ordering Annexation - Amendment No. 62
- 3. Boundary Map - Amendment No. 61
- 4. Boundary Map - Amendment No. 62
- 5. Certificate of Election Official - Amendment 61
- 6. Certificate of Election Official - Amendment 62

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 8:20 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:07 AM

RESOLUTION NO. 2021-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE ANNEXATION OF TERRITORY TO CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND APPROVING THE AMENDED MAP FOR SAID DISTRICT

WHEREAS, by its Resolution No. 2014-25, the City Council established the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD"), a citywide district, pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. 874, the City Council authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund street lighting services and landscape maintenance services; and

WHEREAS, by its Ordinance No. 980, the City Council authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD to fund Drainage and Street Maintenance Services; and

WHEREAS, in order to permit landowners to efficiently annex developing parcels to the CFD, the City Council, by its Ordinance No. 980 designated the entire territory of the City as a future annexation area for the CFD and approved the third amended and restated rate and method of apportionment for the Special Tax; and

WHEREAS, the landowner of the parcel(s) listed on Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference, has submitted to the City a petition requesting and approving annexation of the listed parcel(s) (the "Annexation Parcel(s)") to the CFD; and

WHEREAS, the Annexation Parcel(s) are comprised of the territory shown on the boundary map (the "Boundary Map") "Amendment No. 61 to Boundaries of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, County of Riverside, State of California" which is included as Exhibit B to this Resolution, and incorporated herein by this reference; and

WHEREAS, the City Council desires to annex the Annexation Parcel(s) to the CFD.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct and are herein incorporated.

1
Resolution No. 2021-____
Date Adopted: December 7, 2021

2. Annexation Approved. The Annexation Parcel(s) are hereby added to and part of the CFD with full legal effect. The Annexation Parcel(s) are subject to the Special Tax associated with the Tax Rate Area(s) indicated on Exhibit A to this Resolution.

3. Description of Services. The following is a general description of all services (the "Services") provided in the CFD:

A. Landscape Maintenance Services: Maintaining, servicing, and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

B. Street Lighting Services: Maintaining, servicing, and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City administrative and overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

C. Drainage and Street Maintenance Services: Maintaining, servicing, and operating drainage improvements and maintaining streets. Drainage improvements include public improvements and appurtenance (and associated easements) that are designed or used to capture, retain, detain, remove, transport, or treat surface water and storm water runoff. Fundable costs may include, but are not limited to: (i) contracting costs for street and drainage maintenance services, including litter removal, (ii) salaries and benefits of City staff if the City directly provides these services, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of streets and drainage improvements.

The Annexation Parcel(s) will only be provided with the services indicated on Exhibit A.

4. Amended Boundary Map. The Boundary Map attached hereto as Exhibit B is hereby approved. This map amends, and does not supersede, the existing maps of the

2

Resolution No. 2021-____
Date Adopted: December 7, 2021

CFD. The City Council directs that said map be filed with the Riverside County Recorder pursuant to Section 3113 of the Streets and Highways Code.

5. Notice of Special Tax Lien. The City Council directs that an amended notice of special tax lien be recorded pursuant to Section 3117.5 of the Streets and Highways Code with respect to the Annexation Parcel(s) associated with the Boundary Map.

6. This Resolution shall be effective immediately upon adoption.

7. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

8. Severability. That the City Council declares that, should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

9. Repeal of Conflicting Provisions. That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this 7th day of December 2021.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Amendment No. 61 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-____ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2021-____ 4
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Amendment No. 61 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

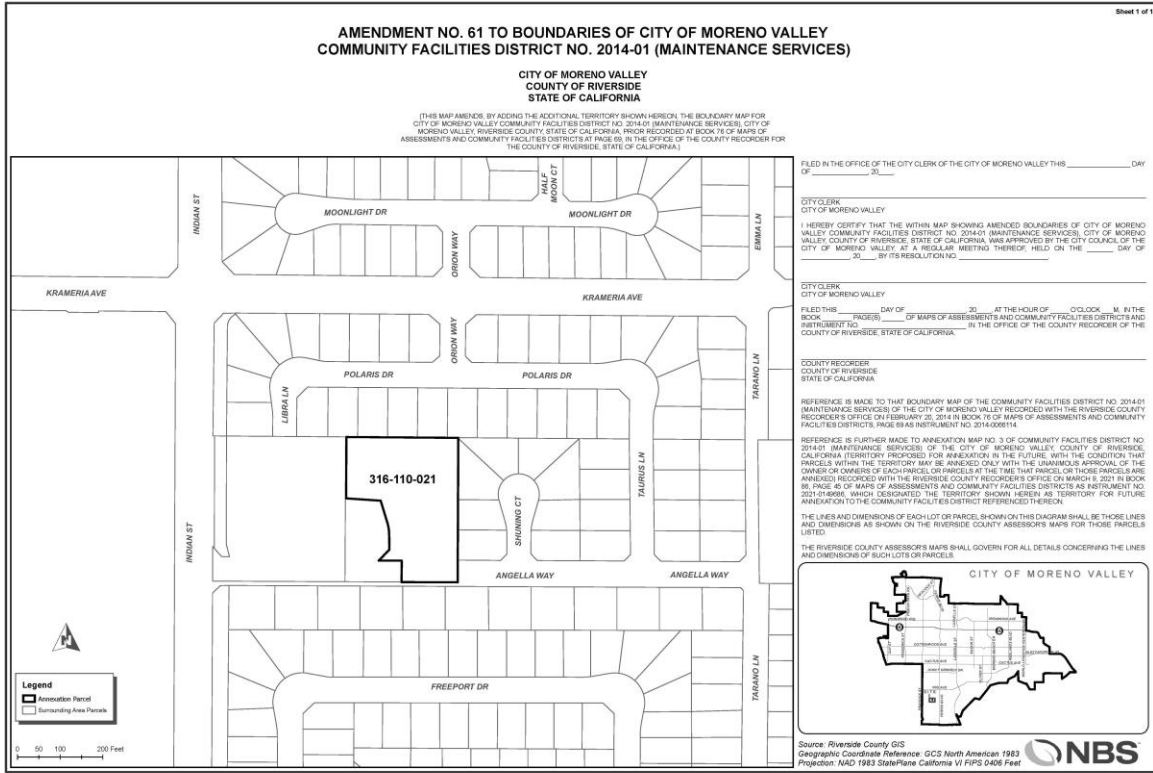
EXHIBIT A

List of Annexation Parcel(s)			
Boundary Map Amendment No.	Assessor's Parcel Numbers	Services	Tax Rate Area & Maintenance Category
61	316-110-021	Street Lighting	SL-01A
<p>Based on current development plans, it is anticipated that the Annexation Group will be in the Maintenance Category listed above; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.</p> <p>The parcels associated with a given development constitute a separate Annexation Group for purpose of calculating the applicable Maintenance Category (where applicable) for each Tax Rate Area. The anticipated Maintenance Category (where applicable) is shown in parenthesis following the Tax Rate Area. All capitalized terms in this paragraph have the meanings set forth in the Rate and Method of Apportionment.</p>			

Attachment: Resolution Ordering Annexation - Amendment No. 61 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

Resolution No. 2021-5
Date Adopted: December 7, 2021

EXHIBIT B



Attachment: Resolution Ordering Annexation - Amendment No. 61 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

6
Resolution No. 2021-_____
Date Adopted: December 7, 2021

RESOLUTION NO. 2021-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE ANNEXATION OF TERRITORY TO CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND APPROVING THE AMENDED MAP FOR SAID DISTRICT

WHEREAS, by its Resolution No. 2014-25, the City Council established the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD"), a citywide district, pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. 874, the City Council authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund street lighting services and landscape maintenance services; and

WHEREAS, by its Ordinance No. 980, the City Council authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD to fund Drainage and Street Maintenance Services; and

WHEREAS, in order to permit landowners to efficiently annex developing parcels to the CFD, the City Council, by its Ordinance No. 980 designated the entire territory of the City as a future annexation area for the CFD and approved the third amended and restated rate and method of apportionment for the Special Tax; and

WHEREAS, the landowner of the parcel(s) listed on Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference, has submitted to the City a petition requesting and approving annexation of the listed parcel(s) (the "Annexation Parcel(s)") to the CFD; and

WHEREAS, the Annexation Parcel(s) are comprised of the territory shown on the boundary map (the "Boundary Map") "Amendment No. 62 to Boundaries of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, County of Riverside, State of California" which is included as Exhibit B to this Resolution, and incorporated herein by this reference; and

WHEREAS, the City Council desires to annex the Annexation Parcel(s) to the CFD.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct and are herein incorporated.

1
Resolution No. 2021-____
Date Adopted: December 7, 2021

2. Annexation Approved. The Annexation Parcel(s) are hereby added to and part of the CFD with full legal effect. The Annexation Parcel(s) are subject to the Special Tax associated with the Tax Rate Area(s) indicated on Exhibit A to this Resolution.

3. Description of Services. The following is a general description of all services (the "Services") provided in the CFD:

A. Landscape Maintenance Services: Maintaining, servicing, and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

B. Street Lighting Services: Maintaining, servicing, and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City administrative and overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

C. Drainage and Street Maintenance Services: Maintaining, servicing, and operating drainage improvements and maintaining streets. Drainage improvements include public improvements and appurtenance (and associated easements) that are designed or used to capture, retain, detain, remove, transport, or treat surface water and storm water runoff. Fundable costs may include, but are not limited to: (i) contracting costs for street and drainage maintenance services, including litter removal, (ii) salaries and benefits of City staff if the City directly provides these services, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of streets and drainage improvements.

The Annexation Parcel(s) will only be provided with the services indicated on Exhibit A.

4. Amended Boundary Map. The Boundary Map attached hereto as Exhibit B is hereby approved. This map amends, and does not supersede, the existing maps of the

2

Resolution No. 2021-____
Date Adopted: December 7, 2021

CFD. The City Council directs that said map be filed with the Riverside County Recorder pursuant to Section 3113 of the Streets and Highways Code.

5. Notice of Special Tax Lien. The City Council directs that an amended notice of special tax lien be recorded pursuant to Section 3117.5 of the Streets and Highways Code with respect to the Annexation Parcel(s) associated with the Boundary Map.

6. This Resolution shall be effective immediately upon adoption.

7. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

8. Severability. That the City Council declares that, should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

9. Repeal of Conflicting Provisions. That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this 7th day of December 2021.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Resolution No. 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Amendment No. 62 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-____ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2021-____ 4
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Amendment No. 62 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

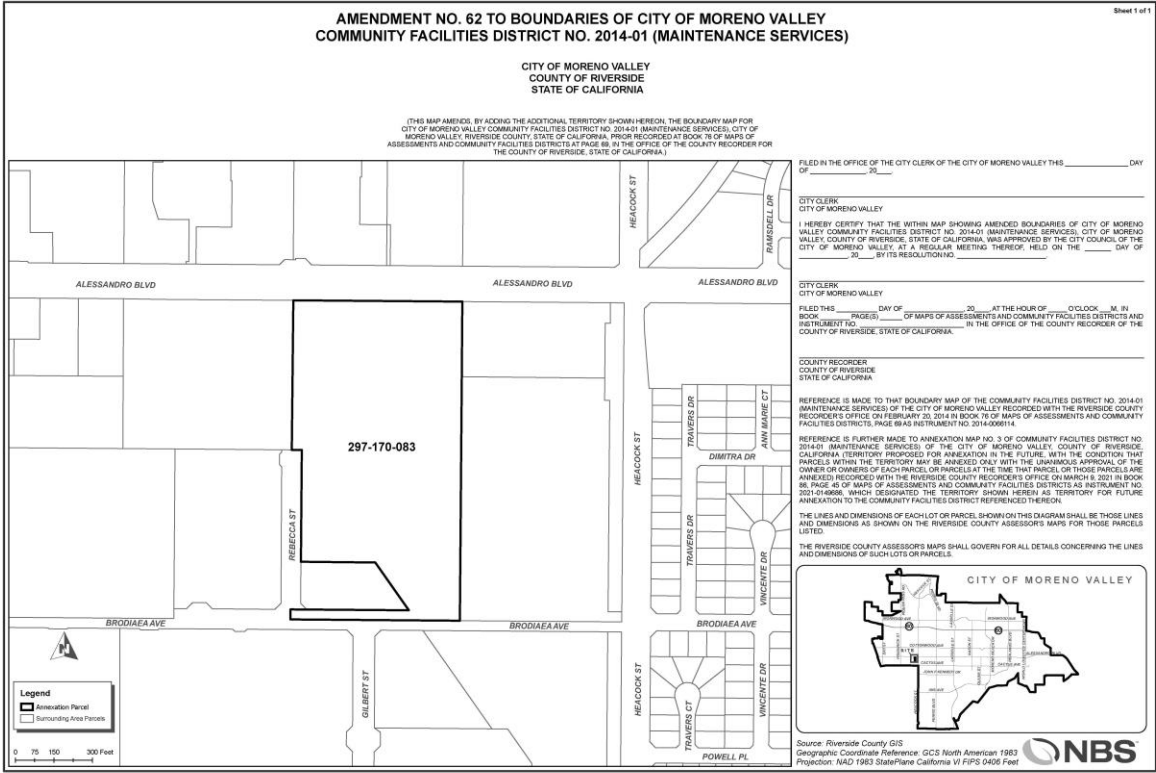
EXHIBIT A

List of Annexation Parcel(s)			
Boundary Map Amendment No.	Assessor's Parcel Numbers	Services	Tax Rate Area & Maintenance Category
62	297-170-083	Street Lighting	SL-02
		Landscape Maintenance	LM-02B
<p>Based on current development plans, it is anticipated that the Annexation Group will be in the Maintenance Category listed above; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.</p> <p>The parcels associated with a given development constitute a separate Annexation Group for purpose of calculating the applicable Maintenance Category (where applicable) for each Tax Rate Area. The anticipated Maintenance Category (where applicable) is shown in parenthesis following the Tax Rate Area. All capitalized terms in this paragraph have the meanings set forth in the Rate and Method of Apportionment.</p>			

Attachment: Resolution Ordering Annexation - Amendment No. 62 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

5
 Resolution No. 2021-____
 Date Adopted: December 7, 2021

EXHIBIT B



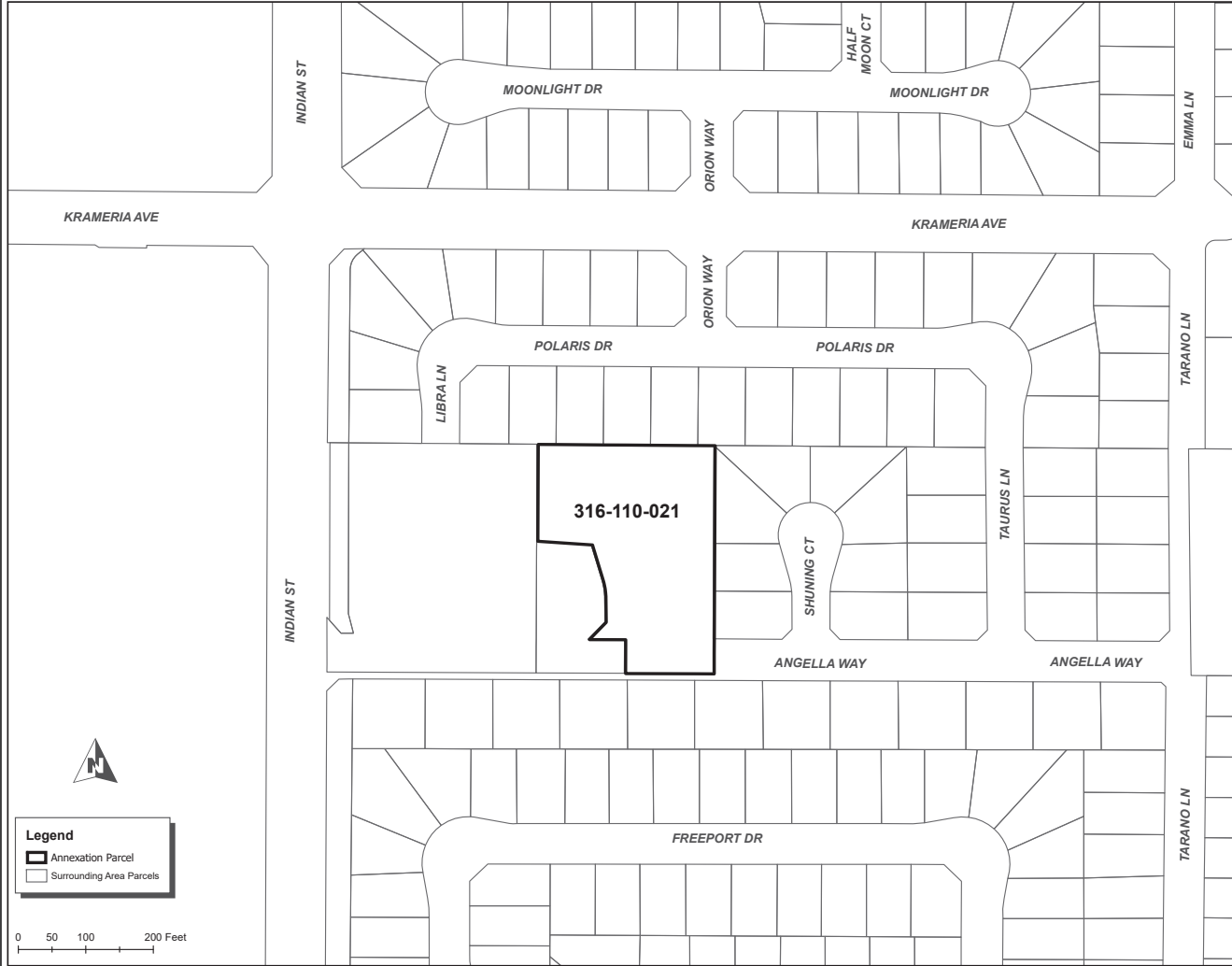
Attachment: Resolution Ordering Annexation - Amendment No. 62 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS

Resolution No. 2021-____
Date Adopted: December 7, 2021

AMENDMENT NO. 61 TO BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES)

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

(THIS MAP AMENDS, BY ADDING THE ADDITIONAL TERRITORY SHOWN HEREON, THE BOUNDARY MAP FOR CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, RIVERSIDE COUNTY, STATE OF CALIFORNIA, PRIOR RECORDED AT BOOK 76 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE 69, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.)



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS _____ DAY OF _____, 20____.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20____, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____, 20____, AT THE HOUR OF _____ O'CLOCK _____ OF THE _____ PAGE(S) _____ OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

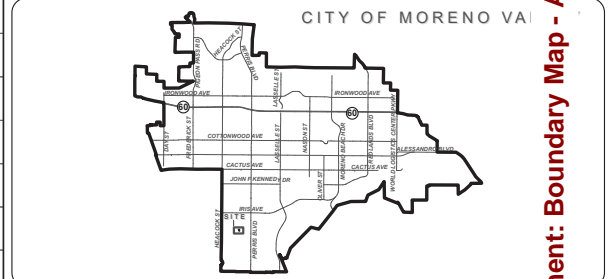
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY, COUNTY OF CALIFORNIA (TERRITORY PROPOSED FOR ANNEXATION IN THE FUTURE, WITH THE CONDITION THAT PARCELS WITHIN THE TERRITORY MAY BE ANNEXED ONLY WITH THE UNANIMOUS APPROVAL OF THE CITY COUNCIL OR OWNERS OF EACH PARCEL OR PARCELS AT THE TIME THAT PARCEL OR THOSE PARCELS ARE ANNEXED) RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON MARCH 9, 2014 AS INSTRUMENT NO. 2014-0149686, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE LOTS OR PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



Source: Riverside County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 0406 Feet

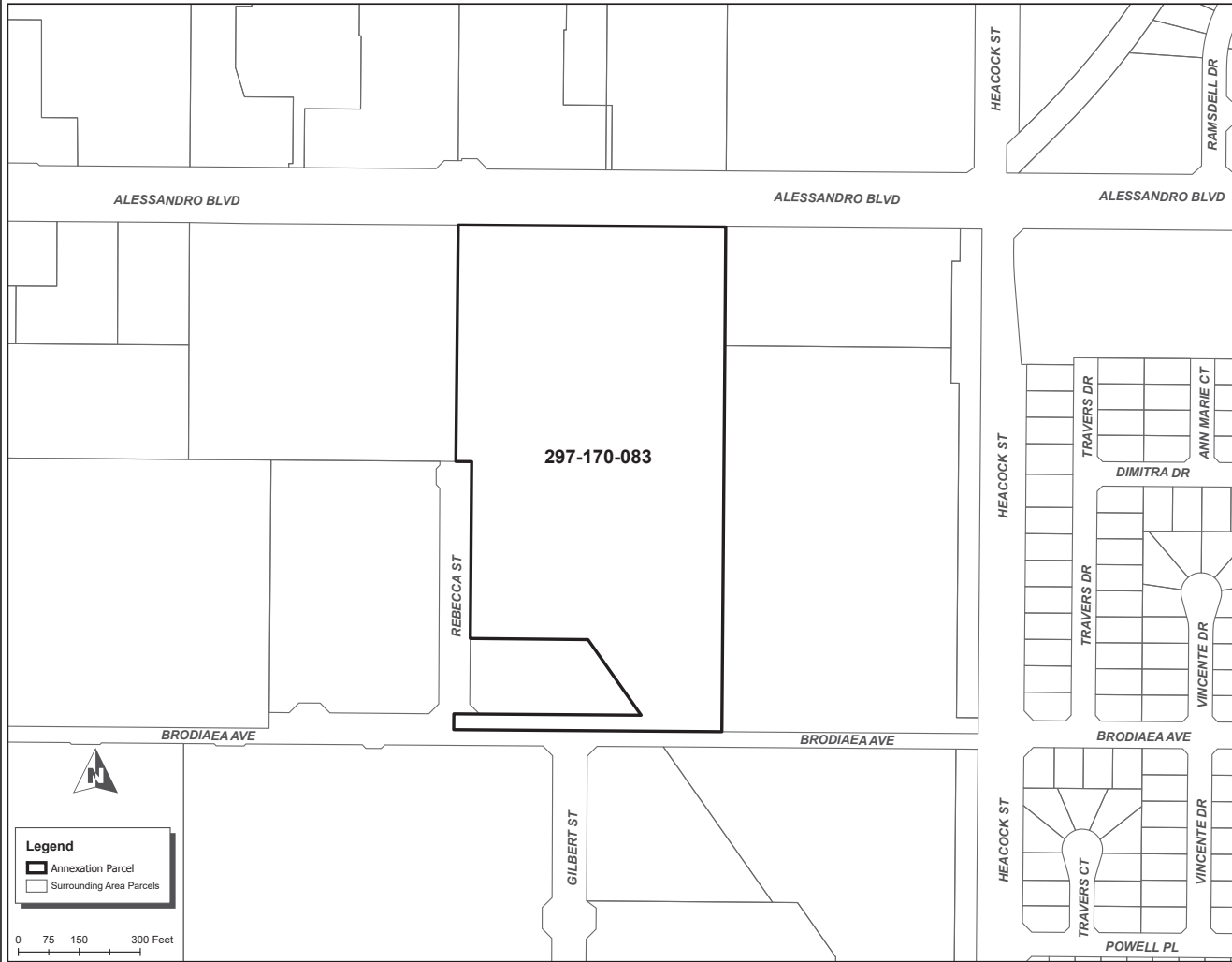


Attachment: Boundary Map - Amendment No. 61 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX

AMENDMENT NO. 62 TO BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES)

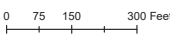
CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

(THIS MAP AMENDS, BY ADDING THE ADDITIONAL TERRITORY SHOWN HEREON, THE BOUNDARY MAP FOR CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, RIVERSIDE COUNTY, STATE OF CALIFORNIA, PRIOR RECORDED AT BOOK 76 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE 69, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.)



Legend

- Annexation Parcel
- Surrounding Area Parcels



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS _____ DAY OF _____, 20__.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 20__ BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____, 20__, AT THE HOUR OF _____ O'CLOCK, IN BOOK _____ PAGE(S) _____ OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

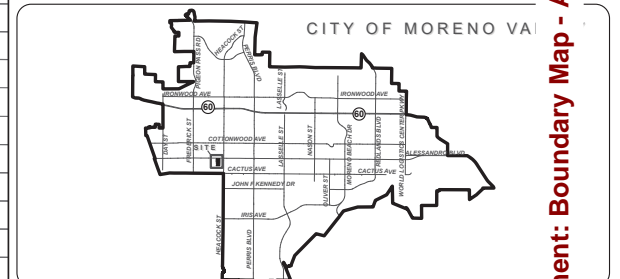
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 3 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY, COUNTY OF CALIFORNIA (TERRITORY PROPOSED FOR ANNEXATION IN THE FUTURE, WITH THE CONDITION THAT PARCELS WITHIN THE TERRITORY MAY BE ANNEXED ONLY WITH THE UNANIMOUS APPROVAL OF THE OWNER OR OWNERS OF EACH PARCEL OR PARCELS AT THE TIME THAT PARCEL OR THOSE PARCELS ARE ANNEXED) RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON MARCH 9, 2014 IN BOOK 86, PAGE 45 OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2014-0149686, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE TRUE AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



Source: Riverside County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 0406 Feet



Attachment: Boundary Map - Amendment No. 62 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX

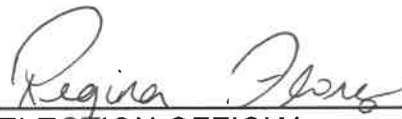
**CERTIFICATE OF ELECTION OFFICIAL
AND CONFIRMATION OF LANDOWNER PETITION**

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

The undersigned, Election Official of the City of Moreno Valley, County of Riverside, State of California, Does Hereby Certify that on **November 5, 2021**, I did verify the completeness of the Landowner Petition for the annexation of property into

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01
(MAINTENANCE SERVICES) – AMENDMENT NO. 61

WITNESS my hand this **5th** day of **November**, 2021.



ELECTION OFFICIAL
CITY OF MORENO VALLEY
STATE OF CALIFORNIA

Attachment: Certificate of Election Official - Amendment 61 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO


**CERTIFICATE OF ELECTION OFFICIAL
AND CONFIRMATION OF LANDOWNER PETITION**

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

The undersigned, Election Official of the City of Moreno Valley, County of Riverside, State of California, Does Hereby Certify that on **November 5, 2021**, I did verify the completeness of the Landowner Petition for the annexation of property into

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01
(MAINTENANCE SERVICES) – AMENDMENT NO. **62**

WITNESS my hand this **5th** day of **November**, 2021.

for 

ELECTION OFFICIAL
CITY OF MORENO VALLEY
STATE OF CALIFORNIA

Attachment: Certificate of Election Official - Amendment 62 (5552 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: RECEIPT OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2021

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended September 30, 2021, in compliance with the City's Investment Policy.

SUMMARY

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended September 30, 2021. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

DISCUSSION

The City maintains a portfolio of investments in order to earn interest on cash balances that are not currently required to fund operations. California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolios of local agencies. In keeping with best practices the City has implemented an Investment Policy, which was last reviewed by the City Council on May 5, 2021. The policy is in full compliance with the requirements of both of the above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City’s cash and investments for the quarter that ended September 30, 2021. The report complies with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City’s Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City’s investment policy has set the primary goals of the portfolio management as Safety and Liquidity followed by Yield. The City’s cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City’s pooled investment funds with the Local Agency Investment Fund (LAIF). LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. With the combined use of a conservative approach to evaluating cash flow needs and LAIF liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment.

The table shows some of the key portfolio measures for the month.

	Portfolio, Balance	Avg. Yield to Maturity Trends		
		Sept 2021	Aug 2021	Sept 2020
Investments	\$174,624,047	1.38%	1.40%	1.87%
LAIF	\$106,832,983	0.206%	0.221%	0.685%

Bond proceeds are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. Deferred Compensation Plan funds are not included in the report since these funds are held and invested by the respective plan administrators based on the direction of the participating employees. These funds are placed in a trust separate from City funds.

ALTERNATIVES

1. Receive and file the Quarterly Investment Report for September 30, 2021. **Staff recommends this alternative as it accomplishes timely investment reporting.**
2. Do not accept and file the Quarterly Investment Report and provide staff with additional direction. **Staff does not recommend this alternative as it will not accomplish timely investment reporting.**

FISCAL IMPACT

For additional information regarding the bond market, please see the attached Bond Market Review provided by Chandler Asset Management.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Brian Mohan
Assistant City Manager/Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

1. 2021-09 Investment Report

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 8:25 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:11 AM

CITY OF MORENO VALLEY
Treasurer's Cash and Investments Report
September 2021

General Portfolio	Cost Value	Market Value	Par Value	Average Maturity (in years)	Average Yield to Maturity	Average Duration (in years)
Bank Accounts	6,887,751	6,887,751	6,887,751			
State of California LAIF Pool	106,832,983	106,819,486	106,832,983	0.89	0.206%	
Investments	176,072,191	177,992,408	174,624,047	2.87	1.38%	2.59
Total General Portfolio	289,792,925	291,699,645	288,344,781			
Total Funds with Fiscal Agents		9,387,611				
Total Investment Portfolio		301,087,256				

1. I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. There are no items of non-compliance for this period.
2. The market values for the investments in the General Portfolio are provided by the City's investment advisors.
3. The market value for LAIF is provided by the State Treasurer's Office.
4. The market values for investments held by fiscal agents are provided by each respective trustee or fiscal agent.
5. The City has the ability to meet its budgeted expenditures for the next six months pending any future action by City Council or any unforeseen catastrophic event.

/S/ Brian Mohan
 City Treasurer

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT -

PORTFOLIO PERFORMANCE - 36 MONTH TREND

Period	Total General Portfolio (1)		Local Agency Investment Fund (LAIF)		Chandler Asset Management (CAM)				Insight Asset Management			
	Asset Balance (par)	Avg YTM (2)	Balance	Yield	Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)		Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)	
							Investment Portfolio (4)	Benchmark 1-5 Gov(5)			Investment Portfolio (4)	Benchmark 1-3 Gov(5)
Oct-18	188,925,543		39,668,140	2.144%	88,887,254	2.09%	-0.90%	-0.31%	56,473,609	1.80%	0.97%	0.25%
Nov-18	192,152,043		42,768,140	2.208%	89,084,357	2.13%	0.57%	0.40%	56,568,013	1.83%	1.52%	2.25%
Dec-18	197,462,474		46,268,140	2.291%	89,215,211	2.14%	1.52%	1.47%	56,671,250	1.90%	1.68%	2.33%
Jan-19	195,050,449		45,553,390	2.355%	89,373,064	2.15%	2.50%	2.45%	56,704,121	1.96%	0.31%	2.40%
Feb-19	211,740,422		62,553,390	2.392%	89,552,434	2.17%	2.84%	2.68%	56,761,069	2.13%	0.29%	2.44%
Mar-19	216,770,725		66,553,390	2.436%	89,668,393	2.21%	3.40%	3.28%	56,827,466	2.11%	0.47%	2.72%
Apr-19	206,696,569		59,210,262	2.445%	89,757,226	2.23%	3.83%	3.76%	56,986,412	2.10%	1.12%	3.08%
May-19	217,014,248		56,910,262	2.449%	100,691,487	2.25%	4.22%	4.27%	57,041,732	2.06%	1.51%	2.52%
Jun-19	225,003,102		62,910,263	2.428%	100,533,542	2.19%	4.88%	5.01%	57,126,387	1.98%	1.85%	2.57%
Jul-19	215,879,596	2.16%	53,598,980	2.379%	157,563,906	2.15%	-0.05%	-0.15%				
Aug-19	209,798,005	2.17%	50,148,980	2.341%	160,310,760	2.15%	5.44%	5.65%				
Sep-19	211,426,202	2.14%	49,048,980	2.280%	157,687,693	2.13%	5.46%	5.69%				
Oct-19	214,964,798	2.12%	54,181,584	2.190%	157,861,930	2.14%	5.77%	5.93%				
Nov-19	214,680,646	2.08%	53,481,584	2.103%	158,054,077	2.13%	5.33%	5.39%				
Dec-19	212,612,925	2.06%	50,681,584	2.043%	158,388,112	2.12%	4.48%	4.44%				
Jan-20	229,167,101	1.94%	55,970,504	1.967%	158,699,920	2.12%	4.87%	4.91%				
Feb-20	230,049,439	1.99%	66,570,054	1.912%	158,969,268	2.09%	5.79%	6.00%				
Mar-20	225,363,037	1.94%	62,570,054	1.787%	159,105,226	2.06%	5.56%	6.45%				
Apr-20	225,445,326	1.85%	62,878,795	1.648%	159,403,581	2.04%	6.06%	6.63%				
May-20	219,117,777	1.77%	55,278,795	1.363%	159,679,729	1.97%	5.69%	5.90%				
Jun-20	236,772,134	1.68%	72,778,795	1.217%	160,035,042	1.95%	5.34%	5.32%				
Jul-20	226,372,547	1.60%	61,612,184	0.920%	160,406,297	1.93%	5.67%	5.70%				
Aug-20	223,935,560	1.57%	58,612,184	0.784%	160,692,610	1.90%	4.65%	4.45%				
Sep-20	218,568,986	1.54%	53,112,184	0.685%	161,062,847	1.87%	4.82%	4.68%				
Oct-20	215,409,591	1.53%	49,242,648	0.620%	161,363,505	1.85%	4.43%	4.23%				
Nov-20	219,911,125	1.45%	52,542,648	0.576%	161,645,491	1.79%	4.60%	4.43%				
Dec-20	222,707,950	1.41%	56,542,648	0.540%	162,067,058	1.75%	4.59%	4.36%				
Jan-21	247,976,895	1.26%	76,625,187	0.458%	162,426,675	1.72%	3.70%	3.42%				
Feb-21	261,300,356	1.19%	92,625,187	0.407%	162,768,446	1.68%	2.27%	1.89%				
Mar-21	252,962,115	1.18%	83,325,187	0.357%	163,251,768	1.64%	1.56%	0.49%				
Apr-21	258,986,067	1.14%	83,309,833	0.339%	163,515,676	1.64%	1.10%	0.34%				
May-21	293,505,179	1.01%	122,550,449	0.315%	163,706,976	1.59%	0.83%	0.25%				
Jun-21	300,785,514	0.95%	129,050,449	0.262%	164,046,885	1.54%	0.31%	-0.09%				
Jul-21	289,495,404	0.96%	110,832,982	0.221%	174,080,540	1.45%	0.39%	0.04%				
Aug-21	286,942,097	0.93%	106,832,983	0.221%	174,309,851	1.40%	0.29%	0.01%				
Sep-21	288,344,781	0.92%	106,832,983	0.206%	174,624,047	1.38%	0.02%	-0.27%				

Notes:

(1) Total General Portfolio includes all assets that comprise the City's Investment Portfolio which is LAIF as well as assets managed by Chandler Asset Management.

(2) Yield to Maturity (YTM): The rate of return on an investment or security if it were to be held until maturity. This yield does not reflect changes in the market value of a security

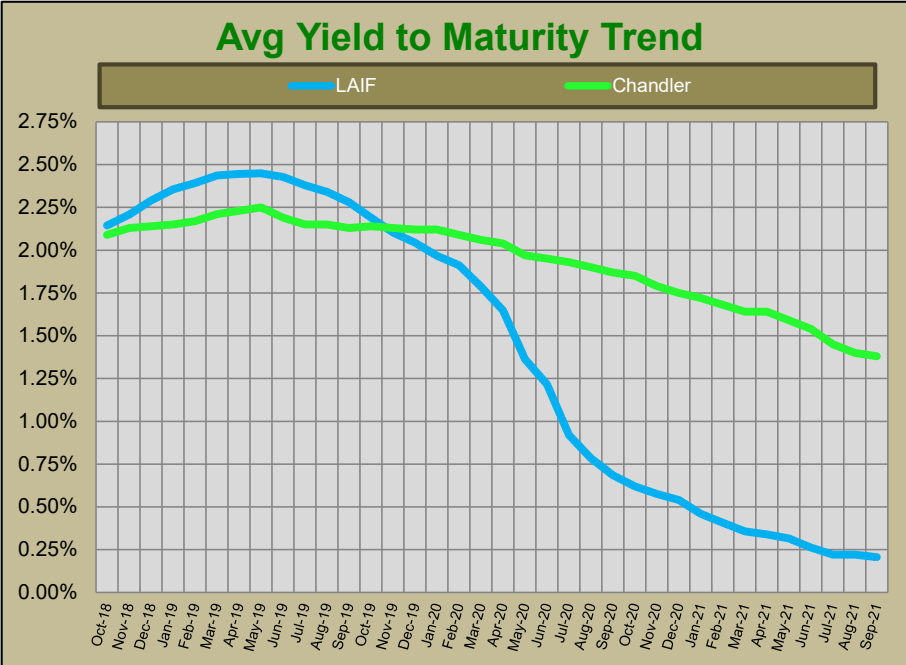
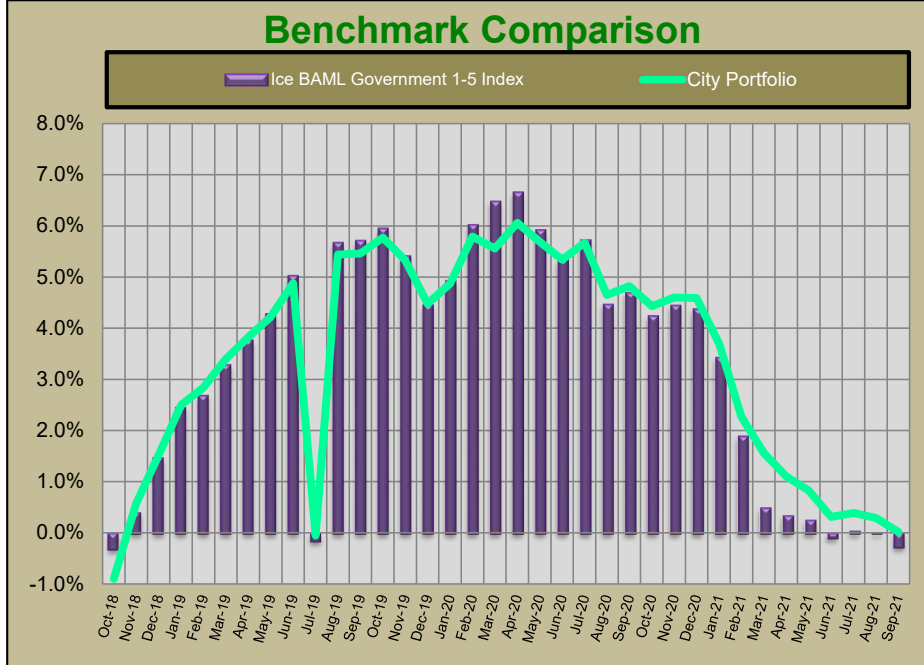
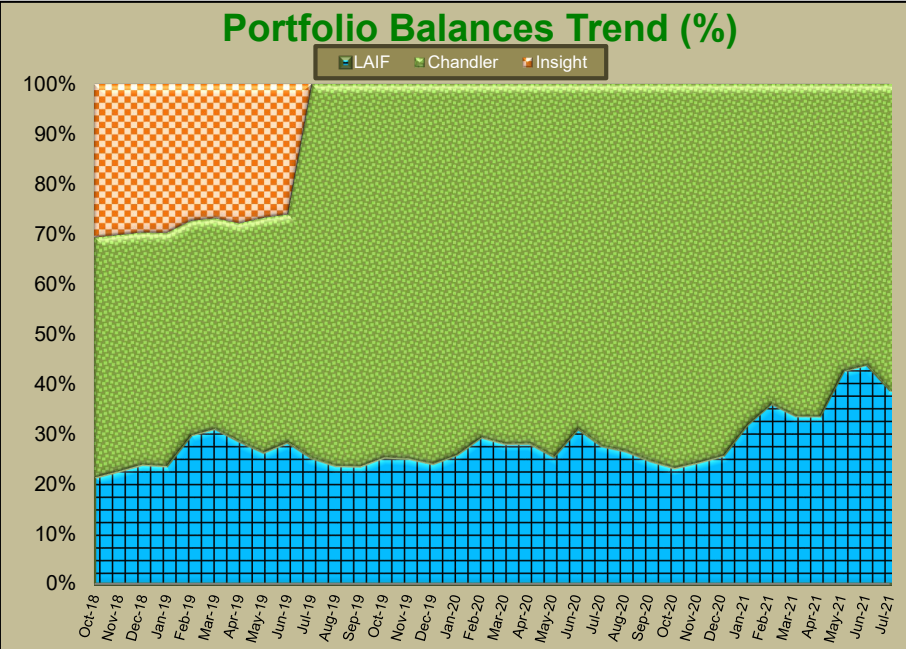
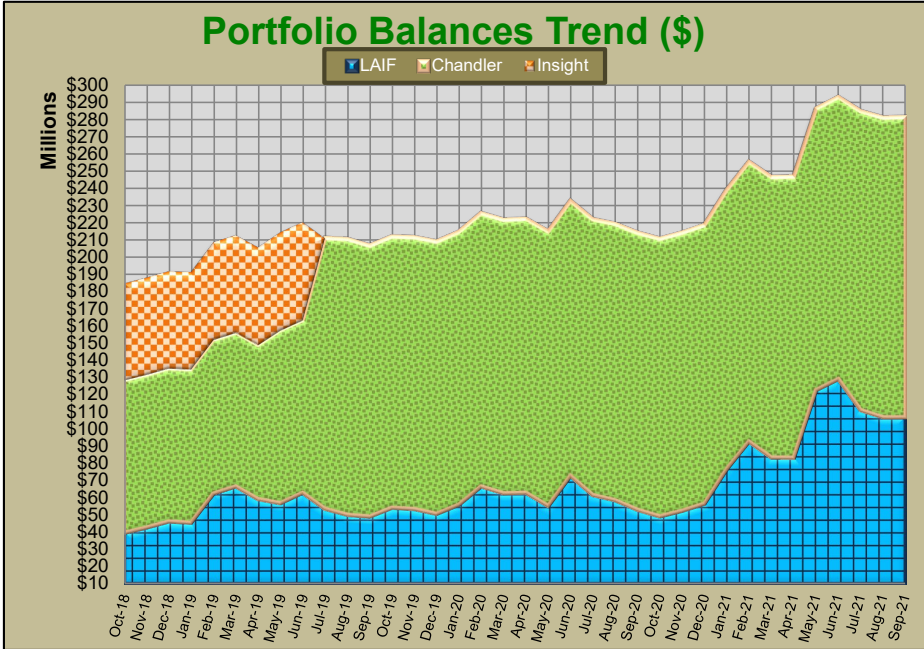
(3) Rate of Return represents the gain or loss on an investment or portfolio of investments over a specified period, expressed as a percentage of increase over the initial investment cost. Gains on investments are considered to be any income received from the security or portfolio plus any realized capital gain. This measure of return recognizes the changes in market values of a security or portfolio of securities.

(4) The Rate of Return for the investment portfolio reflects the performance of the portfolio during the past twelve months.

(5) The portfolio benchmark is the ICE Bank of America-Merrill Lynch 1 to 5 year Government Index

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT -

PORTFOLIO PERFORMANCE - 36 MONTH TREND



PORTFOLIO CHARACTERISTICS

The portfolio invested in LAIF represents the City's immediate cash liquidity needs and is managed by City staff in a manner to fund the day to day operations of the City.
 The portfolio managed by Chandler is comprised of idle cash balances related to funds that generally expect to expire within the next 12 to 60 months.

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FUNDS WITH FISCAL AGENTS

By Investment Type

Trustee	Bond Description	Investment Type	Issuer	Value Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio
Wells Fargo	CFD # 5	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ 550,453	0.01%	0.01%	1.00	5.86%
Wells Fargo	Community Facilities District 87-1 (IA-1)	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ 1,927,487	0.01%	0.01%	1.00	20.53%
Wells Fargo	2013 Partial Refunding of the 2005 Lease Revenue Bonds	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ -	0.01%	0.01%	1.00	0.00%
Wells Fargo	2014 Partial Refunding of the 2005 Lease Revenue Bonds	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ 2	0.01%	0.01%	1.00	0.00%
Wells Fargo	2015 Taxable Lease Revenue Bonds (Electric Utility)	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ 1	0.01%	0.01%	1.00	0.00%
Wells Fargo	2016 Taxable Refunding Lease Revenue Bonds (Electric Utility)	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ 4	0.01%	0.01%	1.00	0.00%
Wells Fargo	2016 Community Facilities District 7 Improvement Area 1	Money Market	83309833	9/30/2021	10/1/2021	\$ 248,707	0.01%	0.01%	1.00	2.65%
Wells Fargo	2017 Refunding of the 2007 RDA TABs	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ 753,500	0.01%	0.01%	1.00	8.03%
Wells Fargo	2019 Taxable Lease Revenue Bonds (Electric Utility)	Money Market	WF Government Fund	9/30/2021	10/1/2021	\$ 5,906,651	0.01%	0.01%	1.00	62.92%
Wilmington Trust	2020 Taxable Refunding of the 2013 TRIP COPs	Money Market	Federated Hermes Gov Fund	9/30/2021	10/1/2021	\$ 806	0.00%	0.00%	1.00	0.01%
Total						<u>\$ 9,387,611</u>				<u>100.00%</u>

By Fund Purpose

Trustee	Bond Description	Construction fund	Debt Service	Reserve & Other	Total
Wells Fargo	CFD # 5	\$0	\$4,453	\$546,000	\$550,453
Wells Fargo	Community Facilities District 87-1 (IA-1)	\$0	\$898,769	\$1,028,718	\$1,927,487
Wells Fargo	2013 Partial Refunding of the 2005 Lease Revenue Bonds	\$0	\$0	\$0	\$0
Wells Fargo	2014 Partial Refunding of the 2005 Lease Revenue Bonds	\$0	\$2	\$0	\$2
Wells Fargo	2015 Taxable Lease Revenue Bonds (Electric Utility)	\$0	\$1	\$0	\$1
Wells Fargo	2016 Taxable Refunding Lease Revenue Bonds (Electric Utility)	\$0	\$4	\$0	\$4
Wells Fargo	2016 Community Facilities District 7 Improvement Area 1	\$0	\$14	\$248,693	\$248,707
Wells Fargo	2017 Refunding of the 2007 RDA TABs	\$0	\$753,500	\$0	\$753,500
Wells Fargo	2019 Taxable Lease Revenue Bonds (Electric Utility)	\$5,906,650	\$1	\$0	\$5,906,651
Wilmington Trust	2020 Taxable Refunding of the 2013 TRIP COPs	\$0	\$806	\$0	\$806
Total		<u>\$5,906,650</u>	<u>\$1,657,550</u>	<u>\$1,823,411</u>	<u>\$9,387,611</u>



City of Moreno Valley - Account #10119

MONTHLY ACCOUNT STATEMENT

SEPTEMBER 1, 2021 THROUGH SEPTEMBER 30, 2021

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

US Bank
Ryan Morris
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.

PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.59
Average Coupon	1.61%
Average Purchase YTM	1.38%
Average Market YTM	0.57%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.87 yrs
Average Life	2.65 yrs

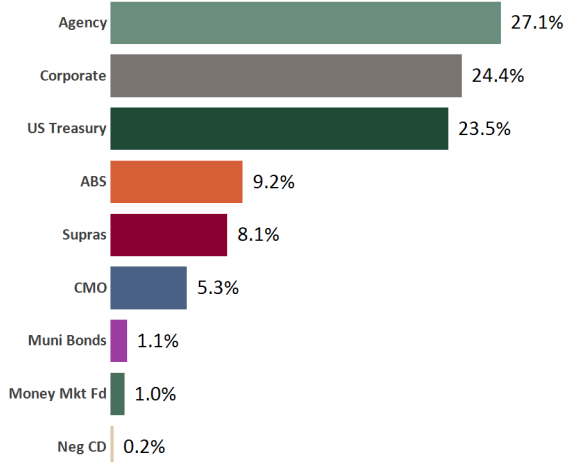
ACCOUNT SUMMARY

	Beg. Values as of 8/31/21	End Values as of 9/30/21
Market Value	178,428,413	177,992,408
Accrued Interest	626,849	602,364
Total Market Value	179,055,262	178,594,772
Income Earned	208,028	203,471
Cont/WD		1
Par	174,309,851	174,624,047
Book Value	175,196,876	175,448,643
Cost Value	175,810,588	176,072,191

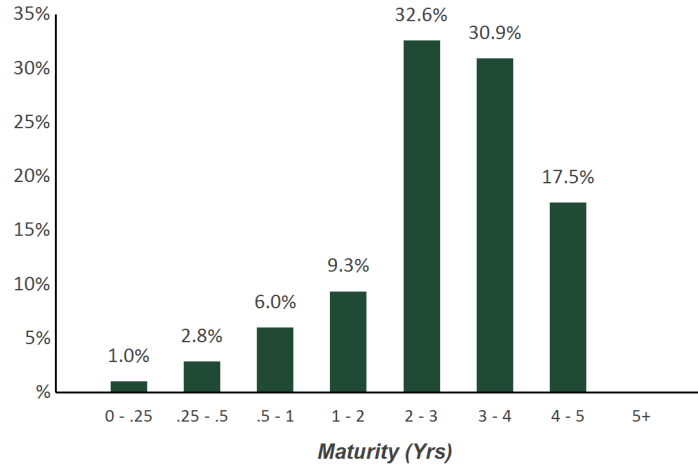
TOP ISSUERS

Government of United States	23.5%
Federal Home Loan Mortgage Corp	14.0%
Federal National Mortgage Assoc	11.4%
Federal Home Loan Bank	7.1%
Inter-American Dev Bank	3.4%
Intl Bank Recon and Development	3.3%
Bank of America Corp	1.9%
Toyota Motor Corp	1.8%
Total	66.3%

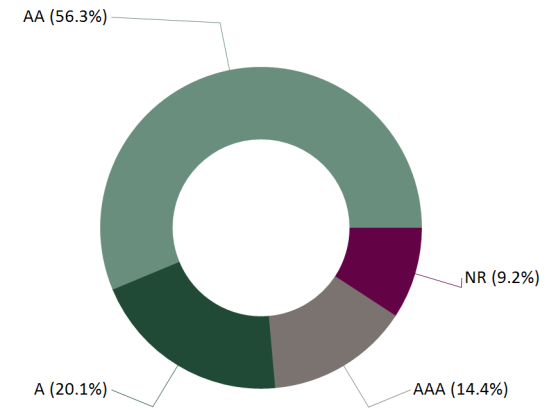
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/20
City of Moreno Valley	-0.26%	0.03%	-0.24%	0.02%	2.39%	3.40%	2.10%	1.79%	1.96%
ICE BofA 1-5 Yr US Treasury & Agency Index	-0.28%	0.00%	-0.41%	-0.38%	2.06%	3.23%	1.80%	1.46%	1.66%
ICE BofA 1-5 Yr AAA-A US Corp & Govt Index	-0.28%	0.01%	-0.37%	-0.27%	2.17%	3.33%	1.92%	1.63%	1.82%

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT -

Statement of Compliance

As of September 30, 2021

City of Moreno Valley

Assets managed by Chandler Asset Management are in full compliance with state law and with the City's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	<i>Complies</i>
U.S. Agency Issues	No Limitation	<i>Complies</i>
Supranational Securities	"AA" rating by a NRSRO; 30% maximum; 5% max per issuer; Issued by International Bank for Reconstruction (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) only	<i>Complies</i>
Municipal Securities (Local Agency/State-CA and others)	No Limitation	<i>Complies</i>
Banker's Acceptances	40% maximum; 5% max per issuer; 180 days max maturity	<i>Complies</i>
Commercial Paper	"A-1/P-1/F-1" minimum ratings; "A" rated issuer or higher, if long term debt issued; 25% maximum; 5% max per issuer; 270 days max maturity	<i>Complies</i>
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	<i>Complies</i>
Medium Term Notes	"A" rating or better by a NRSRO; 30% maximum; 5% max per issuer	<i>Complies</i>
Money Market Mutual Funds and Mutual Funds	AAA/Aaa or Highest rating by two NRSROs; 20% maximum	<i>Complies</i>
Certificates of Deposit (CD)/ Time Deposit (TD)/ Bank Deposit (Collateralized/FDIC insured)	5% max per issuer	<i>Complies</i>
Asset-Backed Securities, Mortgage Pass-Through Securities, Collateralized Mortgage Backed Securities	"AA" rating or better by a NRSRO; 20% maximum (combined MBS/ABS/CMO); 5% max per issuer	<i>Complies</i>
Repurchase Agreements	1 year max maturity	<i>Complies</i>
Local Agency Investment Fund (LAIF)	Maximum program limitation; Not used by investment adviser	<i>Complies</i>
County Pooled Investment Funds; Joint Powers Authority Pool	Not used by investment adviser	<i>Complies</i>
Prohibited Securities	Reverse repurchase agreements; Futures or Option contracts; Securities lending; Zero interest accrual securities; Derivatives including but not limited to: Inverse floaters, Interest only strips from mortgages, residual securities, structured notes, forward based derivatives, forward contracts, forward rate agreements, interest rate futures, foreign currency futures contracts, option based derivatives, interest rate caps, interest rate floors, swap contracts, interest rate swaps, interest rate collars, foreign currency swaps, cross currency exchange agreements, fixed rate currency swaps, basis swaps, equity swaps, fixed rate equity swaps, floating rate equity swaps and commodity swaps.	<i>Complies</i>
Max Per Issuer	5% of portfolio per issuer, except US Government, its agencies and instrumentalities	<i>Complies</i>
Maximum Maturity	5 years	<i>Complies</i>
Weighted Average Maturity	3 years	<i>Complies</i>

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT -

Holdings Report

As of September 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	37,520.65	08/21/2018 2.98%	37,515.50 37,519.50	100.22 0.22%	37,604.92 30.75	0.02% 85.42	Aaa / NR AAA	0.8 0.0
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	67,256.30	07/25/2019 2.31%	67,968.27 67,473.50	100.12 0.03%	67,338.42 88.48	0.04% (135.08)	Aaa / AAA NR	0.9 0.0
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	34,222.41	07/18/2018 3.10%	34,219.82 34,221.74	100.19 0.18%	34,287.88 46.85	0.02% 66.14	Aaa / NR AAA	1.1 0.0
58770FAC6	Mercedes Benz Auto Lease Trust 2020- A A3 1.84% Due 12/15/2022	426,564.73	01/21/2020 1.85%	426,508.51 426,541.19	100.51 0.20%	428,727.84 348.84	0.24% 2,186.65	Aaa / AAA NR	1.2 0.3
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	190,667.25	09/16/2019 1.67%	193,318.71 191,079.57	100.49 0.41%	191,600.95 259.31	0.11% 521.38	Aaa / AAA NR	1.4 0.1
47789JAD8	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	518,868.62	08/27/2019 1.90%	529,671.63 522,043.63	100.88 0.11%	523,422.21 671.07	0.29% 1,378.58	Aaa / NR AAA	1.7 0.3
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	819,889.63	08/20/2019 1.79%	819,882.83 819,887.50	100.75 0.23%	826,002.73 648.62	0.46% 6,115.23	Aaa / AAA NR	1.8 0.4
58769EAC2	Mercedes-Benz Auto Lease Trust 2020- B A3 0.4% Due 11/15/2023	525,000.00	09/15/2020 0.40%	524,973.38 524,985.14	100.15 0.24%	525,800.63 93.33	0.29% 815.49	NR / AAA AAA	2.1 0.9
477870AC3	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	336,826.50	07/16/2019 2.23%	336,754.98 336,790.63	100.95 0.27%	340,036.12 330.84	0.19% 3,245.49	Aaa / NR AAA	2.2 0.4
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	785,000.00	10/01/2019 1.95%	784,939.48 784,965.91	100.99 0.23%	792,752.66 465.33	0.44% 7,786.75	NR / AAA AAA	2.5 0.5
44891VAC5	Hyundai Auto Lease Trust 2021-B A3 0.33% Due 6/17/2024	1,020,000.00	06/08/2021 0.34%	1,019,847.00 1,019,866.94	99.90 0.39%	1,018,972.86 149.60	0.57% (894.08)	Aaa / AAA NR	2.7 1.6
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	1,021,308.77	10/16/2019 1.94%	1,021,254.84 1,021,276.98	101.00 0.22%	1,031,511.64 876.06	0.58% 10,234.66	Aaa / AAA NR	2.7 0.5
43813DAC2	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	525,000.00	05/18/2020 0.83%	524,958.68 524,972.14	100.52 0.24%	527,722.13 191.33	0.30% 2,749.99	Aaa / AAA NR	2.7 0.8
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	865,000.00	03/04/2020 1.11%	864,947.15 864,965.74	100.69 0.22%	870,983.21 422.89	0.49% 6,017.47	Aaa / NR AAA	2.8 0.78

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Holdings Report

As of September 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	870,000.00	09/22/2020 0.38%	869,872.20 869,913.16	100.11 0.28%	870,971.79 116.24	0.49% 1,058.63	NR / AAA AAA	3.0 1.2
36262XAC8	GM Financial Auto Lease Trust 2021-3 A2 0.39% Due 10/21/2024	1,220,000.00	08/10/2021 0.39%	1,219,983.41 1,219,984.23	99.93 0.43%	1,219,189.92 145.38	0.68% (794.31)	NR / AAA AAA	3.0 1.8
47787NAC3	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	400,000.00	07/14/2020 0.52%	399,939.04 399,959.94	100.21 0.30%	400,839.20 90.67	0.22% 879.26	Aaa / NR AAA	3.1 0.9
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	540,000.00	09/08/2021 0.34%	539,944.27 539,945.34	99.91 0.38%	539,500.50 79.20	0.30% (444.84)	Aaa / NR AAA	3.2 1.7
89236XAC0	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	695,000.00	10/06/2020 0.36%	694,870.52 694,899.91	100.08 0.28%	695,522.64 108.11	0.39% 622.73	NR / AAA AAA	3.3 1.0
92290BAA9	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	1,215,000.00	08/04/2020 0.48%	1,214,744.85 1,214,808.91	100.25 0.29%	1,218,022.92 174.49	0.68% 3,214.01	Aaa / NR AAA	3.3 1.3
43813GAC5	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	415,000.00	02/17/2021 0.27%	414,992.41 414,993.89	99.95 0.31%	414,801.63 31.13	0.23% (192.26)	Aaa / NR AAA	3.5 1.3
44891RAC4	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	880,000.00	10/20/2020 0.39%	879,797.34 879,854.19	100.07 0.33%	880,635.36 148.62	0.49% 781.17	NR / AAA AAA	3.6 1.3
89240BAC2	Toyota Auto Receivables Owners 2021- A A3 0.26% Due 5/15/2025	1,520,000.00	02/02/2021 0.27%	1,519,717.89 1,519,776.51	99.90 0.34%	1,518,451.12 175.64	0.85% (1,325.39)	Aaa / NR AAA	3.6 1.3
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	720,000.00	04/20/2021 0.38%	719,924.26 719,934.88	99.96 0.40%	719,706.97 121.60	0.40% (227.91)	NR / AAA AAA	3.5 1.7
47789QAC4	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	735,000.00	07/13/2021 0.52%	734,934.44 734,937.98	99.93 0.55%	734,506.82 169.87	0.41% (431.16)	Aaa / NR AAA	4.4 2.4
Total ABS		16,383,124.86	0.84%	16,395,481.41 16,385,599.05	0.30%	16,428,913.07 5,984.25	9.20% 43,314.02	Aaa / AAA AAA	2.9 1.1
AGENCY									
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	3,000,000.00	Various 2.40%	3,038,014.00 3,017,361.37	104.29 0.25%	3,128,724.00 23,375.00	1.76% 111,362.63	Aaa / AA+ AAA	1.7 1.68

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AGENCY									
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	1,925,000.00	08/19/2020 0.28%	1,923,036.50 1,923,762.53	99.96 0.27%	1,924,158.78 494.62	1.08% 396.25	Aaa / AA+ AAA	1.9 1.8
3130A0F70	FHLB Note 3.375% Due 12/8/2023	1,700,000.00	01/16/2019 2.73%	1,749,623.00 1,722,171.98	106.66 0.32%	1,813,191.10 18,009.38	1.03% 91,019.12	Aaa / AA+ AAA	2.1 2.1
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	1,400,000.00	04/29/2019 2.37%	1,400,098.00 1,400,049.11	104.97 0.33%	1,469,524.00 2,124.31	0.82% 69,474.89	Aaa / AA+ NR	2.4 2.3
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	3,000,000.00	Various 1.94%	3,131,160.00 3,071,621.58	106.45 0.47%	3,193,572.00 25,635.41	1.80% 121,950.42	Aaa / AA+ NR	2.7 2.6
3135G0V75	FNMA Note 1.75% Due 7/2/2024	3,000,000.00	07/16/2019 1.96%	2,969,790.00 2,983,244.45	103.49 0.47%	3,104,694.00 12,979.17	1.75% 121,449.55	Aaa / AA+ AAA	2.7 2.6
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	3,000,000.00	09/13/2019 1.79%	3,155,070.00 3,091,647.73	106.89 0.52%	3,206,589.00 4,312.50	1.80% 114,941.27	Aaa / AA+ AAA	2.9 2.8
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,180,000.00	10/17/2019 1.66%	1,177,982.20 1,178,772.06	103.32 0.52%	1,219,191.34 8,841.81	0.69% 40,419.28	Aaa / AA+ AAA	3.0 2.9
3135G0X24	FNMA Note 1.625% Due 1/7/2025	3,210,000.00	Various 1.18%	3,276,100.10 3,254,720.03	103.39 0.58%	3,318,770.85 12,171.25	1.87% 64,050.82	Aaa / AA+ AAA	3.2 3.1
3137EAEPO	FHLMC Note 1.5% Due 2/12/2025	3,590,000.00	02/13/2020 1.52%	3,587,235.70 3,588,136.94	102.85 0.64%	3,692,257.56 7,329.58	2.07% 104,120.62	Aaa / AA+ AAA	3.3 3.2
3130A4CH3	FHLB Note 2.375% Due 3/14/2025	2,750,000.00	03/19/2020 1.18%	2,908,867.50 2,859,985.19	105.86 0.66%	2,911,147.25 3,084.20	1.63% 51,162.06	Aaa / AA+ AAA	3.4 3.3
3135G03U5	FNMA Note 0.625% Due 4/22/2025	2,830,000.00	04/22/2020 0.67%	2,824,170.20 2,825,848.19	99.77 0.69%	2,823,425.91 7,811.98	1.59% (2,422.28)	Aaa / AA+ AAA	3.5 3.5
3135G04Z3	FNMA Note 0.5% Due 6/17/2025	3,400,000.00	Various 0.51%	3,398,324.20 3,398,946.13	99.22 0.71%	3,373,639.80 4,911.11	1.89% (25,306.33)	Aaa / AA+ AAA	3.7 3.6
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	3,400,000.00	Various 0.45%	3,388,108.00 3,390,732.70	98.65 0.74%	3,354,110.20 2,479.17	1.88% (36,622.50)	Aaa / AA+ AAA	3.8 3.7
3135G05X7	FNMA Note 0.375% Due 8/25/2025	3,150,000.00	12/16/2020 0.43%	3,141,904.50 3,143,266.36	98.43 0.78%	3,100,579.65 1,181.25	1.74% (42,686.71)	Aaa / AA+ AAA	3.9 3.8
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	3,385,000.00	Various 0.44%	3,374,969.55 3,376,864.86	98.34 0.80%	3,328,649.91 282.08	1.86% (48,214.95)	Aaa / AA+ AAA	3.9 3.9

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AGENCY									
3135G06G3	FNMA Note 0.5% Due 11/7/2025	3,400,000.00	Various 0.56%	3,389,186.80 3,391,099.64	98.67 0.83%	3,354,650.80 6,800.00	1.88% (36,448.84)	Aaa / AA+ AAA	4.1 4.0
Total Agency		47,320,000.00	1.21%	47,833,640.25 47,618,230.85	0.59%	48,316,876.15 141,822.82	27.13% 698,645.30	Aaa / AA+ AAA	3.2 3.1
CMO									
3137BM6P6	FHLMC K721 A2 3.09% Due 8/25/2022	2,656,880.86	Various 2.19%	2,739,844.84 2,675,641.32	101.55 0.53%	2,698,033.34 6,841.47	1.51% 22,392.02	Aaa / NR NR	0.9 0.6
3137B5JM6	FHLMC K034 A2 3.531% Due 7/25/2023	1,500,000.00	08/28/2018 3.03%	1,531,816.41 1,511,773.32	104.95 0.51%	1,574,206.50 4,413.75	0.88% 62,433.18	NR / NR AAA	1.8 1.6
3137B4WB8	FHLMC K033 A2 3.06% Due 7/25/2023	1,500,000.00	08/19/2019 1.90%	1,562,812.50 1,529,017.36	104.20 0.45%	1,562,997.00 765.00	0.88% 33,979.64	Aaa / NR NR	1.8 1.6
3137B7MZ9	FHLMC K036 A2 3.527% Due 10/25/2023	2,145,000.00	Various 2.79%	2,209,267.38 2,174,926.02	105.60 0.50%	2,265,012.75 1,260.90	1.27% 90,086.73	Aaa / NR AAA	2.0 1.8
3137BYPQ7	FHLMC K726 A2 2.905% Due 4/25/2024	1,303,331.88	04/22/2019 2.72%	1,312,648.68 1,308,110.12	104.80 0.78%	1,365,835.77 3,155.15	0.77% 57,725.65	NR / AAA NR	2.9 2.2
Total CMO		9,105,212.74	2.50%	9,356,389.81 9,199,468.14	0.54%	9,466,085.36 16,436.27	5.31% 266,617.22	Aaa / AAA AAA	1.7 1.5
CORPORATE									
89233P5T9	Toyota Motor Credit Corp Note 3.3% Due 1/12/2022	1,500,000.00	02/20/2019 2.84%	1,519,035.00 1,501,858.39	100.86 0.25%	1,512,955.50 10,862.50	0.85% 11,097.11	A1 / A+ A+	0.2 0.2
05531FBG7	Truist Financial Corporation Callable Note Cont 5/20/2022 3.05% Due 6/20/2022	1,800,000.00	07/26/2021 0.17%	1,842,192.00 1,832,816.00	101.79 0.24%	1,832,243.40 15,402.50	1.03% (572.60)	A3 / A- A	0.7 0.6
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	1,170,000.00	07/25/2017 2.45%	1,169,894.70 1,169,982.70	101.67 0.20%	1,189,551.87 5,016.38	0.67% 19,569.17	A2 / A A+	0.8 0.7
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	665,000.00	08/01/2019 2.27%	673,179.50 667,973.16	102.90 0.29%	684,308.94 3,230.79	0.38% 16,335.78	A2 / A A	1.3 1.2

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CORPORATE									
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	780,000.00	Various 2.50%	786,043.20 783,251.14	103.53 0.33%	807,500.46 1,516.66	0.45% 24,249.32	A2 / A A	1.4 1.4
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	715,000.00	11/28/2018 3.54%	681,959.85 703,154.65	103.23 0.36%	738,102.37 7,054.67	0.42% 34,947.72	Aa1 / AA+ NR	1.5 1.5
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	335,000.00	07/11/2018 3.49%	334,420.45 334,793.15	105.24 0.50%	352,562.04 2,472.02	0.20% 17,768.89	A3 / A- NR	1.7 1.7
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	1,900,000.00	Various 2.64%	1,960,162.00 1,927,002.94	105.76 0.35%	2,009,373.50 9,104.16	1.13% 82,370.56	A1 / A AA-	1.8 1.8
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	1,635,000.00	Various 3.02%	1,673,579.30 1,653,662.91	106.24 0.53%	1,737,092.67 28,152.66	0.99% 83,429.76	A3 / A- NR	2.0 1.9
24422EVN6	John Deere Capital Corp Note 0.45% Due 1/17/2024	2,300,000.00	03/01/2021 0.47%	2,298,367.00 2,298,695.47	99.97 0.46%	2,299,321.50 2,127.50	1.29% 626.03	A2 / A A	2.3 2.2
69371RR24	Paccar Financial Corp Note 0.35% Due 2/2/2024	665,000.00	01/28/2021 0.39%	664,228.60 664,398.38	99.53 0.55%	661,841.25 381.45	0.37% (2,557.13)	A1 / A+ NR	2.3 2.3
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	1,500,000.00	Various 2.62%	1,528,695.00 1,514,915.70	104.21 0.59%	1,563,181.50 3,845.83	0.88% 48,265.80	A2 / A- AA-	2.4 1.4
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	1,900,000.00	Various 2.77%	1,940,554.00 1,920,806.64	106.25 0.67%	2,018,685.40 3,430.56	1.13% 97,878.76	A1 / A AA-	2.4 2.3
808513BN4	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	955,000.00	03/16/2021 0.77%	954,522.50 954,608.33	100.47 0.55%	959,511.42 258.65	0.54% 4,903.09	A2 / A A	2.4 2.3
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 7/15/2024	335,000.00	06/29/2021 0.64%	334,829.15 334,841.74	100.19 0.39%	335,622.10 459.46	0.19% 780.36	A2 / A+ NR	2.7 0.7
91159HHX1	US Bancorp Callable Note Cont 6/28/2024 2.4% Due 7/30/2024	1,750,000.00	10/10/2019 2.07%	1,775,567.50 1,764,897.01	104.75 0.65%	1,833,051.50 7,116.67	1.03% 68,154.49	A2 / A+ A+	2.8 2.6
009158AV8	Air Products & Chemicals Callable Note Cont 4/30/2024 3.35% Due 7/31/2024	500,000.00	08/07/2019 2.11%	527,750.00 515,145.13	106.97 0.62%	534,871.50 2,838.19	0.30% 19,726.37	A2 / A NR	2.8 2.4
69371RR40	Paccar Financial Corp Note 0.5% Due 8/9/2024	865,000.00	08/03/2021 0.52%	864,532.90 864,555.49	99.72 0.60%	862,578.00 624.72	0.48% (1,977.49)	A1 / A+ NR	2.8 2.8

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CORPORATE									
69371RQ25	Paccar Financial Corp Note 2.15% Due 8/15/2024	670,000.00	08/08/2019 2.20%	668,519.30 669,149.83	103.71 0.84%	694,872.41 1,840.64	0.39% 25,722.58	A1 / A+ NR	2.8 2.7
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	1,900,000.00	12/05/2019 2.26%	1,899,012.00 1,899,377.60	104.36 0.82%	1,982,904.60 17,812.50	1.12% 83,527.00	A2 / A AA-	3.0 2.9
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/8/2024	2,020,000.00	Various 1.88%	2,044,446.00 2,035,990.14	104.48 0.69%	2,110,435.40 17,251.36	1.19% 74,445.26	A2 / A A	3.1 2.9
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	810,000.00	01/16/2020 2.10%	808,274.70 808,859.24	103.55 0.93%	838,748.52 3,228.75	0.47% 29,889.28	A1 / AA- AA-	3.3 3.1
06367WB85	Bank of Montreal Note 1.85% Due 5/1/2025	1,571,000.00	07/23/2021 0.85%	1,628,844.22 1,626,065.68	102.86 1.03%	1,616,004.44 12,109.79	0.91% (10,061.24)	A2 / A- AA-	3.5 3.4
46647PCH7	JP Morgan Chase & Co Callable Note Cont 6/1/2024 0.824% Due 6/1/2025	1,770,000.00	05/24/2021 0.74%	1,772,292.35 1,772,100.92	99.97 0.84%	1,769,435.38 4,861.60	0.99% (2,665.54)	A2 / A- AA-	3.6 2.6
46647PCK0	JP Morgan Chase & Co Callable Note Cont 6/23/2024 0.969% Due 6/23/2025	840,000.00	Various 0.87%	840,520.15 840,484.88	100.11 0.93%	840,909.73 2,215.78	0.47% 424.85	A2 / A- AA-	3.7 2.6
40139LBC6	Guardian Life Glob Fun Note 0.875% Due 12/10/2025	850,000.00	09/13/2021 1.03%	844,441.00 844,498.49	98.81 1.17%	839,843.35 2,293.23	0.47% (4,655.14)	Aa2 / AA+ NR	4.2 4.0
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 4/22/2026	534,000.00	05/20/2021 1.11%	553,934.22 552,120.75	102.79 1.28%	548,898.07 4,912.76	0.31% (3,222.68)	A2 / A- AA-	4.5 3.4
78016EZQ3	Royal Bank of Canada Note 1.2% Due 4/27/2026	1,000,000.00	07/09/2021 1.13%	1,003,440.00 1,003,282.65	99.34 1.35%	993,384.00 5,133.33	0.56% (9,898.65)	A2 / A AA-	4.5 4.4
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 5/12/2026	2,615,000.00	05/10/2021 1.09%	2,603,703.20 2,604,581.70	99.89 1.02%	2,612,167.96 10,096.81	1.47% 7,586.26	A1 / AA AA-	4.6 4.4
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	430,000.00	Various 1.08%	431,391.30 431,307.14	100.03 1.14%	430,122.12 1,813.17	0.24% (1,185.02)	A3 / A+ A	4.6 4.3
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 6/18/2026	1,785,000.00	06/15/2021 1.13%	1,784,214.60 1,784,259.76	99.40 1.26%	1,774,238.24 5,745.47	1.00% (10,021.52)	A1 / A+ A+	4.7 4.5
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 6/19/2026	1,800,000.00	Various 1.23%	1,805,843.00 1,805,530.67	99.98 1.32%	1,799,695.80 6,726.89	1.01% (5,834.87)	A2 / A- AA-	4.7 3.6

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CORPORATE									
57629WDE7	Mass Mutual Global funding Note 1.2% Due 7/16/2026	1,250,000.00	08/19/2021 1.15%	1,252,787.50 1,252,726.70	99.05 1.41%	1,238,066.25 3,125.00	0.69% (14,660.45)	Aa3 / AA+ AA+	4.7 4.6
58989V2D5	Met Tower Global Funding Note 1.25% Due 9/14/2026	975,000.00	09/07/2021 1.27%	974,103.00 974,111.35	99.45 1.37%	969,625.80 575.52	0.54% (4,485.55)	Aa3 / AA- AA-	4.9 4.7
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.05% Due 9/17/2026	445,000.00	09/08/2021 1.09%	444,158.95 444,165.40	99.82 1.09%	444,195.89 181.71	0.25% 30.49	Aa2 / AA AA	4.9 4.7
Total Corporate		42,535,000.00	1.62%	42,889,438.14 42,755,971.83	0.75%	43,435,902.88 203,819.68	24.44% 679,931.05	A1 / A A+	2.9 2.7
MONEY MARKET FUND									
60934N104	Federated Investors Government Obligations Fund	1,720,709.40	Various 0.03%	1,720,709.40 1,720,709.40	1.00 0.03%	1,720,709.40 0.00	0.96% 0.00	Aaa / AAA AAA	0.0 0.0
Total Money Market Fund		1,720,709.40	0.03%	1,720,709.40 1,720,709.40	0.03%	1,720,709.40 0.00	0.96% 0.00	Aaa / AAA AAA	0.0 0.0
MUNICIPAL BONDS									
13063DRK6	California State Taxable GO 2.4% Due 10/1/2024	1,915,000.00	10/16/2019 1.91%	1,958,987.55 1,941,724.14	105.29 0.62%	2,016,322.65 22,980.00	1.14% 74,598.51	Aa2 / AA- AA	3.0 2.8
Total Municipal Bonds		1,915,000.00	1.91%	1,958,987.55 1,941,724.14	0.62%	2,016,322.65 22,980.00	1.14% 74,598.51	Aa2 / AA- AA	3.0 2.8
NEGOTIABLE CD									
89114W7M1	Toronto Dominion Yankee CD 0.24% Due 4/28/2022	400,000.00	04/29/2021 0.24%	399,999.99 399,999.99	100.04 0.16%	400,178.80 416.00	0.22% 178.81	P-1 / A-1 F-1+	0.5 0.5
Total Negotiable CD		400,000.00	0.24%	399,999.99 399,999.99	0.16%	400,178.80 416.00	0.22% 178.81	P-1 / A-1 F-1+	0.5 0.5
SUPRANATIONAL									
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,675,000.00	01/10/2017 2.15%	1,672,939.75 1,674,877.02	100.58 0.21%	1,684,631.25 7,217.62	0.95% 9,754.23	Aaa / NR AAA	0.3 0.3

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SUPRANATIONAL									
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	850,000.00	03/23/2018 2.79%	813,178.00 842,148.25	101.48 0.20%	862,596.15 702.43	0.48% 20,447.90	Aaa / AAA AAA	0.9 0.9
45950KCR9	International Finance Corp Note 1.375% Due 10/16/2024	2,500,000.00	07/12/2021 0.54%	2,567,250.00 2,562,785.50	102.31 0.61%	2,557,850.00 15,755.21	1.44% (4,935.50)	Aaa / AAA NR	3.0 2.9
459058HT3	Intl. Bank Recon & Development Note 1.625% Due 1/15/2025	2,500,000.00	07/12/2021 0.56%	2,592,325.00 2,586,631.26	103.09 0.67%	2,577,292.50 8,576.39	1.45% (9,338.76)	Aaa / AAA AAA	3.3 3.2
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	3,400,000.00	Various 0.60%	3,384,848.15 3,386,878.19	98.63 0.84%	3,353,314.61 7,225.01	1.88% (33,563.58)	Aaa / AAA AAA	4.0 4.0
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 4/20/2026	3,435,000.00	04/13/2021 0.97%	3,419,267.70 3,420,680.68	99.57 0.97%	3,420,123.02 13,441.82	1.92% (557.66)	Aaa / AAA AAA	4.5 4.4
Total Supranational		14,360,000.00	0.98%	14,449,808.60 14,474,000.90	0.69%	14,455,807.53 52,918.48	8.12% (18,193.37)	Aaa / AAA AAA	3.2 3.1
US TREASURY									
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,785,000.00	03/13/2017 2.14%	1,752,722.58 1,782,326.55	100.70 0.06%	1,797,550.34 2,675.03	1.01% 15,223.79	Aaa / AA+ AAA	0.4 0.4
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,700,000.00	08/15/2017 1.82%	1,724,111.17 1,703,688.55	101.53 0.09%	1,725,964.10 9,129.42	0.97% 22,275.55	Aaa / AA+ AAA	0.7 0.7
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,750,000.00	10/17/2017 1.99%	1,730,585.94 1,746,091.42	101.65 0.10%	1,778,915.25 84.13	1.00% 32,823.83	Aaa / AA+ AAA	1.0 1.0
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,750,000.00	01/25/2018 2.46%	1,722,792.97 1,743,107.55	102.46 0.15%	1,793,134.00 9,397.93	1.01% 50,026.45	Aaa / AA+ AAA	1.2 1.2
912828T91	US Treasury Note 1.625% Due 10/31/2023	3,200,000.00	Various 1.80%	3,176,515.63 3,188,644.94	102.74 0.31%	3,287,625.60 21,760.87	1.85% 98,980.66	Aaa / AA+ AAA	2.0 2.0
912828V23	US Treasury Note 2.25% Due 12/31/2023	3,150,000.00	Various 1.81%	3,209,369.15 3,179,723.30	104.26 0.35%	3,284,120.70 17,911.35	1.85% 104,397.40	Aaa / AA+ AAA	2.2 2.1
912828B66	US Treasury Note 2.75% Due 2/15/2024	3,150,000.00	Various 1.81%	3,279,865.24 3,216,815.36	105.62 0.37%	3,326,941.80 11,063.52	1.87% 110,126.44	Aaa / AA+ AAA	2.3 2.3
91282CBR1	US Treasury Note 0.25% Due 3/15/2024	1,000,000.00	03/30/2021 0.33%	997,578.13 997,990.74	99.64 0.40%	996,445.00 110.50	0.56% (1,545.74)	Aaa / AA+ AAA	2.4 2.4
912828X70	US Treasury Note 2% Due 4/30/2024	3,100,000.00	Various 1.86%	3,119,312.50 3,110,318.59	104.04 0.43%	3,225,212.10 25,945.65	1.82% 114,893.51	Aaa / AA+ AAA	2.5 2.5

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Holdings Report

As of September 30, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828XX3	US Treasury Note 2% Due 6/30/2024	3,000,000.00	07/30/2019 1.87%	3,018,867.19 3,010,536.63	104.17 0.47%	3,125,040.00 15,163.04	1.76% 114,503.37	Aaa / AA+ AAA	2.7 2.6
91282CCL3	US Treasury Note 0.375% Due 7/15/2024	2,500,000.00	07/13/2021 0.46%	2,493,359.38 2,493,831.98	99.71 0.48%	2,492,772.50 1,987.09	1.40% (1,059.48)	Aaa / AA+ AAA	2.7 2.7
912828D56	US Treasury Note 2.375% Due 8/15/2024	3,000,000.00	08/29/2019 1.45%	3,133,007.81 3,077,000.66	105.36 0.50%	3,160,665.00 9,099.86	1.77% 83,664.34	Aaa / AA+ AAA	2.8 2.7
9128283D0	US Treasury Note 2.25% Due 10/31/2024	2,900,000.00	Various 1.76%	2,966,847.66 2,941,779.96	105.20 0.55%	3,050,889.90 27,305.71	1.72% 109,109.94	Aaa / AA+ AAA	3.0 2.9
91282CAM3	US Treasury Note 0.25% Due 9/30/2025	3,300,000.00	03/29/2021 0.74%	3,228,199.22 3,236,274.08	97.82 0.80%	3,228,069.90 22.66	1.81% (8,204.18)	Aaa / AA+ AAA	4.0 3.9
91282CAT8	US Treasury Note 0.25% Due 10/31/2025	3,400,000.00	02/22/2021 0.54%	3,354,046.88 3,359,955.52	97.68 0.83%	3,320,977.20 3,557.07	1.86% (38,978.32)	Aaa / AA+ AAA	4.0 4.0
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	2,200,000.00	03/26/2021 0.77%	2,160,554.69 2,164,852.77	98.06 0.85%	2,157,289.20 2,772.54	1.21% (7,563.57)	Aaa / AA+ AAA	4.1 4.1
Total US Treasury		40,885,000.00	1.48%	41,067,736.14 40,952,938.60	0.45%	41,751,612.59 157,986.37	23.47% 798,673.99	Aaa / AA+ AAA	2.6 2.5
TOTAL PORTFOLIO		174,624,047.00	1.38%	176,072,191.29 175,448,642.90	0.57%	177,992,408.43 602,363.87	100.00% 2,543,765.53	Aa1 / AA AAA	2.8 2.5
TOTAL MARKET VALUE PLUS ACCRUED						178,594,772.30			

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT -

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	09/01/2021	60934N104	31.69	Federated Investors Government Obligations Fund	1.000	0.01%	31.69	0.00	31.69	0.00
Purchase	09/05/2021	60934N104	26,625.00	Federated Investors Government Obligations Fund	1.000	0.01%	26,625.00	0.00	26,625.00	0.00
Purchase	09/06/2021	60934N104	10,920.00	Federated Investors Government Obligations Fund	1.000	0.01%	10,920.00	0.00	10,920.00	0.00
Purchase	09/08/2021	60934N104	16,625.00	Federated Investors Government Obligations Fund	1.000	0.01%	16,625.00	0.00	16,625.00	0.00
Purchase	09/11/2021	60934N104	30,875.00	Federated Investors Government Obligations Fund	1.000	0.01%	30,875.00	0.00	30,875.00	0.00
Purchase	09/13/2021	60934N104	43,125.00	Federated Investors Government Obligations Fund	1.000	0.01%	43,125.00	0.00	43,125.00	0.00
Purchase	09/14/2021	58989V2D5	975,000.00	Met Tower Global Funding Note 1.25% Due 9/14/2026	99.908	1.27%	974,103.00	0.00	974,103.00	0.00
Purchase	09/14/2021	60934N104	40,093.75	Federated Investors Government Obligations Fund	1.000	0.01%	40,093.75	0.00	40,093.75	0.00
Purchase	09/14/2021	60934N104	1,116,463.33	Federated Investors Government Obligations Fund	1.000	0.01%	1,116,463.33	0.00	1,116,463.33	0.00
Purchase	09/15/2021	09690AAC7	540,000.00	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	99.990	0.34%	539,944.27	0.00	539,944.27	0.00
Purchase	09/15/2021	40139LBC6	850,000.00	Guardian Life Glob Fun Note 0.875% Due 12/10/2025	99.346	1.03%	844,441.00	1,962.67	846,403.67	0.00
Purchase	09/15/2021	60934N104	1,250.00	Federated Investors Government Obligations Fund	1.000	0.01%	1,250.00	0.00	1,250.00	0.00
Purchase	09/15/2021	60934N104	329.33	Federated Investors Government Obligations Fund	1.000	0.01%	329.33	0.00	329.33	0.00
Purchase	09/15/2021	60934N104	202.71	Federated Investors Government Obligations Fund	1.000	0.01%	202.71	0.00	202.71	0.00
Purchase	09/15/2021	60934N104	175.00	Federated Investors Government Obligations Fund	1.000	0.01%	175.00	0.00	175.00	0.00
Purchase	09/15/2021	60934N104	573.30	Federated Investors Government Obligations Fund	1.000	0.01%	573.30	0.00	573.30	0.00

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	09/15/2021	60934N104	792.92	Federated Investors Government Obligations Fund	1.000	0.01%	792.92	0.00	792.92	0.00
Purchase	09/15/2021	60934N104	280.50	Federated Investors Government Obligations Fund	1.000	0.01%	280.50	0.00	280.50	0.00
Purchase	09/15/2021	60934N104	358.75	Federated Investors Government Obligations Fund	1.000	0.01%	358.75	0.00	358.75	0.00
Purchase	09/15/2021	60934N104	278.67	Federated Investors Government Obligations Fund	1.000	0.01%	278.67	0.00	278.67	0.00
Purchase	09/15/2021	60934N104	228.00	Federated Investors Government Obligations Fund	1.000	0.01%	228.00	0.00	228.00	0.00
Purchase	09/15/2021	60934N104	170.00	Federated Investors Government Obligations Fund	1.000	0.01%	170.00	0.00	170.00	0.00
Purchase	09/15/2021	60934N104	42,908.93	Federated Investors Government Obligations Fund	1.000	0.01%	42,908.93	0.00	42,908.93	0.00
Purchase	09/15/2021	60934N104	86,705.78	Federated Investors Government Obligations Fund	1.000	0.01%	86,705.78	0.00	86,705.78	0.00
Purchase	09/15/2021	60934N104	83,369.85	Federated Investors Government Obligations Fund	1.000	0.01%	83,369.85	0.00	83,369.85	0.00
Purchase	09/15/2021	60934N104	82,084.15	Federated Investors Government Obligations Fund	1.000	0.01%	82,084.15	0.00	82,084.15	0.00
Purchase	09/15/2021	60934N104	24,138.36	Federated Investors Government Obligations Fund	1.000	0.01%	24,138.36	0.00	24,138.36	0.00
Purchase	09/15/2021	60934N104	21,087.75	Federated Investors Government Obligations Fund	1.000	0.01%	21,087.75	0.00	21,087.75	0.00
Purchase	09/15/2021	60934N104	60,388.41	Federated Investors Government Obligations Fund	1.000	0.01%	60,388.41	0.00	60,388.41	0.00
Purchase	09/15/2021	60934N104	56,163.69	Federated Investors Government Obligations Fund	1.000	0.01%	56,163.69	0.00	56,163.69	0.00
Purchase	09/17/2021	60934N104	854,709.56	Federated Investors Government Obligations Fund	1.000	0.01%	854,709.56	0.00	854,709.56	0.00
Purchase	09/17/2021	931142ER0	445,000.00	Wal-Mart Stores Callable Note Cont 08/17/2026 1.05% Due 9/17/2026	99.811	1.09%	444,158.95	0.00	444,158.95	0.00

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	09/18/2021	60934N104	3,581.25	Federated Investors Government Obligations Fund	1.000	0.01%	3,581.25	0.00	3,581.25	0.00
Purchase	09/20/2021	60934N104	422.93	Federated Investors Government Obligations Fund	1.000	0.01%	422.93	0.00	422.93	0.00
Purchase	09/20/2021	60934N104	268.25	Federated Investors Government Obligations Fund	1.000	0.01%	268.25	0.00	268.25	0.00
Purchase	09/20/2021	60934N104	475.88	Federated Investors Government Obligations Fund	1.000	0.01%	475.88	0.00	475.88	0.00
Purchase	09/20/2021	60934N104	1,269.08	Federated Investors Government Obligations Fund	1.000	0.01%	1,269.08	0.00	1,269.08	0.00
Purchase	09/21/2021	60934N104	93.38	Federated Investors Government Obligations Fund	1.000	0.01%	93.38	0.00	93.38	0.00
Purchase	09/21/2021	60934N104	27,678.37	Federated Investors Government Obligations Fund	1.000	0.01%	27,678.37	0.00	27,678.37	0.00
Purchase	09/23/2021	60934N104	6,346.88	Federated Investors Government Obligations Fund	1.000	0.01%	6,346.88	0.00	6,346.88	0.00
Purchase	09/27/2021	60934N104	3,825.00	Federated Investors Government Obligations Fund	1.000	0.01%	3,825.00	0.00	3,825.00	0.00
Purchase	09/27/2021	60934N104	4,413.75	Federated Investors Government Obligations Fund	1.000	0.01%	4,413.75	0.00	4,413.75	0.00
Purchase	09/27/2021	60934N104	6,304.58	Federated Investors Government Obligations Fund	1.000	0.01%	6,304.58	0.00	6,304.58	0.00
Purchase	09/27/2021	60934N104	11,350.59	Federated Investors Government Obligations Fund	1.000	0.01%	11,350.59	0.00	11,350.59	0.00
Purchase	09/27/2021	60934N104	4,538.17	Federated Investors Government Obligations Fund	1.000	0.01%	4,538.17	0.00	4,538.17	0.00
Purchase	09/30/2021	60934N104	20,500.00	Federated Investors Government Obligations Fund	1.000	0.03%	20,500.00	0.00	20,500.00	0.00
Purchase	09/30/2021	60934N104	100,000.00	Federated Investors Government Obligations Fund	1.000	0.03%	100,000.00	0.00	100,000.00	0.00
Subtotal			5,602,022.54				5,594,669.76	1,962.67	5,596,632.43	0.00

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Security Contribution	09/01/2021	60934N104	0.87	Federated Investors Government Obligations Fund	1.000		0.87	0.00	0.87	0.00
Subtotal			0.87				0.87	0.00	0.87	0.00
Short Sale	09/15/2021	60934N104	-846,403.67	Federated Investors Government Obligations Fund	1.000		-846,403.67	0.00	-846,403.67	0.00
Short Sale	09/17/2021	60934N104	-444,158.95	Federated Investors Government Obligations Fund	1.000		-444,158.95	0.00	-444,158.95	0.00
Subtotal			-1,290,562.62				-1,290,562.62	0.00	-1,290,562.62	0.00
TOTAL ACQUISITIONS			4,311,460.79				4,304,108.01	1,962.67	4,306,070.68	0.00
DISPOSITIONS										
Closing Purchase	09/15/2021	60934N104	-846,403.67	Federated Investors Government Obligations Fund	1.000		-846,403.67	0.00	-846,403.67	0.00
Closing Purchase	09/17/2021	60934N104	-444,158.95	Federated Investors Government Obligations Fund	1.000		-444,158.95	0.00	-444,158.95	0.00
Subtotal			-1,290,562.62				-1,290,562.62	0.00	-1,290,562.62	0.00
Sale	09/14/2021	3130AF5B9	1,100,000.00	FHLB Note 3% Due 10/12/2021	100.230	2.91%	1,102,530.00	13,933.33	1,116,463.33	2,455.00
Sale	09/14/2021	60934N104	974,103.00	Federated Investors Government Obligations Fund	1.000	0.01%	974,103.00	0.00	974,103.00	0.00
Sale	09/15/2021	60934N104	539,944.27	Federated Investors Government Obligations Fund	1.000	0.01%	539,944.27	0.00	539,944.27	0.00
Sale	09/15/2021	60934N104	846,403.67	Federated Investors Government Obligations Fund	1.000	0.01%	846,403.67	0.00	846,403.67	0.00
Sale	09/17/2021	404280BS7	800,000.00	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	105.533	2.18%	844,264.00	10,445.56	854,709.56	21,353.00

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	09/17/2021	60934N104	444,158.95	Federated Investors Government Obligations Fund	1.000	0.01%	444,158.95	0.00	444,158.95	0.00
Subtotal			4,704,609.89				4,751,403.89	24,378.89	4,775,782.78	23,809.00
Paydown	09/15/2021	43813DAC2	0.00	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	100.000		0.00	358.75	358.75	0.00
Paydown	09/15/2021	43815NAC8	80,748.20	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	100.000		80,748.20	1,335.95	82,084.15	0.00
Paydown	09/15/2021	44891RAC4	0.00	Hyundai Auto Receivables Trust 2020-C A3 0.38% Due 5/15/2025	100.000		0.00	278.67	278.67	0.00
Paydown	09/15/2021	44891VAC5	0.00	Hyundai Auto Lease Trust 2021-B A3 0.33% Due 6/17/2024	100.000		0.00	280.50	280.50	0.00
Paydown	09/15/2021	44933LAC7	0.00	Hyundai Auto Receivables Trust 2021-A A3 0.38% Due 9/15/2025	100.000		0.00	228.00	228.00	0.00
Paydown	09/15/2021	477870AC3	23,474.81	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	100.000		23,474.81	663.55	24,138.36	0.00
Paydown	09/15/2021	47787NAC3	0.00	John Deere Owner Trust 2020-B A3 0.51% Due 11/15/2024	100.000		0.00	170.00	170.00	0.00
Paydown	09/15/2021	47788EAC2	20,946.15	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100.000		20,946.15	141.60	21,087.75	0.00
Paydown	09/15/2021	47789JAD8	58,987.11	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	100.000		58,987.11	1,401.30	60,388.41	0.00
Paydown	09/15/2021	47789KAC7	0.00	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	100.000		0.00	792.92	792.92	0.00
Paydown	09/15/2021	47789QAC4	0.00	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	100.000		0.00	573.30	573.30	0.00
Paydown	09/15/2021	58769EAC2	0.00	Mercedes-Benz Auto Lease Trust 2020- B A3 0.4% Due 11/15/2023	100.000		0.00	175.00	175.00	0.00

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	09/15/2021	58770FAC6	55,424.64	Mercedes Benz Auto Lease Trust 2020-A A3 1.84% Due 12/15/2022	100.000		55,424.64	739.05	56,163.69	0.00
Paydown	09/15/2021	65479GAD1	42,314.83	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	100.000		42,314.83	594.10	42,908.93	0.00
Paydown	09/15/2021	65479JAD5	84,926.59	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	100.000		84,926.59	1,779.19	86,705.78	0.00
Paydown	09/15/2021	89236XAC0	0.00	Toyota Auto Receivables 2020-D A3 0.35% Due 1/15/2025	100.000		0.00	202.71	202.71	0.00
Paydown	09/15/2021	89238TAD5	82,999.22	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	100.000		82,999.22	370.63	83,369.85	0.00
Paydown	09/15/2021	89240BAC2	0.00	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	100.000		0.00	329.33	329.33	0.00
Paydown	09/20/2021	36262XAC8	0.00	GM Financial Auto Lease Trust 2021-3 A2 0.39% Due 10/21/2024	100.000		0.00	422.93	422.93	0.00
Paydown	09/20/2021	43813KAC6	0.00	Honda Auto Receivables Trust 2020-3 A3 0.37% Due 10/18/2024	100.000		0.00	268.25	268.25	0.00
Paydown	09/20/2021	92290BAA9	0.00	Verizon Owner Trust 2020-B A 0.47% Due 2/20/2025	100.000		0.00	475.88	475.88	0.00
Paydown	09/20/2021	92348AAA3	0.00	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	100.000		0.00	1,269.08	1,269.08	0.00
Paydown	09/21/2021	43813GAC5	0.00	Honda Auto Receivables Trust 2021-1 A3 0.27% Due 4/21/2025	100.000		0.00	93.38	93.38	0.00
Paydown	09/21/2021	43815HAC1	27,518.48	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	100.000		27,518.48	159.89	27,678.37	0.00
Paydown	09/27/2021	3137B4WB8	0.00	FHLMC K033 A2Due 7/25/2023	100.000		0.00	3,825.00	3,825.00	0.00

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	09/27/2021	3137B5JM6	0.00	FHLMC K034 A2 3.531% Due 7/25/2023	100.000		0.00	4,413.75	4,413.75	0.00
Paydown	09/27/2021	3137B7MZ9	0.00	FHLMC K036 A2Due 10/25/2023	100.000		0.00	6,304.58	6,304.58	0.00
Paydown	09/27/2021	3137BM6P6	4,497.54	FHLMC K721 A2Due 8/25/2022	100.000		4,497.54	6,853.05	11,350.59	0.00
Paydown	09/27/2021	3137BYPQ7	1,379.72	FHLMC K726 A2 2.905% Due 4/25/2024	100.000		1,379.72	3,158.45	4,538.17	0.00
Subtotal			483,217.29				483,217.29	37,658.79	520,876.08	0.00
Maturity	09/30/2021	912828F21	100,000.00	US Treasury Note 2.125% Due 9/30/2021	100.000		100,000.00	0.00	100,000.00	0.00
Subtotal			100,000.00				100,000.00	0.00	100,000.00	0.00
TOTAL DISPOSITIONS			3,997,264.56				4,044,058.56	62,037.68	4,106,096.24	23,809.00
OTHER TRANSACTIONS										
Interest	09/05/2021	06051GHF9	1,500,000.00	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	0.000		26,625.00	0.00	26,625.00	0.00
Interest	09/06/2021	24422ETG4	780,000.00	John Deere Capital Corp Note 2.8% Due 3/6/2023	0.000		10,920.00	0.00	10,920.00	0.00
Interest	09/08/2021	3130AB3H7	1,400,000.00	FHLB Note 2.375% Due 3/8/2024	0.000		16,625.00	0.00	16,625.00	0.00
Interest	09/11/2021	89114QCB2	1,900,000.00	Toronto Dominion Bank Note 3.25% Due 3/11/2024	0.000		30,875.00	0.00	30,875.00	0.00
Interest	09/13/2021	3130A2UW4	3,000,000.00	FHLB Note 2.875% Due 9/13/2024	0.000		43,125.00	0.00	43,125.00	0.00
Interest	09/14/2021	3130A4CH3	2,750,000.00	FHLB Note 2.375% Due 3/14/2025	0.000		32,656.25	0.00	32,656.25	0.00
Interest	09/14/2021	4581X0CZ9	850,000.00	Inter-American Dev Bank Note 1.75% Due 9/14/2022	0.000		7,437.50	0.00	7,437.50	0.00
Interest	09/15/2021	91282CBR1	1,000,000.00	US Treasury Note 0.25% Due 3/15/2024	0.000		1,250.00	0.00	1,250.00	0.00

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT -

Transaction Ledger

As of September 30, 2021



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	09/18/2021	808513BN4	955,000.00	Charles Schwab Corp Callable Note Cont 2/18/2024 0.75% Due 3/18/2024	0.000		3,581.25	0.00	3,581.25	0.00
Interest	09/23/2021	3137EAEX3	3,385,000.00	FHLMC Note 0.375% Due 9/23/2025	0.000		6,346.88	0.00	6,346.88	0.00
Interest	09/30/2021	912828F21	100,000.00	US Treasury Note 2.125% Due 9/30/2021	0.000		1,062.50	0.00	1,062.50	0.00
Interest	09/30/2021	912828L57	1,750,000.00	US Treasury Note 1.75% Due 9/30/2022	0.000		15,312.50	0.00	15,312.50	0.00
Interest	09/30/2021	91282CAM3	3,300,000.00	US Treasury Note 0.25% Due 9/30/2025	0.000		4,125.00	0.00	4,125.00	0.00
Subtotal			22,670,000.00				199,941.88	0.00	199,941.88	0.00
Dividend	09/01/2021	60934N104	1,733,295.88	Federated Investors Government Obligations Fund	0.000		31.69	0.00	31.69	0.00
Subtotal			1,733,295.88				31.69	0.00	31.69	0.00
TOTAL OTHER TRANSACTIONS			24,403,295.88				199,973.57	0.00	199,973.57	0.00

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT -

OCTOBER 2021



Market Summary

The ongoing health crisis and related supply chain bottlenecks continue to have a meaningful impact on economic data, but we believe the underlying momentum of the economy remain strong. Economic growth is expected to continue at an above-trend pace, fueled in part by ongoing tailwinds from fiscal support, accommodative monetary policy, and continued progress on vaccinations. Covid infection rates in the US and on a global basis are now declining, but supply chains remain dislocated and inflation readings continue to run hot. We expect supply chain bottlenecks will continue to put upward pressure on prices over the near- to intermediate-term but should improve next year.

Monetary policy remains highly accommodative, but the Fed is inching toward a path of policy normalization. The Federal Open Market Committee (FOMC) kept monetary policy unchanged at its September meeting but indicated that they are preparing to reduce the magnitude of the asset purchases. The fed funds target rate remains in the range of 0.0% to 0.25%. For now, the Fed continues to purchase \$80 billion of Treasuries per month, and \$40 billion of agency mortgage backed securities per month. However, the Fed is widely expected to make the official announcement about tapering asset purchases at the next FOMC meeting in early November. Nevertheless, the Fed remains patient with their outlook for rate hikes, and Fed Chair Powell has indicated that policymakers would not consider a rate hike until sometime after the tapering process is complete in mid-2022. The median estimate among Fed policymakers calls for one 25 basis point rate hike in 2022. We believe the Fed's slow and steady withdrawal of monetary policy accommodation will remain supportive of an improving labor market and growing economy.

The Treasury yield curve continued to steepen in September. The 10-year Treasury yield rose nearly 18 basis points in September to 1.49%, while the 2-year Treasury yield rose about seven basis points to 0.28%. We believe some of the factors that put downward pressure on longer-term rates over the summer including concerns about the Delta COVID-19 variant, market technicals, and uneven global vaccination rates, have started to ease.

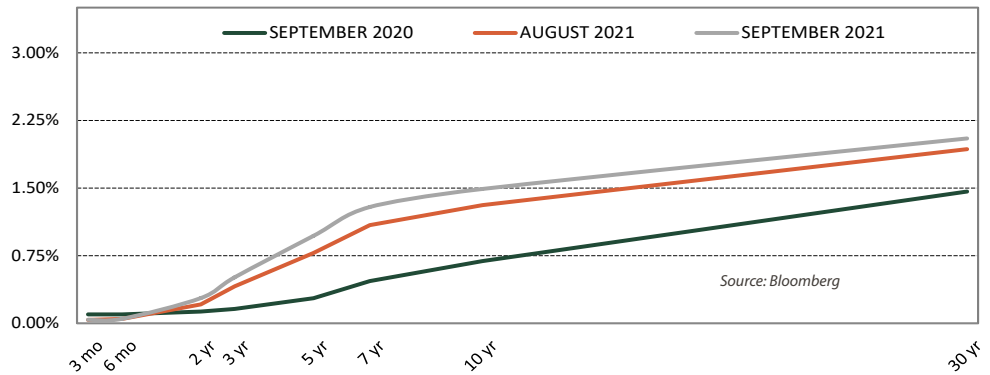
Market Data

World Stock Market Indices
data as of 9/30/2021

	Change (8/31/21)	%CHG
S&P 500	4,307.54	-215.14 -4.76%
NASDAQ	14,448.58	-810.66 -5.31%
DOW JONES	33,843.92	-1,516.81 -4.29%
FTSE (UK)	7,086.42	-33.28 -0.47%
DAX (Germany)	15,260.69	-574.40 -3.63%
Hang Seng (Hong Kong)	24,575.64	-1,303.35 -5.04%
Nikkei (Japan)	29,452.66	1,363.12 4.85%

Source: Bloomberg. Please see descriptions of indices on Page 2.

TREASURY YIELD CURVE IS STEEPER



The treasury yield curve is steeper on a year-over-year basis. At the end of September, the 2-year Treasury yield was about 15 basis points higher, and the 10-Year Treasury yield was about 80 basis points higher year-over-year. We believe the curve remains poised for further steepening, amid a growing economy and improving labor market, while the Fed is expected to slowly normalize monetary policy.

TREASURY YIELDS	Trend (▲/▼)	9/30/2021	8/31/2021	Change
3-Month	-	0.04	0.04	0.00
2-Year	▲	0.28	0.21	0.07
3-Year	▲	0.51	0.41	0.10
5-Year	▲	0.97	0.78	0.19
7-Year	▲	1.29	1.09	0.20
10-Year	▲	1.49	1.31	0.18
30-Year	▲	2.05	1.93	0.11

Source: Bloomberg

Since 1988, Chandler Asset Management has specialized in providing fixed income investment solutions to risk-averse public agencies and institutions. Chandler's mission is to provide fully customizable, client-centered portfolio management that preserves principal, mitigates risk and generates income in our clients' portfolios.

Credit Spreads Were Little Changed in September

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change
3-month top rated commercial paper	0.10	0.09	0.01
2-year A corporate note	0.16	0.16	(0.00)
5-year A corporate note	0.36	0.39	(0.03)
5-year Agency note	0.02	0.02	0.00

Source: Bloomberg

Data as of 9/30/2021

Supply and Demand Imbalances Continue to Impact Economic Data

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(73.25) \$Bln AUG 21	(70.30) \$Bln JUL 21	(63.73) \$Bln AUG 20
Gross Domestic Product	6.70% JUN 21	6.30% MAR 21	(31.20%) JUN 20
Unemployment Rate	4.80% SEP 21	5.20% AUG 21	7.80% SEP 20
Prime Rate	3.25% SEP 21	3.25% AUG 21	3.25% SEP 20
Commodity Research Bureau Index	228.92 SEP 21	218.17 AUG 21	148.51 SEP 20
Oil (West Texas Int.)	\$75.03 SEP 21	\$68.50 AUG 21	\$40.22 SEP 20
Consumer Price Index (y/o/y)	5.40% SEP 21	5.30% AUG 21	1.40% SEP 20
Producer Price Index (y/o/y)	10.50% AUG 21	9.60% JUL 21	(1.60%) AUG 20
Euro/Dollar	1.16 SEP 21	1.18 AUG 21	1.17 SEP 20

Source: Bloomberg

Economic Roundup

Consumer Prices

The Consumer Price Index (CPI) was up 5.4% year-over-year in September, versus up 5.3% year-over-year in August. Core CPI (CPI less food and energy) was up 4.0% year-over-year in September (in line with expectations), unchanged from August. The Personal Consumption Expenditures (PCE) index was up 4.3% year-over-year in August, versus up 4.2% in July. Core PCE was up 3.6% year-over-year in August, unchanged from July. Current inflation readings are running well above the Fed's longer-run target of around 2.0%. While the Fed believes many of the factors fueling higher inflation will be temporary, the upward pressure on inflation from supply chain bottlenecks and pandemic-related disruptions is likely to remain elevated over the near-term.

Retail Sales

On a year-over-year basis, retail sales were up 15.1% in August. On a month-over-month basis, retail sales were stronger than expected in August, up 0.7% versus expectations of a 0.7% decline. The month-over-month gain was driven largely by increases in online shopping, furniture and home furnishing and general merchandise stores. These gains were partially offset by declines in vehicles, electronics and appliances, sporting goods, hobby, music, instrument, and bookstores, on a seasonally adjusted basis. Excluding vehicles and gas, retail sales were up 2.0% month-over-month, following a 1.4% decline in July.

Labor Market

U.S. nonfarm payrolls increased by 194,000 in September, versus the consensus forecast of 500,000. However, July and August payrolls were revised up total of 169,000. On a trailing 3-month and 6-month basis, payrolls increased at a solid pace, up an average of 550,000 and 582,000 per month, respectively. The U-3 unemployment rate declined to 4.8% in September from 5.2% in August, a bigger decline than expected. The labor participation rate declined slightly to 61.6% in September, but the employment-population ratio increased modestly to 58.7%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 8.5% in September from 8.8% in August. Annualized average hourly earnings were up by 4.6% in September versus 4.0% in August, reflecting strong wage growth driven in part by the ongoing imbalance in the supply and demand for labor.

Housing Starts

Total housing starts increased 3.9% in August to an annual pace of 1,615,000, led by multi-family starts. Single-family starts declined 2.8% in August while multi-family starts rose 20.6%. On a year-over-year basis, housing starts were up 17.4% in August.

World Stock Market Index Descriptions

S&P 500—The S&P 500 is a market value weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization. NASDAQ—The NASDAQ Composite Index is the market capitalization-weighted index of over 3,300 common stocks listed on the NASDAQ stock exchange. Dow Jones—The Dow Jones Industrial Average is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ. The Financial Times Stock Exchange Group (FTSE)—The FTSE is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. DAX—The Deutscher Aktienindex (DAX) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. Hang Seng—The Hang Seng Index is a freefloat-adjusted market-capitalization weighted stock market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of overall market performance in Hong Kong. Nikkei—Japan Nikkei 225 Stock Average is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

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Data source: Bloomberg and the U.S. Department of Labor. This report is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as an indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment. Fixed income investments are subject to interest, credit, and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Attachment: 2021-09 Investment Report (5577 : RECEIPT OF QUARTERLY INVESTMENT REPORT - QUARTER ENDED SEPTEMBER 30, 2021)



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: AUTHORIZE THE EXPANSION OF THE WI-FI GARDEN PROGRAM UTILIZING COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS (CDBG-CV) FUNDS

RECOMMENDED ACTION

Recommendations:

1. Approve the expansion of the Wi-Fi Garden Program to provide free Wi-Fi in locations throughout the City.
2. Approve the use of CDBG-CV funds for this program as outlined in the Fiscal Impact section of this report.
3. Authorize the Purchasing & Sustainability Division Manager to purchase the materials, supplies, contractors, and services necessary to expand the Wi-Fi Garden Program within the expenditures outlined in the Fiscal Impact section and compliant with both the City's Purchasing Ordinance (No. 587) and the current Procurement Procedures Manual.

SUMMARY

This report recommends the City Council authorize the Technology Services Division to expand the Wi-Fi Garden Program for an estimated cost of \$349,992. The cost includes the following:

- Wi-Fi throughout Sunnymead Park
- Wi-Fi throughout Community Park
- New Private LTE backhaul network
- Extending a fiber optic connection into Community Park

- Miscellaneous equipment, which includes but is not limited to wireless access points, network switches, radios, antennas, cabling, Private LTE servers and licenses, and electrical modifications in the parks

The Wi-Fi Garden program strives to overcome the “digital divide” in our city by making free Wi-Fi available in as many public locations as possible. The City currently has 25 Wi-Fi Garden locations throughout the City. These new locations are grant-funded and will focus on low-to-moderate income areas as defined by HUD (U.S. Department of Housing and Urban Development). Wi-Fi Gardens are part of the City’s efforts to combat inequity in access to adequate Internet connections; the City also advertises free technology training on its CLiC (Computer Learning and Internet Connectivity) web page, and partners with Community Action Partnership (CAP) of Riverside County to distribute free computers to residents.

DISCUSSION

As the Coronavirus Pandemic began to seriously affect residents in 2020, the City quickly recognized that equal access to the Internet was of paramount importance for its residents to participate in basic societal functions like searching for doctor appointments, finding food and supply donation sites, completing school work, etc. Therefore, it began investing in services to provide free Internet access, free computers, and free technology training for its residents. The network of free Internet locations is known as the City’s Wi-Fi Garden.

The Wi-Fi Garden is blooming in twenty-five locations throughout the City and there is activity and funding to grow to even more locations. HUD’s CDBG (Community Development Block Grant) program has committed approximately \$350,000 to expand the Wi-Fi Garden.

With the current funding, the City will establish a Private LTE (Long-Term Evolution) network that broadcasts radio waves over long distances (relative to Wi-Fi signals) and converts those signals to Wi-Fi in public locations, thereby extending high-speed fiber Internet connections to Wi-Fi locations. This will enable Wi-Fi Gardens to reach difficult locations and locations that are not close to fiber infrastructure in a cost-effective way.

The City also continues to address other aspects of the digital divide that were made difficult during the Coronavirus Pandemic. They will continue to make technology and Internet safety training freely available through the CLiC website at <https://www.moval.org/CLiC>. Additionally, the partnership with CAP has benefitted over 150 Moreno Valley resident families since its inception in 2020, by giving them a free computer and monitor.

ALTERNATIVES

The Council has the following alternatives:

1. Approve the recommendation for the expansion of the Wi-Fi Garden program with the use of CDBG funding. ***Staff recommends this alternative as it will***

promote increased public well-being and quality of life by freely making Internet connections available in public locations.

- Decline the expansion of the Wi-Fi Garden program as outlined in the Fiscal Impact section of this report. ***Staff does not recommend this alternative as it will prevent expanded Internet access to the residents of the city.***

FISCAL IMPACT

The Technology Services Division is requesting the City Council to approve already accepted CDBG funds to pay for the supplies, materials, and subcontractors to expand the Wi-Fi Garden program. The use of grant funds eliminates all costs to the City's General Fund. An estimated summary of the expenses are as follows:

- Supplies and Materials \$ 304,800
- Boring Contractors \$ 26,250
- Electrical Contractors \$ 9,500
- Staff time reimbursed \$ 9,450

Total Expenses: \$ 350,000

Revenue/Expenditure Appropriation

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 2020/2021 Proposed Budget Amendment
CDBG (Community Development Block Grant)	2512	30-36-72612-485000 Proj: 810-0019-2512-98	Rev	\$ 350,000
CDBG (Community Development Block Grant)	2512	30-39-80010-630910 Proj: 810-0019-2512-99	Exp	\$ 350,000

PREPARATION OF STAFF REPORT

Prepared By:
 Name Steve Hargis
 Title Strategic Initiatives Manager

Department Head Approval:
 Name Brian Mohan
 Title Assistant City Manager

Concurred By:
 Name Felicia London
 Title Purchasing & Sustainability Division Manager

CITY COUNCIL GOALS


Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

None

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 2:28 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/30/21 5:17 PM



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2022 THROUGH JUNE 30, 2023 (ROPS 22-23) (RESO. NO. SA 2021-XX)

RECOMMENDED ACTION

Recommendations: That the City Council as Successor Agency:

1. Adopt Resolution No. SA 2021-XX. A Resolution of the City Council of the City of Moreno Valley, California, serving as Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Approving the Recognized Obligation Payment Schedule and Administrative Budget for the Period of July 1, 2022 through June 30, 2023 (ROPS 22-23), and Authorizing the City Manager acting for the Successor Agency or his/her Designee to Make Modifications Thereto.
2. Authorize the City Manager acting for the Successor Agency or his Designee to make modifications to the Schedule.
3. Authorize the transmittal of the ROPS 22-23, for the period of July 1, 2022 through June 30, 2023 ("Exhibit A"), including Administrative Budget ("Exhibit B") for the said period, to the Countywide Oversight Board for County of Riverside for review and approval.

SUMMARY

This report recommends adoption of the Proposed Resolution approving the

Recognized Obligation Payment Schedule (ROPS 22-23) including the Administrative Budget, for the period of July 1, 2022 through June 30, 2023.

As successor agency (“Successor Agency”) to the Community Redevelopment Agency (RDA) of the City of Moreno Valley, the City is responsible for winding down the affairs of the former RDA including disposing of its assets, making payments and performing other obligations owed for Enforceable Obligations. The Recognized Obligation Payment Schedules certain applicable periods provide the details necessary for the City serving as the Successor Agency to fulfill the former RDA’s legally binding and enforceable agreements as required by law.

This item was noticed on the November 23, 2021 Finance Subcommittee agenda for review and discussion.

DISCUSSION

ABX1 26 requires the Successor Agency to approve a Recognized Obligation Payment Schedule (“ROPS”) for each Fiscal Year. The required content of the ROPS, set forth in Health and Safety Code Section 34177(l)(1), details all of the Successor Agency’s legally binding and enforceable obligations, anticipated payments, and sources of payments. Recognized obligations include bonds, loans, judgments, settlements, any legally binding and enforceable agreements or contracts, and contracts and agreements for agency administration or operation. AB 1484 further clarifies certain matters associated with the dissolution of RDAs and addresses substantive issues related to administrative processes, affordable housing activities, and repayment of loans from communities, use of existing bond proceeds, and the disposition or retention of Successor Agency assets.

In order to facilitate the wind down process, on behalf of the Successor Agency, the City Council has adopted the following Resolutions:

- Resolution No. 2012-13, adopted on February 28, 2012, approving a Recognized Obligation Payment Schedule for the period of January 1, 2012 through June 30, 2012.
- Resolution No. 2012-22, adopted on April 10, 2012, approving a Second Recognized Obligation Payment Schedule for the period of July 1, 2012 through December 31, 2012.
- Resolution No. 2012-71, adopted on August 28, 2012, approving a Second Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013.
- Resolution No. SA 2013-02, adopted on February 26, 2013, approving a Recognized Obligation Payment Schedule (ROPS 13-14 A) for the period of July 1, 2013 through December 31, 2013.

- Resolution No. SA 2013-09, adopted on September 24, 2013, approving a Recognized Obligation Payment Schedule (ROPS 13-14 B) for the period of January 1, 2014 through June 30, 2014.
- Resolution No. SA 2014-01, adopted on February 25, 2014, approving a Recognized Obligation Payment Schedule (ROPS 14-15 A) for the period of July 1, 2014 through December 31, 2014.
- Resolution No. SA 2014-02, adopted on September 23, 2014, approving a Recognized Obligation Payment Schedule (ROPS 14-15 B) for the period of January 1, 2015 through June 30, 2015.
- Resolution No. SA 2015-01, adopted on February 24, 2015, approving a Recognized Obligation Payment Schedule (ROPS 15-16 A) for the period of July 1, 2015 through December 31, 2015.
- Resolution No. SA 2015-02, adopted on September 22, 2015, approving a Recognized Obligation Payment Schedule (ROPS 15-16 B) for the period of January 1, 2016 through June 30, 2016.
- Resolution No. SA 2016-01, adopted on January 19, 2016, approving a Recognized Obligation Payment Schedule (ROPS 16-17) for the period of July 1, 2016 through June 30, 2017.
- Resolution No. SA 2016-02, adopted on September 6, 2016, approving a Recognized Obligation Payment Schedule (ROPS 16-17 B) for the period of January 1, 2017 through June 30, 2017.
- Resolution No. SA 2016-04, adopted on December 12, 2016, approving a Recognized Obligation Payment Schedule (ROPS 17-18) for the period of July 1, 2017 through June 30, 2018.
- Resolution No. SA 2017-05, adopted on September 19, 2017, approving a Recognized Obligation Payment Schedule (ROPS 17-18 B) for the period of January 1, 2018 through June 30, 2018.
- Resolution No. SA 2018-01, adopted on January 16, 2018, approving a Recognized Obligation Payment Schedule (ROPS 18-19) for the period of July 1, 2018 through June 30, 2019.
- Resolution No. SA 2018-04, adopted on September 4, 2018, approving a Recognized Obligation Payment Schedule (ROPS 18-19 B) for the period of January 1, 2019 through June 30, 2019.
- Resolution No. SA 2018-06, adopted on December 18, 2018, approving a

Recognized Obligation Payment Schedule (ROPS 19-20) for the period of July 1, 2019 through June 30, 2020.

- Resolution No. SA 2019-02, adopted on August 20, 2019, approving a Recognized Obligation Payment Schedule (ROPS 19-20 B) for the period of January 1, 2020 through June 30, 2020.
- Resolution No. SA 2019-03, adopted on December 3, 2019, approving a Recognized Obligation Payment Schedule (ROPS 20-21) for the period of July 1, 2020 through June 30, 2021.
- Resolution No. SA 2020-02, adopted on July 7, 2020, approving a Recognized Obligation Payment Schedule (ROPS 20-21 B) for the period of January 1, 2021 through June 30, 2021.
- Resolution No. SA 2021-01, adopted on January 5, 2021, approving a Recognized Obligation Payment Schedule (ROPS 21-22) for the period of July 1, 2021 through June 30, 2022.

Once approved, the ROPS 22-23 will be submitted to the Successor Agency's Countywide Oversight Board for the County of Riverside ("Oversite Board") for review and approval. Upon approval by the Oversight Board, a copy of the approved ROPS will be transmitted to the County-Auditor Controller, the State Controller's Office, the State Department of Finance, and posted to the City's website.

ALTERNATIVES

1. Adopt the attached proposed resolution, which approves the Recognized Obligation Payment Schedule, including the administrative budget for the period of July 1, 2022 through June 30, 2023 and authorizing the transmittal of said Schedules to the Oversight Board for review and approval. *Staff recommends this alternative because it allows the City serving as the Successor Agency to make required debt service payments in accordance with State legislation.*
2. Decline to adopt the attached proposed resolution which would not allow the City, serving as the Successor Agency, to maintain the operations, and fulfill debt obligations of the former RDA as required by law. *Staff does not recommend this alternative.*

FISCAL IMPACT

The Recognized Obligation Payment Schedule provides the details necessary for the City serving as the Successor Agency to fulfill the former RDA's legally binding and enforceable agreements. The ROPS 22-23 will serve as authorization to pay obligations listed during the noted period including allowable administrative costs of \$250,000. With the dissolution of the former RDA, there are continued risks that the payment of certain agreements may not be approved by the California Department of Finance, which will

impact the General Fund. When these costs can be considered a short-term loan from the City to the Successor Agency and thus considered an enforceable obligation of the Successor Agency, the City shall seek reimbursement as available.

NOTIFICATION

The agenda for the meeting during which this item may be considered has been posted in the three locations that have been designated for the posting of City Council agendas, in compliance with the Brown Act.

PREPARATION OF STAFF REPORT

Prepared By:
Launa Jimenez
Financial Resources Division Manager

Department Head Approval:
Brian Mohan
Assistant City Manager/Chief Financial Officer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

1. SA Resolution 2021-XX with Exhibits

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 5:26 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/30/21 5:16 PM

RESOLUTION NO. SA 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, SERVING AS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET FOR THE PERIOD OF JULY 1, 2022 THROUGH JUNE 30, 2023 (ROPS 22-23), AND AUTHORIZING THE CITY MANAGER ACTING FOR THE SUCCESSOR AGENCY OR HIS/HER DESIGNEE TO MAKE MINOR MODIFICATIONS THERETO

WHEREAS, the City Council of the City of Moreno Valley agreed to serve as successor agency to the Community Redevelopment Agency of the City of Moreno Valley (“Former RDA”) commencing upon dissolution of the Former RDA on February 1, 2012 pursuant to Assembly Bill x1 26, as amended by AB 1484; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l), before each fiscal period, the successor agency to a dissolved redevelopment agency such as the Former RDA is required to adopt a draft Recognized Obligation Payment Schedule (“ROPS”) that lists all of the obligations that are “enforceable obligations” within the meaning of Health and Safety Code Section 34171, and which identifies a source of payment for each such obligation from among (i) the Low and Moderate Income Housing Fund; (ii) bond proceeds; (iii) reserve balances; (iv) the administrative cost allowance; (v) revenues from rents, concessions, interest earnings, and asset sales; and (vi) the Redevelopment Property Tax Trust Fund established by the County Auditor-Controller to the extent no other source of funding is available or payment from property tax is contractually or statutorily required; and

WHEREAS, the City of Moreno Valley (“City”), acting as the successor agency to the Former RDA (“Successor Agency”) has prepared a ROPS and an administrative budget covering the period July 1, 2022 through June 30, 2023 (“ROPS 22-23”); and

WHEREAS, the draft ROPS must be concurrently submitted to the County Administrative Officer, the County Auditor-Controller, the State Department of Finance, and the Countywide Oversight Board for County of Riverside (“Oversight Board”).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, SERVING AS THE SUCCESSOR AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

1
Resolution No. SA 2021-XX
Date Adopted: December 7, 2021

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

SECTION 1. RECITALS

That the foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. APPROVAL OF ROPS 22-23 AND ADMINISTRATIVE BUDGET

That the City Council acting on behalf of the Successor Agency hereby approve and adopt ROPS 22-23 and the related administrative budget, in substantially the form attached hereto as Exhibit "A" and Exhibit "B", respectively.

SECTION 3. TRANSMITTAL

That City staff, acting for the Successor Agency, is directed to transmit the ROPS 22-23 to the Oversight Board, County Administrative Officer, the County Auditor-Controller, and the State Department of Finance.

Section 4. OTHER ACTS

That the City Manager, acting for the Successor Agency, or his/her designee is hereby authorized to make minor modifications to the ROPS 22-23, and each officer of the City, acting for the Successor Agency, is hereby authorized and directed, jointly and severally, to execute and deliver such documents and instruments and to do such things which may be necessary or proper to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified, approved and confirmed. Such acts shall include, but shall not be limited to, reformatting of the ROPS 22-23 as may be required by the Department of Finance or Oversight Board.

Section 5. SEVERABILITY

That if any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City Council acting for the Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 6. EFFECTIVE DATE

That this Resolution shall take effect immediately upon adoption.

2
Resolution No. SA 2021-XX
Date Adopted: December 7, 2021

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

Section 7. CERTIFICATION

That the City Clerk acting for the Successor Agency shall certify to the passage of this Resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 7th day of December 2021.

Dr. Yxstian A. Gutierrez
Mayor
City of Moreno Valley
acting for Successor Agency

ATTEST:

Pat Jacquez-Nares, City Clerk
acting for Successor Agency

APPROVED AS TO FORM:

Steve Quintanilla, Interim City Attorney
acting for Successor Agency

3
Resolution No. SA 2021-XX
Date Adopted: December 7, 2021

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. SA 2021-__ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

PAT JACQUEZ-NARES CITY CLERK

(SEAL)

4
Resolution No. SA 2021-XX
Date Adopted: December 7, 2021

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

EXHIBIT "A"

ROPS 22-23 COVERING JULY 1, 2022 THROUGH JUNE 30, 2023

SEE ATTACHED

5
Resolution No. SA 2021-XX
Date Adopted: December 7, 2021

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

**Recognized Obligation Payment Schedule (ROPS 22-23) -
Summary Filed for the July 1, 2022 through June 30, 2023 Period**

Successor Agency: Moreno Valley
County: Riverside

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	22-23A Total (July - December)	22-23B Total (January - June)	ROPS 22-23 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,934,227	\$ 1,915,911	\$ 3,850,138
F RPTTF	1,809,227	1,790,911	3,600,138
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 1,934,227	\$ 1,915,911	\$ 3,850,138

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

**Moreno Valley
Recognized Obligation Payment Schedule (ROPS 22-23) - ROPS
Detail July 1, 2022 through June 30, 2023**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$60,864,777		\$3,850,138	\$-	\$-	\$-	\$1,809,227	\$125,000	\$1,934,227	\$-	\$-	\$-	\$1,790,911	\$125,000	\$1,915,911
2	2007 Special Tax Refunding Bonds - Towngate 87-1	Bonds Issued On or Before 12/31/10	11/29/2007	12/01/2021	Wells Fargo Bank	Debt service payments for bonds issued to finance the acquisition of public facilities	Original Area	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
3	Improvement Area No. 1 Special Tax Refunding Bonds	Bonds Issued On or Before 12/31/10	11/29/2007	10/01/2023	Wells Fargo Bank	Debt service payments for bonds issued to finance the construction of public facilities	Original Area	345,000	N	\$282,742	-	-	-	141,371	-	\$141,371	-	-	-	141,371	-	\$141,371
5	2011 Refunding of 97 LRB Bonds	Revenue Bonds Issued After 12/31/10	01/01/2011	11/01/2022	Bank of America	Debt service payments for bonds issued to finance the construction of a public facility	Original Area	150,000	N	\$150,000	-	-	-	75,000	-	\$75,000	-	-	-	75,000	-	\$75,000
13	CalPERS Retirement Liability	Unfunded Liabilities	07/01/2012	07/01/2031	The California Public Employees' Retirement System (CalPERS)	Unfunded PERS Retirement Liability Acct	Original Area	193,971	N	\$13,855	-	-	-	13,855	-	\$13,855	-	-	-	-	-	\$-
14	Retiree Medical Trust (CERBT)	Unfunded Liabilities	07/01/2012	07/01/2031	California Employers' Retiree Medical Trust(CERBT)/CalPERS	Unfunded Retiree Medical Trust Acct	Original Area	62,466	N	\$4,461	-	-	-	4,461	-	\$4,461	-	-	-	-	-	\$-
17	Towngate Acquisition Note	Third-Party Loans	05/03/2004	06/30/2044	City of Moreno Valley	Participation Agreement	Original Area	18,826,841	N	\$1,400,000	-	-	-	700,000	-	\$700,000	-	-	-	700,000	-	\$700,000
19	Robertson's Ready Mix, Inc. OPA	OPA/DDA/ Construction	09/26/2006	09/30/2028	Robertson's Ready Mix, Inc.	Owner Participation Agreement	Original Area	1,111,499	N	\$242,200	-	-	-	121,100	-	\$121,100	-	-	-	121,100	-	\$121,100

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 22-23 Total	ROPS 22-23A (Jul - Dec)					22-23A Total	ROPS 22-23B (Jan - Jun)					22-23B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
24	Payroll Costs/ Operating Costs	Admin Costs	01/01/2015	06/30/2018	City of Moreno Valley/ Employees	Successor Agency's Payroll & Operating Costs	Original Area	250,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
88	2017 Refunding of the 2007 Tax Allocation Bonds Series A	Refunding Bonds Issued After 6/27/12	08/23/2017	08/01/2038	Wells Fargo Bank	Debt service payments for bonds issued to finance various capital projects		38,045,000	N	\$1,506,880	-	-	-	753,440	-	\$753,440	-	-	-	753,440	-	\$753,440

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

Moreno Valley
Recognized Obligation Payment Schedule (ROPS 22-23) - Report of Cash
Balances July 1, 2019 through June 30, 2020
 (Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
	ROPS 19-20 Cash Balances (07/01/19 - 06/30/20)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
1	Beginning Available Cash Balance (Actual 07/01/19) RPTTF amount should exclude "A" period distribution amount.	-	-	-	-		
2	Revenue/Income (Actual 06/30/20) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller	-	-	-		4,475,374	
3	Expenditures for ROPS 19-20 Enforceable Obligations (Actual 06/30/20)	-	-	-	-	4,682,913	
4	Retention of Available Cash Balance (Actual 06/30/20) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	-	-	-	-	-	
5	ROPS 19-20 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 19-20 PPA form submitted to the CAC			No entry required		467,494	
6	Ending Actual Available Cash Balance (06/30/20) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$	\$(675,033)	

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO

**Moreno Valley
Recognized Obligation Payment Schedule (ROPS 22-23) -
Notes July 1, 2022 through June 30, 2023**

Item #	Notes/Comments
2	Will be retired 12/1/2021. Reserves will pay final debt service payment.
3	
5	
13	
14	
17	
19	
24	
88	

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

EXHIBIT "B"

ADMINISTRATION BUDGET COVERING JULY 1, 2022 THROUGH JUNE 30, 2023

SEE ATTACHED

6
Resolution No. SA 2021-XX
Date Adopted: December 7, 2021

Attachment: SA Resolution 2021-XX with Exhibits (5603 : RESOLUTION OF THE CITY OF MORENO VALLEY SERVING AS THE SUCCESSOR

Exhibit "B"

Administrative Budget

Expense Classifications	FY 2021/22 Amended Budget	FY 2022/23 Proposed Budget
Salaries/Benefits	\$ 117,931	\$ 117,931
Professional Services	125,269	125,269
Administrative Expenses	6,800	6,800
Total Administrative Budget	\$ 250,000	\$ 250,000



Report to City Council

TO: Mayor and City Council
 Mayor and City Council Acting in its Capacity as
 President and Members of the Board of Directors of the
 Moreno Valley Community Services District (CSD)

FROM: Jeremy Bubnick, Parks & Community Services Director

AGENDA DATE: December 7, 2021

TITLE: AWARD OF AN INDEPENDENT CONTRACT AGREEMENT
 FOR RENTAL AND SERVICE OF PORTABLE TOILETS

RECOMMENDED ACTION

Recommendations:

1. Award a professional services agreement to Diamond Environmental Services LP, and authorize and execute a contract with Diamond Environmental Services LP, in the amount of \$157,160.35, for a five-year contract term; and
2. Authorize the City Manager, or designee, to execute all necessary documents to implement the Agreement, and extend the Agreement for a five-year term; and
3. Authorize contingency in the amount of \$7,000 per year, total contingency over five-year term of up to \$35,000 for additional rental and service that may arise during the term of the agreement; and
4. Authorize the Parks and Community Services Director to execute any subsequent change orders to, agreement, but not exceeding the total, subject to the approval of the City Attorney.

SUMMARY

This report recommends approval of an Independent Contract Agreement with Diamond Environmental Services LP, to provide portable toilet rentals and service for Community Services Division, Parks Division, Public Works Maintenance and Operations Division, and Police Station Operations.

DISCUSSION

The Parks and Community Services Department provides numerous City community events through the year that require additional portable toilets for the events, in addition, Parks Division have a couple City parks that use portable toilets with no restroom facilities for the publics use. Public Works Maintenance and Operations Division use portable toilet trailers for offsite road construction projects and Police Operations utilizes portable toilets for their operational needs. The current contract for the services is at it contract limit, there is an ongoing need to do a City wide request for proposal for the City wide needs of portable toilet rentals and services for each department.

The service will include the rental, installation and service of portable toilets for City events, City parks, public works, and police operations.

On October 25, 2021, the Parks and Community Services Department posted Request for Proposal No. 2021-032 for Professional Services for Portable Toilet Rentals on the City’s electronic bid management system PlanetBids. On November 8, 2021, two proposals were received via the electronic bid management system, PlanetBids, as follows:

<u>CONTRACTORS</u>	<u>MAIN BID RESULT AMOUNTS</u>
1. Diamond Environmental Services LP	\$23,009.46 annually
2. United Site Services	\$23,783.77 annually

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. This alternative, as recommended by staff, allows the timely rental and service of portable toilets for citywide needs.
2. Do not approve and authorize the recommended actions as presented in this staff report. Staff does not recommend this alternative as it will delay the rental and service of portable toilets for upcoming City events, along with parks, public works and police operation needs.

FISCAL IMPACT

The term of the Agreement is for five years, per approval of both parties for additional years of services at the end of each fiscal year and provided funding appropriations and program approvals have been granted by the City Council each fiscal year. The Agreement is subject to an annual Consumer Price Index (CPI) inflation adjustment, at the discretion of the City and with appropriate City Council funding and program approvals. The following table is the five-year not-to-exceed amount of the Agreement (including an estimate for annual CPI adjustments and emergency rental of additional portable toilets as needed).

Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2025/26	FY 2026/27	Total

	Year 1	Year 2	Year 3	Year 4	Year 5	
Contractual Services	\$23,009.46	\$23,699.74	\$24,410.74	\$25,143.06	\$25,897.35	\$122,160.35
Additional Service	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$35,000.00
Grand Total F/Y	\$30,009.46	\$30,699.74	\$31,410.74	\$32,143.06	\$32,897.35	\$157,160.35
Community Services Division (\$65,217.15)	Parks Division (\$24,472.55)	PW M&O Division (\$38,780.55)	Police Operations (\$28,690.10)			

NOTIFICATION

Posting of Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Dean Ristow
Parks Superintendent

Department Head Approval:
Jeremy Bubnick
Director

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

1. Agreement for On-site and/or Professional Services: Diamond Environmental Services LP - Approved as to Form

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 1:58 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/30/21 5:18 PM

City of Moreno Valley

AGREEMENT FOR ON-SITE AND/OR PROFESSIONAL SERVICES FOR RENTAL OF PORTABLE TOILETS

This Agreement is made by and between the City of Moreno Valley, **Moreno Valley Community Services District**, California, a municipal corporation, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552, hereinafter referred to as the "City", and **Diamond Environmental Services LP**, a **Limited Partnership**, with its principal place of business at **807 E. Mission RD. San Marcos, CA. 92069**, hereinafter referred to as the "Contractor," based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors;
- B. Contractor desires to perform and assume responsibility for the provision of professional **PORTABLE RESTROOM RENTAL** contracting services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional **PORTABLE RESTROOM RENTAL** contracting services, is licensed in the State of California, if applicable;
- C. City desires to engage Contractor to render such services for the **PORTABLE RESTROOM RENTAL** as set forth in this Agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

TERMS

1. CONTRACTOR INFORMATION:

Contractor's Name: Diamond Environmental Services LP
 Address: 807 E. Mission Rd.
 City: San Marcos State: CA. Zip: 92069
 Business Phone: 760-744-7191 Fax No. 760-744-7184
 Other Contact Number: _____
 Business License Number: 11295
 Federal Tax I.D. Number: 33-0766453

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor's scope of service is described in Exhibit "A" attached hereto and incorporated herein by this reference.
- B. The City's responsibilities, other than payment, are described in Exhibit "B" attached hereto and incorporated herein by this reference.

- C. Payment terms are provided in Exhibit “C” attached hereto and incorporated herein by this reference.
- D. The term of this Agreement shall be from January 1, 2022 to June 30, 2026 unless terminated earlier as provided herein. The City acknowledges that it will not unreasonably withhold approval of the Contractor’s requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor’s reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.

3. **STANDARD TERMS AND CONDITIONS:**

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly

removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: **Tanno Gomolka**.

- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates **Tanno Gomolka Contract Manager**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.
- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and

demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section "J" that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.
- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers' Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form "Exception to Worker's Compensation Coverage" is signed, notarized and attached to this Agreement

X General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons

whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

- Bodily Injury \$1,000,000 per occurrence/ \$2,000,000 aggregate
- Property Damage \$1,000,000 per occurrence/ \$2,000,000 aggregate

X Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and \$2,000,000 aggregate.

X Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

X A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, officials, employees, agents, and volunteers are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, officials, employees, agents, and volunteers, under any third party liability policy

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated

otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.
- (b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
- (c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.
- (d) In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.
- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.

- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.
- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:

Diamond Environmental Services LP
 807 E. Mission Rd.
 San Marcos, CA 92069
 Attn: Tanno Gomolka, Contract Manager

City:

City of Moreno Valley
 14177 Frederick Street
 P.O. Box 88005
 Moreno Valley, CA 92552
 Attn: Parks Superintendent, Parks and Community Services,
 Parks Maintenance

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.
- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.

- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
- BB Supplementary General Conditions (for projects that are funded by Federal programs). The following provisions, pursuant to 44 Code of Federal Regulations, Part 13, Subpart C, Section 13.36, as it may be amended from time to time, are included in the Agreement and are required to be included in all subcontracts entered into by CONTRACTOR for work pursuant to the Agreement, unless otherwise expressly provided herein. These provisions supersede any conflicting provisions in the General Conditions and shall take precedence over the General Conditions for purposes of interpretation of the General Conditions. These provisions do not otherwise modify or replace General Conditions not in direct conflict with these provisions. Definitions used in these provisions are as contained in the General Conditions.
1. CONTRACTOR shall be subject to the administrative, contractual, and legal remedies provided in the General Conditions in the event CONTRACTOR violates or breaches terms of the Agreement.
 2. CITY may terminate the Agreement for cause or for convenience, and CONTRACTOR may terminate the Agreement, as provided the General Conditions.
 3. CONTRACTOR shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by CITY and/or subcontracts in excess of \$10,000 entered into by CONTRACTOR.)
 4. CONTRACTOR shall comply with the Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3) (All contracts and subcontracts for construction or repair.)
 5. CONTRACTOR shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a7) as supplemented by Department of Labor regulations (29 CFR Part 5).
 6. CONTRACTOR shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327330) as supplemented by Department of Labor regulations (29 CFR Part 5).

7. CONTRACTOR shall observe CITY requirements and regulations pertaining to reporting included in the General Conditions.

8. Patent rights with respect to any discovery or invention which arises or is developed in the course of or under the Agreement shall be retained by the CITY.

9. Copyrights and rights in data developed in the course of or under the Agreement shall be the property of the CITY. FEMA/CalOES reserve a royalty-free, nonexclusive, irrevocable license to reproduce, publish or otherwise use or authorize to others to use for federal purposes a copyright in any work developed under the Agreement and/or subcontracts for work pursuant to the Agreement.

10. CONTRACTOR shall provide access by the City, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

11. CONTRACTOR shall retain all required records for three years after CITY makes final payments and all other pending matters relating to the Agreement are closed.

12. CONTRACTOR shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (This provision applies to contracts exceeding \$100,000 and to subcontracts entered into pursuant to such contracts.)

13. CONTRACTOR shall comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

SIGNATURE PAGE TO FOLLOW

Attachment: Agreement for On-site and/or Professional Services: Diamond Environmental Services LP - Approved as to Form (5615 : AWARD

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

City of Moreno Valley

Diamond Environmental Services LP

BY: _____

Chief Financial Officer
/City Manager/Mayor

(Select only one please)

BY: _____

TITLE: _____
(President or Vice President)

Date

Date

BY: _____

TITLE: _____
(Corporate Secretary)

Date

Attachment: Agreement for On-site and/or Professional Services: Diamond Environmental Services LP - Approved as to Form (5615 : AWARD

INTERNAL USE ONLY

ATTEST:

City Clerk
(only needed if Mayor signs)

APPROVED AS TO LEGAL FORM:

City Attorney

Date

RECOMMENDED FOR APPROVAL:

Department Head
(if contract exceeds 15,000)

Date

Attachment: Agreement for On-site and/or Professional Services: Diamond Environmental Services LP - Approved as to Form (5615 : AWARD

EXHIBIT A

CONTRACTORS SCOPE OF WORK

- A. The City of Moreno Valley, Parks and Community Services Department/Parks Maintenance Division is committed to serving our community through teamwork and the constant pursuit of excellence. The Parks and Community Services Department is responsible for providing portable toilet rental services to Parks and Community Services Divisions, Public Works Maintenance and Operations, and the Police Department. The purpose of this agreement is to work professionally with the Contractor and execute a contract for the rental and servicing of portable toilets. The Contractor shall be responsible for providing all materials and labor to satisfy the City's need for portable toilet services. The contractor will consist of furnishing and servicing vendor-owned portable toilet units for short or long-term requirements, special events and continual monthly service as needed. Service shall be based on the location, event and purpose. The Contractor shall be able to supply portable toilets, Regular, ADA Compliant, ADA Accessible, and Wash Stations. The Contractor shall be responsible for the following:
- B. The agreement between the City and the Contractor is for portable restrooms rentals and service for Parks and Community Services Divisions:
- (1) Cottonwood Golf Center, 13671 Frederick Street, for monthly portable restroom service.
 - (2) Moreno Valley Equestrian Center, 11150 Redlands, for monthly portable restroom service.
 - (3) July 4th Festival and Parade Route.
 - (4) Special Events.
 - (5) Emergency Needs.
- C. The agreement between the City and the Contractor is for portable restrooms rentals and service for Maintenance and Operations:
- (1) Two (2) portable restrooms on wheels for special projects, stationed at 15670 Perris Blvd.
- D. The agreement between the City and the Contractor is for portable restrooms for the Police Department for rental and service for Police Operations.
- E. Delivering and setting up the portable toilets at each requested site
- F. Ensure all material and methods comply with the standards set forth by the Riverside County Health Department and other agencies where applicable
- G. Copy of the material safety data sheet upon the City's request for all materials used.

- H. Provide clean and undamaged units
- I. Charging unit with fresh chemical, stocking tissue paper dispensers, protective toilet liners and hand sanitizers
- J. Provide timely response times for both normal deliveries and emergency deliveries
- K. Provide timely service for weekly and monthly service for portable toilet rentals and as needed for special events
- L. Respond to repairs on rental units
- M. Contact City liaison upon delivery of units
- N. Use safety precautions at all times when delivering, setting up, servicing, and removing portable toilets to prevent any harm to citizens, or property
- O. Toilets should be set up on stable, level ground and away from potential dangers.
- P. Toilets should be placed in the most convenient areas (per the City's direction) and easy to access.
- Q. The Contractor will be subject to the City's standard insurance requirements
- R. The City reserves the right to add additional units. Dates of use are approximate and the City reserves the right to request additions or subtractions from these periods.
- S. The Contractor will consist of furnishing and servicing vendor-owned portable toilet units for short or long-term requirements, special events and continual monthly service as needed. Service shall be based on the location, event and purpose. The Contractor shall be able to supply portable toilets, Regular, ADA Compliant, ADA Accessible, and Wash Stations. The outcome of these services will be used to furnish rental of portable toilets to departments for monthly service, special events and emergency services as needed.
- T. Written notice of the extension of the yearly contract and compensation amount for each fiscal year shall be provided to the Contractor at least thirty (30) days prior to the end of the current fiscal year.

Any request for an increase in Contractor's compensation shall be based on an annual inflation adjustment, calculated for the previous calendar year, based on the Riverside-San Bernardino-Ontario Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. Any such request shall be made to the City in writing no later than May 1 of each year for a total of five (5) years. Upon approval, the adjustment would be effective July 1 of the following fiscal year.

Additional Events Unit cost as needed:

Regular Unit: \$62.17

ADA Unit: \$139.17

Handicap Unit: \$89.17

Dual Wash Sink: \$60.17

Emergency Needs: \$175.00 per truck

EXHIBIT B
CITY'S RESPONSIBILITIES

Furnish the Contractor all in-house data which is pertinent to services to be performed by the Contractor and which is within the custody or control of the CSD, including, but not limited to, copies of record and off-record maps and other record and off-record property data, right-of-way maps and other right-of-way data, pending or proposed subject property land division and development application data, all newly developed and pertinent design and project specification data, and such other pertinent data which may become available to the CSD.

Provide timely review, processing, and reasonably expeditious approval of all submittals by the Contractor.

Provide timely CSD staff liaison with the Contractor when requested and when reasonably needed.

EXHIBIT C

TERMS OF PAYMENT

1. The Contractor's compensation shall not exceed \$157,160.35.
2. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
3. The Contractor will electronically submit an invoice to the City on a monthly basis for progress payments along with documentation evidencing services completed to date. The progress payment is based on actual time and materials expended in furnishing authorized professional services since the last invoice. At no time will the City pay for more services than have been satisfactorily completed and the City's determination of the amount due for any progress payment shall be final. The Contractor will submit all original invoices to Accounts Payable staff at AccountsPayable@moval.org

Accounts Payable questions can be directed to (951) 413-3073.

Copies of invoices may be submitted to the Parks and Community Services Department, Parks Division at deanr@moval.org or calls directed to (951) 413-3702.
3. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall/forms.shtml#bf
4. The minimum information required on all invoices is:

- A. Vendor Name, Mailing Address, and Phone Number
 - B. Invoice Date
 - C. Vendor Invoice Number
 - D. City-provided Reference Number (e.g. Project, Activity)
 - E. Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.
6. The City shall pay the Contractor for all invoiced, authorized professional services within thirty (30) days of receipt of the invoice for same.
 7. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.
 8. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.



Report to City Council

TO: Mayor and City Council

FROM: Michael Lloyd, Public Works Director/City Engineer

AGENDA DATE: December 7, 2021

TITLE: ADOPT RESOLUTION NO. 2021-XX, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE 2022 UPDATES TO THE WILDFIRE MITIGATION PLAN FOR MORENO VALLEY UTILITY

RECOMMENDED ACTION

Recommendation:

Adopt Resolution No. 2021-XX, a Resolution of the City Council of the City of Moreno Valley, California, approving the Moreno Valley Utility 2022 Wildfire Mitigation Plan.

SUMMARY

Staff recommends City Council approve the Moreno Valley Utility (MVU) 2022 Wildfire Mitigation Plan. The Plan conforms to the requirements of Senate Bill 901 (SB 901) and Assembly Bill 1054 (AB 1054) which were signed into law in September 2018, and July 2019 respectively. This update incorporates recommended additions and changes outlined by the California Wildfire Safety Advisory Board.

Moreno Valley Utility's (MVU) entire electric distribution system is located underground in conduit and vaults. The undergrounding of electrical infrastructure is an effective mitigation measure to reduce the cause of power-line ignited wildfires. Despite this low risk, MVU takes appropriate actions to help prevent and respond to increasing risk of devastating wildfires. MVU follows all applicable design, construction, operation, and maintenance requirements reducing safety risks associated with its system. The Wildfire Mitigation Plan describes the measures MVU follows to reduce its risk of causing wildfires. This Wildfire Mitigation Plan helps meet MVU's overarching goal to provide safe, reliable, and economical electric service to the community.

MVU anticipates receiving additional guidance from the California Wildfire Safety

Advisory Board at a future date. MVU will address those recommendations and return to City Council for approval on further changes to the Wildfire Mitigation Plan if needed.

DISCUSSION

In 2016, Governor Brown signed Senate Bill (“SB”) 1028 (stats. 2016), which required publicly owned utilities (“POUs”) to identify additional wildfire mitigation measures that the POU could take if the POU governing board first found that its overhead electric lines and equipment posed a significant risk of causing a catastrophic wildfire. SB 1028 required that the POU governing board (City Council) must base this determination on “historical fires and local conditions,” and must consult with local fire departments and other entities with responsibilities for the control of wildfires within the relevant area. These requirements were specified in the newly added Public Utilities Code Section 8387.

In 2018, the California Public Utilities Commission (CPUC) completed the development of the statewide Fire Threat Map that designates areas of the state at an elevated risk of electric line-ignited wildfires.¹ This updated map incorporated historical fire data, fire-behavior modeling, and assessments of fuel, weather modeling, and a host of other factors. The map development and approval process involved detailed review by the relevant utility staff and local fire officials, a peer review process, and ultimate approval by a team of technical experts led by the California Department of Forestry and Fire Protection (“CAL FIRE”). The CPUC’s Fire Threat Map includes three Tiers/Levels of fire threat risk. Tier 1 consists of areas that have the lowest hazards and risks. Tier 2 consists of areas where there is an *elevated risk* for destructive electric line-ignited wildfires. Finally, Tier 3 consists of areas where there is an *extreme risk* for destructive electric line-ignited wildfires.

Governor Brown signed SB 901 (stats. 2018), which addressed a wide range of issues relating to wildfire prevention, response, and recovery. SB 901 substantially revised the Public Utilities Code Section 8387, eliminating the prior process established by SB 1028 and instead making it mandatory for all POUs (regardless of size or wildfire risk) to develop a wildfire mitigation plan. Pursuant to the amended Section 8387, all POUs must present a wildfire mitigation plan to its governing board prior to January 1, 2020, and annually thereafter. Section 8387(b)(2) specifies the topics that must be addressed in the POU wildfire mitigation plans, which includes: (a) the responsibilities of the persons tasked with executing the plan; (b) a description of the POU’s wildfire mitigation preventative strategies and programs; (c) a description of the metrics the POU will use to evaluate the wildfire mitigation plan’s performance and discussion of how those metrics informed the current wildfire mitigation plan; (d) protocols for disabling reclosers and deenergizing portions of the electrical system; and (e) identification, description,

¹ PG&E Advice Letter 5211-E/3172-E, “Joint Filing – Adoption of Final California Public Utilities Commission Fire-Threat Map,” Jan. 5, 2018, *available at* https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5211-E.pdf; SED Disposition Letter Approving Advice Letter 5211-E/3172-E, January 19, 2018, *available at* https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5211-E.pdf.

and prioritization of all wildfire risks within the POU's service territory.

SB 901 requires that POUs must present their wildfire mitigation plan at an appropriately noticed public meeting and receive public comment. The POU must also verify that the wildfire mitigation plan complies with all applicable rules, regulations, and standards. POUs must also have their plan reviewed by a qualified independent evaluator to assess the comprehensiveness of the plan every three years, which occurred last year.

In 2019, two new bills (SB 1054 and SB 111) made additional major reforms relating to wildfires. As part of these reforms, SB 111 created a new state agency called the California Wildfire Safety Advisory Board ("Board"). The members of the board must be selected from industry experts, academics, and people with labor and workforce safety experience. At least three members must be experienced in the safe operation, design, and engineering of electrical infrastructure. SB 1054 requires that all POUs must submit their wildfire mitigation plans to the Board by July 1 of each year, starting in 2020. The Board will then review the POU plans and will provide comments and advisory opinions on the content and sufficiency of the plans. If additional Board requirements are received this year, further revisions of the adopted updated MVU Wildfire Mitigation Plan may be required. Any substantive changes will be brought to the City Council for consideration.

Pursuant to Public Utilities Code, Section 8387, MVU has prepared the required update to the wildfire mitigation plan. Updates include fire ignition data for reporting year 2021, Public Safety Power Shutoff notification procedures, and the inclusion of the Wildfire Safety Advisory Board's Informational Response document. Staff has reviewed MVU's wildfire mitigation plan and concluded that the plan meets all the required criteria as provided in Section 8387. Staff recommends adopting the Moreno Valley Utility 2022 Wildfire Mitigation Plan.

MVU will submit its adopted updated wildfire mitigation plan to the California Wildfire Safety Advisory Board prior to July 1, 2022.

ALTERNATIVES

1. Approve the updated MVU Wildfire Mitigation Plan. *The plan provides baseline procedure and practice of safe and effective operation of the MVU electric system while minimizing risks of wildfires. Adoption of the plan will keep MVU in compliance with state mandates. This update incorporates current recommended additions and changes outlined in the Guidance Advisory Opinion issued by the California Wildfire Safety Advisory Board.* Staff recommends this alternative.
2. Do not approve the MVU Wildfire Mitigation Plan. *This action would delay the submission of an adopted Wildfire Mitigation Plan and MVU will not be in compliance with state mandates.* Staff does not recommend this action.

FISCAL IMPACT

There is no cost associated with the approval of the MVU Wildfire Mitigation Plan.

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Dean Ayer
Senior Management Analyst

Department Head Approval:
Michael Lloyd
Public Works Director/City Engineer

Concurred By:
Jeannette Olko
Electric Utility Division Manager

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2022 expiration of the ENCO Utility Systems agreement.

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. 2022 WMP Update

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/22/21 7:34 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:15 AM



2022 Wildfire Mitigation Plan

November 18, 2021

Attachment: 2022 WMP Update (5572 : APPROVE 2022 WILDFIRE MITIGATION PLAN UPDATE)

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I. Utility Context Summary

Utility Name	Moreno Valley Utility
Size in Square Miles	33.48 square miles
Assets	<input type="checkbox"/> Transmission <input checked="" type="checkbox"/> Distribution <input checked="" type="checkbox"/> Generation
Number of Customers Served	6,524 as of December 2020
Customer Classes	<input checked="" type="checkbox"/> Residential <input checked="" type="checkbox"/> Government <input type="checkbox"/> Agricultural <input checked="" type="checkbox"/> Small/Medium Business <input checked="" type="checkbox"/> Commercial/Industrial
Location/Topography	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Wildland Urban Interface <input type="checkbox"/> Rural/Forest <input type="checkbox"/> Rural/Desert <input type="checkbox"/> Rural/Agriculture
Percent Territory in CPUC High Fire Threat Districts	<input checked="" type="checkbox"/> Includes maps 0% in Tier 2 0% in Tier 3
CAL FIRE FRAP Map Fire Threat Zones	<input checked="" type="checkbox"/> Includes maps 0% Extreme 0% Very High 0% High
Existing Grid Hardening Measures	<input checked="" type="checkbox"/> Describes hardened & non-hardened infrastructure
Utility Fire Threat Risk Level	<input type="checkbox"/> High <input checked="" type="checkbox"/> Low <input type="checkbox"/> Mixed
Impacted by another utility's PSPS?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Mitigates impact of another utility's PSPS?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Expects to initiate its own PSPS?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Prevailing wind directions & speeds by season	<input type="checkbox"/> Includes maps <input type="checkbox"/> Includes a description

II. Overview

A. Policy Statement

Moreno Valley Utility's overarching goal is to provide safe, reliable, and economic electric service to its local community. In order to meet this goal, Moreno Valley Utility constructs, maintains, and operates its electrical lines and equipment in a manner that minimizes the risk of catastrophic wildfire posed by its electrical lines and equipment.

B. Purpose of the Wildfire Mitigation Plan

Moreno Valley Utility's (MVU) entire electric supply system is located underground in conduit and vaults. Historically, undergrounded electric lines have not been associated with catastrophic wildfires. The undergrounding of electric lines serves as an effective mitigation measure to reduce the potential of power-line ignited wildfires. Based on a review of local conditions and historical fires, MVU has determined that its electrical lines and equipment do not pose a significant risk of catastrophic wildfire.

Despite this low risk, MVU takes appropriate actions to help its region prevent and respond to the increasing risk of devastating wildfires. In its role as a public agency, MVU closely coordinates with other local safety and emergency officials to help protect against fires and respond to emergencies. In its role as a utility, MVU follows all applicable design, construction, operation, and maintenance requirements that reduce safety risks associated with its system. This Wildfire Mitigation Plan describes the safety-related measures that MVU follows to reduce its risk of causing wildfires.

C. Organization of the Wildfire Mitigation Plan

This Wildfire Mitigation Plan included the following elements:

- Objectives of the plan;
- Roles and responsibilities for carrying out the plan;
- Identification of key wildfire risks and risk drivers;

- Description of wildfire prevention, mitigation, and response strategies and programs;
- Metrics for evaluating the performance of the plan and identifying areas for improvement;
- Review and validation of the plan; and
- Timelines.

III. Objectives of the Wildfire Mitigation Plan

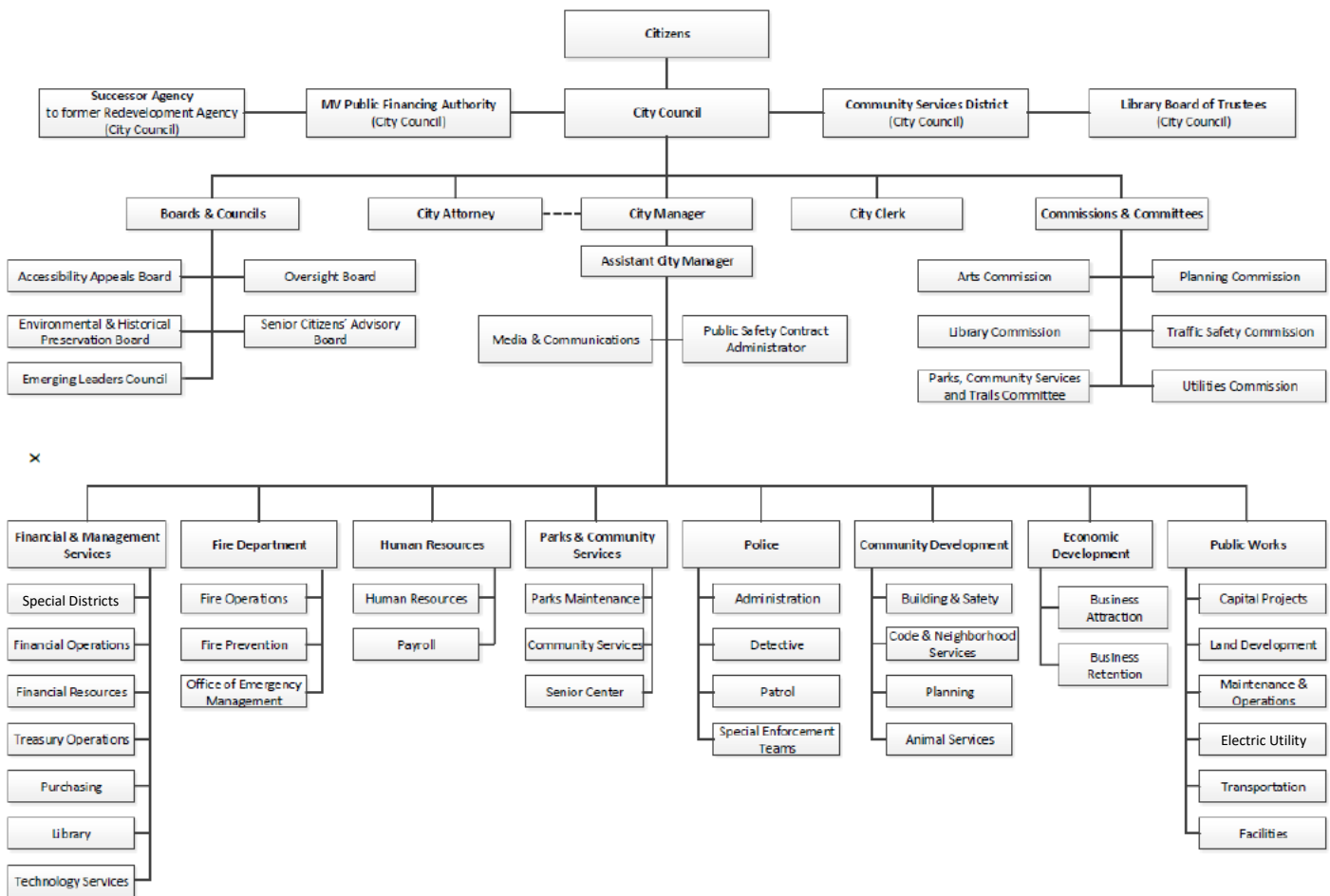
The primary goal of this Wildfire Mitigation Plan is to describe MVU’s existing programs, practices, and measures that effectively reduce the probability that MVU’s electric supply system could be the origin or contributing source for the ignition of a wildfire. To support this goal, MVU regularly evaluates the prudent and cost-effective improvements to its physical assets, operations, and training that can help reduce the risk of equipment-related fires.

The secondary goal of this Wildfire Mitigation Plan is to improve the resiliency of the electric grid. As part of the development of this plan, MVU assesses new industry practices and technologies that will reduce the likelihood of an interruption (frequency) in service and improve the restoration (duration) of service.

IV. Roles and Responsibilities

A. Utility Governance Structure

City of Moreno Valley Organization Chart



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The City of Moreno Valley is a general law city that operates under a Council-Manager form of government. MVU is governed by a five-member City Council. Four Council Members are elected by district to staggered, four-year terms, while the Mayor is directly elected. The council appoints the City Manager, who oversees the daily operations of the City. Volunteer Commissions and Boards, as well as several Citizen Advisory Committees help guide the Council in its decisions. The City Council formed a five-member Utilities Commission, whose purpose is to provide additional review for all matters pertaining to MVU. Commissioners are citizen volunteers, appointed by the City Council for three-year terms.

MVU's Wildfire Mitigation Plan is developed by staff and then reviewed by the Division Manager, Public Works Director, Assistant City Manager, City Manager, Utilities Commission, and the five-member City Council. City Council votes on approval and the plan is approved with a majority vote.

MVU funds wildfire mitigation activities through current rate payer revenues. These funds are augmented by grant awards. Mitigation projects typically take the form of revised equipment design standards and system hardening Capital Improvement Projects.

B. Wildfire Prevention

MVU staff, in partnership with its maintenance and operations provider, is responsible for electric facility design, maintenance, and inspection, including vegetation management. Although MVU's electrical distribution system is 100% underground, MVU follows best practices to prevent ignition of wildfires from its equipment. These items include:

- MVU performs routine maintenance of all distribution facilities.
- MVU adheres to a seasonal weed abatement and vegetation management schedule to maintain at-risk sites.
- MVU contracts for seasonal weed abatement services. Standard clearances as defined by General Orders 95, 128, 165, and 174, are maintained as part of routine maintenance cycles. All electric distribution facility equipment requiring repair and maintenance are addressed and corrected as they are identified. Annual inspections and maintenances of MVU substation facilities identified no deficiencies for 2020.
- MVU abides by Municipal Code 6.40 to abate trees, shrubs, weeds, and grass at all MVU facilities. Including Landscaping, vegetation, or improved or unimproved property in any of the following conditions: containing weeds, dry grasses, dead trees, dead shrubs, or any other material which bears seeds of a wingy or downy nature or which by reason of their size, manner of growth or location, constitute a fire hazard or a threat to public health, or containing weeds, vegetation, grasses, trees or shrubs, including, but not limited to sagebrush, chaparral, and Russian Thistle (tumbleweed) which, when dry, will in reasonable probability constitute a fire hazard or be blown onto adjoining property by prevailing winds; trees and shrubs containing dead or fallen limbs or branches that may present a safety hazard; trees or shrubs which are overgrown or contain limbs or branches that restrict, impede or obstruct the use of or obscure the visibility of pedestrians or drivers using the public rights-of-way, easements, sidewalks or roadways; overgrown vegetation likely to harbor vermin, insects or rodents of any kind.
- Electric system operates in a manner that will minimize potential wildfire risks.
- Take all reasonable and practicable actions to minimize the risk of a catastrophic wildfire caused by MVU electric facilities.
- Coordinate with federal, state, and local fire management personnel as necessary or appropriate to implement MVU's Wildfire Mitigation Plan.
- Immediately report fires to local fire department, Emergency Management Program Manager, MVU administration, and other City Officials, pursuant to existing MVU practices and the requirements of this Wildfire Mitigation Plan.

- Coordinate with City Emergency Operations Center to disseminate safety warnings, emergency public information, and evacuation notices to local residents.
- MVU adheres to City of Moreno Valley personnel policy 5.11 for Employee Disaster Notification and Reporting.
- Take corrective action when the staff witnesses or is notified that fire protection measures have not been properly installed and maintained.
- Comply with relevant federal, state, and industry standard requirements, including the industry standards established by the California Public Utilities Commission.

C. Wildfire Response and Recovery

Internally, MVU's distribution system is controllable remotely through a Supervisory Control and Data Acquisition (SCADA) system networked to all substations and circuits. MVU field staff utilize hard line telephones, cellular telephones, and portable radios to communicate with internal and external stakeholders during an outage or emergency. MVU's Outage Management System, Utility Maintenance Management System, and Dispatching System all auto-generate notifications to field, office, and administrative staff. MVU is enrolled in several mutual aid networks (APPA, CA Disaster & Civil Defense, CA Utilities Emergency Association) to facilitate expedited response and recovery from severe storms, natural disasters, or mass outages.

The City of Moreno Valley maintains a two-way (LF, HF, VHF, and UHF) mobile and base stations for communications enhanced by repeater system to extend the coverage area. This includes three repeater channels and three unit-to-unit/talk-around channels in the 800 MHz Public Safety band. The City of Moreno Valley owns ten iridium satellite phones that are issued to key personnel in the city during an emergency. Mobile radio communications are available utilizing the Moreno Valley Police Mobile Command Center (MCC). The command center has the capability of patching Sheriff, California Highway Patrol (CHP), Riverside Police, CALFIRE, March Air Reserve Base and Moreno Valley Park Rangers all on the same frequency at the same time. Moreno Valley has an Amateur Civil Emergency Services/Radio Amateur Civil Emergency Services (MV ACES/RACES) group, which operates on ham radio frequencies in support of governmental emergency communications. MV ACES/RACES can augment existing systems and establish communication links with otherwise inaccessible areas. They are also capable of sending live video and audio from an incident site to our City's emergency operations center via the ham radio.

At the county level, a Riverside County Emergency Operations Center (EOC) talk group is programmed into the Omniquest radio and is used to communicate with EOCs within Riverside County during a disaster or emergency. The City of Moreno Valley also has low-band disaster net radios to communicate with all EOCs within Riverside County during a disaster or emergency. This system uses low frequency bands and has several back up channels in case of an outage. Additionally, the City has a portable disaster case radio system. This system allows communications with other agencies such as County Emergency Services, County Fire, County Police, Hospitals, Cities within Riverside County, Moreno Valley Unified School District and Valley View Unified School District.

MVU adheres to California Public Utility Commission GO 95, 128, 165, and 174 for all system infrastructure inspection, maintenance, and reporting.

City of Moreno Valley Office of Emergency Management maintains a city-wide Hazard Mitigation Plan identifying potential fire hazards and mitigation strategies.

City of Moreno Valley also maintains a reporting hotline for all employees to properly notify the city for code violations, hazards, safety concerns, and overgrown landscaping and weeds.

MVU is impacted by Southern California Edison (SCE) Public Safety Power Shutoff (PSPS) events. MVU receives advanced notification from SCE when impacted circuits are being monitored against weather projections for a potential PSPS

event. SCE provides the names of circuits being monitored as well as the impacted City accounts, along with the projected period of concern for the PSPS event. As the situation develops, MVU receives updated data from SCE on weather, circuits and accounts being monitored, and if a PSPS is triggered. MVU monitors the SCE status reports and stages mitigation assets appropriately in advance of a SCE triggered PSPS event. If the PSPS event affects any MVU facilities, MVU customers are notified as early as possible of pending power shutoffs.

When a SCE PSPS event is triggered that impacts MVU facilities, MVU notifies its customers of potential service interruption in a variety of ways. Alert notices are pushed out to customers via the MyMVU mobile application, email blasts, direct telephone communication with critical customers, as well as public messaging available on the MVU web site and through MVU's 24/7 call center. PSPS and outage notices will be translated into Spanish for non-English speakers in the future.

With all of MVU's distribution lines undergrounded, the utility does not de-energize its system during severe weather events. In the event MVU is impacted by an SCE PSPS, MVU does have backup generation assets to keep critical infrastructure operational, including a portable back-up generator that can be distributed to impacted MVU customers.

D. Standardized Emergency Management System

As a local governmental agency,¹ MVU has planning, communication, and coordination obligations pursuant to the California Office of Emergency Services' Standardized Emergency Management System ("SEMS") Regulations,² adopted in accordance with Government Code section 8607. The SEMS Regulations specify roles, responsibilities, and structures of communications at five different levels: field response, local government, operational area, regional, and state.³ Pursuant to this structure, MVU annually coordinates and communicates with the relevant safety agencies as well as other relevant local and state agencies. When activated, MVU serves as the Utilities Unit Leader under the Operations Section Chief as part of the City of Moreno Valley's Emergency Operations Center. In the event that the incident centered on MVU facilities, MVU would serve as the Operations Section Chief.

Under the SEMS structure, a significant amount of preparation is done through advanced planning at the county level, including the coordination of effort of public, private, and nonprofit organizations. Riverside County serves as the Operational Area and is guided by the California Office of Emergency Services, Southern Region. The Operational Area includes local and regional organizations that bring relevant expertise to the wildfire prevention and recovery planning process. These participants include:

¹ As defined in Cal. Gov. Code § 8680.2.

² 19 CCR § 2407.

³ Cal. Gov. Code § 2403(b):

- 1) "Field response level" commands emergency response personnel and resources to carry out tactical decisions and activities in direct response to an incident or threat.
- 2) "Local government level" manages and coordinates the overall emergency response and recovery activities within their jurisdiction.
- 3) "Operational area level" manages and/or coordinates information, resources, and priorities among local governments within the operational area and serves as the coordination and communication link between the local government level and the regional level.
- 4) "Regional level" manages and coordinates information and resources among operational areas within the mutual aid region designated pursuant to Government Code §8600 and between the operational areas and the state level. This level along with the state level coordinates overall state agency support for emergency response activities.
- 5) "State level" manages state resources in response to the emergency needs of the other levels, manages and coordinates mutual aid among the mutual aid regions and between the regional level and state level, and serves as the coordination and communication link with the federal disaster response system.

Agency/ Dept.	Mailing Address	Contact	Phone	Fax
AMR American Medical Response	879 Marlborough Ave. Riverside, CA. 92507		951.782.5234	951.782.5617
AMR American Medical Response	879 Marlborough Ave. Riverside, CA. 92507	Dispatch	877.267.6622	951.782.5605
Kaiser Permanente: Medical Center	12815 Heacock Moreno Valley, CA. 92552	Administration	951.601.6327	951.601.6181
Kaiser Foundation Moreno Valley: Community Hospital	27300 Iris Ave. Moreno Valley, CA. 92555	Facilities Services Manager	951.251.6594	951.251.6601
Moreno Valley Fire/Office of Emergency Management	14177 Frederic St. Moreno Valley, CA 92553	Emergency Management Program Manager	951.413.3800	951-413-3801
Moreno Valley: Special Districts	14331 Frederick Street Moreno Valley, CA 92253	Division Manager	951.413.3480	
Moreno Valley: Fire Dept.	14177 Frederick Street Moreno Valley, CA. 92553	Fire Marshal	951.413.3370	
Moreno Valley: Fire Dept.	22850 Calle San Juan De Los Lagos Moreno Valley, CA 92553	Fire Chief	951.486.6780	951.486.6790
Moreno Valley: Operations & Maintenance	14177 Frederick Street Moreno Valley, CA. 92553	Manager	951.413.3160	951.413.3141
Moreno Valley: Police Dept.	22850 San Juan De Los Lagos Moreno Valley, CA. 92552	Police Chief	951.486.6700	
Moreno Valley: Public Works	14177 Frederick Street Moreno Valley, CA. 92553	Public Works Director	951.413.3100	951.413.3141
Moreno Valley Traffic & Transportation	14177 Frederick Street Moreno Valley, CA. 92553	City Traffic Engineer	951.413.3140	951.413.3140
Moreno Valley: City Management	14177 Frederick Street Moreno Valley, CA. 92553	City Manager	951.413.3020	
Moreno Valley: Facilities Management	14177 Frederick Street Moreno Valley, CA. 92553	Division Manager	951.413.3740	
Moreno Valley: TV3	14177 Frederick Street Moreno Valley, CA. 92553	Media & Production Supervisor	951.413.3056	951.413.3053
Moreno Valley: Unified School District	25634 Alessandro Blvd. Moreno Valley, CA. 92553	Maintenance Supervisor	951.571.7865	951.571.7811
Riverside Medical Clinic: Canyon Springs Plaza	6405 Day Street Moreno Valley, CA. 92552	Facilities	951.321.6331	951.248.6703
Riverside County: Dept. of Environmental Health	4065 County Circle Riverside, CA.	Deputy Director	951.358.5172	951.358.5017
Riverside County: Dept. of Environmental Health	4065 County Circle Riverside, CA.	Supervising Environmental Health Specialist	951.358.5172	951.358.5017
Riverside County: Dept. of Environmental Health	800 S. Sanderson Ave. #200 Hemet, CA. 92545	Supervising Environmental Health Specialist	951.766.2824	
Riverside County: Dept. of Environmental Health	800 S. Sanderson Ave. #200 Hemet, CA. 92545	Supervising Environmental Health Specialist	951.766.2824	
Riverside Regional: Medical Center	26520 Cactus Ave. Moreno Valley, CA. 92552	Deputy Director	951.955.4878	951.955.8405
Riverside Regional: Medical Center	26520 Cactus Ave. Moreno Valley, CA. 92555	Chief of Hospital Plant Op.	951.486.4066	951.486.4105
Val Verde: Unified School District	975 W. Morgan Street Perris, CA. 92581	Emergency Services	951.940.6100 ext. 10672	951.940.6118
Val Verde: Unified School District - March Middle School	15800 Indian Ave	Director of Facilities, Maintenance, & Purchasing	951.940.6136 ext. 10652	
Verizon Public Relations		Director of Public Relations	(213) 800-3184	
Eastern Municipal Water District	Central Control 2270 Trumble Road Perris, CA 92572-8300		951.928.3777 ext. 6265	951.928.6170
Davita Canyon Springs Dialysis	22555 Alessandro Blvd Bldg. 5		951.653.6400	
Kaiser Permanente	27200 Iris Ave Medical Bldg.		951.353.4359	
United States Postal Services	23800 Cactus Ave	Facility Manager	951.697.4661	
Waste Management	17700 Indian St	Fleet Manager - Fleet Maintenance	951.601.1129 951.339.6681	

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Pursuant to the SEMS structure, MVU participates in annual training exercises. Training exercises include workshops, tabletop exercises, and field drills. A sample of topics covered include; earthquake safety, disaster response & management, active shooter, crisis leadership, and NIMS/SEMS/ICS compliance.

MVU is a member of the California Utility Emergency Association, which plays a key role in ensuring communications between utilities during emergencies and provides mutual aid. MVU also participates in the American Public Power Association Mutual Assistance Agreement, which covers public utilities across the United States. The City of Moreno Valley is a participant in the California Disaster and Civil Defense Mutual Aid Agreement which allocates state resources to cope with any type of disaster.

V. Wildfire Risks and Drivers Associated with Design, Construction, Operation, and Maintenance

A. Particular Risks and Risk Drivers Associated with Topographic and Climatological Risk Factors

Due to MVU's distribution system being 100% underground, there is limited risk specific to wildfires. As an undergrounded utility, MVU does not monitor prevailing wind speed or direction. Weather intelligence monitoring assets have not been installed on the MVU distribution system due to the associated costs and limited benefit the utility would gain from collecting such data.

B. Enterprise-wide Safety Risks

The safety risks discussed below apply to the City of Moreno Valley as a municipal jurisdiction and include both Moreno Valley Utility and Southern California Edison service territories.

Earthquake profile - There are three major faults/fault zones that directly affect Moreno Valley. They are the southern section of the San Andreas Fault, the San Jacinto Fault Zone, and the Elsinore Fault Zone. The San Jacinto Fault Zone is considered to be the most active fault in Southern California. It is the closest fault to Moreno Valley and runs through the eastern portion of the city, followed by the Elsinore Fault Zone which is located approximately 12-18 miles south of Moreno Valley. The San Andreas Fault Zone is located approximately 15-20 miles north of Moreno Valley. The largest earthquake to occur within 100 miles of Moreno Valley was the 7.4 magnitude Hector Mine earthquake in 1999.

The City of Moreno Valley could be affected by large earthquakes occurring in many parts of the Southern California region. However, the degree to which the earthquakes are felt, and the damages associated with them may vary. At risk from earthquake damage are critical facilities, buildings, bridges, highways and roads; hazardous materials facilities; sewer, water, and natural gas pipelines; earth dams; petroleum pipelines; and private property located in the city. The relative or secondary earthquake hazards, which are liquefaction, ground shaking, amplification, and earthquake-induced landslides, can be just as devastating as the earthquake. The USGS estimates that there is a greater than 99% chance of a major earthquake occurring within 31 miles of Moreno Valley within the next 50 years.

Flooding profile - There are four types flooding conditions that exist within the Moreno Valley area: flooding in defined watercourses; ponding; sheet flow; and dam inundation. Flooding within defined watercourses occurs within drainage channels and immediately adjacent floodplains. Ponding occurs when water flow is obstructed due to manmade obstacles such as the embankments of SR-60 and other roadways, where they cross-defined watercourses. Sheet flow occurs when capacities of defined watercourses are exceeded and water flows over broad areas.

Known flood-prone areas as noted in the General Plan as well as recorded in city maintenance files, include:

- Along the Quincy Channel between Cottonwood Avenue and Cactus Avenue.
- An extensive floodplain that extends along the Oliver Street alignment from a point north of Alessandro Boulevard to John F. Kennedy Drive and extending in a southwesterly direction as far as the northeast corner of Morrison Street and Filaree Avenue and the northeast corner of Nason Street and Iris Avenue.

- Along Heacock Street and Lateral A of the Perris Valley Channel between Cactus Avenue and a point north of the intersection of Lateral A and Indian Street (next to March Air Reserve Base).
- Along Sunnymead Boulevard between Frederick Street and Graham Street.
- Along Pigeon Pass Road, between Sunnymead Ranch Parkway and Lawless Road.
- Along Moreno Beach Boulevard, between Juniper Avenue and Locust Avenue.
- Along Highland Avenue, between Redlands Boulevard and Alessandro Boulevard.
- Along Locust Avenue, between Moreno Beach Boulevard and northerly city limits.
- Along Heacock Street, between Lake Summit Drive and Reche Vista Drive.
- Along Hubbard Street, between Skyland Drive and Ironwood Avenue.
- Along Cottonwood Avenue, between Nason St and Martha Crawford Street.
- Alessandro Boulevard, between Gilman Springs Road and Theodore Street.
- Neighborhood bounded by Alessandro Boulevard, Brodiaea Avenue, Redlands Boulevard, and Merwin Street.
- Miramontes Court, north of Via Solana Court.
- Easterly side of neighborhood east of Perris Boulevard, between Covey Road and Manzanita Avenue.

VI. Wildfire Preventative Strategies

A. High Fire Threat District

MVU directly participated in the development of the CPUC's Fire-Threat Map,⁴ which designates a High-Fire Threat District. In the map development process, MVU coordinated with Southern California Edison Company (SCE) and determined that because MVU's system is entirely undergrounded, that SCE would serve as territory lead for the region served by MVU. MVU has incorporated the High Fire Threat District into its construction, inspection, maintenance, repair, and clearance practices, where applicable.

B. Design and Construction Standards

MVU's electric facilities are designed and constructed to meet or exceed the relevant federal, state, or industry standard. MVU treats CPUC General Orders (GO) 95 and 128 as a key industry standard for design and construction standards for underground electrical facilities. MVU meets or exceeds all standards in GO 95 and 128. Additionally, MVU monitors and follows, as appropriate, the National Electric Safety Code.

C. Vegetation Management

MVU meets or exceeds the minimum industry standard vegetation management practices. For transmission-level facilities, MVU complies with NERC FAC-003-4, where applicable. For both transmission and distribution level facilities, MVU meets: (1) Public Resources Code section 4292; (2) Public Resources Code section 4293; (3) CPUC GO 95, 128, 165, and 174.

D. Inspections

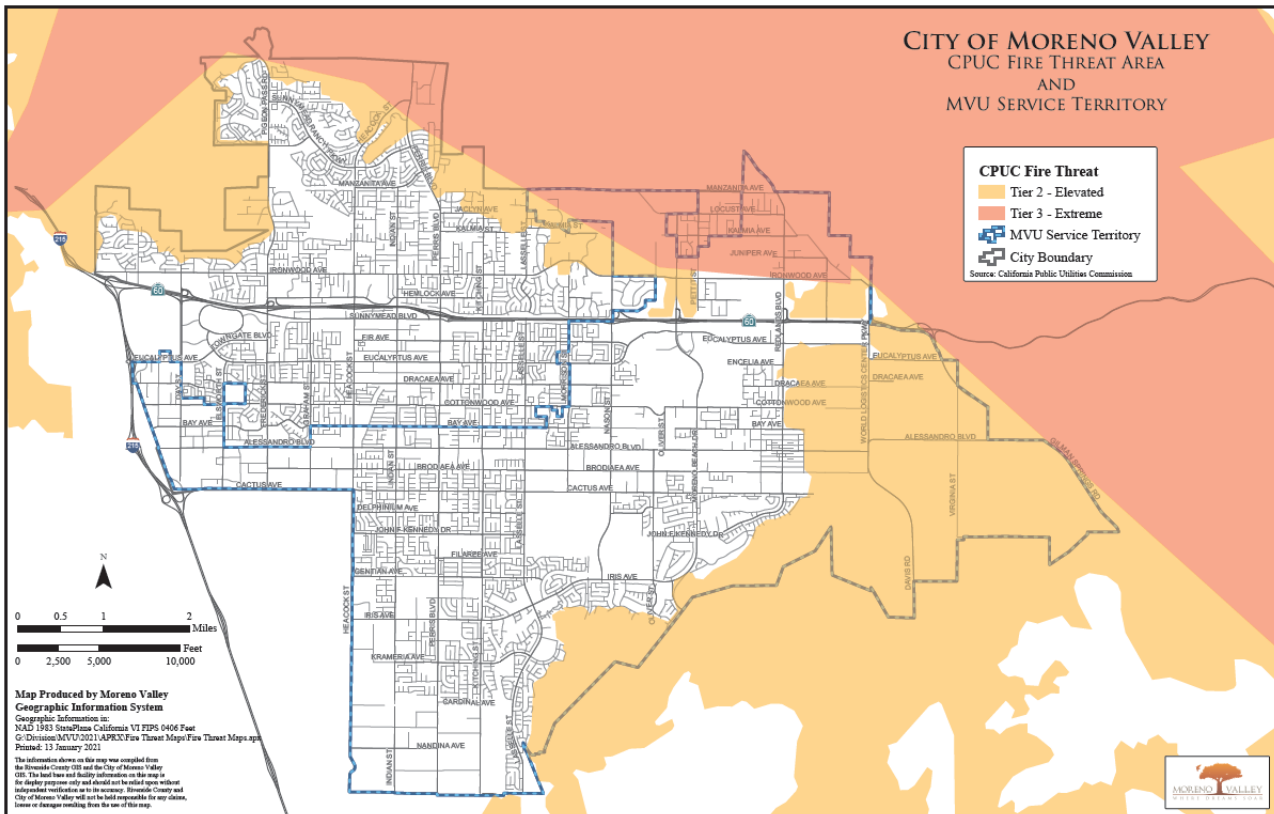
MVU meets or exceeds the minimum inspection requirements provided in CPUC GO 165 and 174. Pursuant to these rules, utilities inspect electric facilities in the High Fire Threat District more frequently than the other areas of its service territory. As described above, MVU currently does not have any overhead power lines located within or near the High-Fire Threat District within the CPUC's Fire Threat Map. However, MVU staff uses their knowledge of the specific environmental and geographical conditions of MVU's service territory to determine if any particular areas require more frequent inspections.

⁴ Adopted by CPUC Decision 17-12-024.

If MVU staff discovers a facility in need of repair that is owned by an entity other than MVU, MVU will issue a notice to repair to the facility owner and work to ensure that necessary repairs are completed promptly.

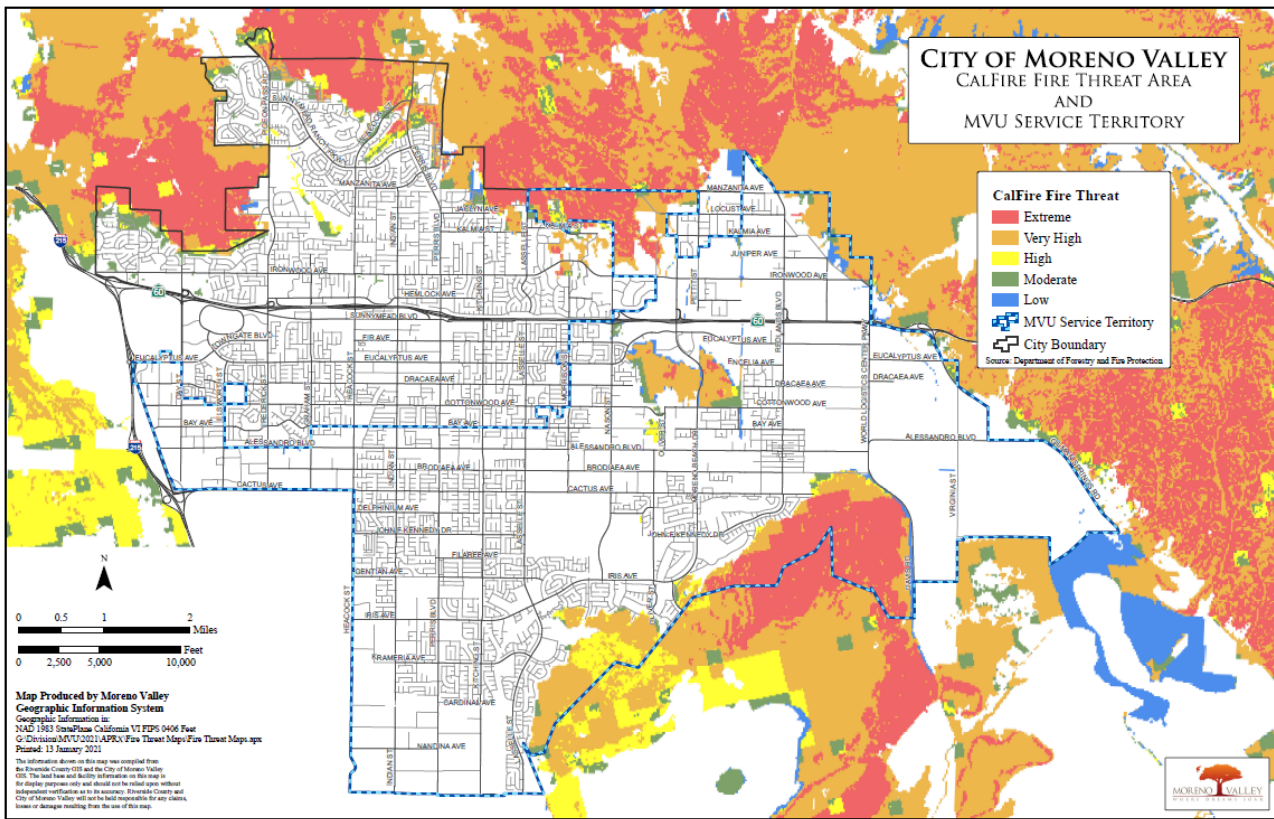
MVU has conducted an analysis of all circuits to identify essential facilities and prioritize the deployment of back-up power facilities. Grant funding is also being sought to install back-up generation at additional strategic facilities throughout the service territory. MVU is fully capable of sectionalizing any outage to mitigate the number of customers impacted. This mitigation technique will also be employed during PSPS events to reduce any service interruptions to MVU customers. MVU will explore the possibility of back feeding the distribution system with customer owned battery storage systems.

E. California Public Utility Commission Wildfire Threat Map



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F. CalFire Fire Threat Map



G. Reclosing Policy

MVU’s system is 100% underground. Reclosers are not installed on underground circuits. MVU does not change substation relay settings.

H. De-energization

MVU has the authority to preemptively shut off power due to fire-threat conditions, however, this option will only be used in extraordinary circumstances. Due to the minimal risk of MVU’s electrical supply facilities causing a power-line ignited wildfire, MVU is not adopting specific protocols for de-energizing any portions of its electric distribution system. MVU will re-evaluate this determination in future updates to this Wildfire Mitigation Plan.

VII. Restoration of Service

MVU’s electric distribution system is completely underground. However, MVU is interconnected with SCE’s transmission and distribution systems, much of which is overhead and exposed to wind, rain and lightning. This is MVU’s primary source of vulnerability to potential electrical service interruptions during rain and wind storms such as the ones that can be precipitated by El Nino.

MVU’s underground electric distribution system is designed, and has been constructed, with redundant sources of feed. These do not guarantee the elimination of outages but can facilitate service restoration and reduce the duration of such outages.

Preparation in advance of predicted storms: Since, as discussed in the introduction, the primary trouble source during storms is outages on SCE’s transmission and distribution lines, many of which are overhead, MVU will patrol, to the extent practical, SCE’s primary interconnect lines for any potential trouble spots including but not limited to broken tree

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limbs or other vulnerabilities. MVU will also double check the loading conditions of our underground lines to satisfy ourselves that alternate sources have the capacity to serve the electric load (customers) in the event that it is necessary.

MVU's underground system will be patrolled in advance of storms for any open trenches or excavations at construction sites to minimize water intrusion into the underground system. Although the underground system is designed to operate under such conditions, small pinholes in splices or cable can cause problems, including possible electrical shorts/faults, that can interrupt service to customers. Likewise, after the storm, each underground vault, manhole or other structure will be inspected for water intrusion and pumped, when necessary, in accordance proper utility practice and environmental guidelines.

All vehicular equipment, man-lifts, tools and appurtenances will be thoroughly inspected for proper operation. All operating personnel will be placed on standby in the event of weather-related problems.

The MVU Operations and Call Center will be appropriately staffed for handling of trouble calls from customers and dispatching to field personnel.

Call Center support includes:

- Outage Management System (OMS)
- Field Dispatching
- Customer Callbacks

Response Prioritization:

- First Priority: Response to imminent threats to life and/or public property
- Second Priority: Removals of immediate hazards (fallen trees, power poles, etc.)
- Third Priority: Clearing of arterial roadway
- Fourth Priority: Maintenance of traffic control/closures to prevent potential accidents
- Fifth Priority (Post Storm Activity): Follow-up work such as addressing storm-related potholes and residual clean-up of all streets that have remained in a "passable and drivable" state

Referral Protocol:

- Flooding of structures on private property- Residents will be advised to call 911 for Fire Department assistance
- Facilities associated with other government agencies (RCFCD) or private utilities will be referred to appropriate agencies/company
- All storm related issues involving streets, curbs and gutters, sidewalks, residential trees in the right of way, catch basins, and miscellaneous drainage facilities will be referred to the City's Maintenance and Operations Division.

During EOC activation period, all routine maintenance programs and requests will be suspended and deferred.

VIII. Evaluation of the Plan

A. Metrics and Assumptions for Measuring Plan Performance

MVU will track the following metric to measure the performance of this Wildfire Mitigation Plan: (1) number of fire ignitions caused by utility equipment.

Metric 1: Fire Ignitions

For purposes of this metric, a fire ignition is defined as follows:

- MVU facility was associated with the fire;
- The fire was self-propagating and of a material other than electrical and/or communication facilities;
- The resulting fire traveled greater than one linear meter from the ignition point; and
- MVU has knowledge that the fire occurred.

In future Wildfire Mitigation Plans, MVU will provide the number of fires that occurred that were less than 10 acres in size. Any fires greater than 10 acres will be individually described.

Reporting Year	Fire Ignitions
2021	0
2020	0
2019	0

B. Impact of Metrics on Plan

In the initial years, MVU anticipates that there will be relatively limited data gathered through the metric. However, as the data collection history becomes more robust, MVU will be able to identify areas of its operations and service territory that are disproportionately impacted. MVU will then evaluate potential improvements to the plan.

C. Monitoring and Auditing the Plan

This Wildfire Mitigation Plan will be presented to the MVU Utilities Commission and the Moreno Valley City Council. MVU will present updates to this plan to the MVU Utilities Commission and the City Council on an annual basis.

D. Identifying and Correcting Deficiencies in the Plan

Based on the recommendations of the MVU Utilities Commission and the Moreno Valley City Council, MVU will correct any identified deficiencies.

E. Monitoring the Effectiveness of Inspections

MVU reviews and evaluates its reliability indices regularly to monitor inspection and maintenance procedures. SAIDI, SAIFI, CAIDI, and MAIFI statistics show that MVU maintains an electric system that operates well below the State and National averages for outage incidents per the American Public Power Association’s eReliability Tracker program. MVU’s Utility Maintenance Management System (UMMS) is used to collect all data subject to GO165. The UMMS prepares monthly inspection and maintenance reports for all electric distribution facilities. Maintenance history for each piece of equipment is archived in the UMMS. Additionally, MVU’s substation inspection and maintenance program complies with GO 174 guidelines as well as manufacturer specifications, standards, and recommendations. MVU performs monthly inspections of all substation components including recording and analysis of all alarms, fluid levels, meters, and Load Tap Changer settings.

Although MVU does not fall under the jurisdiction of the California Public Utilities Commission (CPUC), MVU has cooperated with the CPUC’s Utilities Safety and Reliability Branch and their requests for periodic audits. The audit in October 2008 noted no GO 95 infractions, and identified two GO 128 infractions to MVU Pad Mounted Electric structures. Repairs were made to correct the violation the day they were identified by the CPUC. Again, in March of 2013 the CPUC audit identified three vegetation obstructions that were immediately corrected in the field as they were identified. No additional infractions have been identified by the CPUC.

Attachment: 2022 WMP Update (5572 : APPROVE 2022 WILDFIRE MITIGATION PLAN UPDATE)

MORENO VALLEY UTILITY WILDFIRE MITIGATION PLAN 2021 INFORMATIONAL RESPONSE

RESPONSES TO WILDFIRE SAFETY ADVISORY BOARD'S 2021 GUIDANCE ADVISORY OPINION

June 21, 2021

Attachment: 2022 WMP Update (5572 : APPROVE 2022 WILDFIRE MITIGATION PLAN UPDATE)

I. PURPOSE OF THIS 2021 INFORMATIONAL RESPONSE

The California Wildfire Safety Advisory Board (WSAB) issued the *Guidance Advisory Opinion for the 2021 Wildfire Mitigation Plans of Electric Publicly Owned Utilities and Cooperatives* (“2021 WSAB Guidance Advisory Opinion”) on December 15, 2020. MVU provides this document to the WSAB in order to respond to each of the recommendations included in the 2021 WSAB Guidance Advisory Opinion. POUs will provide a narrative response and/or a cross reference to the location in MVU’s Wildfire Mitigation Plan (WMP) where the topic is addressed. Where the recommendation is not applicable to MVU, the response will provide a brief description supporting this conclusion.

II. CONTEXT SETTING INFORMATION

WSAB requested that POUs provide an informational table to assist the Staff and Board member in understanding the unique characteristics of each POU.

Table 1: Context-Setting Information

Utility Name	Moreno Valley Utility	
Service Territory Size	33.48 square miles	
Owned Assets	<input type="checkbox"/> Transmission <input checked="" type="checkbox"/> Distribution <input checked="" type="checkbox"/> Generation	
Number of Customers Served	6,524 customer accounts as of December 2020	
Population Within Service Territory	214,982 [estimate]	
Customer Class Makeup	<i>Number of Accounts</i>	<i>Share of Total Load (MWh)</i>
	88.21% Residential; 1.42% Government; 0.03% Agricultural [pumping]; 7.84% Small/Medium Business; 2.50% Commercial/Industrial	24.12% Residential; 1.70% Government; 0.21% Agricultural [pumping]; 2.49% Small/Medium Business; 71.48% Commercial/Industrial
Service Territory Location/Topography¹	<input type="checkbox"/> % Agriculture <input type="checkbox"/> % Barren/Other <input type="checkbox"/> % Conifer Forest <input type="checkbox"/> % Conifer Woodland <input type="checkbox"/> % Desert <input type="checkbox"/> % Hardwood Forest <input type="checkbox"/> % Hardwood Woodland	

¹ This data shall be based on the California Department of Forestry and Fire Protection, California Multi-Source Vegetation Layer Map, depicting WHR13 Types (Wildlife Habitat Relationship classes grouped into 13 major land cover types) available at: <https://www.arcgis.com/home/item.html?id=b7ec5d68d8114b1fb2bfbf4665989eb3>.

	<input type="checkbox"/> % Herbaceous <input type="checkbox"/> % Shrub 100% Urban <input type="checkbox"/> % Water
Service Territory Wildland Urban Interface² (based on total area)	100% Wildland Urban Interface; <input type="checkbox"/> % Wildland Urban Intermix;
Percent of Service Territory in CPUC High Fire Threat Districts (based on total area)	<input type="checkbox"/> Includes maps Tier 2: 30% Tier 3: 10%
Prevailing Wind Directions & Speeds by Season	<input type="checkbox"/> Includes maps MVU is 100% underground and does not collect prevailing wind data.
Miles of Owned Lines Underground and/or Overhead	Overhead Dist.: 0 miles Overhead Trans.: 0 miles Underground Dist.: 79 miles Underground Trans.: 0 miles
	Explanatory Note 1 - Methodology for Measuring "Miles": [line miles]
	Explanatory Note 2 – Description of Unique Ownership Circumstances: [NA]
	Explanatory Note 3 – Additional Relevant Context: [NA]
Percent of Owned Lines in CPUC High Fire Threat Districts	<i>Overhead Distribution Lines as % of Total Distribution System (Inside and Outside Service Territory)</i>
	Tier 2: 0% Tier 3: 0%
	<i>Overhead Transmission Lines as % of Total Transmission System (Inside and Outside Service Territory)</i>
	Tier 2: 0% Tier 3: 0%
	Explanatory Note 4 – Additional Relevant Context: [NA]
Customers have ever lost service due to an IOU PSPS event?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Customers have ever been notified of a potential loss of service to due to a forecasted IOU PSPS event?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has developed protocols to pre-emptively shut off	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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² This data shall be based on the definitions and maps maintained by the United States Department of Agriculture, as most recently assembled in *The 2010 Wildland-Urban Interface of the Conterminous United States*, available at https://www.fs.fed.us/nrs/pubs/rmap/rmap_nrs8.pdf.

electricity in response to elevated wildfire risks?	
Has previously pre-emptively shut off electricity in response to elevated wildfire risk?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, then provide the following data for calendar year 2020: <i>Number of shut-off events:</i> [____] <i>Customer Accounts that lost service for >10 minutes:</i> [____] <i>For prior response, average duration before service restored:</i> [____]

III. CROSS REFERENCE TO STATUTORY REQUIREMENTS

WSAB requested that POUs provide a clear roadmap as to where each statutory requirement is addressed within the POU WMP.

Table 2: Cross References to Statutory Requirements

Requirement	Statutory Language	Location in WMP
Persons Responsible	PUC § 8387(b)(2)(A): An accounting of the responsibilities of persons responsible for executing the plan.	Section 4 Page 5
Objectives of the Plan	PUC § 8387(b)(2)(B): The objectives of the wildfire mitigation plan.	Section 3 Page: 4
Preventive Strategies	PUC § 8387(b)(2)(C): A description of the preventive strategies and programs to be adopted by the local publicly owned electric utility or electrical cooperative to minimize the risk of its electrical lines and equipment causing catastrophic wildfires, including consideration of dynamic climate change risks.	Section 6 Page 10
Evaluation Metrics	PUC § 8387(b)(2)(D): A description of the metrics the local publicly owned electric utility or electrical cooperative plans to use to evaluate the wildfire mitigation plan's performance and the assumptions that underlie the use of those metrics.	Section 8 Page 13
Impact of Metrics	PUC § 8387(b)(2)(E): A discussion of how the application of previously identified metrics to previous wildfire mitigation plan performances has informed the wildfire mitigation plan.	Section 8 Page 14
Deenergization Protocols	PUC § 8387(b)(2)(F): Protocols for disabling reclosers and deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communication infrastructure.	Section 6 Page 12

Customer Notification Procedures	PUC § 8387(b)(2)(G): Appropriate and feasible procedures for notifying a customer who may be impacted by the deenergizing of electrical lines. The procedures shall consider the need to notify, as a priority, critical first responders, health care facilities, and operators of telecommunications infrastructure.	Section 4, 7 Page 7, 13
Vegetation Management	PUC § 8387(b)(2)(H): Plans for vegetation management.	Section 6 Page 10
Inspections	PUC § 8387(b)(2)(I): Plans for inspections of the local publicly owned electric utility's or electrical cooperative's electrical infrastructure.	Section 6 Page 10
Prioritization of Wildfire Risks	PUC § 8387(b)(2)(J): A list that identifies, describes, and prioritizes all wildfire risks, and drivers for those risks, throughout the local publicly owned electric utility's or electrical cooperative's service territory. The list shall include, but not be limited to, both of the following: (i) Risks and risk drivers associated with design, construction, operation, and maintenance of the local publicly owned electric utility's or electrical cooperative's equipment and facilities. (ii) Particular risks and risk drivers associated with topographic and climatological risk factors throughout the different parts of the local publicly owned electric utility's or electrical cooperative's service territory.	Section 5 Page 9
CPUC Fire Threat Map Adjustments	PUC § 8387(b)(2)(K): Identification of any geographic area in the local publicly owned electric utility's or electrical cooperative's service territory that is a higher wildfire threat than is identified in a commission fire threat map, and identification of where the commission should expand a high fire threat district based on new information or changes to the environment.	NA
Enterprisewide Risks	PUC § 8387(b)(2)(L): A methodology for identifying and presenting enterprisewide safety risk and wildfire-related risk.	Section 5 Page 9
Restoration of Service	PUC § 8387(b)(2)(M): A statement of how the local publicly owned electric utility or electrical cooperative will restore service after a wildfire.	Section 7 Page 12
Monitor and Audit	PUC § 8387(b)(2)(N): A description of the processes and procedures the local publicly owned electric utility or electrical cooperative shall use to do all of the following (i) Monitor and audit the implementation of the wildfire mitigation plan. (ii) Identify any deficiencies in the wildfire mitigation plan or its implementation, and correct those deficiencies.	Section 8 Page 14

	(iii) Monitor and audit the effectiveness of electrical line and equipment inspections, including inspections performed by contractors, that are carried out under the plan, other applicable statutes, or commission rules.	
Qualified Independent Evaluator	PUC § 8387(c): The local publicly owned electric utility or electrical cooperative shall contract with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of its wildfire mitigation plan. The independent evaluator shall issue a report that shall be made available on the Internet Web site of the local publicly owned electric utility or electrical cooperative, and shall present the report at a public meeting of the local publicly owned electric utility’s or electrical cooperative’s governing board.	http://www.moval.org/mvu/pubs/MVU-WildfireMitigationPlanEvaluation.pdf

IV. WSAB GUIDANCE ADVISORY OPINION RECOMMENDATIONS

The WSAB Guidance Advisory Opinion identifies 14 specific recommendations that POUs are requested to address in their 2021 WMPs. As specified in Public Utilities Code § 8387(b)(1), each POU is required to perform a comprehensive revision to the POU’s WMP at least once every three years. Pursuant to this guidance, the POUs will be updating their WMPs based on the direction of their local governing boards within this 3-year cycle. Because the WSAB’s recommendations have been provided after the initial WMP submission, the POUs will have varying capacities to fully address each recommendation in their 2021 WMP. This Section IV restates each of the WSAB recommendations and provides an opportunity for each POU to do one or more of the following: (1) provide a narrative response to the recommendation; (2) provide a cross reference to where in the POU’s WMP this topic is addressed; (3) describe why the recommendation is not applicable to the POU; or (4) inform the WSAB of the POU’s intent to address the recommendation at the point of the POU’s next comprehensive revision, occurring in either the 2022 or 2023 WMP.

A. Plan Structure

WSAB Recommendation #1: Provide context-setting information about the POU and provide a simple guide to where the statutory requirements are addressed within the WMP.

POU Response: See Sections II and III above.

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WSAB Recommendation #2: Provide a short description of the POU’s public review and approval (if required) for the WMP. This description may also include a brief explanation of the funding mechanisms for wildfire mitigation efforts.

POU Response: MVU's Wildfire Mitigation Plan is developed by staff and then reviewed by the Division Manager, Public Works Director, Assistant City Manager, City Manager, Utilities Commission, and the five-member City Council. City Council votes on approval and the plan is approved with a majority vote.

MVU funds wildfire mitigation activities through current rate payer revenues. These funds are augmented by grant awards. Mitigation projects typically take the form of revised equipment design standards and system hardening Capital Improvement Projects.

WSAB Recommendation #3: Identify where the POU has posted the most recent Independent Evaluator (IE) Report and if your POU plans to enhance future IE reports, please summarize in what ways.

POU Response: <http://www.moval.org/mvu/pubs/MVUWildfireMitigationPlanEvaluation.pdf>

WSAB Recommendation #4: Develop, in collaboration with POU industry associations, WMP guidelines for future WMPs, understanding that it may take multiple cycles for POU to integrate these recommendations into the WMPs.

POU Response: This document is intended to include, as appropriate, responses to the recommendations in the WSAB’s Guidance Advisory Opinion for the POU’s 2021 WMP. This document also represents the combined effort of the POU industry associations to further the development of a template to respond to the WSAB’s Guidance Advisory Opinion in a future reporting WMP cycle.

B. Customer Impacts

WSAB Recommendation #5: Describe the potential impact investor-owned utilities (IOU) public safety power shutoff (PSPS) events could have on POU customers and how the POU manages these impacts. For POU that are also balancing authorities, describe the criteria for wildfire related de-energizations. Responses shall only provide aggregated information that does not provide customer-specific information or other potentially sensitive data.

POU Response: Alternative 2: MVU’s customers may be impacted by the PSPS events ordered by SCE. The following provides responses to specific questions included in the WSAB’s 2021 WSAB Guidance Advisory Opinion:

- What is the relationship between the IOU and the POU during PSPS events?

POU Response: MVU is an active partner in minimizing the impacts of SCE-initiated PSPS events. Additionally, MVU utilizes circuit-level PSPS details from SCE to notify potentially-impacted MVU customers.

- Does the POU receive advance notification?

POU Response: Yes, MVU receives potential PSPS event communications from SCE beginning one week prior to the forecasted event.

- Is the POU affected at the transmission or distribution level?

POU Response: SCE-initiated PSPS events affect MVU at the sub-transmission level.

- Is the POU implementing a mitigation strategy for IOU PSPS?

POU Response: Yes, as MVU expands its distribution system, redundant circuitry is installed to sectionalize and isolate PSPS outages and reduce the number of affected customers.

- Does the POU have its own permanent or temporary generation, (or customer provision of same) allowing it to withstand an IOU PSPS?

POU Response: Yes, MVU maintains both permanent and portable generation facilities to protect critical City and MVU facilities from PSPS.

- Does the POU distribute back-up generators to customers?

POU Response: MVU has a single portable generator unit to distribute in the community as needed.

- Does the POU deenergize their own lines when a wildfire threat looms, even if it is not labelled a PSPS?

POU Response: No.

- In the above instance, what customer communication takes place?

POU Response: NA

- Is the POU a Balancing Authority Area? If yes, describe any applicable criteria for wildfire related de-energization.

POU Response: No.

WSAB Recommendation #6: Describe the utility customer communication plans with respect to wildfires and PSPS, and in particular describe the methods, content and timing used to communicate with the most vulnerable customers, such as Access and Functional Needs (AFN) customers, medical baseline customers, non-English speakers, and those at risk of losing water or telecommunications service.

POU Response: MVU is impacted by Southern California Edison (SCE) Public Safety Power Shutoff (PSPS) events. MVU receives advanced notification from SCE when impacted circuits are being monitored against weather projections for a potential PSPS event. SCE provides the names of circuits being monitored as well as the impacted City accounts, along with the projected period of concern for the PSPS event. As the situation develops, MVU receives updated data from SCE on weather, circuits and accounts being monitored, and if a PSPS is triggered. MVU monitors the SCE status reports and stages mitigation assets appropriately in advance of a SCE triggered PSPS event. If the PSPS event affects any MVU facilities, MVU customers are notified as early as possible of pending power shutoffs.

When a SCE PSPS event is triggered that impacts MVU facilities, MVU notifies its customers of potential service interruption in a variety of ways. Alert notices are pushed out to customers via the MyMVU mobile application, email blasts, direct telephone communication with critical customers, as well as public messaging available on the MVU web site and through MVU’s 24/7 call center. PSPS and outage notices will be translated into Spanish for non-English speakers in the future.

C. The Grid

WSAB Recommendation #7: Provide details on each POU’s system hardening and grid design programs, including: (1) the goals of the programs and the risk any particular program is designed to mitigate; (2) approach to PSPS mitigation and prevention; and (3) identify any resource shortages.

POU Response: MVU’s approach to grid hardening is discussed in Section 4, 6, and 8 of MVU’s WMP. The following provides responses to specific questions included in the WSAB’s 2021 WSAB Guidance Advisory Opinion:

- Does the POU perform a circuit-by-circuit analysis to identify essential facilities (and whether they have backup power) like hospitals, communication centers, and community resource centers?

POU Response: Yes.

- Does the POU assess system hardening measures that could be installed to prevent PSPS for those facilities?

POU Response: Yes.

- In what way does the POU prepare these facilities for a PSPS or another wildfire related de-energization event?

POU Response: MVU’s distribution system is designed with the ability to sectionalize and isolate individual circuits to prevent widespread outages related to PSPS. Additionally, MVU openly communicates forecasted SCE initiated PSPS events to potentially impacted customers to mediate impacts.

- For POU’s that power water utilities or supply water themselves, if that water is used for drinking and firefighting, are certain projects being undertaken to harden the system for water delivery purposes?

POU Response: NA

- Are pump stations self-contained or have some level of fire protection? Is the supply to sewage treatment plants hardened?

POU Response: NA

- Is supplemental generation available such as backup batteries or backup power facilities?

POU Response: Yes.

- Are the majority installed by the customers themselves or the utility?

POU Response: Battery storage is mostly installed by the customer.

- Can the utility open and close taps? Can the utility back-feed?

POU Response: NA

- Are there wildfire related circumstances wherein either of these tactics would be useful?

POU Response: With MVU’s distribution system completely underground neither of these tactics have bearing or impact on wildfire mitigation.

- Can the utility sectionalize in a localized fashion?

POU Response: Yes.

WSAB Recommendation #8: Describe annual visual patrols on potentially impacted circuits and the risks the POU is inspecting for. Describe whether and how system inspections lead to system improvements. Describe line patrols before, during, and/or after a critical fire weather event, such as a Red Flag Warning with strong winds, or following a fire that burned in areas where electric facilities are or could have been impacted.

POU Response: MVU meets or exceeds the minimum inspection requirements provided in CPUC GO 165 and 174. Pursuant to these rules, utilities inspect electric facilities in the High Fire Threat District more frequently than the other areas of its service territory. As

described above, MVU currently does not have any overhead power lines located within or near the High-Fire Threat District within the CPUC’s Fire Threat Map. However, MVU staff uses their knowledge of the specific environmental and geographical conditions of MVU’s service territory to determine if any particular areas require more frequent inspections.

If MVU staff discovers a facility in need of repair that is owned by an entity other than MVU, MVU will issue a notice to repair to the facility owner and work to ensure that necessary repairs are completed promptly.

MVU has conducted an analysis of all circuits to identify essential facilities and prioritize the deployment of back-up power facilities. Grant funding is also being sought to install back-up generation at additional strategic facilities throughout the service territory. MVU is fully capable of sectionalizing any outage to mitigate the number of customers impacted. This mitigation technique will also be employed during PSPS events to reduce any service interruptions to MVU customers. MVU will explore the possibility of back feeding the distribution system with customer owned battery storage systems.

MVU’s Utility Maintenance Management System (UMMS) is used to collect all data subject to GO165. The UMMS prepares monthly inspection and maintenance reports for all electric distribution facilities. Maintenance history for each piece of equipment is archived in the UMMS. Additionally, MVU’s substation inspection and maintenance program complies with GO 174 guidelines as well as manufacturer specifications, standards, and recommendations. MVU performs monthly inspections of all substation components including recording and analysis of all alarms, fluid levels, meters, and Load Tap Changer settings.

Although MVU does not fall under the jurisdiction of the California Public Utilities Commission (CPUC), MVU has cooperated with the CPUC’s Utilities Safety and Reliability Branch and their requests for periodic audits. The audit in October 2008 noted no GO 95 infractions, and identified two GO 128 infractions to MVU Pad Mounted Electric structures. Repairs were made to correct the violation the day they were identified by the CPUC. Again, in March of 2013 the CPUC audit identified three vegetation obstructions that were immediately corrected in the field as they were identified. No additional infractions have been identified by the CPUC.

WSAB Recommendation #9: Describe options considered by POU (including through the joint efforts of the POU associations) to identify previously unidentified risks that could lead to catastrophic wildfires.

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POU Response: The California Municipal Utilities Association (CMUA) will be holding a special meeting of its Wildfire Preparedness, Response, and Recovery Working Group this fall, which will be focused on risk drivers for power-line caused catastrophic wildfires and innovative mitigation options. CMUA plans to invite a broad range of utility staff, state agency staff (including the WSAB), industry experts, and academics to participate in this discussion. As part of this meeting, the working group will discuss unidentified wildfire risk drivers and mitigation measures that could address these risks. Based on the input provided during this meeting, CMUA will produce a publicly-available, post-meeting report that summarizes the group’s conclusions and recommendations. MVU’s staff will participate in CMUA’s meeting and will discuss any changes that MVU has made to its operations in response to the conclusions and recommendations of the working group in a future WMP.

D. Risk Assessment

WSAB Recommendation #10: Describe the particular wildfire risks associated with system design and construction such as topography and location near the HFTD areas of another utility’s service territory. Describe any G.O. 95 exempt assets and possible updates to G.O. 95 that could facilitate more resilient utility transmission and distribution assets.

POU Response: MVU’s assessment of wildfire risks is discussed in Section 5 of MVU’s WMP. The following provides responses to specific questions included in the WSAB’s 2021 WSAB Guidance Advisory Opinion:

- Are there design or construction issues related to the utility’s specific topography or geographic location that the Board should be aware of?

POU Response: No.

- How will the utility address risks associated with facilities requiring power that abut a Tier 2 or Tier 3 HFTD?

POU Response: MVU will continue to underground all system distribution facilities, as well as employ grid-hardening measures where appropriate.

- How does the utility assess its risks associated with system design and construction?

POU Response: MVU’s electric facilities are designed and constructed to meet or exceed the relevant federal, state, or industry standard. MVU treats CPUC General Orders (GO) 95 and 128 as a key industry standard for design and construction standards for underground electrical facilities. MVU meets or exceeds all standards in GO 95 and 128. Additionally, MVU monitors and follows, as appropriate, the National Electric Safety Code.

- What design and construction standards has the POU implemented that go beyond G.O. 95 or other General Order standards related to design and construction?

POU Response: MVU undergrounds all electric distribution facilities.

E. SITUATIONAL AWARENESS TECHNOLOGY

WSAB Recommendation #11: Provide context-setting information about the prevailing wind directions and speeds, differentiated by season, along with average weather conditions by season. Describe how and why situational awareness technology is installed, and where on the system. Describe the decision-making process regarding the installation of situational awareness technology, including constraints such as budgets, availability of equipment, knowledge to effectively deploy, or qualified personnel to install and monitor effectively. Identify any other agencies, utilities, or fire professionals that the data from these devices is shared with.

POU Response: As a 100% underground utility, MVU does not collect wind/weather data. MVU shares service territory with SCE who maintains a robust meteorology division. Relevant weather data should be sourced from SCE.

F. VEGETATION MANAGEMENT

WSAB Recommendation #12: Describe treatment plans for all types of vegetation associated with utility infrastructure, from the ground to the sky, which includes vegetation above and below electrical lines.

POU Response: MVU's vegetation management program is discussed in Section 6 of MVU's WMP.

MVU staff, in partnership with its maintenance and operations provider, is responsible for electric facility design, maintenance, and inspection, including vegetation management. Although MVU's electrical distribution system is 100% underground, MVU follows best practices to prevent ignition of wildfires from its equipment. These items include:

- MVU performs routine maintenance of all distribution facilities.
- MVU adheres to a seasonal weed abatement and vegetation management schedule to maintain at-risk sites.

- MVU contracts for seasonal weed abatement services. Standard clearances as defined by General Orders 95, 128, 165, and 174, are maintained as part of routine maintenance cycles. All electric distribution facility equipment requiring repair and maintenance are addressed and corrected as they are identified. Annual inspections and maintenances of MVU substation facilities identified no deficiencies for 2020.
- MVU abides by Municipal Code 6.40 to abate trees, shrubs, weeds, and grass at all MVU facilities. Including Landscaping, vegetation, or improved or unimproved property in any of the following conditions: containing weeds, dry grasses, dead trees, dead shrubs, or any other material which bears seeds of a wingy or downy nature or which by reason of their size, manner of growth or location, constitute a fire hazard or a threat to public health, or containing weeds, vegetation, grasses, trees or shrubs, including, but not limited to sagebrush, chaparral, and Russian Thistle (tumbleweed) which, when dry, will in reasonable probability constitute a fire hazard or be blown onto adjoining property by prevailing winds; trees and shrubs containing dead or fallen limbs or branches that may present a safety hazard; trees or shrubs which are overgrown or contain limbs or branches that restrict, impede or obstruct the use of or obscure the visibility of pedestrians or drivers using the public rights-of-way, easements, sidewalks or roadways; overgrown vegetation likely to harbor vermin, insects or rodents of any kind.

WSAB Recommendation #13: List the qualifications of any experts relied upon, such as scientific experts in ecology, fire ecology, fire behavior, geology, and meteorology. Specify the level of expertise of the POU staff that manages the contractors performing vegetation management. Describe measures each POU takes to ensure that POU staff and contractors comply with or verify compliance with Cal/OSHA standards on Minimum Approach Distances (MAD).

POU Response: NA

WSAB Recommendation #14: Describe whether the POU has considered innovative and alternative approaches to vegetation management.

POU Response: NA



Report to City Council

TO: Mayor and City Council

FROM: Michael Lloyd, Public Works Director/City Engineer
Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: APPROVE ADDITIONAL FUNDING FOR COVID-19 UTILITY ASSISTANCE PROGRAM, APPROVE CONTINUATION OF SUSPENSION OF LATE FEES AND DISCONNECTS, AND APPROVE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY TO CONFIRM THE ELECTRIC RATES AND RULES FOR MORENO VALLEY UTILITY (MVU)

RECOMMENDED ACTION

Recommendations:

1. Approve an additional budget allocation of \$300,000 for the COVID-19 Utility Assistance Program;
2. Approve an Electric Vehicle Discount Program providing a \$0.05 per kWh discount on electric bills for electric vehicle owners;
3. Approve suspension of late fees and disconnects for non-payment until the Emergency Resolution is lifted by the City; and
4. Approve Resolution 2021-XX. A Resolution of the City Council of the City of Moreno Valley, California, to confirm the Electric Rates and Rules for Moreno Valley Utility (MVU) as currently required by increased energy costs, operating costs, operating agreements, and City resolution.

SUMMARY

To further aid the MVU residential and small business customers (businesses whose monthly maximum demand for electricity is less than 20kW) during the current pandemic, this report recommends enhancing the COVID-19 Utility Assistance Program

with an additional budget allocation of \$300,000. In addition to increasing the funding for the COVID-19 Utility Assistance Program, this report recommends: (1) suspending late fees and disconnections for non-payment until the Emergency Resolution is lifted by the City to parallel the State order for investor-owned electric, gas, water, and telecommunication utilities; and (2) establishing an Electric Vehicle Discount Program which will provide electric vehicle owners a \$0.05 cent per kWh discount (up to a maximum of 500 kWh) on their electric bill.

DISCUSSION

COVID-19 Utility Assistance Program:

The COVID-19 Utility Assistance Program was approved by the City Council on December 15, 2020. As of the end of October 2021, 487 customers are participating in the program. A total of \$189,806 in financial relief has been provided to customers who are impacted by the pandemic. Due to the success of the program, staff is proposing additional funding of \$300,000 and increasing the discount for qualifying customers up to 35%, versus the current discount of 30%. The extended payment component of the program will remain the same.

Electric Vehicle Discount Program:

As part of the effort to support widespread adoption of electric vehicles, staff is proposing a discount for qualifying residential customers who own or lease electric vehicles. The \$0.05 per kWh discount will be applied to a maximum of 500 kWh energy used during off-peak hours. Customers must file an application and provide evidence of electric vehicle ownership or lease and must submit annual application renewals to continue receiving the discount.

In addition to the expanded COVID-19 Utility Assistance Program and the Electric Vehicle Discount Program, staff recommends a moratorium on disconnections for non-payment and the suspension of late MVU fees until the Emergency Resolution is lifted by the City as the Governor has implemented said order for investor-owned utilities (e.g., SCE). If approved, MVU customers will be afforded the same benefits as SCE customers in the City.

Electric Service Area and Rates:

Two separate utility providers, Moreno Valley Utility (MVU) and Southern California Edison (SCE), currently serve the City of Moreno Valley. Between the two electric utilities, there are a little over 60,000 accounts. SCE serves approximately 53,800 customers representing 88.3% of total customers while the City's electric utility (MVU) serves approximately 7,160 customers or 11.7% of total customers.

Total Active Accounts*	MVU	SCE	Total	MVU % of Total Accounts
Residential	6,384	50,011	56,395	11.3%
Commercial	776	3,789	4,565	17.0%
Total	7,160	53,800	60,960	11.7%

*Numbers based on the average from July – September 2021

While over 85% of MVU customers are residential, they account for only about 30% revenue; the remaining 70% of revenue is generated by commercial and industrial customers. The 25 largest energy using business customers account for approximately 45% of the total revenue of MVU.

The requirement for utilities to purchase greater amounts of renewable energy continuously increased, moving from an amount equal to 20% of retail sales by 2017 to 33% by 2020, to 60% by 2030, and 100% carbon-free energy by 2045. In addition, the focus on renewable, clean energy has impacted the capacity market by limiting the amount of generation capacity available to cover peak demand periods, thus reducing supply and driving up prices. In calendar year 2018, the cost per kW-month for capacity products was approximately \$1.30. The calendar year 2021 and 2022 cost per kW-month is approximately \$6.20, and is anticipated to remain at that level over the next few years. MVU has seen a significant increase in power costs and require investments in technology to upgrade the system to maintain reliability to customers since its last rate adjustment.

The approved SCE rate adjustments for calendar year 2021 is 15.9%, which is now in effect for SCE customers, and is primarily related to capital investments for repair and replacement of equipment on its distribution system and investments in modernizing the system, as well as investments in electric vehicle infrastructure. Similarly, MVU has reviewed SCE's increased rates and has analyzed the current and upcoming operational and capital expenditures for MVU. Although MVU may require rates higher than SCE to establish reserves, pursuant to City Resolution 2006-112, staff recommends an adjustment to continue the policy of parity with SCE's electric rates.

To avoid the requirement for the General Fund to subsidize up to \$4.3 million annually to MVU, the proposed Resolution amends and confirms the electric rates and rules for MVU to correspond with all four SCE rate increases in 2021. Staff recommends approval of the Resolution that will amend and confirm the electric rates and rules for Moreno Valley Utility (MVU). Since the inception of MVU, City Council policy has been to maintain parity with SCE electric rates. Resolution 2006-112 approved implementing a schedule to adjust MVU's rates to reflect the same rate schedule as SCE. This policy is also incorporated within the Professional Services Agreement with ENCO Utility Services Moreno Valley LLC, which requires that MVU adjusts its electric rates to maintain approximate parity with those charged by SCE.

The average change by customer class is included as Attachment 1 to the staff report

should the rate increase be approved.

The expanded COVID-19 Utility Assistance Program will continue to offset the potential impact to residential and general service customers.

ALTERNATIVES

1. Approve the Recommended Actions presented in this report. *Staff recommends this alternative as the proposed amended electric rates and rules will allow the City's utility to comply with established Council-adopted policies and practices and avoid adding a General Fund liability and provides assistance to those impacted by the pandemic.*
2. Do not approve the Recommended Actions presented in this report. Staff does not recommend this alternative because the Resolution is needed to keep the Utility in compliance with established Council-adopted policies and practices and will result in an annual General Fund liability of \$4,311,968.

FISCAL IMPACT

The requested additional funding for the COVID-19 Utility Assistance Program is \$300,000, for a total of \$500,000. The proposed rate adjustment is estimated to increase revenue by an average of approximately \$480,000 per month. With approval of the rates, and no further energy cost increases, it is anticipated that net income will be positive until April 2022.

Without the rate increase as proposed, MVU is anticipated to operate in a structural deficit for fiscal year 2021/2022 and future years. This would produce an annual General Fund liability of at least \$4,311,968 and may require the use of General Fund reserves each fiscal year, without the reduction of other services provided by the General fund. Future rate adjustments and cost increases will have additional future impacts, which will increase this General Fund liability.

As MVU is still growing, the utility has been able to break even for certain operational costs but has not yet fully established or maintained desired reserve fund levels. As such, the General Fund continues to be a backstop to the \$37 million of estimated reserves required for operations, emergencies, repair and replacement of infrastructure, and rate stabilization. These four categories are necessary to maintain a financially strong utility for the future.

The City has also issued over \$62 million of bonds for utility infrastructure improvements, which are secured by the Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (as defined in the Trust Indenture).

The following table reflects the budget adjustment to increase funding for the Utility Assistance Programs, paid for with Public Purpose Funds. Public Purpose Program funds can only be utilized under a strict umbrella of programs, determined at the State

level of government.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 21/22 Budget	Proposed Adjustments	FY 21/22 Amended Budget
Utility Assistance Programs	Public Purpose Program Fund	6012-70-80-45511-710152	Exp	\$200,000	\$300,000	\$500,000

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Jeannette Olko
Electric Utility Division Manager

Department Head Approval:
Michael Lloyd
Public Works Director/City Engineer

Concurred By:
Brian Mohan
Assistant City Manager/Chief Financial Officer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2022 expiration of the ENCO Utility Systems agreement.

ATTACHMENTS



To view large attachments, please click your “bookmarks” on the left hand side of this document for the necessary attachment.

- 1. MVU average change 12072021
- 2. Resolution Rate Adjustment 12072021
- 3. MVU Rates Final 12072021
- 4. MVU Rules Fees Charges 12072021 final

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/22/21 7:50 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 10:03 AM

Moreno Valley Utility
 Average change by customer class
 December 7, 2021

Rate	Average Total Revenue per Month	Average %	Estimated Total (\$)
General Service	\$ 123,761	18.96%	\$ 18,226
Large General Service	\$ 594,976	14.73%	\$ 84,662
Large General Service/TOU	\$ 1,145,413	14.23%	\$ 155,834
Industrial	\$ 192,233	13.61%	\$ 33,491
Pumping	\$ 7,909	17.42%	\$ 1,088
Street Lighting	\$ 26,864	13.76%	\$ 6,993
Traffic Control	\$ 2,854	26.03%	\$ 468
Residential	\$ 945,292	16.41%	\$ 179,227
Total per Month	\$ 3,039,301		\$ 479,990
Total per Year	\$ 36,471,612		\$ 5,759,880
			15.8%

Attachment: MVU average change 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

RESOLUTION NO. 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, TO CONFIRM THE ELECTRIC RATES AND RULES FOR MORENO VALLEY UTILITY

WHEREAS, the City of Moreno Valley (the "City"), a municipal corporation, is authorized pursuant to Article XI, Section 9(a) of the California Constitution to establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication; and

WHEREAS, on June 26, 2001, the City Council of the City of Moreno Valley approved Resolution No. 2001-33 and, as amended by Resolution 2002-46, authorized the formation of a municipally owned utility for the purpose of providing electrical power, storm water, telephone telecommunications, cable TV, water, natural gas, and sanitary sewer; and

WHEREAS, on July 8, 2003, the City Council approved Resolution No. 2003-58 adopting the Electric Service Rules, Fees and Charges document for Moreno Valley Utility which states, in part, that the rates to be charged by and paid to the City for electric service will be the rates legally in effect and on file with the City Council; and

WHEREAS, on January 13, 2004, the City Council approved Resolution No. 2004-05 establishing the electric rates for Moreno Valley Utility; and

WHEREAS, on September 26, 2006, the City Council approved Resolution No. 2006-112 implementing a schedule to adjust Moreno Valley Utility electric rates to reflect the same schedule as Southern California Edison; and

WHEREAS, there are sections of the Electric Service Rules, Fees and Charges document that contain rules which define the terms and conditions under which electric service will be provided to the customer; and

WHEREAS, there are rules, fees, charges, and rates associated with providing the services identified in these documents. These rules, fees, charges, and rates are deemed necessary and equitable for services rendered and are required to fund in whole or in part, all of the services required to facilitate the delivery of electric distribution pursuant to the rules; and

WHEREAS, Urgency Ordinance No. 651 was adopted by the City Council on December 9, 2003, allowing for the adoption of rates by resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1
Resolution No. 2021-XX
Date Adopted: December 07, 2021

1. The City Council hereby confirms the amended Moreno Valley Utility Rates and Rules, attached hereto as Exhibits A and B, incorporated herein, and on file in the Public Works Department.

APPROVED AND ADOPTED this 7th day of December 2021.

 Mayor of the City of Moreno Valley

ATTEST:

 City Clerk

APPROVED AS TO FORM:

 City Attorney

2
 Resolution No. 2021-XX
 Date Adopted: December 07, 2021

Attachment: Resolution Rate Adjustment 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-XX was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. 2021-XX³
Date Adopted: December 07, 2021

Attachment: Resolution Rate Adjustment 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

Moreno Valley Utility
Electric Rates

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

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Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

SCHEDULE A – RESIDENTIAL SERVICE

Applicability

Applicable to electric service for residential uses. This schedule has three rate options. Rate A is applicable to all residential customers except for residential customers with solar generation installations that filed an application on or after December 15, 2020. For these customers, Rate B Residential Time of Use (TOU) is applicable. Rate C is applicable to customers with electric vehicle chargers and those who have electric vehicle charges, battery storage or electric heat pumps. Annual renewal of qualification for Rate C is required. All other residential customers may select Rate B Residential Time of Use (TOU) if desired.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Basic Charge - \$/Day:	Rate A – Non TOU
Single-Family Residence	\$ 0.031
Multi-Family Residence	\$ 0.024
Energy Usage Charge - \$/kWh:	
Summer:	
Tier 1 -Baseline Quantities, all kWh, per kWh	\$ 0.23665
Tier 2 – 101% to 400% of Baseline	\$ 0.30981
Tier 3 – All excess kWh, per kwh	\$ 0.39228
Winter:	
Tier 1 -Baseline Quantities, all kWh, per kWh	\$ 0.23665
Tier 2 – 101% to 400% of Baseline	\$ 0.30981
Tier 3 – All excess kWh, per kWh	\$ 0.39228
Public Purpose Programs:	
All kWh per kWh	\$ 0.02004
Monthly Minimum Charge:	
Monthly Minimum Charge	\$ 10.00

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

Rates

	Rate B - TOU
Basic Charge - \$/Day:	
Single-Family Residence	\$ 0.031
Multi-Family Residence	\$ 0.024
Energy Usage Charge - \$/kWh:	
Baseline Credit – Applies to 100% of baseline allocation regardless of time of use	-\$0.07991
Summer	
On-Peak	\$ 0.45427
Mid-Peak	\$ 0.36483
Off-Peak	\$ 0.27675
Winter	
Mid-Peak	\$ 0.39433
Off-Peak	\$ 0.29417
Super Off-Peak	\$ 0.26535
Public Purpose Programs:	
All kWh per kWh	\$ 0.02004
Monthly Minimum Charge:	
Monthly Minimum Charge	\$ 10.00

Energy Cost Adjustment

1. The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Baseline Rates: Baseline rates are applicable only to separately metered residential use.

- 2. Baseline Quantities: The residential allocation shall be 18.9 kWhs per day in the Summer season and 12.5 kWhs per day in the Winter season.
- 3. Existing generating facilities currently under Schedule NEM or NEM 2.0 that are modified such that the generating capacity or output increases by 10% or more or if they have storage are required to be billed under Rate B.
- 4. Time periods are defined as follows:

TOU Period	Weekdays	Weekends & Holidays	Weekdays	Weekends & Holidays
	Summer	Summer	Winter	Winter
On-Peak	4 p.m. - 9 p.m.	N/A	N/A	N/A
Mid-Peak	N/A	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.
Off-Peak	All other hours	All other hours	9 p.m. - 8 a.m.	9 p.m. - 8 a.m.
Super-Off-Peak	N/A	N/A	8 a.m. - 4 p.m.	8 a.m. - 4 p.m.

- 5. Holidays are defined as New Year’s Day (January 1), Martin Luther King’s Birthday (third Monday in January), Washington’s Birthday (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veterans Day (November 11), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25).

When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

- 6. Summer and Winter Seasons are defined as follows: The Summer season begins at 12:00 a.m. on June 1 and will continue until 12:00 a.m. on October 1 each year. The Winter season begins at 12:00 a.m. on October 1 and continues until 12:00 a.m. on June 1 of the following year.
- 7. Voltage: Service will be supplied at one standard voltage.
- 8. For the purposes of applying the Basic Charge, the following definitions shall be used:

Single-Family Residence - A building of single occupancy which does not share common walls, floors, or ceilings with other residential dwelling units.

Multi-Family Residence - Apartments, mobile homes, condominiums, townhouses, or a building of multiple occupancy which shares common walls and /or floors and ceilings with other residential dwelling units.

- 9. Medical Baseline Allocation: Upon application and acceptance of a certification from a medical doctor or osteopath licensed to practice medicine in California, eligible residential customers are provided a standard year-round medical baseline allocation of 16.5 kWh per day in addition to the applicable baseline allocation for the season.

	Regular Baseline Daily kWh Allocation	Additional Medical Baseline Daily kWh Allocation	Total Baseline Daily kWh Allocation
Summer	18.9	16.5	35.4
Winter	12.5	16.5	29.0

Medical Baseline Allocation Eligibility:

- a) Regular use in the customer's home of one or more medical life-support devices essential to maintain the life of a full-time resident of the household; and/or
- b) A full-time resident of the household is: a paraplegic, hemiplegic, quadriplegic, multiple sclerosis or scleroderma patient, being treated for life-threatening illness, and/or has a compromised immune system.

Life support devices are those devices or equipment that utilize mechanical or artificial means to sustain, restore or supplant a vital function, or mechanical equipment relied upon for mobility both within and outside of buildings.

Life-support devices include:

Aerosol Tent	Ultrasonic Nebulizer
Pressure Pad	Electrostatic Nebulizer
Apnea Monitor	Inhalation Pulmonary Pressure
Pressure Pump	Breather Machine (IPPB)
Compressor	Iron Lung
Concentrator	Dialysis Machine
Respirator (all types)	Hemodialysis Machine
Electronic Nerve Stimulator	Motorized Wheelchair
Suction Machine	Oxygen Generator

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

Applying for the Medical Baseline Allocation:

1. Request application from Moreno Valley Utility by telephone, mail or in person
2. Complete application.
3. The patient's physician will need to fill out the required information on the application and sign it certifying the medical need.
4. The customer can mail or bring the application to Moreno Valley Utility's offices
5. Once the application is reviewed and approved, the Medical Baseline Allocation will be effective on the next regular electric billing.
6. Applications must be renewed every two years.
7. Low Income Program - A low-income assistance discount program is offered under this standard residential rate. To be considered for this discount, an application must be filed with Moreno Valley Utility. To be eligible for this discount, the income of the customer, including all members of the household, must meet the income levels of the program and can be no more than 200% of Federal Poverty Guidelines. Under this program a discount for qualified low-income residents of 30% is provided on monthly energy charges. Discount applies to energy charges only. The customer charge, public purpose charge, service fees and all taxes are calculated at the standard rates.
8. Family Electric Rate Assistance (FERA) Program: The FERA discount program is offered under the standard residential rate. To be considered for this discount, an application must be filed with Moreno Valley Utility. To be eligible for this discount the household must consist of three or more persons where the total gross income from all sources is no more than 250% of Federal Poverty Guidelines. Under this program a discount for qualified FERA households of 18% is provided on monthly energy charges. Discount applies to energy charges only. The customer charge, public purpose charge, service fees and all taxes are calculated at the standard rates.
9. Electric Vehicle Off-Peak Charging Discount: Qualified residential customers owning or leasing electric vehicles and receiving electric service under Schedule A – Residential Service, will receive a discount. For these qualified residential customers, the price of electricity consumed, either during the Off-Peak hours for those on a time of use option or from the total kWhs used for those on the Rate A, up to a maximum of 500 kWhs, shall be discounted by 5 cents per kWh per billing period. To qualify, residential customers must file an application with the

City and evidence of vehicle ownership or lease and registration. Once approved, the discount will apply beginning with the next bill cycle after approval of the application. To remain on the program, qualified customers must submit annual application renewals.

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

SCHEDULE B - GENERAL SERVICE

Applicability

Applicable to nonresidential electric service for all types of uses including lighting and power. Customers whose monthly maximum demand is expected to exceed 20 kW or has exceeded 20 kW in any three months during the preceding 12 months, are ineligible for service under this schedule.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Customer Charge - \$/Day:

Single-Phase Service	\$ 0.555
Polyphase Service	\$ 0.586

Energy Usage Charge - \$/kWh:

Summer, all kWh, per kWh	\$ 0.23482
Winter, all kWh, per kWh	\$ 0.18610

Public Purpose Programs:

All kWh per kWh	\$ 0.01740
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Monthly Minimum Charge:

Monthly Minimum Charge	\$ 10.00
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Energy Cost Adjustment

1. The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Summer and Winter Seasons are defined as follows: The Summer season begins at 12:00 a.m. on June 1 and will continue until 12:00 a.m. on October 1 each year. The Winter season begins at 12:00 a.m. on October 1 and continues until 12:00 a.m. on June 1 of the following year.

2. Voltage: Service will be supplied at one standard voltage.

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

SCHEDULE C – LARGE GENERAL SERVICE

Applicability

Applicable to nonresidential electric service for all types of uses including lighting and power where the customer’s monthly maximum demand is expected to exceed 20 kW or has exceeded 20 kW in any of the 3 months during the preceding 12 months.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Customer Charge - \$/Meter/Month:

Single Phase	\$ 183.30
Polyphase	\$ 194.05

Energy Usage Charge - \$/kWh:

Summer, all kWh, per kWh	\$ 0.13581
Winter, all kWh, per kWh	\$ 0.10780

Demand Charge - \$/kW:

	<u>Summer</u>	<u>Winter</u>
Facilities Related Demand Charge, per kW	\$ 15.68	\$ 15.68
Time Related Demand Charge, per kW	\$ 15.98	\$ 0.00

Public Purpose Programs:

All kWh per kWh	\$ 0.01761
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Monthly Minimum Charge:

Monthly Minimum Charge	\$ 10.00
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Energy Cost Adjustment

1. The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Summer and Winter Seasons are defined as follows:

The Summer season begins at 12:00 a.m. on June 1 and will continue until 12:00 a.m. on October 1 each year. The Winter season begins at 12:00 a.m. on October 1 and continues until 12:00 a.m. on June 1 of the following year.

2. Voltage: Service will be supplied at one standard voltage.

3. Billing Demand: The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Billing Demand shall be the greater of the kilowatts of Maximum Demand recorded (or established for) the monthly billing period or 50% of the highest Maximum Demand established in the preceding eleven months (Ratcheted Demand).

4. Maximum Demand: The maximum demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments to be supplied by the City, during any 15-minute metered interval in the month.

5. Voltage Discount: The monthly Facilities Related Demand Charge will be reduced by \$0.21 per kW for service delivered and metered at voltages of 4 kV through 12 kV. The energy charge will be reduced by \$.00101 per kWh for service delivered and metered at voltages of 2 kV through 12 kV.

6. Excess Transformer Capacity: Excess Transformer Capacity is the amount of transformer capacity requested by a customer in excess of that which the City would normally install to serve the customer's Maximum Demand. Excess Transformer Capacity shall be billed at the amount shown in the rates section above.

7. Power Factor Adjustment: When Maximum Demand has exceeded 200 kW for three consecutive months, kilovar metering will be installed as soon as practical, and thereafter, until the Maximum Demand has been less than 150 kW for twelve consecutive months, the billing will be adjusted each month for power factor.

a. Adjustment Rate:

i. For service delivered and metered at voltages 12 kV or less, the billing will be increased by \$0.60 per kilovar of maximum reactive demand.

b. Determining the Reactive Demand:

i. Service delivered and metered at voltages of 4 kV or greater:

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

1. The maximum reactive demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15-minute metered interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar meter to prevent reverse operation of the meter.
- ii. Services delivered and metered at voltages less than 4 kV:
1. For customers with metering used for billing that measures reactive demand, the maximum reactive demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15-minute metered interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar meter to prevent reverse operation of the meter.
 2. For customers with metering used for billing that measures kilovar-hours instead of reactive demand, the kilovars of reactive demand shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatt-hours. Demands in kilowatts and kilovars shall be determined to the nearest unit. A ratchet device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.

SCHEDULE P1 – PUMPING AND AGRICULTURAL SERVICE
(CONNECTED LOAD BASIS)

Applicability

Applicable to electric service for agricultural power service or for general water pumping or sewerage pumping based on connected load in horsepower. This schedule is not applicable to service for which a residential, commercial or industrial schedule is applicable. Customers whose monthly maximum demand is expected to or have exceeded 500 kW or 671 hp in any three months during the preceding 12 months, are ineligible for service under this schedule.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Customer Charge - \$/Day:	\$68.30
Energy Usage Charge - \$/kWh:	
Summer, all kWh, per kWh	\$ 0.13642
Winter, all kWh, per kWh	\$ 0.13642
Service Charge \$/HP/Month	\$5.63
Public Purpose Programs:	
All kWh per kWh	\$ 0.01801
Monthly Minimum Charge:	
Monthly Minimum Charge	\$ 10.00

Energy Cost Adjustment

1. The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Summer and Winter Seasons are defined as follows: The Summer season begins at 12:00 a.m. on June 1 and will continue until 12:00 a.m. on October 1 each year. The Winter season begins at 12:00 a.m. on October 1 and continues until 12:00 a.m. on June 1 of the following year.
2. Voltage: Service will be supplied at one standard voltage.
3. Connected Load: Connected load is the sum of the rated capacities of all the customer's equipment that is possible to connect to the utility's lines at the same time, determine to the nearest 1/10th hp.

SCHEDULE SL – STREET LIGHTING SERVICE - MVU OWNED SYSTEM

Applicability

Applicable to un-metered service for the lighting of streets and highways where MVU owns and maintains the street lighting equipment and associated facilities included under this schedule.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Energy Usage Charge - High Pressure Sodium Vapor Lamps

Basic Charge:

<u>Initial Lumens</u>	<u>Wattage</u>	<u>All Night Service kWhs/Month</u>	<u>\$/Lamp/Month</u>	<u>\$/Lamp/Month Public Purpose Programs</u>
9,500	100	40	\$15.46	\$0.21
16,000	150	67	\$20.08	\$0.35
22,000	200	85	\$23.36	\$0.44
27,500	250	108	\$27.14	\$0.56

Energy Usage Charge – Light Emitting Diode (LED) Lamps

Basic Charge:

<u>Initial Lumens</u>	<u>Wattage</u>	<u>All Night Service kWhs/Month</u>	<u>\$/Lamp/Month</u>	<u>\$/Lamp/Month Public Purpose Programs</u>
14,700	173	75	\$21.59	\$0.39
11,500	98	47	\$16.68	\$0.25
3,800	31	15	\$ 11.00	\$0.08

Energy Cost Adjustment

- The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Maintenance shall include periodic inspection, renewal of lamps, cleaning of glassware, replacement of damaged glassware and lamps, and minor repairs to wiring and electrical appurtenances.
2. Hours of Service: Under MVU's standard all-night operating schedule, approximately 4,140 hours of service will be furnished.
3. The developer shall install streetlights that will be served from MVU's underground system. These streetlights must be installed in accordance with MVU's specifications and the developer will deed such facilities to MVU.
4. Requirements and Restrictions:
 - a. The applicant for street light service shall specify the lamp size and location of streetlights.
 - b. Service shall not be furnished under this schedule where location, mounting height, or other considerations are unacceptable to the MVU.
 - c. The installation of street lighting equipment and facilities hereunder is contingent upon the MVU obtaining easements, rights of way, and highway permits satisfactory to the MVU for the required poles, equipment, and facilities.
 - d. In accordance with Rule No. 4, a written contract for a term of not less than one year is required in order to receive street light service under the provisions of this schedule.
 - e. Should the applicant not commence using the street lighting in a bona fide manner within ninety (90) days after date of completion and installation of a streetlight or street lighting system requested by the applicant, the MVU will bill, and the applicant shall pay, the applicable lamp charge(s).
5. Liability of Utility: MVU shall not, by taking action pursuant to its tariffs, be liable for any loss, damage, or injury, established or alleged, which may result, or be claimed to result, therefrom.

SCHEDULE SL2 - STREET LIGHTING SERVICE
CUSTOMER OWNED AND MAINTAINED SYSTEM SCHEDULE
(UNMETERED)

Applicability

Applicable to service for un-metered lighting of streets, highways, and directional highway signs served in conjunction with street and highway lighting, and other publicly operated automobile parking lots which are open to the general public, where the customer owns and maintains the street lighting equipment operated within the period from dusk to dawn.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Energy Usage Charge - High Pressure Sodium Vapor Lamps

Basic Charge:

<u>Initial Lumens</u>	<u>Wattage</u>	<u>All Night Service kWhs/Month</u>	<u>\$/Lamp/Month</u>	<u>\$/Lamp/Month Public Purpose Programs</u>
9,500	100	40	\$ 8.95	\$0.21
16,000	150	67	\$ 13.17	\$0.35
22,000	200	85	\$ 16.12	\$0.44
27,500	250	108	\$19.84	\$0.56

Energy Cost Adjustment

1. The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Voltage: Service will be supplied at one standard voltage.
2. Requirements and Restrictions:
 - a. The applicant for street light service shall specify the lamp size and location of streetlights.
 - b. Service shall not be furnished under this schedule where location, mounting height, or other considerations are unacceptable to the MVU.
 - c. The installation of street lighting equipment and facilities hereunder is contingent upon the MVU obtaining easements, rights of way, and highway permits satisfactory to the MVU for the required poles, equipment, and facilities.
3. Liability of Utility: MVU shall not, by taking action pursuant to its tariffs, be liable for any loss, damage, or injury, established or alleged, which may result, or be claimed to result, therefrom.

SCHEDULE SL3 – STREET LIGHTING SERVICE
CUSTOMER OWNED SYSTEM SCHEDULE
(METERED)

Applicability

Applicable to service for metered lighting service of streets, highways, and directional highway signs served in conjunction with street and highway lighting, and other publicly operated automobile parking lots which are open to the general public, where the customer owns the street lighting equipment operated within the period from dusk to dawn.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Customer Charge – Per Meter Per Month: \$ 11.49

Energy Usage Charge - \$/kWh:

All Year - all kWh, per kWh \$ 0.08463

Public Purpose Programs:

All kWh, per kWh \$ 0.00522

Energy Cost Adjustment

1. The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Voltage: Service will be supplied at one standard voltage.
2. The customer will furnish and maintain all equipment beyond the meter.

SCHEDULE TC-1 – TRAFFIC CONTROL SERVICE

Applicability

Applicable to service for traffic directional sign or signal lighting service owned by governmental agencies and located on streets, highways and other publicly dedicated outdoor ways and places.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates

Customer Charge – Per Meter Per Day:

Single-Phase Service	\$ 0.711
Polyphase Service	\$ 0.740

Energy Usage Charge - \$/kWh:

All kWh per kWh	\$ 0.17094
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Public Purpose Programs:

All kWh per kWh	\$ 0.01734
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Energy Cost Adjustment

1. The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

1. Voltage: Service will be supplied at one standard voltage.

SCHEDULE TOU-LGS – TIME OF USE – LARGE GENERAL SERVICE

Applicability

Applicable to nonresidential electric service for all types of uses including lighting and power where the customer’s monthly maximum demand is expected to exceed 500 kW or has exceeded 500 kW in any of the 3 months during the preceding 12 months.

Territory

Within the designated areas served by the Moreno Valley Utility.

Rates – Primary Voltage

Customer Charge:

\$/Meter/Month \$ 373.12

Energy Usage Charge - \$/kWh:

Summer

On-Peak \$ 0.10045
 Mid-Peak \$ 0.09273
 Off-Peak \$ 0.06778

Winter

Mid-Peak \$ 0.08160
 Off-Peak \$ 0.07230
 Super Off-Peak \$ 0.05488

Demand Charge - \$/kW:

	<u>Summer</u>	<u>Winter</u>
Facilities Related Demand Charge, per kW	\$16.97	\$16.97
Time Related Demand Charge, per kW		
On-Peak	\$36.24	\$0.00
Mid-Peak	\$0.00	\$9.27
Off-Peak	\$0.00	\$0.00

Public Purpose Programs:

All kWh per kWh \$0.01643

Minimum Monthly Charge See Conditions #4

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

Rates – Secondary Voltage

Customer Charge:

\$/Meter/Month \$ 701.42

Energy Usage Charge - \$/kWh:

Summer

On-Peak \$ 0.10693
 Mid-Peak \$ 0.09874
 Off-Peak \$ 0.07214

Winter

Mid-Peak \$ 0.08673
 Off-Peak \$ 0.07693
 Super Off-Peak \$ 0.05851

Demand Charge - \$/kW:

	<u>Summer</u>	<u>Winter</u>
Facilities Related Demand Charge, per kW	\$17.33	\$17.33
Time Related Demand Charge, per kW:		
On-Peak	\$37.37	\$0.00
Mid-Peak	\$ 0.00	\$9.40
Off-Peak	\$ 0.00	\$0.00

Public Purpose Programs:

All kWh per kWh \$ 0.01667

Minimum Monthly Charge:

Minimum Monthly Charge See Condition #4

Energy Cost Adjustment

- The energy charge may be adjusted each month based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date monthly. These adjustments could result in slight decreases or increases in the energy charge.

Special Conditions

- Time periods are defined as follows:

TOU Period	Weekdays	Weekends & Holidays	Weekdays	Weekends & Holidays
	Summer	Summer	Winter	Winter
On-Peak	4 p.m. - 9 p.m.	N/A	N/A	N/A

Mid-Peak	N/A	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.
Off-Peak	All other hours	All other hours	9 p.m. - 8 a.m.	9 p.m. - 8 a.m.
Super-Off-Peak	N/A	N/A	8 a.m. - 4 p.m.	8 a.m. - 4 p.m.

Holidays are defined as New Year’s Day (January 1), Martin Luther King’s Birthday (third Monday in January), Washington’s Birthday (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veterans Day (November 11), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25).

When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

2. Summer and Winter Seasons are defined as follows: The Summer season begins at 12:00 a.m. on June 1 and will continue until 12:00 a.m. on October 1 each year. The Winter season begins at 12:00 a.m. on October 1 and continues until 12:00 a.m. on June 1 of the following year.
3. Voltage: Service will be supplied at one standard voltage.
4. Billing Demand: The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Billing Demand shall be the greater of the kilowatts of Maximum Demand recorded (or established for) the monthly billing period or 50% of the highest Maximum Demand established in the preceding eleven months (Ratcheted Demand).
5. Maximum Demand: The maximum demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments to be supplied by the City, during any 15-minute metered interval in the month.
6. Excess Transformer Capacity: Transformer Capacity is the amount of transformer capacity requested by a customer in excess of that which the City would normally install to serve the customer’s Maximum Demand. Excess Transformer Capacity shall be billed at the amount shown in the rates section above.
7. Power Factor Adjustment: The billing will be adjusted each month for power factor.
 - a. Adjustment Rate: The customer’s bill will be increased each month for the power factor \$0.60 per kilovar of maximum reactive demand.
 - b. The maximum reactive demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15-

minute metered interval in the month. For customers with metering used for billing that measures kilovar-hours instead of reactive demand, the kilovars of reactive demand shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatt-hours. Demands in kilowatts and kilovars shall be determined to the nearest unit. A device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

SCHEDULE SE - SERVICE ESTABLISHMENT CHARGE

Applicability

Applicable to general service and domestic service customers.

Territory

Within the entire territory served by Moreno Valley Utility.

Rate

For each establishment of electric service, a charge will apply.

Special Conditions

1. The service establishment charge is in addition to the charges calculated on the applicable rate schedule and will be made each time an account is established.
2. Establishment means each time an account is opened, including a turn on of electric service or a change of name that requires a meter reading.
3. If the customer requests electric service be established on the same day as his request or outside regular business hours, an additional charge will apply.

SCHEDULE NEM – NET ENERGY METERING

Applicability

Applicable to general service and domestic service customers who have eligible renewable energy generation systems connected to MVU’s system (interconnected) and meet program requirements. This schedule is closed to new applicants effective April 2018.

Territory

Within the entire territory served by Moreno Valley Utility.

Net Surplus Compensation Rate

The net surplus compensation rate shall be \$0.03211 per kWh applied to any net surplus energy remaining at the end of the customer’s twelve (12) monthly billing period (“relevant period”).

Special Conditions

1. NEM customers will receive a credit for the surplus electricity supplied to MVU’s system.
2. This credit will be applied to the customer’s energy bill, to offset all or part of the costs associated with the energy that is consumed each month.
3. Residential accounts are billed once a year for “net” energy consumed or generated over the previous 12 months, if any.
4. Small business accounts served under the General Service Rate also qualify for annual billing.
5. Large business NEM accounts under the Large General Service Rate are billed monthly for their energy usage.
6. Net surplus energy is the amount of generated kilowatt-hours (kWh) energy that is exported to MVU’s system that exceeds the amount that is received from MVU.
7. Any net surplus energy remaining at the end of the 12-month billing period (also called the “relevant period”) will be given a monetary value known as the Net Surplus Compensation Rate (NSCR).
8. The NSCR value is established by MVU to reflect the costs MVU avoids in procuring power during the time period net surplus generators are likely to produce excess power.

9. Customers may choose to either roll over the monetary value of any net surplus energy to the next billing cycle or receive payment for any net surplus energy at the end of your 12-month relevant period.
10. Customers will be billed monthly for nominal non-energy-related charges such as taxes.

SCHEDULE NEM 2.0 – NET ENERGY METERING SUCCESSOR RATE

Applicability

Applicable to Eligible Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a renewable electrical generation facility, as therein defined, located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with MVU's power system pursuant to Electric Rule 21 – Generating Facility Interconnections.

Territory

Within the entire territory served by Moreno Valley Utility.

Net Surplus Compensation Rate

The net surplus compensation rate shall be \$0.03211 per kWh applied to any net surplus energy remaining at the end of the customer's monthly billing period.

Special Conditions

1. As determined in each billing period, when a customer is a net consumer of energy, the resulting net consumed energy will be used in the calculation of all applicable energy charges.
2. As determined in each billing period, when a customer is a net producer of energy, the resulting net produced energy will be used in the calculation of a monetary value that shall only be applied to the customer's monthly bill, including any minimum charges and applicable taxes.
3. A customer is a net producer of energy when the amount of generated kilowatt-hours (kWh) of energy that is exported to MVU's system exceeds the amount that the customer receives from MVU.
4. The monetary value calculated is the product of the net kWh produced multiplied by the Net Surplus Compensation Rate (NSCR).
5. The NSCR value is established by MVU to reflect the costs MVU avoids in procuring power during the time period net surplus generators are likely to produce excess power.

6. MVU shall retain any net surplus energy generated by the NEM customer, including any associated environmental attributes or renewable energy credits (“REC”).
7. To be eligible for service under this Schedule, generating facilities must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules regarding safety and reliability (i.e., MVU’s Electric Rule 21). All generating facilities must have a warranty of at least 10 years for all equipment and the associated installation from the system provider (not from MVU). All major solar system components (including PV panels and other generation equipment, inverters and meters) must be on the verified equipment list maintained by the CEC. Any other equipment, as determined by MVU, must be verified as having safety certification from a Nationally Recognized Testing Laboratory.
8. To be eligible for service under this Schedule, the customer’s generating facilities must be sized to offset part or all of the customer’s own electrical requirements and cannot be oversized. This means that the estimated output of the generating facility, using the CEC-AC nameplate rating for inverter-based generating facilities must not exceed the customer’s previous annual usage in kWh. In the event that there is less than 12 months of previous recorded usage data, the standard of 2 watts per square foot of the premises will apply.
9. Customers seeking to interconnect their generating facilities for the purpose of receiving service under this Schedule are subject to the interconnection requirements and interconnection cost responsibility provisions as established in MVU’s Electric Rule 21.
10. A new customer of record who owns, rents, or leases a premise that includes a generating facility that was approved by MVU for parallel operation prior to the new customer moving in and/or taking electric service with MVU will take service under this Schedule as long as the requirements of this Schedule are met. This provision also applies to premises where the developer/contractor establishes the interconnection.
11. Existing generating facilities currently under Schedule NEM that are modified such that: (1) the generating capacity or output increases by 10% or more; or (2) adding battery storage will be placed under Schedule NEM 2.0.

12. Existing customers under Schedule NEM will remain under Schedule NEM for a period of fifteen (15) years from the original year in which their generating facility was interconnected to MVU's grid as determined from the date the customer received the permission to operate (PTO), and then will be switched to Schedule NEM 2.0 or any otherwise applicable rate schedule. Existing customers under Schedule NEM can request to be placed under Schedule NEM 2.0 at any time; the customer's account will be trued up at the time of the request. This means that any outstanding balance due or credit due will be applied to the next regular billing.

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

SCHEDULE ED – ECONOMIC DEVELOPMENT (“ED”) RATE

Applicability

Commercial or industrial end-use customers that would otherwise receive service under Electric Rate Schedule TOU-LGS (Time of Use-Large General Service) and meet certain criteria as established and adopted by resolution of the City Council of the City of Moreno Valley may take advantage of the ED rate as a New Customer or Expanded Load Customer. This ED rate is applicable to all or part of the services provided to New Customers and Expanded Load Customers, as such terms are defined herein. Local Hiring Incentive applicable to certain other rate classes as described in Special Condition No. 6.

1. A New Customer shall be a customer seeking to locate a new business or relocate an existing business (not currently located within the territory served by Moreno Valley Utility) within Moreno Valley Utility’s service territory.

2. An Expanded Load Customer shall be an existing Moreno Valley Utility TOU-LGS customer that is adding new load to Moreno Valley by a minimum of 200 kW based upon the customer’s past electrical demand as determined by Moreno Valley Utility. The expanded load can be at the customer’s current site, or at a new site within the Moreno Valley Utility service territory. The ED rate will only be applied to the expanded load as determined in Section 5 below.

3. A New Customer shall meet the following criteria:
 - a. Targeted industries
 - i. Logistics/Distribution
 - ii. Medical/Healthcare
 - iii. Auto Dealerships

 - b. Job Creation

i. Tier 1 Discount Rate	150 – 499 jobs
ii. Tier 2 Discount Rate	500 – 999 jobs
iii. Tier 3 Discount Rate	greater than 1000 jobs
iv. Tier 4 Discount Rate	350 jobs minimum
v. Tier 5 Discount Rate	200 jobs minimum

 - c. City Revenue Producer – either sales tax or use tax generation
 - i. Tier 1a Discount Rate

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

- ii. Tier 4 Discount Rate - minimum \$40,000 annual sales tax revenue to the City

Territory

Within the entire territory served by Moreno Valley Utility.

Character of Service

The service provided hereunder shall be alternating current with regulated frequency of 60 hertz, three-phase, or a combination single and three-phase served through one meter, at a standard voltage not to exceed 480 volts, or as may be specified by the Electric Division. To be eligible to participate all customers must have a demand meter.

Rates

Except as provided herein, or in the Economic Development Rate Agreement, all charges and provisions of the customer’s otherwise applicable rate schedule shall apply. The applicable Energy Charge and Demand Charge under the customer’s otherwise applicable rate schedule will be reduced as follows:

	Tier 1/Tier 1a	Tier 2	Tier 3	Tier 4
Year 1	19.00%	21.50%	24.00%	26.50%
Year 2	16.00%	18.50%	21.00%	23.50%
Year 3	13.00%	15.50%	18.00%	20.50%
Year 4	10.00%	12.50%	15.00%	17.50%
Year 5	7.00%	9.50%	12.00%	14.50%

	Tier 5
Years 1 – 4	20.00%
Years 5 – 8	15.00%
Years 9 – 12	10.00%
Years 13 - 16	5.00%

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

Special Conditions

1. Term: Economic Development Rate Agreements entered into under this Schedule shall be for a single five-year term, except for Tier 5, which shall be for a single sixteen-year term.
2. Approval: Application of this Rate Schedule shall be subject to the approval of the City Manager or his designee, based on meeting the eligibility criteria outlined herein.
3. Agreement: The customer must sign a standard Moreno Valley Economic Development Rate Agreement in order for the rates under this Schedule to be applicable. In addition to the other terms of this Schedule, the Economic Development Rate Agreement shall require the customer to reimburse Moreno Valley for all rate reductions received under this Schedule, if the customer fails to maintain the required minimum load during the applicable term of the Agreement.
4. Minimum Load: Customers qualifying under this Schedule as a New Customer with a projected minimum monthly electric demand of at least 500 kW or as an Expanded Load Customer under Applicability Sections 1 and 2 above, respectively, must agree to maintain a minimum level of load for five years for Tiers 1 through 4 and sixteen years for Tier 5 from the date service is first rendered under this Schedule as set forth in the Economic Development Rate Agreement.
5. Jobs: Job as prescribed in Section 3c above is defined as Full Time Equivalent that is working at least 1750 hours per year. The Customer retains authority in making individual hiring decisions. This program does not require the Customer to hire any person who does not have the experience and ability to qualify such persons for a job.
6. Local Hiring Incentive: The Local Hiring Incentive is available for Tier 1 through Tier 5. Customers who qualify under Tiers 1 – 4 and voluntarily hire at least 20% of Full Time Equivalent (FTE) employees that are City of Moreno Valley residents will receive an additional discount of 2%; those Customers who hire at least 40% of Full Time Equivalent (FTE) employees that are City of Moreno Valley residents will receive an additional discount of 4%. For Customers eligible for the Tier 5 discount, the Local Hiring Incentive is an additional 1% discount for Customers who voluntarily hire at least 20% of FTE employees that are City of Moreno Valley residents. The additional 1% discount will be applied to the first five years of the sixteen-year term. Any additional discounts will apply to the Energy Charge and Demand Charge. Customers must certify the local hire percentage each year to remain eligible for the additional discount.
7. Base Period Usage: Base Period Usage shall be established and agreed to in the Economic Development Rate Agreement for Expanded Load

Customers. Base Period Usage shall be the average monthly energy use and demand for the customer during the last three years of service to the customer, from the date ending the last payment period before the date of the Agreement. Expanded Load qualifying for the rate under this Schedule shall be measured as the difference between the new monthly, meter documented energy use and demand, and the Base Period Usage.

8. State Mandated Public Purpose Program Charge: All bills rendered under this Schedule shall be subject to the Public Purpose Program Charge as established by the City Council.
9. Miscellaneous Fees and Charges: Rates charged pursuant to this Schedule shall be subject to any Energy Users Taxes, Utility Users Taxes, and any other governmental taxes, duties, or fees which are applicable to Electric Service provided to Customer by the City of Moreno Valley. Rates are also subject to adjustment, as established by the City of Moreno Valley City Council in response to federal or state climate change laws, renewable portfolio standard or other mandated legislation. These adjustments may include but are not limited to charges to mitigate the impacts of greenhouse gas emissions or “green power” premiums.
10. Expanded Load: Expanded Load customers applying for this rate must demonstrate to the satisfaction of the Utility that the expanded load is new to Moreno Valley.
11. Effective Date: The effective date of the Economic Development Rate Agreement shall commence within 12 months from the date of the City’s approval, or the Agreement becomes null and void. The Agreement becomes effective upon execution by the parties, and the Economic Development Rate commences upon written notice by customer and coincides with the customer’s normal billing cycle.
12. Reapplication: Customers who have received service under the Economic Development Rate are eligible to reapply for the rate as an Expanded Load Customer 12 months after their current Economic Development Rate Agreement has expired, if they meet the criteria therefore.
13. Restrictions: Residential customers and federal, state or local government agencies are not eligible to apply for service under this Schedule.
14. City Manager: The City Manager or his/her designee may offer to customers an Economic Development Rate and term based upon the actual cost to serve the customer. The customer must sign a Moreno Valley Economic Development Rate Agreement, and such Agreement shall be approved by the City Council. All other terms and conditions under this rate schedule shall apply.

SCHEDULE ED-BR - ECONOMIC DEVELOPMENT- BUSINESS RETENTION RATE

Applicability

This Schedule is applicable to the anchor stores at Stoneridge Towne Centre and Moreno Beach Plaza, whose building size is 25,000 square feet or larger and have 30 or more employees.

1. The Customer must demonstrate to the satisfaction of the City that relocation of its entire operation to a site outside of Moreno Valley Utility's service territory is a viable alternative or that the threat of closure of the Customer's existing facilities is otherwise imminent.
2. The Customer must provide:
 - a. An affidavit that "but for" the economic development retention rate incentives, in combination with other city-sponsored incentives, such customer would relocate outside of the City's electric service territory, and
 - b. Substantial evidence demonstrating the business has considered viable locations outside of Moreno Valley's service territory including but not limited to incentive offer letters from competing states, local jurisdictions and economic development organizations and/or real estate sale and lease agreements for competing sites, or
 - c. Substantial evidence documenting the imminent threat of facility closure, including but not limited to letters from business owners or appropriate corporate officers documenting the circumstances which have led to this imminent threat and why the Business Retention Rate is necessary to retain the business within Moreno Valley Utility's service territory.
3. The Customer must agree to maintain a minimum level of load for five years from the date service is first rendered as set forth in the Economic Development Rate Agreement for Business Retention.

Territory

Within the entire territory served by Moreno Valley Utility.

Rates

Except as provided herein, or in the Economic Development Business Retention Rate Agreement, all charges and provisions of the customer's otherwise applicable rate schedule shall apply. The applicable Energy Charge and Demand Charge under the customer's otherwise applicable rate schedule will be reduced as follows:

- Year 1 20%
- Year 2 20%
- Year 3 20%
- Year 4 0%
- Year 5 0%

Special Conditions

1. Term: Economic Development Rate Agreement for Business Retention entered into under this Schedule shall be for a single five-year term.
2. Approval: Application of this Rate Schedule shall be subject to the approval of the Public Works Director or his designee, based on meeting the eligibility criteria outlined herein.
3. Agreement: The customer must sign a standard Moreno Valley Economic Development Rate Agreement for Business Retention in order for the rates under this Schedule to be applicable. In addition to the terms of this Schedule, the Economic Development Rate Agreement for Business Retention shall require the customer to reimburse Moreno Valley for all rate reductions received under this Schedule, if the customer fails to maintain the required minimum load during the five-year term of the Agreement.
4. Minimum Load: All customers must agree to maintain a minimum level of load for five years from the date service is first rendered under this Schedule as set forth in the Economic Development Rate Agreement for Business Retention.
5. State Mandated Public Purpose Charge: All bills rendered under this Schedule shall be subject to the Public Purpose Charge as established by the City Council.
6. Miscellaneous Fees and Charges: Rates charged pursuant to this Schedule shall be subject to any Energy Users Taxes, Utility Users Taxes, and any other governmental taxes, duties, or fees which are applicable to Electric Service provided to Customer by the City of Moreno Valley. Rates are also subject to adjustment, as established by the City of Moreno Valley City Council in response to federal or state climate change laws, renewable portfolio standard or other mandated legislation. These adjustments may

include but are not limited to charges to mitigate the impacts of greenhouse gas emissions or “green power” premiums.

7. Effective Date: The Agreement becomes effective upon execution by the parties, and the Economic Development Business Retention Rate commences with the customer’s normal billing cycle following execution of the Agreement by both parties.
8. Restrictions: Residential customers, small commercial customers, and federal, state or local government agencies are not eligible to apply for service under this Schedule.

SCHEDULE EV PUBLIC – ELECTRIC VEHICLE PUBLIC CHARGING

Applicability

This Schedule is applicable to electric vehicle charging stations owned and maintained by Moreno Valley Utility.

Charging type	Voltage
Level 2	240V
Level 3	480V

Territory

Within the entire territory served by Moreno Valley Utility.

Rates

Level 2 City Owned Charging Station	\$0.21 per kWh
Level 3 City Owned Charging Station	\$0.35 per kWh

Per Ordinance 942, there is a four-hour maximum for parking and charging of electric vehicles in a single charging session. Sessions will be given a 30-minute grace period and thereafter will be charged \$1.00 per hour up to a maximum of \$30.00.

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

SCHEDULE WTR – WIRELESS TECHNOLOGY RATE

Applicability

This Schedule is applicable to single-phase service for wireless technology industries and utility customers deploying advanced metering infrastructure (AMI) that require electric service to operate wireless communication devices that are mounted on existing utility facilities, or other facilities approved by the utility and are unmetered.

The monthly kilowatt-hour (kWh) usage of each device shall not exceed 2,700 kWh. Effective with the date the customer becomes ineligible for service under this Schedule, the customer’s account shall be transferred to Schedule B - General Service or another applicable rate schedule.

Territory

Within the entire territory served by Moreno Valley Utility.

Rates

Customer Charge - \$/Month:

Single Phase	\$30.59
Polyphase	\$30.62

Inspection Charge - \$/Device/Inspection \$15.23

Initialization of Service Charge – One-Time Fee

Fixed Energy Charge - \$/Device/Month: \$7.31

Tier	Energy Use	Max Watts/ Connected Load	\$/Device/ Month
1	0-50 kWhs / Month	75	\$8.55
2	51-100 kWhs / Month	149	\$17.11
3	101-150 kWhs / Month	224	\$25.64
4	151-200 kWhs / Month	298	\$34.18
5	201-250 kWhs / Month	373	\$42.76
6	251-300 kWhs / Month	448	\$51.30
7	301-350 kWhs / Month	522	\$59.83
8	351-400 kWhs / Month	597	\$68.39
9	401-450 kWhs / Month	672	\$76.94

Tier	Energy Use	Max Watts/ Connected Load	\$/Device/ Month
10	451-500 kWhs / Month	746	\$85.48
11	501-900 kWhs / Month	1,343	\$153.85
12	901-1,350 kWhs / Month	2,014	\$230.77
13	1,351-1,800 kWhs / Month	2,686	\$307.70
14	1,801-2,250 kWhs / Month	3,357	\$384.64
15	2,251-2,700 kWhs / Month	4,028	\$461.54

Public Purpose Charge – Per Device per Month

Tiers	Energy Use	\$/Device/ Month
1	0-50 kWhs / Month	\$0.86
2	51-100 kWhs / Month	\$1.74
3	101-150 kWhs / Month	\$2.60
4	151-200 kWhs / Month	\$3.47
5	201-250 kWhs / Month	\$4.34
6	251-300 kWhs / Month	\$5.20
7	301-350 kWhs / Month	\$6.07
8	351-400 kWhs / Month	\$6.93
9	401-450 kWhs / Month	\$7.81
10	451-500 kWhs / Month	\$8.67
11	501-900 kWhs / Month	\$15.60
12	901-1,350 kWhs / Month	\$23.41
13	1,351-1,800 kWhs / Month	\$31.21
14	1,801-2,250 kWhs / Month	\$39.02
15	2,251-2,700 kWhs / Month	\$46.82

Special Conditions

1. Voltage: Service will be supplied at 120 volts (one fuse per 120-volt leg).
2. Three-Phase Service: Where the utility determines, it is impractical to provide single-phase service under this Schedule three-phase service will be provided.
3. Limited Availability: This Schedule is available only where MVU determines that an applicable agency having jurisdiction has an existing code, ordinance, formal

policy statement or requirement that prohibits above ground electrical meter facilities in the public right-of-way.

4. Determination of Monthly usage: The customer must provide the utility information from which the utility can determine the level of kWh usage to be consumed and/or level of service to be provided, such as the manufacturers' equipment specifications, data sheets, etc., and the number of devices to be installed. The utility will place the customer in the appropriate usage tier and charge according to the maximum value of that tier. The utility retains the right to perform on- site inspections to verify the energy consumption of the device(s).

5. Maximum Wattage: The rate tiers must coincide with the maximum wattage ratings listed below. The wattage information shall be provided by the customer in order to assist SCE in determining the appropriate tier.

Tiers	Energy Use	Usage Fuse Size	Maximum Watts / Connected Load Name Plat
1	0-50 kWhs / Month	KTK-3/4	75 watts
2	51-100 kWhs / Month	KTK-1	149 watts
3	101-150 kWhs / Month	KTK-1-1/2	224 watts
4	151-200 kWhs / Month	KTK-2	298 watts
5	201-250 kWhs / Month	KTK-2-1/2	373 watts
6	251-300 kWhs / Month	KTK-3	448 watts
7	301-350 kWhs / Month	KTK-3-1/2	522 watts
8	351-400 kWhs / Month	KTK-4	597 watts
9	401-450 kWhs / Month	KTK-5	672 watts
10	451-500 kWhs / Month	KTK-6	746 watts
11	501-900 kWhs / Month	KTK-10	1,343 watts
12	901-1,350 kWhs / Month	KTK-15	2,014 watts
13	1,351-1,800 kWhs / Month	KTK-20	2,686 watts
14	1,801-2,250 kWhs / Month	KTK-25	3,357 watts
15	2,251-2,700 kWhs / Month	KTK-30	4,028 watts

6. Installation: The device(s) shall be installed on utility facilities, or other facilities approved by the utility. Utility customers taking service for AMI-related devices attached to utility-owned facilities may attach only to underground-fed streetlight poles. When the devices are installed on utility facilities, the installation and

removal of such device(s) will be performed at the customer’s expense. Device installation shall not be performed under this Schedule where location, mounting height, and/or other considerations are not acceptable to the utility. Unless approved by the utility, all wireless communication devices must be visible to the utility.

- 7. Modification of Facilities: No modifications can be made to the customer-owned wireless communications devices or the AMI-related devices unless approved by MVU. Where the customer requests a modification of MVU-owned facilities, and such modifications are acceptable to MVU, MVU will perform the requested modifications at the customer’s expense.
- 8. Maintenance: Upon installation of the device(s), where the utility experiences, or expects to experience, maintenance costs exceeding its normal maintenance expense resulting from, but not limited to, vandalism, the utility may require the customer to pay the excess maintenance expense.
- 9. Discontinuance and Restoration of Service: Discontinuance and restoration of service to the customer shall be completed in accordance with Rule 11.
- 10. Liability of the Utility: The utility shall not, by taking action pursuant to its tariffs, be liable for any loss, damage, or injury, established or alleged, which may result, or be claimed to result, there from.
- 11. Distribution Line Extension: Distribution line extensions shall be installed in accordance with Rule 15.
- 12. Service Extension: Services shall be installed and maintained as provided in Rule 16.
- 13. Initialization of Service Charge: A one-time charge, as shown in the RATES section of this schedule, is applied to each service account provided service under this Schedule to recover the costs of a lock and spare fuse which are required with the initialization of service.

Attachment: MVU Rates Final 12072021 (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

City of Moreno Valley
Electric Service Rules, Fees and Charges

Attachment: MVU Rules Fees Charges 12072021 final (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

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ELECTRIC RULE 1—ADOPTION OF ELECTRIC RULES AND DEFINITIONS

These Electric Rules established by the City of Moreno Valley (“City”) and approved by the City Council are effective throughout the service area of the City of Moreno Valley’s Electric Utility.

All rules are subject to change. Copies of the rules currently in effect will be kept in the offices of the Electric Utility Division, Department of Public Works. Customers or others contemplating any expenditures or activities governed by these rules should assure themselves that they have the current version by contacting the Electric Utility Division. A copy of the current rates is also available on the City’s website – www.moval.org.

For the purpose of these rules, the following terms shall have the following meanings:

Applicant: A person, persons, firm, association, governmental agency, corporation or other concern that submits a request for electric service from the Utility and who will be responsible for all related charges.

Billing Demand: The load or demand, measured in kilowatts and kilovars, used for computing charges under rate schedules based on the size of the Customer's load or demand. It may be connected load, the measured maximum demand, or a modification of either as provided for by the applicable rate schedule.

City Council: The City Council of the City of Moreno Valley, designated as the governing body of the Utility.

Connected Load: The sum of the nameplate-rated capacities of all of the Customer's equipment that can be connected to the Utility's lines at any one time as more completely described in the rate schedules.

Customer: The person, persons, firm, association, governmental agency, corporation or other concern that use, are entitled to use, or benefit from the use of electricity from the Utility.

Date of Presentation: The date upon which a bill or notice is mailed or delivered by the Utility to the Customer.

Distribution Lines: Overhead pole lines and underground facilities consisting of conduit, wire and cable that are operated at distribution voltages.

Energy Diversion: Electricity being received by a Customer without registering through the meter due to either tampering with the meter or bypassing the meter.

HP: Horsepower.

kVAR: Kilovar

kVARh: Kilovar-hour

kW: Kilowatt.

kWh: Kilowatt-hour.

On-Site Facilities: On-site facilities include the facilities located on the Premises as well as those in adjacent rights-of-way, easements and a proportionate share of any facilities on adjacent property used to provide service to the Premises.

Nominal Voltage: The nominal voltage of a circuit is the approximate voltage between conductors in a circuit or system of a given class, assigned for the purpose of convenient designation. For any specific nominal voltage, the operating voltage actually existing at different points and times on the system will vary.

Person: Any individual, partnership, corporation, public agency or legal entity.

Premises: All real property, buildings, and appurtenances upon an integral parcel of land undivided by a street, highway or other public thoroughfare.

Service Wires or Connection: The group of conductors connecting the service entrance conductors of the Customer to the Utility's supply line, regardless of the location of the Utility's meters or transformers.

Utility: City of Moreno Valley

ELECTRIC RULE 2—DESCRIPTION OF SERVICE

A. GENERAL

1. The type of service available at any particular location should be determined by inquiry at City's local office.
2. Alternating-current service will be regularly supplied at a frequency of approximately 60 Hertz (cycles per second).
3. In areas where a certain standard secondary voltage is presently being served to one or more Customers, an Applicant applying for new service in such areas may be required by City to receive the same standard voltage supplied to existing Customers.
4. All electric service described in this rule is subject to the conditions in the applicable rate schedule and other pertinent rules.
5. It is the responsibility of the Applicant to ascertain and comply with the requirements of governmental authorities having jurisdiction.
6. Service to a premise is normally established at one delivery point, through one meter, and at one voltage class. Other arrangements for service at multiple service delivery points, or for services at more than one voltage class, are permitted only where feasible and with the approval of City. For purposes of this rule, distribution service voltage classes, delta or wye connected, are described as:
 - a. 0-600 volt source, single-phase, 1Ø
 - b. 0-600 volt source, three-phase, 3Ø
 - c. above 600 volt source, three-phase, 3Ø
7. Direct-current (d-c) or two-phase service is not available.

B. SERVICE DELIVERY VOLTAGES

- 1. Following are the standard service voltages normally available, although not all of them are or can be made available at each service delivery point:

Distribution Voltages		
Single-phase Secondary	Three-phase Secondary	Three-phase Primary
120/240, 3-wire	240/120, 4-wire 480/277, 4-wire*	12,000, 3-wire 2,400, 3-wire*
120/208, 3-wire*	208Y/120, 4-wire	4,160, 3-wire*
		4,160Y/2,400, 4-wire*
		12,000Y/6,930, 4-wire*

***Limited Availability.**

- 2. All voltages referred to in this rule and appearing in some rate schedules are nominal service voltages at the service delivery point. City’s facilities are designed and operated to provide sustained service voltage at the service delivery point, but the voltage at a particular service delivery point, at a particular time, will vary within fully satisfactory operating range limits established in Section C.
- 3. The point of delivery and point of metering will normally be at the same voltage and within close proximity to each other. When City determines it is not feasible for the point of delivery and point of metering to be at the same voltage and within close proximity to each other, the demand and energy meter readings used in determining the charges will be adjusted to correct for transformation and line losses. An estimated transformer loss adjustment factor of two percent (2%) will be applied to the demand and energy meter readings for each stage of transformation between the point of delivery and the point of metering, unless City and the Customer agree that specific transformer manufacturer test data support a different transformer loss adjustment. Line losses will be calculated as a function of the current through, and the electrical characteristics of, the line between the point of delivery and point of metering.

Attachment: MVU Rules Fees Charges 12072021 final (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

C. VOLTAGE AND FREQUENCY CONTROL

1. CUSTOMER SERVICE VOLTAGES

- a. Under all normal load conditions, City’s distribution circuits will be operated so as to maintain secondary service voltage levels to Customers within the service voltage ranges specified below:

Nominal Two-Wire and Multi-Wire Service Voltage	Minimum Voltage to All Services	Maximum Service Voltage on All Services
120	114	126
208	197	218
240	228	252
277	263	291
480	456	504

City’s distribution voltage will be regulated to the extent practicable to maintain service voltage on residential and commercial distribution circuits within the minimum and maximum voltages specified above.

- b. Exceptions to Voltage Limits. Voltage may be outside the limits specified when the variations:
 - 1) Arise from the temporary action of the elements.
 - 2) Are infrequent momentary fluctuations of a short duration
 - 3) Arise from service interruptions.
 - 4) Arise from temporary separation of parts of the system from the main system.
 - 5) Are from causes beyond the control of City, and which may be sustained duration.
- c. Where the operation of the Applicant’s equipment requires unusually stable voltage regulation or other stringent voltage control beyond that supplied by City in the normal operation of its system, the Applicant, at his own expense, is responsible for installing, owning, operating, and maintaining any special or auxiliary equipment on the load side of the service delivery point as deemed necessary by the Applicant.
- d. The Applicant shall be responsible for designing and operating his service facilities between the service delivery point and the utilization equipment to maintain proper utilization voltage at the line terminals of the utilization equipment.

2. CUSTOMER UTILIZATION VOLTAGES

- a. All Customer-owned utilization equipment must be designed and rated in accordance with the following utilization voltages specified by the American National Standard Institute C84.1 if Customer equipment is to give fully satisfactory performance:

Nominal Utilization Voltage	Minimum Utilization Voltage	Maximum Utilization Voltage
120	100	125
208	191	216
240	220	250
277	254	289
480	440	500

Minimum utilization voltages from ANSI C84.1 are shown for Customer information only as City has no control over voltage drop in Customer’s wiring.

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D. GENERAL LOAD LIMITATIONS**1. SINGLE-PHASE SERVICE**

Single-phase service normally will be three-wire, 120/240 volts where the size of any single motor does not exceed 7.5 horsepower (10 horsepower at the option of City). For any single-phase service, the maximum demand as determined by City is limited to the capability of a 100-kVA transformer and 400 amp main disconnect unless otherwise approved by City. If the load requires a transformer installation in excess of 100 kVA, the service normally will be three-phase.

2. THREE-PHASE SERVICE (LESS THAN 600 VOLTS)

- a. Secondary service from underground primary distribution systems (where City maintains existing 3-phase primary circuits):

Nominal Voltage	Minimum Load	Maximum Demand
208Y/120, 4-wire	Demand load justifies a 75 kVA transformer	3,000 kVA
480Y/277, 4-wire	Demand load justifies a 75 kVA transformer	3,000 kVA

- b. Where three-phase service is supplied, City reserves the right to use single-phase transformers connected open-delta or closed-delta, or three-phase transformers.
- c. Three-phase service will be supplied on request for installations aggregating less than the minimums listed above where existing transformer capacity is available and approved by City.
- d. Three-phase metering for one service voltage supplied to installations on one premise at one delivery location normally is limited to a maximum of a 4,000 ampere service rating. Metering for larger installations, or installations having two (2) or more service switches with a combined rating in excess of 4,000 amperes, or service for loads in excess of the maximum demand load permitted, may be installed provided approval of City has been first obtained as to the number, size, and location of switches, circuits, transformers and related facilities. Service supplied to such approved installations in excess of one 4,000 ampere switch or breaker at one service delivery point may be totalized for billing purposes.

3. THREE-PHASE SERVICE (OVER 600 VOLTS)

- a. Following are three-phase voltages that may be transformed from higher existing primary distribution voltages and provided only as isolated services for a single Applicant where the Applicant’s demand load justifies, as determined by City, the installation of the minimum size transformer bank used by City:

Nominal Voltage	Minimum Size Bank Installed	Maximum Demand Load Permitted
2,400*	500 kVA	5,000 kVA
4,160*	500 kVA	5,000 kVA
12,000	500 kVA	12,000 kVA

***Limited Availability.**

- b. For its operating convenience and necessity, City may elect to supply an Applicant whose demand load is in excess of 2,000 kVA from a substation on the Applicant’s Premises supplied from a transmission source.
- c. City reserves the right to change its distribution or transmission voltage to another standard service voltage when, in its judgment, it is necessary or advisable for economic reasons or for proper service to its Customers. Where a Customer is receiving service at the voltage being changed, the Customer then has the option to: (1) accept service at the new voltage, (2) accept service at the secondary side of an additional stage of transformation to be supplied by City at a location on the Customer’s Premises in accordance with City’s requirements, or (3) contract with City for an additional stage of transformation to be installed as Special Facilities (including any applicable Contributions in Aid of Construction taxes) under the provisions of Section I, below, whereby the Customer will be considered as accepting service at the primary side of the additional stage of transformation. Metering not relocated to the primary side of the additional stage of transformation will be subject to a transformer loss adjustment in accordance with Section B.4 of this Rule. The option to contract with City for an additional stage of transformation (option 3, above) is available only once in conjunction with a change in standard voltage by City.

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4. LOAD BALANCE

The Applicant must balance his demand load as nearly as practicable between the two sides of a three-wire single-phase service and between all phases of a three-phase service. The difference in amperes between any two phases at the Customer's peak load should not be greater than 10 percent or 50 amperes (at the service delivery voltage), whichever is greater; except that the difference between the load on the lighting phase of a four-wire delta service and the load on the power phase may be more than these limits. It will be the responsibility of the Customer to keep his demand load balanced within these limits.

E. PROTECTIVE DEVICES

1. It shall be the Applicant's responsibility to furnish, install, inspect and keep in good and safe condition at his own risk and expense, all appropriate protective devices of any kind or character, which may be required to properly protect the Applicant's facilities. City shall not be responsible for any loss or damage occasioned or caused by the negligence, or wrongful act of the Applicant or of any of his agents, employees or licensees in omitting, installing, maintaining, using, operating or interfering with any such protective devices.
2. It shall be the Applicant's responsibility to select and install such protective devices as may be necessary to coordinate properly with City's protective devices to avoid exposing other Customers to unnecessary service interruptions.
3. It shall be the Applicant's responsibility to equip his three-phase motor installations with appropriate protective devices, or use motors with inherent features, to completely disconnect each such motor from its power supply, in accordance with National Electrical Code, giving particular consideration to the following:
 - a. Protection in each set of phase conductors to prevent damage due to overheating in the event of overload.
 - b. Protection to prevent automatic restarting of motors or motor driven machinery, which has been, subjected to a service interruption and, because of the nature of the machinery itself or the product it handles, cannot safely resume operation automatically.
 - c. Open-phase protection to prevent damage due to overheating in the event of loss of voltage on one phase.
 - d. Reverse-phase protection where appropriate to prevent uncontrolled reversal of motor rotation in the event of accidental phase reversal. (Appropriate installations would include, but are not limited to, motors driving elevators, hoists, tramways, cranes, pumps, conveyors, etc.)
4. The available short-circuit currents vary from one location to another, and also depends on available generation, condition of the system loads, and the ultimate

design characteristics of City's supply and service facilities. Consult City for the ultimate maximum short-circuit current at each service termination point.

5. Where an Applicant proposes to use a ground-fault sensing protective system which would require special City-owned equipment, such a system may be installed only where feasible and with written approval of City.
6. Any non-City-owned emergency standby or other generation equipment that can be operated to supply power to facilities that are also designed to be supplied from City's system shall be controlled with suitable protective devices by the Applicant to prevent parallel operation with City's system in a fail-safe manner, such as the use of a double-throw transfer switch to disconnect all conductors, except where there is a written agreement or service contract with City permitting such parallel operation.

F. INTERFERENCE WITH SERVICE

1. GENERAL

City reserves the right to refuse to serve new loads or to discontinue supply to existing loads of a size or character that may be detrimental to City's operations or to the service of its Customers. Any Customer who operates or plans to operate any equipment such as, but not limited to, pumps, welders, saw mill apparatus, furnaces, compressors or other equipment where the use of electricity is intermittent, causes intolerable voltage fluctuations, or otherwise causes intolerable service interference, must reasonably limit such interference or restrict the use of such equipment upon request by City. The Customer is required either to provide and pay for whatever corrective measures are necessary to limit the interference to a level established by City as reasonable, or avoid the use of such equipment, whether or not the equipment has previously caused interference.

2. HARMFUL WAVE FORM

Customer shall not operate equipment that superimposes a current of any frequency or waveform upon City's system, or draws current from City's system of a harmful waveform, which causes interference with City's operations, or the service to other Customers, or inductive interference to communication facilities.

3. CUSTOMER'S RESPONSIBILITY

Any Customer causing service interference to others must diligently pursue and take corrective action after being given notice and a reasonable time to do so by City. If the Customer does not take corrective action in the time set, or continues to operate the equipment causing the interference without restriction or limit, City may, without liability, after giving five (5) days written notice to Customer, either install and activate control devices on its facilities that will temporarily prevent the detrimental operation, or discontinue electric service until a suitable permanent solution is provided by the Customer and it is operational.

4. MOTOR STARTING CURRENT LIMITATIONS

- a. The starting of motors shall be controlled by the Customer as necessary to avoid causing voltage fluctuations that will be detrimental to the operation of City's distribution or transmission system, or to the service of any of City's customers.
- b. If the starting current for a single motor installation exceeds the value listed for Class C or better (per National Electrical Code Section 430) and the resulting voltage disturbance causes or is expected to cause detrimental service to others, reduced voltage starters or other suitable means must be employed, at the Customer's expense, to limit the voltage fluctuations to a level equivalent to a Class C motor.
- c. Where service conditions permit, subject to City's approval, motor starters may be deferred in the original installation. City may later order the installation of a suitable starter or other devices when it has been determined that the operation of the Customer's motors interfere with service to others. Also, City may require starting current values lower than those set forth herein where conditions at any point on its system require such reduction to avoid interference with service to other Customers.
- d. Starters may be omitted on the smaller motors of a group installation when their omission will not result in a starting current in excess of the allowable starting current of the largest motor of the group. Where motors start simultaneously, they will be treated as a single unit equal to the sum of their individual starting currents.
- e. City may limit the maximum size and type of any motor that may be operated at any specific location on its system to that which will not be detrimental to City's system operations or to the service of its customers, as determined by City.
- f. For installations of motors where the equipment is started automatically by means of float, pressure, or thermostat devices, such as with pumps or wind machines for frost protection, irrigation pumps or other similar installations, City may require the Customer to install, at his own expense and in accordance with City's operating requirements, suitable preset time-delay devices to stagger the automatic connection of load to the supply system and to prevent simultaneous start-up for any reason.

G. POWER FACTOR

When lighting devices, such as neon, fluorescent, luminous gaseous, mercury vapor, and other lighting equipment having low power factors are served on street lighting schedules, the Customer shall provide, at his own expense, power factor corrective equipment to increase the power factor of each complete lighting device to not less than 90 percent.

H. CONNECTED LOAD RATINGS

1. The connected load is the sum of the rated capacities of all of the Customer's electric utilization equipment that is served through one metering point and that may be operated at the same time, computed to the nearest one-tenth of a horsepower, kilowatt (kW) or kilovolt-ampere (kVA). Motors will be counted at their nameplate ratings in horsepower output and other devices at their nameplate input ratings in kW or kVA, except that resistance welders will be rated in accordance with the section of this rule regarding "Welder Service." Unless otherwise stated in the rate schedule, conversions between horsepower, kW and/or kVA ratings will be made on a one-to-one basis.
2. The normal operating capacity rating of any motor or other device may be determined from the nameplate rating. Where the original nameplate has been removed or altered, the manufacturer's published rating may be used or the rating determined by test at the expense of the Customer.
3. Motor-generator sets shall be rated at the nameplate rating of the alternating-current drive motor of the set.
4. X-Ray Equipment
 - a. X-ray equipment shall be rated at the maximum nameplate kVA input operating at the highest rated output amperes. If the kVA input rating is not shown, it will be determined for single-phase loads by taking the product of the amperes input rating times the input voltage rating divided by 1,000. For three-phase equipment, multiply this product times the square root of three (1.73).
 - b. Where X-ray equipment is separately metered and supplied from a separate transformer installed by City to serve the X-ray installation only, the kVA rating of City's transformer or the total X-ray equipment input capacity, whichever is smaller, will be considered the load for billing purposes.
5. Where a Customer operates a complete unit of equipment connected for three-phase service, but consisting of single-phase components which cannot be readily reconnected for single-phase service, City shall consider the connected load of such a unit as three-phase load.
6. Where a Customer has, or expects to have, permanently-connected, three-phase load that is used infrequently or for short duration, such as, but not limited to, equipment for fire pumps, frost protection, flood control, emergency sirens or other similar installations which make it impractical to record proper demands on a monthly basis for billing purposes, the Customer may, for his own reasons and with City's approval, guarantee an appropriate billing demand or connected three-phase load for billing purposes in order to reserve suitable capacity in City's facilities.

I. SPECIAL FACILITIES

1. City normally installs only those standard facilities, which it deems are necessary to provide regular service in accordance with the tariff schedules. Where the Applicant requests City to install Special Facilities and City agrees to make such an installation, the additional costs thereof shall be borne by the Applicant, including such continuing ownership costs as may be applicable.
2. Special Facilities are: (a) facilities requested by an Applicant which are in addition to or in substitution for standard facilities which City would normally provide for delivery of service at one point, through one meter, at one voltage class under its tariff schedules, or (b) a pro rata portion of the facilities requested by an Applicant, allocated for the sole use of such Applicant, which would not normally be allocated for such sole use. Unless otherwise provided by City's rate schedules, Special Facilities will be installed, owned and maintained by City as an accommodation to the Applicant only if acceptable for operation by City, and the reliability of service to City's other customers is not impaired and Applicant funds construction and pays incremental costs.
3. Special Facilities will be installed under the terms and conditions of a contract in the form on file with the Utility. Such contract will include, but is not limited to, the following terms and conditions:
 - a. Where new facilities are to be installed for Applicant's use as Special Facilities, the Applicant shall advance to City the estimated additional installed cost of the Special Facilities over the estimated cost of standard facilities. At City's option, City may finance the new facilities.

J. WELDER SERVICE**1. RATING OF WELDERS**

Electric welders will be rated for billing purposes as follows:

- a. **MOTOR-GENERATOR ARC WELDERS** - The horsepower rating of the motor driving a motor-generating type arc welder will be taken as the horsepower rating of the welder.
- b. **TRANSFORMER ARC WELDERS** - Nameplate maximum kVA input (at rated output amperes) will be taken as the rating of transformer type arc welders.
- c. **RESISTANCE WELDERS** - Resistance welder ratings will be determined by multiplying the welder transformer nameplate rating (at 50 percent duty cycle) by the appropriate factor listed below:

TYPE OF WELDER	TRANSFORMER NAMEPLATE RATING @ 50% Duty Cycle**	FACTOR City Owned Distribution Transformer
1. Rocker Arm, Press or Projection Spot	20 kVA or less	0.60
2. Rocker Arm, Press Spot Project Spot Flash or Butt Seam or Portable Gun	Over 20 kVA 21 to 75 kVA, inclusive 100 kVA or over All sizes	0.80
3. Flash or Butt	67 to 100 kVA, inclusive	***
4. Projection Spot Flash or Butt	Over 75 kVA 66 kVA or less	1.20
<p>** The kVA rating of all resistance welders to which these rating procedures are applied must be at or equivalent to 50 percent duty cycle operation. Duty cycle is the percent of the time welding current flows during a given operating cycle. If the operating kVA nameplate rating is for some other operating duty cycle, then the thermally equivalent kVA rating at 50 percent duty cycle must be calculated.</p> <p>*** Each flash or butt welder in this group will be rated at 80 kVA.</p>		

- d. Ratings prescribed by a, b, and c above normally will be determined from nameplate data or from data supplied by the manufacturer. If such data are not available or are believed by either City or Customer to be unreliable, the rating will be determined by test at the expense of the Customer.
- e. If established by seals approved by City, the welder rating may be limited by the sealing of taps, which provide capacity greater than the selected tap, and/or by the interlocking lockout of one or more welders with other welders.
- f. When conversion of units is required for tariff application, one welder kVA will be taken as one horsepower for rules stated on a horsepower basis and one welder kVA will be taken as one kilowatt for rates stated on a kilowatt basis.

2. BILLING OF WELDERS

Welders will be billed at the regular rates and conditions of the rules on which they are served, subject to the following provisions:

- a. **CONNECTED LOAD TYPE OF SCHEDULE.** Welder load will be included as part of the connected load with ratings as determined under Section 1, above, based on the maximum load that can be connected at any one time, and no allowance will be made for diversity between welders.
- b. **DEMAND METERED TYPE OF SCHEDULE.** Where resistance welders are served on these schedules, the computation of diversified resistance welder load shall be made as follows:

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Multiply the individual resistance welder ratings, as prescribed in Sections 1.c. to 1.f. inclusive (above) by the following factors, and add to the results thus obtained:

- 1.0 times the rating of the largest welder
- 0.8 times the rating of the next largest welder
- 0.6 times the rating of the next largest welder
- 0.4 times the rating of the next largest welder
- 0.2 times the ratings of all additional welders

If this computed, diversified, resistance welder load is greater than the metered demand, the diversified resistance welder load will be used in lieu of the metered demand for rate computation purposes.

ELECTRIC RULE 3—APPLICATION FOR SERVICE

A. APPLICATIONS

City may require each Customer to sign an application for the service desired, and also to establish credit. Generally, applications for service will be taken over the telephone, but may be taken in person or received by mail.

Application form shall set forth:

1. Legal name of Applicant.
2. Location of Premises.
3. Date Applicant will be ready for service.
 - a. Service restoration: When the Customer's service has been terminated either because of a determination by City that an unsafe apparatus or condition exists on the Premises, or because the Customer has threatened to create a hazardous condition, service will not be restored until City determines the Customer's electrical wiring or equipment or the use of either, has been made safe. When service is denied or terminated solely under these sections, the Customer may seek remedies before the City Council.
 - b. When the Customer's service has been terminated because of an order of termination issued to City by a governmental agency, service will not be restored until City has received authorization to restore the service from the appropriate governmental agency.
4. Whether electric service was previously supplied to the Premises.
5. Purpose for which service is to be used, with description of appliances.
6. Address to which bills are to be mailed or delivered.
7. Whether Applicant is owner, agent, or tenant of Premises.
8. Rate schedule desired where an optional rate is available.
9. Information necessary to the design, installation, maintenance, and operation of City's facilities.
10. Such other information as City may reasonably require for service.

The application is merely a request for service, and does not in itself bind City to serve except under reasonable conditions, nor does it bind the Customer to take service for a longer period than the minimum requirements of the rate. City may disconnect or refuse to provide service to the Applicant if the acts of the Applicant or the conditions upon the

Premises indicate that false, incomplete, or inaccurate information was provided to City. City shall provide the Applicant the reason for such refusal.

C. INDIVIDUAL LIABILITY FOR JOINT SERVICE

Where two or more persons join in one application or contract for service, they shall be jointly and severally liable thereunder and shall be billed by means of a single periodic bill mailed to the person designated on the application to receive the bill. Whether or not City obtained a joint application, where two (2) or more adults occupy the same Premises, they shall be jointly and severally liable for bills for energy supplied.

D. CHANGE OF CUSTOMER'S APPARATUS OR EQUIPMENT

In the event that the Customer shall make any material change either in the amount or character of the loads, protective equipment, or characteristic apparatus changes (reactive vs. inductive loads) installed upon the Premises to be supplied with electric energy by City, the Customer shall immediately give City written notice of this fact.

ELECTRIC RULE 4—CONTRACTS

Contracts will not be required as a condition precedent for service except:

1. As may be required by conditions set forth in the regular schedule of rates approved or accepted by the City.
2. In the case of electric extensions, temporary service, or service to speculative projects, in which case a contract may be required.

ELECTRIC RULE 5—SPECIAL INFORMATION REQUIRED ON FORMS

A. CONTRACTS

Each contract for electric service will contain the following provisions: “This contract shall at all times be subject to such changes or modification by the City Council as may, from time to time, direct in the exercise of its jurisdiction.”

B. CUSTOMERS’ BILLS

Each bill for electric service will include the following statements: “This bill is now due and payable. Customers who believe their utility bill is in error must first contact Customer Services by telephone, in writing, or in person within 30 days from the bill date and initiate a complaint or request an investigation concerning the bill. Utility services will not be discontinued for nonpayment of a disputed bill pending the outcome of a timely filed investigation. The City may require that an amount equal to an average bill for a comparable period of time be deposited with Moreno Valley Utility pending outcome of the investigation. Failure to make the deposit if as requested when due shall constitute abandonment of the complaint or request for investigation. Subsequent utility bills, which are not disputed, must be paid within the time allowed to avoid discontinuance of service in accordance with Rule 9 and Rule 11. If, after contact with the Customer Services, the customer believes the bill is still incorrect, the customer may, within 10 days from the date of determination, contact the Manager of Customer Service by phone or submit a written statement regarding the billing dispute to the Manager of Customer Service, Moreno Valley Utility, 14331 Frederick St., Ste 2, Moreno Valley, CA 92553. The Manager of Customer Service will conduct an investigation of the dispute and send his or her determination in writing to the customer.” See Rule 10.

C. DISCONTINUANCE OF SERVICE NOTICE

Each Discontinuance of Service Notice for nonpayment of bills will include the following information:

1. The name and address of the Customer whose account is delinquent.
2. The amount of the delinquency.
3. The date by which payment (or arrangements for payment) is required, or the date by which the dispute must be documented in order to avoid termination.
4. The procedure by which the Customer may initiate a complaint or request an investigation concerning service or charges as defined herein.
5. The telephone number of a representative of City who can provide additional information or institute arrangements for payment.
6. The telephone number to which inquiries by the Customer may be directed.

ELECTRIC RULE 6—ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

An Applicant for City service may be required to establish credit. A Customer whose City service has been terminated for nonpayment of an energy bill or whose payments have been past due, as set forth below, may be required to re-establish credit.

A. ESTABLISHMENT OF CREDIT

When, for Applicant's convenience, City provides service to the Applicant before credit is established and the Applicant fails to establish credit in accordance with this rule, service may be terminated after notice is given in accordance with these regulations.

Credit can be established if the Applicant:

- a. is the owner with a substantial equity, of value satisfactory to City, in the Premises to be served; or
- b. makes a deposit to secure payment of bills as prescribed in Rule 7; or
- c. furnishes a qualified guarantor to secure payment of Applicant's City bills; or
- d. has been a Customer of City for a similar type of service within the past two years, and during the last twelve consecutive months of that prior service, Customer has had not more than two past due bills as defined in Rules 8 and 11. The periodic bill for such previous service must equal at least 50 percent of the estimated bill amount(s) for the new service, and provided further, that the credit of Applicant is unimpaired in the opinion of City; or
- e. otherwise establishes credit to the satisfaction of City; and
- f. has paid all bills for nonresidential electric service previously supplied to Applicant by City.

B. RE-ESTABLISHMENT OF CREDIT

1. An Applicant who previously has been a Customer of City, and whose electric service has been discontinued by City during the last twelve (12) months of that prior service because of nonpayment of bills, may be required to re-establish credit.
 - a. A Customer who fails to pay bills before they become past due and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and re-establish credit by depositing the amount established by City. A deposit may be required regardless of whether or not service has been discontinued for such nonpayment.

ELECTRIC RULE 7—DEPOSITS

A. AMOUNT OF DEPOSIT**1. ESTABLISHMENT OF CREDIT**

- a. Residential accounts: The amount of deposit required to establish credit shall be twice the average monthly bill as estimated by City.
- b. Nonresidential accounts: The amount of deposit required to establish credit shall be twice the maximum monthly bill as estimated by City.
- c. Residential and nonresidential accounts: The amount of deposit taken to establish credit shall be subject to adjustment upon request by the Customer or upon review by City.
- d. Residential solar accounts are eligible for a special metering and billing option called Net Energy Metering (NEM). Under this billing option, each NEM customer is billed monthly for their total bill but is not required to pay for the consumed energy until the end of each 12-month period. Therefore, if a deposit is required, the amount of the deposit taken to establish credit shall be the annual total billed amount plus twice the average monthly bill as estimated by City.

2. RE-ESTABLISHMENT OF CREDIT

Should the Customer's payment history with the City warrant it, the City may require the Customer to re-establish credit by paying a re-establishment deposit. The amount of deposit required to re-establish credit for residential and nonresidential accounts will be twice the maximum monthly bill as determined by City. For residential solar accounts, the amount will be the annual total billed amount plus twice the maximum monthly bill as determined by the City.

B. RETURN OF DEPOSIT

1. City may refund a Customer's deposit by draft or by applying the deposit to the Customer's account. If the Customer establishes service at a new location, City may retain the deposit for such new account, subject to the conditions of Sections B.3 and B.4 below.
2. Upon discontinuance of service, City will refund the Customer's deposit or the balance thereof that is in excess of unpaid bills for service furnished by City.
3. When the Customer's credit is otherwise established, City will refund the deposit either upon the Customer's request for return of the deposit or upon review by City.
4. For residential and nonresidential accounts, the City will review the Customer's account at the end of the first twelve- (12) months that the deposit is held and each

month thereafter. After the Customer has not had more than two past due bills during the twelve (12) months prior to any such review and has not had service temporarily or permanently discontinued for nonpayment of bills during such period, the deposit will be refunded in accordance with this section. For residential solar accounts billed on Net Energy Metering (NEM), if a deposit is required to establish or re-establish credit on the account, the deposit shall be held on the account for the life of the account or until the utility determines that a deposit is no longer required.

5. Deposits cannot be used to offset past due bills or to avoid or delay discontinuance of service.

C. INTEREST ON DEPOSIT

1. City will pay interest on deposits, except as provided below. Interest shall be calculated on a daily basis, and compounded at the end of each calendar month, from the date fully paid to the date of refund by check or credit to the Customer's account. The interest rate applicable in each calendar month may vary and shall be equal to 1/12th of the interest rate on commercial paper (prime, 3 months) for the previous month as reported in the Federal Reserve Statistical Release, G.13, or its successor publication; except that when a refund is made within the first fifteen (15) days of a calendar month, the interest rate applicable in the previous month shall be applied for the elapsed portion of the month in which the refund is made.
2. No interest will be paid if service is temporarily or permanently discontinued for nonpayment of bills.
3. No interest will be paid for those months where the bill is paid after the due date (late pay or over date).

ELECTRIC RULE 8—NOTICES

Any notice pursuant to City's rules may be given to the Customer in writing. Written notice is effective when it is either: (1) presented to the Customer, or (2) mailed to the Customer at the address where the Customer is receiving service, or (3) mailed to the customer at the mailing address provided by the Customer, or (4) delivered by door hanger at the address where the Customer is receiving service. City may also provide the Customer with verbal notice in person or by telephone. Any notice pursuant to City's rules from the Customer or the Customer's authorized agent may be given to City by telephone, in person, or in writing. Verbal notice is acceptable unless written notice is requested by City or required by the rules.

A. NOTICES OF TERMINATION OF SERVICE FOR NONPAYMENT

Monthly bills for residential service are due and payable upon presentation and will be considered past due if payment is not received by City within fifteen (15) days after the bill is mailed to the Customer. Deposit requests are due and payable when request for service is made. When a deposit is billed, it will be considered past due if payment is not received by City within fifteen (15) days after the deposit request is mailed. If the past due amount is not paid, service may be terminated for nonpayment in accordance with Rule 11. A Field Notification Charge may appear on your next bill if City posts a collection notice at your Premises. If a termination order is processed for your account due to nonpayment, payment of the balance in full, plus a Collection Processing Fee and Deposit may be required prior to restoration of service. The Processing Fee may be charged whether or not electric service is actually terminated if the arrears balance is paid after the payment deadline has passed. Unpaid closing bills may be reported or forwarded to a credit reporting agency.

1. 10-DAY NOTICE

When a bill for service or deposit request has become past due, City will mail the Customer a notice that service may be terminated for nonpayment in 10 calendar days.

2. 48-HOUR NOTICE

When the past due balance on a 10-day notice is unpaid, City will make a reasonable attempt to contact an adult residing at the service address either by telephone including calls or text messages to mobile phones or by email, or in person at least 48 hours prior to terminating service.

3. NOTICE OF TERMINATION OF SERVICE FOR NONPAYMENT OF PAYMENT ARRANGEMENT AGREEMENT

When City and the Customer enter into a payment arrangement agreement and the Customer does not abide by the terms of the agreement, in whole or in part, City will give the Customer at least 48 hours notice by telephone including calls or text messages to mobile phones or by email, or in person prior to terminating service for nonpayment.

B. NOTICES FOR UNPAID CLOSING BILLS

Closing bills are due and payable upon presentation and will be considered past due if payment is not received by City within fifteen (15) days after the closing bill is mailed to the Customer. When City determines that the Customer has an open account for City service at one location and an unpaid closing bill in the Customer's name for City service at another location, City may transfer the unpaid closing bill to the open account, except that the unpaid closing bills for nonresidential service may not be transferred to a residential account. Before the Customer's open account may be terminated for nonpayment of the closing bill, the Customer will be given notices in accordance with Section A of this Rule.

ELECTRIC RULE 9—RENDERING AND PAYMENT OF BILLS

A. BILLS PREPARED AT REGULAR INTERVALS

Bills for electric service will be rendered at regular intervals. All bills will be based on meter registration, except as provided in Section C below, or as may otherwise be provided in City's rules. Meters will be read as nearly as possible at regular intervals. Except as otherwise stated, the regular billing period will be once each month. Due to Sundays and holidays and other factors, it is not always possible to read meters on the same day of each month.

B. PRO RATA CORRECTION

Opening and closing bills rendered will be computed in accordance with the rate schedule applicable to that service, unless otherwise provided in this rule, or in the applicable rate schedule. The basic charge, customer charge, the amount of energy blocks, demand blocks, etc., and the service charge, demand charge, or minimum charge will be prorated on the basis of the number of days in the period in question to the total number of days in the subject month. However, where daily equivalents are used, there will be no pro rata correction. Instead, the calculation shall use the number of days in the billing period multiplied by the daily equivalent charge.

When one or more regularly scheduled meter readings have been missed, the proration factor for the next regularly scheduled meter reading shall be 1.000 times the number of monthly billing cycles in the period. When an interim bill based on a special reading for a period other than 27 to 33 days has been issued during the interval since the last regularly scheduled meter reading, the proration factor for the regularly scheduled bill shall be the factor derived above, less the proration factor applied to the interim bill. However, where daily equivalents are used, there will be no pro rata correction. Instead, the calculation shall use the number of days in the billing period by the daily equivalent charge.

C. ESTIMATED BILLS

If, because of unusual conditions or for reasons beyond its control, City is unable to read the Customer's meter on the scheduled reading date, City may bill the Customer for estimated consumption during the billing period and make any necessary corrections when a reading is obtained. Estimated consumption for this purpose will be calculated considering the Customer's prior usage, City's experience with other customers of the same class in that area, and the general characteristics of the Customer's operations. Adjustments for any underestimate or overestimate of a Customer's consumption will be reflected on the first regularly scheduled bill rendered and based on an actual reading following the period of inaccessibility.

D. READINGS OF SEPARATE METERS NOT COMBINED

For the purpose of making charges, each meter upon the Customer's Premises will be considered separately, and the readings of two or more meters will not be combined, except as follows:

1. Where combinations of meter readings are specifically provided for in rate schedules; or
2. Where City's operating convenience or necessity shall require the installation of two or more meters upon the Customer's Premises instead of one meter.

E. BILLS DUE ON PRESENTATION

Bills for electric service are due and payable upon presentation. Payments shall be received at the office of City, or by an authorized agent of City.

F. CLOSING BILL PAYABLE ON PRESENTATION

Removal bills, special bills, bills rendered on vacation of Premises, or bills rendered to persons discontinuing the service, shall be due and payable upon presentation. Bills for connection or reconnection of service and payments for deposits or to re-establish credit as required under the rules of City shall be paid before service will be connected or reconnected.

G. RETURNED CHECK CHARGE

If a check, tendered in payment of amounts owing City, is not honored by a bank and is returned to City unpaid, City will add to the Customer's bill a charge for processing each such returned check consistent with these rules. Where service is subject to discontinuance under Rule 11, the returned check charge shall be included in the total amount due and payable.

H. FIELD NOTIFICATION AND COLLECTION PROCESSING FEES

City will require payment of a Collection Processing Fee when an authorized City representative makes a field call to a Customer's Premises to discontinue electric service in accordance with Rule 11 for nonpayment of a past due billing. City will also assess the Collection Processing Fee when an authorized City representative makes a field call to discontinue electric service for nonpayment of a deposit that was requested in accordance with Rule 6.

Where service is discontinued under the provisions of Rule 11, City will require payment of the balance in full, the balance of any unpaid closed accounts, plus any assessed Field Notification Charges, Collection Processing Fees and Deposits prior to restoration of service.

If the Customer makes payment in full or makes acceptable payment arrangements in order to avoid discontinuance of service, City may still assess the Processing Fee.

The City may assess a Field Notification Charge when notification must be made due to nonpayment. Generally, these notifications are in the form of a door hanger left at the Customer's Premises. The Field Notification Charge is in addition to any Collection Processing Fees that may apply.

I. LATE PAYMENT CHARGE

A late payment charge of 0.9% per month will be applied to the total unpaid balance of a Customer Account if the Customer's payment is not received by the date indicated on the Customer Account billing.

J. ACCUMULATIVE AMOUNT DUE

City reserves the right to accumulate bills until the total amount due exceeds \$2.00.

ELECTRIC RULE 10—DISPUTED BILLS

A. CORRECTNESS OF BILL

If the correctness of a bill is questioned or disputed by a Customer, an explanation should be promptly requested from the Customer Service Center. If the bill is determined to be incorrect, a corrected bill will be issued.

B. BILL REVIEW PROCEDURE**1. REVIEW BY CUSTOMER SERVICE**

Customers who believe their utility bill is in error must first contact Customer Services by telephone, in writing, or in person within 30 days from the bill date and initiate a complaint or request an investigation concerning the bill. Utility services will not be discontinued for nonpayment of a disputed bill pending the outcome of a timely filed investigation. The City may require that an amount equal to an average bill for a comparable period of time be deposited with Moreno Valley Utility pending outcome of the investigation. Failure to make the deposit if as requested when due shall constitute abandonment of the complaint or request for investigation. Subsequent utility bills, which are not disputed, must be paid within the time allowed to avoid discontinuance of service in accordance with Rule 9 and Rule 11.

2. REVIEW BY CUSTOMER SERVICE MANAGER.

If, after contact with the Customer Services, the customer believes the bill is still incorrect, the customer may, within 10 days from the date of determination, contact the Manager of Customer Service by phone or submit a written statement regarding the billing dispute to the Manager of Customer Service, Moreno Valley Utility, 14331 Frederick St., Ste 2, Moreno Valley, CA 92553. The Manager of Customer Service will conduct an investigation of the dispute and send his or her determination in writing to the customer.

3. APPEAL TO ELECTRIC UTILITY DIVISION MANAGER.

If a customer disagrees with the decision of the Manager of Customer Service, or designee, the customer may appeal that decision to the Electric Utility Division Manager. Any such appeal must be filed in writing with the Electric Utility Division Manager within (10) days after written notice of the decision of the Manager of Customer Service, or designee, is given to the customer. The Electric Utility Division Manager, or a designated representative, may review the accuracy of the amount billed, but will not review appeals under this procedure concerning the general level of rates, pending rate changes, source of energy and similar matters. All decisions of the Electric Utility Division Manager will be final.

4. DISCONTINUANCE OF SERVICE FOR FAILURE TO PAY.

Electric service will be discontinued if a bill has not been paid in full and a timely and proper appeal has not been filed or an appeal has been denied and the appeal is final. All other bills not in dispute are due and payable in accordance with Rule 9 and Rule 11.

5. NOTICE

Under this review and appeal procedure, notice by City is deemed to be given when (1) personally given to the customer, (2) left at the premises where the service was given, or (3) enclosed in an envelope addressed to the customer with postage prepaid and deposited in the United States mail.

ELECTRIC RULE 11—DISCONTINUANCE AND RESTORATION OF SERVICE

If City terminates or refuses to restore service to a Customer or any other person for any of the reasons or upon any of the grounds stated herein, City shall incur no liability whatsoever to said Customer or person or to any other Customers or persons.

A. CUSTOMER REQUEST TO TERMINATE LIABILITY FOR PAYMENT FOR SERVICE

When a Customer wants to terminate liability for payment for service, the Customer shall give City not less than two days notice and state the date on which the termination is to become effective. The Customer may be held responsible for service furnished at the Premises until two days after receipt of such notice by City, or until the date of termination specified in the notice, whichever date is later.

B. TERMINATION OF SERVICE FOR NONPAYMENT—WEEKENDS AND HOLIDAYS

Service will not be terminated for nonpayment of bills or deposit requests on Saturdays, Sundays, legal holidays or on days when the offices of City are closed to the public.

C. TERMINATION OF SERVICE FOR NONPAYMENT OF BILLS OR DEPOSIT REQUESTS

Monthly bills are due and payable upon presentation and will be considered past due if payment is not received by City within 15 days after the bill is mailed to the Customer. Deposit requests are due and payable when request for service is made. When a deposit is billed, it will be considered past due if payment is not received by City within 15 days after the deposit request is mailed to the Customer. Customers who fail to pay their bills within this time period are subject to service disconnection.

D. FAILURE TO ESTABLISH OR RE-ESTABLISH CREDIT

When City provides service to an Applicant before credit is established or continues service to a Customer pending re-establishment of credit, and the Applicant/Customer fails to establish or re-establish credit, any and all services the Customer is receiving may be terminated after notice has been given. City will not restore the Customer's service until the Customer has complied with the requirements to establish or re-establish credit.

E. TERMINATION OF SERVICE FOR NONPAYMENT OF BILLS AT OTHER LOCATIONS

Any and all services the Customer is receiving may be terminated for nonpayment of a bill for service previously supplied by City to the same Customer at another location after the Customer has been given notices of termination, except that residential service shall not be terminated for nonpayment of a bill for any other class of service. Nonresidential service may be terminated for nonpayment of a bill for any class of service. Service shall not be terminated for nonpayment within 15 days after establishment of service at the new

location. If the Customer is receiving service at more than one location, any or all services may be terminated with proper notice for nonpayment of any bill at any location for City service.

F. TERMINATION OF SERVICE—RETURNED CHECKS

When the Customer has received notice of termination and a check tendered in payment of the past due bill or deposit request for service is returned unpaid, City may terminate service. When the Customer has received a 10-day notice of termination, the notice will remain in effect, and collection action will continue. When the Customer has received a 24-hour notice of termination, the notice will remain in effect, and service may be terminated without further notice.

G. UNSAFE APPARATUS OR CONDITION

1. City may deny or terminate service to the Customer immediately and without notice when:
 - a. City determines that the Premises wiring, or other electrical equipment, or the use of either, is unsafe, or endangers City's service facilities; or
 - b. The Customer threatens to create a hazardous condition; or
 - c. Any governmental agency, authorized to enforce laws, ordinances or regulations involving electric facilities and/or the use of electricity, notifies City in writing that the Customer's facilities and/or use of electricity is unsafe or not in compliance with applicable laws, ordinances, or regulations. City does not assume the responsibility of inspecting or repairing the Customer's facilities, appliances or other equipment for receiving or using service, or any part thereof. In the event the Customer has knowledge that the service is in any way defective, it is the Customer's responsibility to notify City at once. City shall not be liable or responsible for any plumbing, appliances, facilities, or apparatus beyond the point of delivery, which it does not own or maintain in accordance with these rules.

H. SERVICE DETRIMENTAL TO OTHER CUSTOMERS

City will not supply service to a Customer operating equipment, which is considered by City to be detrimental to either the service of other City Customers or to City. City will terminate service and refuse to restore service to any Customer who continues to operate such equipment after receiving notification from City to cease.

I. UNAUTHORIZED USE

1. City may terminate service without notice for unauthorized use of service as defined in Rule 17.2. When the Customer's service has been terminated under this section, City may refuse to restore service until:
 - a. the unauthorized use has ceased, and
 - b. City has received full compensation for all charges authorized in Rule 17.2.
2. City may terminate and refuse to restore service if the acts of the Customer or conditions on the Premises indicate intent to deny City full compensation for services rendered, including, but not limited to, any act which may result in a denial of service. City shall provide the Customer with the reasons for such termination and/or refusal to restore service. When the Customer's service has been terminated under this section, City may refuse to restore service until:
 - a. the acts and/or the conditions described above have ceased or have been corrected to City's satisfaction, and
 - b. City has received full compensation for all charges resulting from the Customer's acts or the conditions on the Premises.

J. NONCOMPLIANCE WITH CITY'S RATES

Unless otherwise specifically provided, City may terminate service to a Customer for noncompliance with any of City's rules if the Customer fails to comply within five days after the City's presentation of written notification of noncompliance to the Customer. The Customer shall comply with City's rules before service will be restored.

K. REVOCATION OF PERMISSION TO USE PROPERTY

If City's service facilities and/or a Customer's wiring to the meter are installed on property other than the Customer's property and the owner of such property revokes permission to use it, City will have the right to terminate service upon the date of such revocation. If service is terminated under these conditions, the Customer may have service restored under the provisions of City's line and service extension rules.

L. CHARGES FOR TERMINATION AND/OR RESTORATION OF SERVICE

1. City may require payment of the entire amount due, including the past due amount and current charges, payment of a deposit or additional deposit in accordance with Rule 7, and payment of other charges indicated herein, prior to restoring service to accounts which have been terminated for nonpayment.
2. City will require a returned check charge for processing a check, which is returned to City unpaid.

3. City will require payment of a Collection Processing Fee when a City representative makes a field call to a Customer's Premises to terminate service for nonpayment of bills or deposit.
4. City will require payment of a Collection Processing Fee per connection before restoring service that has been terminated for nonpayment of bills, to prevent fraud, or for failure to comply with City's rules. If the Customer requests that service be restored outside of regular business hours, an additional charge per connection may apply. Refer to the Chart of Charges and Fees for amounts of applicable charges.
5. In addition, City may charge and collect any unusual costs incidental to the termination or restoration of service, which have resulted from the Customer's action or negligence.
6. Service wrongfully terminated will be restored without charge.

ELECTRIC RULE 12—RATES AND OPTIONAL RATES

A. EFFECTIVE RATES

The rates to be charged by and paid to City for electric service will be the rates legally in effect, approved by the City Council, and on file with the Electric Utility Division, Department of Public Works. Complete schedules of all rates in effect will be kept at all times in City Utility's local office, where they will be available for public inspection. Unless stated otherwise on the rate schedules themselves, City's rate schedules are only applicable for service supplied entirely by City.

B. ESTABLISHING RATE SCHEDULES FOR NEW CUSTOMERS

At the time of application for service, City will, based on information provided by the Applicant, ensure that the Applicant is placed on an applicable rate schedule approved by the City Council. Thereafter, City will take such measures as may be practical to provide the Customer with information regarding rate schedules or options applicable to the Customer's class of service.

C. CHANGING RATE SCHEDULES

City may not be required to make more than one change in rate schedules within a twelve-month period unless a new rate schedule is approved or the Customer's operating conditions have changed sufficiently to warrant a change in rate schedule.

Changes in rate schedules will take effect starting with the next regular meter reading date or meter change date following receipt of the Customer's request to change the rate schedule, unless (1) the rate schedule states otherwise, (2) a written agreement between City and the Customer specifies another date, or (3) the required metering equipment is unavailable. In those cases, the change of schedule will take effect on the date stated in the schedule or agreement, or the date the metering equipment is available. It is the Customer's responsibility to request another schedule or option if the Customer's connected load, hours of operation, type of business or type of service have changed. Where the Customer changes equipment or operation without notifying City, City assumes no responsibility for advising the Customer of other rate options available to the Customer as a result of the Customer's equipment/operation changes.

D. NOTIFYING CUSTOMERS OF NEW RATE SCHEDULES

Where City establishes new rate schedules, City shall take such measures as may be practical to advise affected Customers of the availability of the new rate schedules.

E. ENERGY COST ADJUSTMENT

The energy charge is based upon the percentage of the energy being provided by the Department of Water Resources to the investor owned utility on the billing date of each monthly billing and will be adjusted each month. These adjustments could result in slight decreases or increase in the energy charge.

ELECTRIC RULE 13—TEMPORARY SERVICE

A. ESTABLISHMENT OF TEMPORARY SERVICE

City shall, if no undue hardship to its existing Customers will result therefrom, furnish temporary service under the following conditions:

1. The Applicant shall pay, in advance or otherwise as required by City, the estimated cost installed plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.
2. The Applicant shall establish credit as required by Rule 6, except that the amount of deposit prescribed in Rule 7 shall not exceed the estimated bill for the duration of service.

B. CHANGE TO PERMANENT STATUS & REFUNDS

1. If service to the electrical machinery or apparatus as originally installed, or its equivalent, is supplied to a temporary Customer on a continuous, intermittent or seasonal basis for a period of 36 consecutive months from the date electric service first was delivered under this rule, the Customer shall be classified as permanent. The payment made in excess of that required for permanent service or under the line extension rule for permanent Customers shall be refunded, provided the Customer then complies with all of the rules applicable to electric service.
2. If at any time the character of a temporary Customer's operations changes so that, in the opinion of City, the Customer may be classified as permanent, the amount of payment made in excess of that required for permanent service immediately shall be refunded to the Customer under the provisions of this section.

ELECTRIC RULE 14—SHORTAGE OF SUPPLY AND INTERRUPTION OF DELIVERY

City will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of electric energy to the Customer, but does not guarantee continuity or sufficiency of supply. City will not be liable for interruption or shortage or insufficiency of supply, or any loss or damage of any kind of character occasioned thereby. City will not be liable for interruption or shortage or insufficiency of supply. If same is caused by inevitable accident, act of God, fire, strikes, riots, war, or any other cause except that arising from its failure to exercise reasonable diligence. City, whenever it shall find it necessary for the purpose of making repairs or improvements to its system, will have the right to suspend temporarily the delivery of electric energy. In case of shortage of supply and during the period of such shortage, City will make such apportionment of its available supply of energy among its customers as shall be ordered or directed from time to time by the State of California, acting either directly or by a power administrator or other official appointed by it for that purpose. In the absence of such order or direction, City will, in times of shortage, apportion its available supply of energy among all customers in the most reasonable manner possible.

ELECTRIC RULE 15—DISTRIBUTION LINE EXTENSIONS

APPLICABILITY: This rule is applicable to extension of electric distribution lines of City's standard voltages (less than 50 kV) necessary to furnish Permanent electric service to Applicants and will be made in accordance with the following provisions:

A. GENERAL

1. EXTENSION BASIS

- a. **Design:** City will be responsible for planning, designing, and engineering extensions using City's standards for material, design, and construction. The Applicant will furnish all necessary plot plans, utility plans, street improvement plans, tract maps and electric loads for the design of the system.

The Applicant may design the electrical Distribution Lines using qualified design firms approved by the City. The system will be designed in accordance with the City's standards and the final design will be approved by the City. Ownership of Applicant's final design and as-built documents shall be transferred to City upon completion of work.

- b. **Ownership:** The facilities installed under the provisions of this rule, shall be owned, operated, and maintained by City, except for substructures and enclosures that are on, under, within, or part of a building or structure.
- c. **Private Lines:** City shall not be required to serve any Applicant from extension facilities that are not owned, operated, and maintained by City.

2. EXTENSION LOCATIONS

- a. **Rights of Way:** City will own, operate and maintain extension facilities only;
- 1) along public streets, alleys, roads, highways and other publicly dedicated ways and places which City has the legal right to occupy, and
 - 2) along public lands and private property across which rights of way and permits satisfactory to City may be obtained without cost to or condemnation by the City.
- b. **Normal Route of Line:** The length and normal route of an extension will be determined by City and shall be considered as the distance along the shortest, most practical, available, and acceptable route which is clear of obstructions from City's nearest permanent and available distribution facility to the point from which the service facilities will be connected.

3. UNDERGROUND EXTENSIONS

Underground extensions shall be installed where required to comply with applicable laws and ordinances or similar requirements of governmental authorities having jurisdiction and where City maintains or desires to maintain underground distribution facilities.

4. OVERHEAD EXTENSIONS

Overhead extensions may be installed only where underground extensions are not required by other jurisdictions and as approved by City.

5. SPECIAL OR ADDED FACILITIES

Any special or added facilities City agrees to install at the request of Applicant will be installed at Applicant's expense in accordance with Rule 2— Description of Service.

6. TEMPORARY SERVICE

Facilities installed for temporary service or for operations of speculative character or questionable permanency shall be made in accordance with the fundamental installation and ownership provisions of this rule, except that all charges shall be made under the provisions of Rule 13—Temporary Service.

7. SERVICES

Service facilities connected to the Distribution Lines to serve an Applicant's Premises will be installed, owned and maintained as provided in Rule 16—Service Extensions.

8. STREET LIGHTS AND AREA LIGHTS

Streetlights, area lights, and other associated facilities shall be installed in accordance with the service provisions of the applicable street light schedule.

No written contracts will be required under this Rule. All provisions of the Rule shall apply and obligate all parties.

B. INSTALLATION RESPONSIBILITIES

1. UNDERGROUND EXTENSIONS

a. Applicant Responsibility: In accordance with City's design, specifications, and requirements, Applicant is responsible for;

1) Excavation: All necessary trenching, backfilling, compaction and other digging as required as well as any pavement cutting or repair.

- 2) Substructures and Conduits: Furnishing, installing, and upon acceptance by City, conveying to City the ownership of all necessary installed Substructures and Conduits, including Feeder and Service Conduits and related Substructures required to extend to and within subdivisions and developments.
 - 3) Protective Structures: Furnishing, installing, and upon acceptance by City, conveying to City the ownership of all necessary Protective Structures.
 - 4) Safety Barriers and Measures: Applicant is responsible for providing safety barriers, signs, and other suitable means to protect public from potential injuries arising from construction of underground extension.
- b. City Responsibility: City is responsible for installing cables, switches, transformers, and other distribution facilities as required to complete the extension.

The Applicant may install the system in accordance with the City's design and construction standards using qualified electrical contractors approved by the City.

2. OVERHEAD EXTENSIONS

City is responsible for installing all facilities required for a pole line extension at the Applicants expense and only where underground extensions are not required.

3. PERFORMED WORK

Where requested by Applicant and mutually agreed upon, City may perform that portion of the new extension work normally installed by Applicant, provided Applicant pays City its total estimated installed cost. Upon completion of the work, the difference between the estimated and actual cost of the work will be refunded or billed to the Applicant as appropriate.

C. CONTRIBUTIONS OR ADVANCES BY APPLICANT

1. CASH ADVANCE

A cash advance will be required from every Applicant. If the scope of the work lends itself to progress payments in the sole judgment of the city, such progress payments will be considered by the City. The cash advance will be equal to the City's total estimated installed cost to complete an extension including transformers and meters. Upon completion of the work, the difference between the estimated and actual cost of the work will be refunded or billed to the Applicant as appropriate.

Applicant shall contribute or advance, before the start of City's construction, the following;

- a. **Underground Non-Refundable Amount:** Applicant's contribution is the portion of the City's total estimated installed cost, to complete the underground extension including transformers and meters for;
 - 1) **Cabling:** The estimated installed cost of any necessary cabling installed by City to complete the underground extension. This includes the cost of conversion of existing single-phase lines to three-phase lines, if required; plus
 - 2) **Substructures:** City's estimated value of substructures installed by Applicant and deeded to City as required.
 - 3) The cost of cabling and substructures installed and/or paid for by a previous Customer or developer in anticipation of providing service to the current Customer or development.
- b. **Underground Refundable Amount:**
 - 1) The cost of cabling and substructures in anticipation of providing service to a future Customer or developer. Such costs will be refunded at the time they are collected from the future Customer or developer in accordance with this Rule.
- c. **Overhead Non-Refundable Amount:** Applicant's contribution is the portion of the City's total estimated installed cost to complete the overhead extension including transformers and meters;
 - 1) **Pole Line;** All necessary facilities required for an overhead extension and, if required, the conversion of existing single-phase lines to three-phase lines; plus
 - 2) **Transmission Underbuilds;** City's total estimated installed cost of the underbuild, where all or a portion of an overhead extension is to be constructed on existing poles.
- d. **Other Non-Refundable Amounts:** Applicant's non-refundable amount includes the City's estimated value of excavation, conduits, and protective structures required by City for the extension. The applicant will pay the City for the cost of inspection of any facilities installed by the applicant.
- e. **NOTE:** ITCC is not a component in City's costs.

4. JOINT APPLICANTS

The total contribution or advance from a group of Applicants will be apportioned among the members of the group in such manner as they may mutually agree.

5. PAYMENT ADJUSTMENTS

Excess Facilities: If the loads provided by Applicant(s) result in City having installed facilities which are in excess of those needed to serve the actual loads, and City elects to reduce such excess facilities, Applicant shall pay City its estimated total costs to remove, abandon, or replace the excess facilities, less the estimated salvage of any removed facilities.

D. SPECIAL CONDITIONS

1. FACILITY RELOCATION OR REARRANGEMENT

Any relocation or rearrangement of City's existing facilities, at the request of, or to meet the convenience of an Applicant or Customer, and agreed upon by City, normally shall be performed by City. In all instances, City shall abandon or remove its existing facilities, at the option of City. Applicant or Customer shall be responsible for the costs of all related relocation, rearrangement and removal work.

ELECTRIC RULE 16—SERVICE EXTENSIONS

APPLICABILITY: This rule is applicable to both (1) City service facilities that extend from City’s distribution line facilities to the service delivery point, and (2) service related equipment required of Applicant on Applicant’s Premises to receive electric service.

A. GENERAL

1. DESIGN

City will be responsible for planning, designing, and engineering its Service Extension using City’s standards for design, materials and construction. City will allow Applicant’s design with City’s approval.

2. SERVICE FACILITIES

City’s service facilities shall consist of (a) primary or secondary underground or overhead service conductors, (b) poles conduits, sleeves, pedestals, pads, or structures to support service conductors, and service transformers, (c) City-owned metering equipment, and (d) other City-owned service related equipment.

3. OWNERSHIP OF FACILITIES

Service facilities installed under the provisions of this rule shall be owned, operated, and maintained by City if they are (a) located in the street, road or franchise area of City, (b) installed by City under on Applicant’s Premises for the purpose of the delivery of electric energy to Applicant, or installed by Applicant under the provisions of this rule, and conveyed to City.

4. PRIVATE LINES

City shall not be required to connect service facilities to or serve any Applicant from electric facilities that are not owned, operated, and maintained by City.

5. SPECIAL OR ADDED FACILITIES

Any special or added facilities City installs at the request of Applicant, will be installed at Applicant’s expense in accordance with Rule 2-Description of Service.

6. TEMPORARY SERVICE FACILITIES

Service facilities installed for temporary service or for operations of speculative character or questionable permanency shall be made in accordance with the fundamental installation and ownership provisions of this rule, except that all charges shall be made under the provisions of Rule 13-Temporary Service.

7. STREET LIGHTS AND AREA LIGHTS

Streetlight and area light services and other associated facilities shall be installed in accordance with the service provisions of the applicable street light schedule.

8. DISTRIBUTION LINE EXTENSIONS

Whenever City's distribution system is not complete to the point designated by City where the service extension is to be connected to City's distribution system, the extension of distribution line facilities will be installed in accordance with Rule 15-distribution line extensions.

9. RIGHTS-OF-WAY

Rights-of-way or easements may be required by City to install service facilities on Applicant's property to serve only Applicant.

- a. Service Facilities: If the service facilities must cross property owned by a third party to serve Applicant, City may, at its option, install such service facilities after appropriate rights-of-way or easements, satisfactory to City, are obtained without cost to City; or
- b. Distribution Line Extensions: If City's facilities installed on Applicants property or third-party property, will be or are designed to serve adjacent property, then City may, at its option, install its facilities under Rule 15, after appropriate rights-of-way or easements, satisfactory to City, are obtained without cost to City.
- c. Clearances: Any necessary rights-of-way or easements for City's facilities shall have provisions to maintain legal and operational clearances from adjacent structures.

B. METERING FACILITIES

For revenue billing, electric service shall be individually metered to each tenant in a building or group of buildings or other development on a single Premises with multiple tenants or enterprises (such as, but not limited to a commercial business, a school campus, or shopping center complex). Alternative metering arrangements as determined by City may be allowed only as specified in these rules and applicable rate schedules.

C. SERVICE EXTENSIONS

1. GENERAL LOCATION

The location of the service extension facilities shall be approved by the City as follows:

- a. Franchise Area: From the point of connection at the distribution line to Applicant's nearest property line abutting upon any street, highway, road, or right-of-way, along which it already has, or will install distribution facilities; and,
- b. Private Property: On private property, along the shortest, most practical and available route (clear of obstructions) as necessary to reach a service delivery point designated by City.

2. NUMBER OF SERVICE EXTENSIONS

City will not normally provide more than one service extension, including associated facilities, either overhead or underground, for any one building or group of buildings, for a single enterprise on a single Premises, except;

- a. Tariff Schedules: Where otherwise allowed or required under City's tariff schedules; or,
- b. City Convenience: At the option of and as determined by City, for its operating convenience, consistent with engineering design for different voltage and phase classification, or when replacing an existing service; or,
- c. Ordinance: Where required by ordinance or other applicable law, for such things as fire pumps, fire alarm systems, etc.; and,
- d. Other: City may charge for additional services provided under this paragraph, as special or added facilities.

3. UNDERGROUND INSTALLATIONS

Underground Service Extensions will be installed;

- a. Underground Required: Underground service extensions (1) shall be installed where required to comply with applicable tariff schedules, laws, ordinances, or similar requirements of governmental authorities having jurisdiction, and (2) may be necessary as determined by City where Applicant's load requires a separate transformer installation of 75 kVA or greater.
- b. Underground Optional: An underground service extension may be installed in an area where it is not otherwise required and when requested by Applicant and agreed upon by City.

4. UNUSUAL SITE CONDITIONS

In cases where Applicant's building is located a considerable distance from the available distribution line or where there is an obstruction or other deterrent obstacle or hazard such as plowed land, ditches, or inaccessible security areas between City's distribution line and Applicant's building or facility to be served that would prevent City from prudently installing, owning, and maintaining its service facilities, City

may, at its discretion, waive the normal service delivery point location. In such cases, the service delivery point will be at such other location on Applicant's property as may be mutually agreed upon; or, alternatively, the service delivery point may be located at or near Applicant's property line as close as practical to the available distribution line.

D. RESPONSIBILITIES FOR NEW SERVICE EXTENSIONS

1. APPLICANT RESPONSIBILITY

In accordance with City's design, specifications, and requirements for the installation of service extensions, and subject to City's inspection and approval, Applicant is responsible for;

- a. **Clear Route:** Providing (or paying for) a route on any private property that is clear of obstructions which would inhibit the construction of either underground or overhead service extensions.
- b. **Excavation:** All necessary trenching, backfilling, and other digging as required including permit fees.
- c. **Conduit and Substructures:**
 - 1) Furnishing and installing all conduits (including pull wires) and substructures on Applicant's Premises.
 - 2) Installing (or paying for) any Conduits and Substructures in City's franchise area (or rights-of-way, if applicable) as necessary to install the service extension.
 - 3) Conveying ownership to City upon acceptance of those conduits and substructures not on Applicant's Premises.
- d. **Protective Structures:** Furnishing, installing, owning, and maintaining all necessary protective structures as specified by City for City's facilities on Applicant's Premises
- e. **Applicant's Facility Design and Operation:** Applicant shall be solely responsible to plan, design, install, own, maintain, and operate facilities and equipment beyond the service delivery point (except for City's metering facilities) in order to properly receive and utilize the type of electric service available from City. Refer to Rule 2 for a description, among other things, of;
 - 1) Available service delivery voltages and the technical requirements and conditions to qualify for them,
 - 2) Customer utilization voltages,

- 3) Load balancing requirements,
 - 4) Requirements for installing electrical protective devices,
 - 5) Loads that may cause service interference to others, and
 - 6) Motor starting limitations.
- f. Required Service Equipment: Applicant shall, at its sole liability, risk, and expense, be responsible to furnish, install, own, maintain, inspect, and keep in good and safe condition, all facilities of any kind or character on Applicant's Premises that are not the responsibility of City but are required by City for Applicant to receive service. Such facilities shall include but are not limited to the overhead or underground termination equipment, conduits, service entrance conductors from the service delivery point to the location of City's metering facilities, connectors, meter sockets, meter and instrument transformer housing, service switches, circuit breakers, fuses, relays, wireways, metered conductors, machinery and apparatus of any kind or character. Detailed information on City's service equipment requirements will be furnished by City. The Applicant shall provide all service conduit (s) from City's franchise area to City's metering facilities.
- g. Coordination of Electrical Protective Devices: When, as determined by City, Applicant's load is of sufficient size as to require coordination of response time characteristics between Applicant's electrical protective devices (circuit breakers, fuses, relays, etc.) and those of City's, it shall be Applicant's responsibility to provide such coordination in accordance with Rule 2.
- h. Liability: City shall incur no liability whatsoever, for any damage, loss or injury occasioned by;
- 1) Applicant-owned equipment or Applicant's transmission and delivery of energy; or,
 - 2) The negligence, omission of proper protective devices, want of proper care, or wrongful act of Applicant, or any agents, employees, or licensees of Applicant, on the part of Applicant in installing, maintaining, using, operating, or interfering with any such conductors, lines, machinery, or apparatus.
- i. Facility Tampering: Applicant shall provide a suitable means acceptable to City for placing its seals on meter rings and covers of service enclosures and instrument transformer enclosures which protect unmetered energized conductors installed by Applicant. All City-owned meters and enclosure covers will be sealed only by City's authorized employees and such seals shall be broken only by City's authorized employees. However, in an emergency, City may allow a public authority or other appropriate party to break the seal. Any unauthorized tampering with City-owned seals or connection of Applicant-owned facilities to

unmetered conductors at any time is prohibited and is subject to the provisions of Rule 11 - Discontinuance and Restoration of Service for unauthorized use.

- j. Transformer Installations on Applicant's Premises: Transformer installations on Applicant's Premises shall be as specified by City and in accordance with the following applicable provisions;
- 1) Space For Transformers: Applicant shall provide space on Applicant's Premises at a location approved by City for a standard transformer installation (including any necessary equipment access for operation, and ancillary equipment such as switches, capacitors, and electric protective equipment, where required) if (a) in an overhead area, City determines that the load to be served is such that a separate transformer installation is required, or (b) if City determines that the installation of a padmounted or subsurface transformer of any size is required on Applicant's Premises to serve only Applicant.
 - 2) Padmounted Equipment: In City's standard installation, Applicant shall furnish, install and convey ownership to City for substructures and any required protective structures specified by City for the proper installation of the transformer, switches, capacitors, and other equipment as determined by City.
 - 3) Single Utility-Owned Customer Substation: When City elects, for its operating convenience, to supply Applicant from a transmission line and install a City-owned substation on Applicant's Premises, Applicant shall furnish, install and convey ownership to City the necessary site improvements as specified by City for the proper installation of the transformer. Such improvements shall include but are not limited to a concrete pad or foundation and grounding system. Applicant shall own and maintain all facilities not specifically conveyed to City yet associated with the service, such as fences and gates, access road, grading, and paving as required. Detailed information on City's requirements for a single Customer substation will be furnished by City.
- k. Transformer Room or Vault: Where Applicant requests and City approves the installation of the transformer(s) in a vault or room on Applicant's Premises, rather than City's standard padmounted installation;
- 1) The room or vault on Applicant's Premises shall be furnished, installed, owned, and maintained by Applicant and shall meet City's specifications for such things as access, operational and safety clearances ventilation, drainage, grounding system, etc.
 - 2) If space cannot be provided on Applicant's Premises for the installation of a transformer on either a pad or in a room or vault, a vault will be installed at Applicant's expense in the street near the property line. It shall be Applicant's responsibility to install (or pay for) such vault if not restricted by

governmental authority having jurisdiction and Applicant shall convey ownership of the vault to City upon its acceptance. The additional facilities shall be treated as special or added facilities under the provisions of Rule 2.

- 3) All the additional costs as well as ongoing maintenance shall be paid by Applicant for special or added facilities.
1. Transformer Lifting Requirements: Where City has installed or agrees to install, transformers at locations where City cannot use its standard transformer lifting equipment and special lifting facilities are required to install or remove the transformers on Applicant's Premises, Applicant shall, at its expense, (a) furnish, install, own, and maintain permanent lifting facilities and be responsible for lifting the transformer to and from its permanent position, or (b) provide (or pay for) portable lifting facilities acceptable to City for installing or removing the transformers. Rights-of-way and space provisions shall be provided by Applicant such that access and required clearances from adjacent structures can be maintained. City may require a separate contract for transformer lifting requirements.
- m. Overhead Transformers: In remote areas or in areas not zoned for residential or commercial use or for underground services, pad-mounted transformers are preferred for installation on Applicant's Premises. However, where City determines that it is not practical to install a transformer on a pad, in a room or vault, City may furnish a pole-type structure for an installation not exceeding 500 kVA.

2. BUILDING CODE REQUIREMENTS

Any service equipment and other related equipment owned by Applicant, as well as any vault, room, enclosure, or lifting facilities for the installation of transformers shall conform with applicable laws, codes, and ordinances of all governmental authorities having jurisdiction.

3. REASONABLE CARE

Applicant shall exercise reasonable care to prevent City's Service Extensions, other City facilities, and meters owned by City or others, on the Applicant's Premises from being damaged or destroyed, and shall refrain from interfering with City's operation of the facilities and shall notify City of any obvious defect. Applicant may be required to provide and install suitable mechanical protection (barrier posts, etc.) as required by City.

4. CITY RESPONSIBILITY

- a. Meter and Service: City will install, own, and maintain the following service facilities as applicable after Applicant meets all requirements to receive service:

- 1) **Underground Service:** A set of service conductors to supply permanent service from the distribution line source to the service delivery point approved by City.
 - 2) **Riser Material:** Any necessary pole riser material for connecting underground services to an overhead distribution line.
 - 3) **Overhead Service:** A set of overhead service conductors to supply permanent service from a distribution line source to a suitable support at the service delivery point approved by City. Support shall be of a type and located such that service wires may be installed in accordance with good engineering practice and in compliance with all applicable laws, ordinances, rules, and regulations including those governing clearances and points of attachment.
 - 4) **Metering:** When the meter is owned by City, City will be responsible for the necessary instrument transformers where required, test facilities, meters, associated metering equipment, and the metering enclosures when City elects to locate metering equipment at a point that is not accessible to Applicant.
- b. **Special Conduit Installations:** City shall own and maintain service conduits only if: (1) they are located in the same trench with distribution facilities, and (2) when it is necessary to locate Conduits on property other than that owned by Applicant, as determined by City, or as may be required by local authorities.
 - c. **Cable-In-Conduit:** In those cases where City elects to install its service conductors using pre-assembled cable-in-conduit (CIC), the conduit portion will be considered a part of the conductor installation provided by City.
 - d. **Government Inspection:** City will establish electric service to Applicant following notice from the governmental authority having jurisdiction that the Applicant-owned facilities have been installed and inspected in accordance with any applicable laws, codes, ordinances, rules, or regulations, and are safe to energize.

5. CITY-PERFORMED WORK

- a. Where requested by Applicant and mutually agreed upon, City may perform that portion of the new service extension work normally the responsibility of Applicant provided Applicant pays City its estimated installed cost.

E. PAYMENTS BY APPLICANT

1. PAYMENTS

Applicant is responsible to pay City the following non-refundable costs as applicable under this rule and in advance of City commencing its work:

- a. **Pole Riser:** City's estimated installed costs of any riser materials on its poles.

- b. City's total estimated installation cost (including appurtenant facilities, such as connectors, service conductors, service transformers, metering equipment, and the conduit portion of CIC cable).
- c. Other: City's total estimated cost of any work it performs that is Applicant's responsibility or performs for the convenience of the Applicant.

F. EXISTING SERVICE FACILITIES

1. SERVICE REINFORCEMENT

- a. City-Owned: When City determines that its existing service facilities require replacement, the existing service facilities shall be replaced as new service facilities under the provisions of this rule.
- b. Applicant-Owned: When City determines that existing Applicant-owned service facilities require replacement; such replacement or reinforcement shall be accomplished under the provisions for a new service installation.

2. SERVICE RELOCATION OR REARRANGEMENT

- a. City Convenience: When, in the judgment of City, the relocation or rearrangement of a service, including City-owned transformers, is necessary for the maintenance of adequate service or for the operating convenience of City, City normally will perform such work at its own expense, except for Applicant convenience or damage.
- b. Applicant Convenience: Any relocation or rearrangement of City's existing service facilities at the request of Applicant (aesthetics, building additions, remodeling, etc.) and agreed upon by City shall be performed in accordance with this rule except that Applicant shall pay City its total estimated costs. In all instances, City shall abandon or remove its existing facilities at the option of City rendered idle by the relocation or rearrangement.

3. IMPAIRED ACCESS AND CLEARANCES

Whenever City determines that access or clearance to service facilities is impaired, correction action consistent with this section shall be enforced.

- a. Access: Its existing service facilities have become inaccessible for inspecting, operating, maintenance, meter reading, or testing.
- b. Clearances: A hazardous condition exists or any of the required clearances between the existing service facilities and any object becomes impaired under any applicable laws, ordinances, rules, or regulations of City or public authorities, then the following applies;

Corrective Action: Applicant or owner shall, at Applicant's or owner's expense, either correct the access or clearance infractions or pay the total estimated cost to relocate its facilities to a new location which is acceptable to City. Applicant or owner shall also be responsible for the expense to relocate any equipment, which Applicant owns and maintains. Failure to comply with corrective measures within a reasonable time may result in discontinuance of service.

4. OVERHEAD TO UNDERGROUND SERVICE CONVERSIONS

Applicant's Convenience: Where overhead services are replaced by underground services for Applicant's convenience, Applicant shall perform all excavation, furnish and install all substructures, and pay City its total estimated installed cost to complete the new service and remove the overhead facilities.

5. DAMAGED FACILITIES

When City's facilities are damaged by others, the repair will be made by City at the expense of the party responsible for the damage. Applicants are responsible for repairing their own facilities.

6. SUBDIVISION OF PREMISES

When City's service facilities are located on private property and such private property is subsequently subdivided into separate Premises with ownership divested to other than Applicant or Customer, the subdivider is required to provide City with adequate rights-of-way satisfactory to City for its existing facilities and to notify property owners of the subdivided Premises of the existence of the rights-of-way. When adequate rights-of-way are not granted as a result of the property subdivision, City shall have the right, upon written notice to Applicant, to discontinue service without obligation or liability. The existing owner, Applicant, or Customer shall pay to City the total estimated cost of any required relocation or removal of City's facilities. A new electric service will be re-established in accordance with the provisions of this Rule for new service and the provisions of any other applicable City rules.

7. EXCEPTIONAL CASES

When the application of this rule appears impractical or unjust to either party, or ratepayers, City or Applicant may refer the matter to the City for a special ruling or for approval of special conditions, which may be mutually agreed upon.

ELECTRIC RULE 17—METER TESTS AND ADJUSTMENT OF BILLS FOR METER ERROR

A. METER TESTS

Any Customer may, upon not less than five (5) working days notice, request that the City to test the Customer's electric meter. No payment or deposit will be required from the Customer for such tests except when a Customer requests a meter test within six months after the date of installation of the meter, or more often than once each six months thereafter. A deposit to cover the reasonable cost of the test will be required of the Customer, in accordance with the following:

1. Meter installed without current or potential transformer(s)
2. Meter installed with current transformer(s) or with current and potential transformer(s)

The deposit will be returned to the Customer if the meter is found to register more than two percent fast or slow under conditions of normal operation as a result of the test. A Customer shall have the right to request the City conduct the test in the Customer's presence or in the presence of an expert or other representative appointed by the Customer. A report giving the result of the test will be supplied to the Customer within a reasonable time after completion of the test. All electric meters will be tested at the time of their installation. No meter will be placed in service or allowed to remain in service which has an error in registration in excess of two percent under conditions of normal operation. On newly purchased single-phase meters, the manufacturer's test may be used as the installation test when City's random tests indicate satisfactory test results for a particular manufacturer and for a particular shipment.

B. ADJUSTMENT OF BILLS FOR METER ERROR

Meter error is the incorrect registration of energy usage resulting from a malfunctioning or defective meter. It does not include incorrect registration attributable to billing error or unauthorized use. Where, as the result of a meter test, a meter is found to be non-registering or incorrectly registering, City may render an adjusted bill to the Customer for the amount of any undercharge without interest. City shall issue a refund or credit to the Customer for the amount of any overcharge, without interest, computed back to the date that is determined to be when the meter error commenced, except that the period of adjustment shall not exceed the limits set forth in this Rule. Such adjusted bill shall be computed as follows:

1. FAST METER

If a meter, for either residential or nonresidential service, is found to be registering more than two percent fast, City will calculate the amount of the overcharge for refund to the Customer based on the corrected meter. When it is known that the period

of meter error was less than six months, the overcharge will be calculated for only those months during which the meter error occurred.

2. SLOW METER

If a meter, for either residential or nonresidential service is found to be registering more than two percent slow, City may bill the Customer for the amount of the undercharge based on the corrected usage or based upon the City's estimate of the energy usage for a period of up to three years. However, if it is known that the period of meter error was less than three years, the undercharge will be calculated for only those months during which the meter error occurred.

3. NONREGISTERING METER

If a meter, for either residential or nonresidential service is found to be non-registering, City may bill the Customer for the amount of the undercharge based on City's estimate of the electricity used, but not registered, for a period of up to three years. However, if it is known that the period the meter was non-registering was less than three years, the undercharge will be calculated for only those months the meter was non-registering. Where the condition of the meter renders it un-testable (no-test), City may bill the Customer based upon the City's estimate of the unmetered energy. Nothing herein is intended to limit City's authority to bill the Customer for unauthorized use.

4. NO-TEST METERS

Where the condition of the meter renders it untestable (no-test), City may bill the Customer based upon the City's estimate of the unmetered energy. Nothing herein is intended to limit City's authority to bill the Customer for unauthorized use.

5. ESTIMATED USAGE

When regular, accurate meter readings are not available or when the electric usage has not been accurately measured, City may estimate the Customer's energy usage for billing purposes on the basis of information including, but not limited to, the physical condition of the metering equipment, available meter readings, records of historical use, and the general characteristics of the Customer's load and operation.

ELECTRIC RULE 17.1- ADJUSTMENTS OF BILLING ERROR

A. BILLING ERROR DEFINED

Billing error is the incorrect billing of an account due to an error by City or the Customer, which results in incorrect charges to the Customer. Billing error includes, but is not limited to, incorrect meter reads or clerical errors, wrong daily billing factor, incorrect voltage discount, wrong connected load information, crossed meters, incorrect billing calculation, incorrect meter multiplier, incorrect rate, or City's failure to provide the Customer with notice of rate options. Field error, including, but not limited to, installing the meter incorrectly and failure to close the meter potential or test switches, is also considered billing error. Billing error which does not entitle the Customer to a credit adjustment includes failure of the Customer to notify City of changes in the Customer's connected load, equipment or operation or failure of the Customer to take advantage of any noticed rate option or condition of service for which the Customer becomes eligible subsequent to the date of application for service.

B. ADJUSTMENT OF BILLS FOR BILLING ERROR

Where City overcharges or undercharges a Customer as the result of a billing error, City may render an adjusted bill to the Customer for the amount of any undercharge, without interest, and shall issue a refund or credit to the Customer for the amount of any overcharge, without interest, in accordance with the procedures and limitations set forth below.

1. BILLING ERROR RESULTING IN OVERCHARGES TO THE CUSTOMER

If either a residential or nonresidential service is found to have been overcharged due to billing error, City will calculate the amount of the overcharge, for refund to the Customer, for a period of up to three years. However, if it is known that the period of billing error was less than three years, the overcharge will be calculated for only those months during which the billing error occurred.

2. BILLING ERRORS RESULTING IN UNDERCHARGES TO THE CUSTOMER

If either residential or nonresidential service is found to have been undercharged due to a billing error, City may bill the Customer for the amount of the undercharge for a period of up to three years. However, if it is known that the period of billing error was less than three years, the undercharge will be calculated for only those months during which the billing error occurred.

ELECTRIC RULE 17.2— ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE

A. UNAUTHORIZED USE DEFINED

Unauthorized use includes, but is not limited to:

1. Unmetered use of electricity resulting from unauthorized connections, alterations or modifications to electric supply lines and/or electric meters;
2. Placing conductive material in the meter socket to allow energy to flow from the line side of the service to the load side of the service without a meter (cut in flat);
3. Installing an unauthorized electric meter in place of the meter assigned to the account;
4. Inverting or otherwise repositioning the meter, thereby altering registration;
5. Damaging the meter to stop registration, thereby rendering it untestable;
6. Using City service without compensation to City in violation of applicable rules and/or statutes.

Where City determines there has been unauthorized use, City shall have the legal right to recover, from any Customer or other person who caused or benefited from such unauthorized use, the estimated undercharges for the full period of such unauthorized use. The estimated bill shall indicate unauthorized use for the most recent three years and, separately, unauthorized use beyond the three-year period for collection as provided by law. Nothing in this rule shall be interpreted as limiting City's rights under any provisions of any applicable civil or criminal law.

B. INVESTIGATION OF UNAUTHORIZED USE

Where unauthorized use is suspected by City, City shall promptly conduct an investigation.

Whenever possible, City shall collect and preserve evidence in the matter, test the meter, and obtain connected load information from the Customer or other person to be charged for the unauthorized energy use. If the meter cannot be tested or connected load data cannot be obtained, City will document the reasons why such information could not be obtained. Whenever possible, upon completion of City's investigation, the Customer or other person being billed will be advised of City's claim and shall be given an opportunity to respond to the claim. Notwithstanding any provisions herein, City reserves all evidentiary privileges and rights.

C. ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE**1. ACTUAL USAGE**

If accurate meter readings are available for the unauthorized use period, they will be used for billing purposes.

2. ESTIMATED USAGE

If accurate meter readings are not available or the electric usage has not been accurately measured, City may estimate the energy usage for billing purposes. The basis for the estimate may include, without limitation and for illustrative purposes only, the physical condition of the metering equipment, available meter readings, records of historical use, or the general characteristics of the load and operation of the service being billed, with consideration of any appropriate seasonal adjustment. Estimated bills for the unauthorized use period may be determined by City based on one or more of the following, without limitation and for illustrative purposes only:

- a. Accurately metered use from a remote check meter;
- b. The known percent error in metering attributable to the unauthorized use condition as determined by City;
- c. Accurately metered use prior to the onset of the unauthorized use;
- d. The equipment and hours of operation of the service being billed;
- e. Accurately metered subsequent use of 30 days or more (if available);
- f. Annual use profile of at least five Customers with similar connected load, Premises load profiles, hours of energy use, etc. (percent of annual use); or
- g. Other reasonable and supportable billing methodology when none of the aforementioned billing techniques is appropriate under the circumstances.

D. INTEREST ON BILLS FOR UNAUTHORIZED USE

1. City may bill and collect interest at a rate of 10 percent per annum on unauthorized use billings from the date the unauthorized use commenced, and/or
2. City may bill and collect interest at a rate of 10 percent per annum on amortized repayment agreements.

E. RECOVERY OF ASSOCIATED COSTS

City may recover the associated costs resulting from the unauthorized use including, but not limited to, investigative and equipment damage costs.

F. DISCONTINUANCE OF SERVICE

In accordance with the provisions of Rule 11, where City determines unauthorized use is occurring, City may refuse service or discontinue service. If any part of the Customer's wiring or any other equipment, or the use thereof, is determined by City or any other authorized public agency to be unsafe or in violation of applicable laws, ordinances, rules or regulations of public authorities, or is in such condition as to endanger City's service facilities, City may discontinue service. City may also discontinue service in accordance with the provisions of its rules, for nonpayment of a delinquent billing for unauthorized use, and for associated costs, including nonpayment under an amortization agreement.

ELECTRIC RULE 21— GENERATING FACILITY INTERCONNECTIONS

A. APPLICABILITY

Applicability: This Rule describes the Interconnection, operating and Metering requirements for Generating Facilities to be connected to Moreno Valley Utility’s (MVU) Distribution System. Subject to the requirements of this Rule, MVU will allow the Interconnection of Generating Facilities with its Distribution System.

Definitions: Capitalized terms used in this Rule, and not defined in MVU’s other rules, shall have the meaning ascribed to such terms in Section H of this Rule. The definitions set forth in Section H of this Rule shall only apply to this Rule and may not apply to MVU’s other rules.

Consistent with IEEE 1547: This rule has been revised to be consistent with the requirements of ANSI/IEEE1 1547-2003 *Standard for Interconnecting Distributed Resources with Electric Power Systems* (IEEE 1547). In some cases, IEEE 1547 language has been adopted directly, in others, IEEE 1547 requirements were interpreted, and this rule’s language was changed to maintain the spirit of both documents.

Language from IEEE 1547 that has been adopted directly (as opposed to paraphrased language or previous language that was determined to be consistent with IEEE 1547) is followed by a citation that lists the Clause from which the language derived. For example, IEEE 1547-4.1.1 is a reference to Clause 4.1.1.

In the event of any conflict between this rule and any of the standards listed herein, the requirements of this rule shall take precedence.

B. GENERAL RULES, RIGHTS AND OBLIGATIONS

1. **AUTHORIZATION REQUIRED TO OPERATE:** A Producer must comply with this Rule and receive MVU’s express written permission before Parallel Operation of its Generating Facility with MVU’s Distribution System. MVU shall apply this Rule in a non-discriminatory manner and shall not unreasonably withhold its permission for Parallel Operation of Producer’s Generating Facility with MVU’s Distribution System.
2. **NO SEPARATE AGREEMENTS REQUIRED FOR OTHER SERVICES:** A Producer requiring other electric services from MVU including, but not limited to, Distribution Service during periods of curtailment or interruption of the Producer’s Generating Facility, will comply with these Rules and agrees to abide by all requirements as set forth by MVU for such services in accordance with MVU’s City Council-approved rules.
3. **SERVICE NOT PROVIDED WITH INTERCONNECTION:** Interconnection with MVU’s Distribution System under this Rule does not provide a Producer any rights

to utilize MVU's System for the transmission, distribution, or wheeling of electric power.

4. **COMPLIANCE WITH LAWS, RULES AND TARIFF SCHEDULES:** A Producer shall ascertain and comply with applicable City Council-approved rules of MVU; applicable Federal Energy Regulatory Commission (FERC) approved rules, rules and regulations; and any local, state or federal law, statute or regulation which applies to the design, siting, construction, installation, operation, or any other aspect of the Producer's Generating Facility and Interconnection Facilities.
5. **DESIGN REVIEWS AND INSPECTIONS:** MVU shall have the right to review the design of a Producer's Generating and/or Interconnection Facilities and to inspect a Producer's Generating and/or Interconnection Facilities prior to the commencement of Parallel Operation with MVU's Distribution System. MVU may require a Producer to make modifications as necessary to comply with the requirements of this Rule. MVU's review and authorization for Parallel Operation shall not be construed as confirming or endorsing the Producer's design or as warranting the Generating and/or Interconnection Facilities' safety, durability or reliability. MVU shall not, by reason of such review or lack of review, be responsible for the strength, adequacy or capacity of such equipment.
6. **RIGHT TO ACCESS:** A Producer's Generating Facility and/or Interconnection Facilities shall be reasonably accessible to MVU personnel as necessary for MVU to perform its duties and exercise its rights under its rules approved by the City Council, and any Interconnection requirements of MVU.
7. **CONFIDENTIALITY OF INFORMATION:** Any information pertaining to Generating and/or Interconnection Facilities provided to MVU by a Producer shall be treated by MVU in a confidential manner. MVU shall not use information contained in the Application to propose discounted rates to the customer unless authorized to do so by the Customer or the information is provided to MVU by the Customer through other means.
8. **PRUDENT OPERATION AND MAINTENANCE REQUIRED:** A Producer shall operate and maintain its Generating Facility and Interconnection Facilities in accordance with Prudent Electrical Practices and shall maintain compliance with this Rule.
9. **CURTAILMENT AND DISCONNECTION:** MVU may limit the operation or disconnect or require the disconnection of a Producer's Generating Facility from MVU's Distribution System at any time, with or without notice, in the event of an Emergency, or to correct Unsafe Operating Conditions. MVU may also limit the operation or disconnect or require the disconnection of a Producer's Generating Facility from MVU's Distribution System upon the provision of reasonable written notice: 1) to allow for routine maintenance, repairs or modifications to MVU's Distribution System; 2) upon MVU's determination that a Producer's Generating Facility is not in compliance with this Rule; or 3) upon failure of Producer to meet

the requirements of MVU. Upon the Producer's written request, MVU shall provide a written explanation of the reason for such curtailment or disconnection.

C. APPLICATION AND INTERCONNECTION PROCESS

1. APPLICATION PROCESS

- a. **Applicant Initiates Contact with MVU:** Upon request, MVU will provide information and documents (such as requirements, Application, technical information, listing of Certified Equipment, Initial and Supplemental Review deposit information, applicable tariff schedules and Metering requirements and Rules) to a potential Applicant. Unless otherwise agreed upon, all such information shall normally be sent to an Applicant within three (3) business days following the initial request from the Applicant. MVU will establish an individual representative as the single point of contact for the Applicant but may allocate responsibilities among its staff to best coordinate the Interconnection of an Applicant's Generating Facility.
- b. **Applicant Completes an Application:** All Applicants shall complete and file an Application and supply any relevant additional information requested by MVU. When applicable per Table C.1, an \$2,000 Initial Review deposit shall be included with the Application.
 - 1) Normally, within 10 business days of receiving the Application, MVU shall acknowledge its receipt and state whether the Application has been completed adequately. If defects are noted, MVU and Applicant shall cooperate in a timely manner to establish a satisfactory Application.
 - 2) The Initial Review deposit shall be waived for Net Energy Metering Applications requesting Interconnection.
 - 3) The deposit associated with the Initial Review will be returned to the Applicant if the Application is rejected by MVU exactly as submitted or the Applicant retracts the Application.
 - 4) Applications that are over one year old (from the date of MVU's acknowledgement) without a completed application, or a Generating Facility that has not been approved for parallel operation within one year of completion of all applicable review and/or studies are subject to cancellation by MVU; however, MVU may not cancel an Application if the Producer provides reasonable evidence that the project is still active.
 - 5) The applicant may propose, and MVU may agree to reduced costs for reviewing atypical Applications, such as Applications submitted for multiple Generators, multiple sites, or otherwise as conditions warrant.

- c. MVU Performs an Initial and Supplemental Review and Develops Preliminary Cost Estimates and Interconnection Requirements.
- 1) Upon receipt of a satisfactorily completed Application and any additional information necessary to evaluate the Interconnection of a Generating Facility, MVU shall perform an Initial Review using the process defined in Section I. The Initial Review determines if: (a) the Generating Facility qualifies for Simplified Interconnection; or (b) the Generating Facility requires a Supplemental Review.
 - 2) MVU shall complete its Initial Review, absent any extraordinary circumstances, within 10 business days after its determination that the Application is complete. If the Initial Review determines the proposed Generating Facility can be Interconnected by means of a Simplified Interconnection, MVU will provide the Applicant with an Interconnection Authorization. Upon completion of the Initial Review, the difference between the deposit and the actual cost of the Review will be refunded or billed to the Applicant as appropriate.
 - 3) If the Generating Facility does not pass the Initial Review for Simplified Interconnection as proposed, MVU will notify the applicant and perform a Supplemental Review as described in Section I. Applicant shall pay an additional \$600 deposit for the Supplemental Review, unless the Application is withdrawn. The Supplemental Review will result in MVU providing either: (a) Interconnection requirements beyond those for a Simplified Interconnection, and an Interconnection Authorization; or (b) a cost estimate and schedule for an Interconnection Study. The Supplemental Review shall be completed, absent any extraordinary circumstances, within 20 business days of receipt of a completed Application and fees. Upon completion of the Supplemental Review, the difference between the deposit and the actual cost of the Review will be refunded or billed to the Applicant as appropriate.
- The Supplemental Review deposit shall be waived for Net Energy Metering Applications requesting Interconnection pursuant to Sections 2827, 2827.8, 2827.9, or 2827.10 of the Public Utilities Code.
- d. When Required, Applicant and MVU Commit to Additional Interconnection Study Steps. When a Supplemental Review reveals that the proposed Generating Facility cannot be Interconnected to MVU's Distribution System by means of a Simplified Interconnection, or that significant Interconnection Facilities installed on MVU's system or Distribution System modifications will be needed to accommodate an Applicant's Generating Facility, MVU and Applicant shall enter into an agreement that provides for MVU to perform additional studies, facility design, and engineering and to provide detailed cost

estimates for fixed price or actual cost billing to the Applicant at the Applicant’s expense. The Interconnection Study agreement shall set forth MVU’s estimated schedule and charges for completing such work. Generating Facilities eligible for Net Energy Metering under Public Utilities Code Section 2827, 2827.8, 2827.9, or 2827.10 are exempt from any costs associated with Interconnection Studies.

Table C.1 Summary of Deposits and Exemptions

<u>Facility Type</u>	<u>Initial Review Deposit</u>	<u>Supplemental Review Deposit</u>	<u>Interconnection Study Deposit</u>	<u>Additional Commissioning Test Verification</u>
Non-Net Energy Metering	\$2,000*	As Specified by MVU	As Specified by MVU	Actual cost

* Subject to refund pursuant to Section C.1.b.3

Table C.2 Summary of Producer Cost Responsibility for Multiple Tariff Interconnections

<u>Existing Generator</u>	<u>New Generator</u>	<u>Initial Review Deposit</u>		<u>Supplemental Review Deposit</u>		<u>Detailed Interconnection Study Cost</u>		<u>Interconnection Facilities Cost</u>		<u>Distribution System Modifications Cost</u>	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
NEM	Non-NEM	X		X		X		X		Xa	
NEM	NEM		X		X		X	X			X
Non-NEM	NEM		Xb		Xb		Xb	X			Xa,b
Simultaneous NEM and Non-NEM		X		X		X		X		Xa	
a) Proration will be based upon the annual expected energy output (kWh) derived from the nameplate of the generator(s) modified by technology-specific capacity/availability factors of all NEM eligible versus non-NEM eligible generators for the costs that cannot be clearly assigned to either type of tariff.											
b) Change of operating of a non-NEM eligible generator at any time to export is treated as a simultaneous NEM and non-NEM application, resulting in associated costs being allocated to the producer.											

2. INTERCONNECTION PROCESS

a. Applicant shall comply with the Interconnection Requirements as stated in this Rule. MVU shall review with the Applicant all requirements for Interconnection and Net Energy Metering appropriate for the Applicant’s Generating Facility and desired mode of operation. These requirements are detailed in Rule 21A, Interconnection Rules, Terms & Conditions. Rule 21A sets forth MVU’s and the Applicant’s responsibilities, completion schedules, and fixed price or estimated costs for the required work.

b. Where Applicable (for commercial systems greater than 1MW), MVU or Producer Installs Required Interconnection Facilities or Modifies MVU’s

Distribution System. After executing the applicable agreements, MVU or Producer will commence construction/ installation of MVU's Distribution System modifications or Interconnection Facilities which have been identified in the agreement and application. The parties will use good faith efforts to meet schedules and estimated costs as appropriate.

- c. Producer Arranges for and Completes Commissioning Testing of Generating Facility and Producer's Interconnection Facilities. The Producer is responsible for testing new Generating Facilities and associated Interconnection Facilities according to Section J.5 to ensure compliance with the safety and reliability provisions of this Rule prior to being operated in parallel with MVU's Distribution System. For non-Certified Equipment, the Producer shall develop a written testing plan to be submitted to MVU for its review and acceptance. Alternatively, the Producer and MVU may agree to have MVU conduct the required testing at the Producer's expense. Where applicable, the test plan shall include the installation test procedures published by the manufacturer of the generation or Interconnection equipment. Facility testing shall be conducted at a mutually agreeable time, and depending on who conducts the test, MVU or Producer shall be given the opportunity to witness the tests.
- d. MVU Authorizes Parallel Operation or Momentary Parallel Operation. MVU shall authorize the Producer's Generating Facility for Parallel Operation or Momentary Parallel Operation with MVU's Distribution System, in writing, within 5 calendar days of satisfactory compliance with the terms of all applicable Rules. Compliance may include, but not be limited to, provision of any required documentation and satisfactorily completing any required inspections or tests as described herein or in the agreements formed between the Producer and MVU. A Producer shall not commence Parallel Operation of its Generating Facility with MVU's system unless it has received MVU's express written permission to do so.

For Net Energy Metering Generating facilities, MVU authorization for Parallel Operation shall normally be provided no later than 30 business days following MVU's receipt of 1) a completed Net Energy Metering Application including all supporting documents and required payments; 2) a completed signed Net Energy Metering Interconnection Agreement; and 3) evidence of the Producer's final inspection clearance from the governmental authority having jurisdiction over the Generating Facility. If the 30-day period cannot be met, the MVU shall notify the Applicant and the Commission.

D. GENERATING FACILITY DESIGN AND OPERATING REQUIREMENTS

This section has been revised to be consistent with the requirements of ANSI/IEEE 1547-2003 *Standard for Interconnecting Distributed Resources with Electric Power Systems* (IEEE 1547).

1. General Interconnection and Protective Function Requirements

The Protective Functions and requirements of this Rule are designed to protect MVU's Distribution System and not the Generating Facility. A Producer shall be solely responsible for providing adequate protection for its Generating Facility and Interconnection Facilities. The Producer's Protective Functions shall not impact the operation of other Protective Functions utilized on MVU's Distribution System in a manner that would affect MVU's capability of providing reliable service to its Customers.

- a. **Protective Functions Required:** Generating Facilities operating in parallel with MVU's Distribution System shall be equipped with the following Protective Functions to sense abnormal conditions on MVU's Distribution System and cause the Generating Facility to be automatically disconnected from MVU's Distribution System or to prevent the Generating Facility from being connected to MVU's Distribution System inappropriately:
- 1) Over and under voltage trip functions and over and under frequency trip functions;
 - 2) A voltage and frequency sensing and time-delay function to prevent the Generating Facility from energizing a de-energized Distribution System circuit and to prevent the Generating Facility from reconnecting with MVU's Distribution System unless MVU's Distribution System service voltage and frequency is within the ANSI C84.1-1995 Table 1 Range B Voltage Range of 106V to 127V (on a 120V basis), inclusive, and a frequency range of 59.3 Hz to 60.5 Hz, inclusive, and are stable for at least 60 seconds; and
 - 3) A function to prevent the Generating Facility from contributing to the formation of an Unintended Island and cease to energize the MVU's Distribution System within two seconds of the formation of an Unintended Island.

The Generating Facility shall cease to energize MVU's Distribution System for faults on MVU's Distribution System circuit to which it is connected (IEEE1547-4.2.1). The Generating Facility shall cease to energize MVU's Distribution circuit prior to re-closure by MVU' Distribution System equipment (IEEE1547-4.2.2).

- b. **Momentary Paralleling Generating Facilities.** With MVU's approval, the transfer switch or scheme used to transfer the Producer's loads from MVU's Distribution System to Producer's Generating Facility may be used in lieu of the Protective Functions required for Parallel Operation.
- c. **Suitable Equipment Required.** Circuit breakers or other interrupting equipment located at the Point of Common Coupling must be Certified or "Listed" (as defined in Article 100, the Definitions Section of the National Electrical Code) as suitable for their intended application. This includes being capable of interrupting the maximum available fault current expected

at their location. Producer's Generating Facility and Interconnection Facilities shall be designed so that the failure of any single device or component shall not potentially compromise the safety and reliability of MVU's Distribution System. The Generating Facility paralleling-device shall be capable of withstanding 220% of the Interconnection Facility rated voltage (IEEE1547-4.1.8.3). The Interconnection Facility shall have the capability to withstand voltage and current surges in accordance with the environments defined in IEEE Std C62.41.2-2002 or IEEE Std C37.90.1-2002 as applicable and as described in J.3.e (IEEE1547-4.1.8.2).

- d. Visible Disconnect Required. When required by MVU's operating practices, the Producer shall furnish and install a ganged, manually-operated isolating switch (or a comparable device mutually agreed upon by MVU and the Producer) near the Point of Interconnection to isolate the Generating Facility from MVU's Distribution System. The device does not have to be rated for load break nor provide over-current protection.

The device must:

- 1) allow visible verification that separation has been accomplished. (This requirement may be met by opening the enclosure to observe contact separation.)
- 2) include markings or signage that clearly indicate open and closed positions.
- 3) be capable of being reached quickly and conveniently 24 hours a day by MVU personnel for construction, operation, maintenance, inspection, testing or reading, without obstacles or requiring those seeking access to obtain keys, special permission, or security clearances.
- 4) be capable of being locked in the open position.
- 5) be clearly marked on the submitted single line diagram and its type and location approved by the MVU prior to installation. If the device is not adjacent to the Point of Common Coupling, permanent signage must be installed at an MVU-approved location providing a clear description of the location of the device.

Generating Facilities with Non-Islanding inverters totaling one (1) kilovolt-ampere (kVA) or less are exempt from this requirement.

- e. Drawings Required. Prior to Parallel Operation or Momentary Parallel Operation of the Generating Facility, MVU shall approve the Producer's Protective Function and control diagrams. Generating Facilities equipped with Protective Functions and a control scheme previously approved by MVU for system-wide application or only Certified Equipment may satisfy

this requirement by reference to previously approved drawings and diagrams.

- f. **Generating Facility Conditions Not Identified.** In the event this Rule does not address the Interconnection conditions for a particular Generating Facility, MVU and Producer may agree upon other arrangements.
2. **PREVENTION OF INTERFERENCE:** The Producer shall not operate Generating or Interconnection Facilities that superimpose a voltage or current upon MVU's Distribution System that interferes with MVU operations, service to MVU customers, or communication facilities. If such interference occurs, the Producer must diligently pursue and take corrective action at its own expense after being given notice and reasonable time to do so by MVU. If the Producer does not take corrective action in a timely manner, or continues to operate the facilities causing interference without restriction or limit, MVU may, without liability, disconnect the Producer's facilities from MVU's Distribution System, in accordance with Section B.9 of this Rule. To eliminate undesirable interference caused by its operation, each Generating Facility shall meet the following criteria:
- a. **Voltage Regulation:** The Generating Facility shall not actively regulate the voltage at the Point of Common Coupling while in parallel with MVU's Distribution System. The Generating Facility shall not cause the service voltage at other customers to go outside the requirements of ANSI C84.1-1995, Range A (IEEE1547-4.1.1).
 - b. **Operating Voltage Range:** The voltage ranges in Table D.1 define protective trip limits for the Protective Function and are not intended to define or imply a voltage regulation Function. Generating Facilities shall cease to energize MVU's Distribution System within the prescribed trip time whenever the voltage at the Point of Common Coupling deviates from the allowable voltage operating range. The Protective Function shall detect and respond to voltage on all phases to which the Generating Facility is connected.
 - 1) **Generating Facilities (30 kVA or less).** Generating Facilities with a Gross Nameplate Rating of 30 kVA or less shall be capable of operating within the voltage range normally experienced on MVU's Distribution System. The operating range shall be selected in a manner that minimizes nuisance tripping between 106 volts and 132 volts on a 120-volt base (88%-110% of nominal voltage). Voltage shall be detected at either the Point of Common Coupling or the Point of Interconnection.
 - 2) **Generating Facilities (greater than 30 kVA).** MVU may have specific operating voltage ranges for Generating Facilities with Gross Nameplate Ratings greater than 30 kVA and may require adjustable operating voltage settings. In the absence of such requirements, the Generating Facility shall operate at a range

between 88% and 110% of the applicable interconnection voltage. Voltage shall be detected at either the Point of Common Coupling or the Point of Interconnection, with settings compensated to account for the voltage at the Point of Common Coupling. Generating Facilities that are Certified Non-Islanding or that meet one of the options of the Export Screen (Section I.3.b) may detect voltage at the Point of Interconnection without compensation.

- 3) Voltage Disturbances. Whenever MVU’s Distribution System voltage at the Point of Common Coupling varies from and remains outside normal (nominally 120 volts) for the predetermined parameters set forth in Table D-1, the Generating Facility’s Protective Functions shall cause the Generator(s) to become isolated from MVU’s Distribution System:

Table D.1 Voltage Trip Settings

<u>Voltage at Point of Common Coupling</u>		<u>Maximum Trip Time* # of Cycles</u>	
(Assuming 120 V Base)	% of Nominal Voltage	(Assuming 60Hz Nominal)	Seconds
Less than 60 Volts	Less than 50%	10 Cycles	0.16 Seconds
Greater than or equal to 60 volts but less than 106 volts	Greater than of equal to 50% but less than 88%	120 Cycles	2 Seconds
Greater than or equal to 106 volts but less than 132 volts	Greater than of equal to 88% but less than 110%	Normal Operation	
Greater than or equal to 132 volts but less than 144 volts	Greater than of equal to 110% but less than 120%	60 Cycles	1 Second
Greater than 144Volts	Greater than 120%	10 Cycles	0.16 Seconds

** "Maximum Trip time" refers to the time between the onset of the abnormal condition and the Generating Facility ceasing to energize MVU’s Distribution System. Protective Function sensing equipment and circuits may remain connected to MVU’s Distribution System to allow sensing of electrical conditions for use by the "reconnect" feature. The purpose of the allowed time delay is to allow a Generating Facility to “ride through” short-term disturbances to avoid nuisance tripping. Set points shall not be user adjustable (though they may be field adjustable by qualified personnel). For Generating Facilities with a Gross Nameplate Rating greater than 30 kVA, set points shall be field adjustable and different voltage set points and trip times from those in Table D.1 may be negotiated with MVU.*

- c. Paralleling. The Generating Facility shall parallel with MVU's Distribution System without causing a voltage fluctuation at the Point of Common Coupling greater than $\pm 5\%$ of the prevailing voltage level of MVU's Distribution System at the Point of Common Coupling and meet the flicker requirements of Section D.2.d. Section J provides technology-specific tests for evaluating the paralleling Function. (IEEE1547-4.1.3)
- d. Flicker. The Generating Facility shall not create objectionable flicker for other customers on MVU's Distribution System. To minimize the adverse voltage effects experienced by other customers (IEEE1547-4.3.2), flicker at the Point of Common Coupling caused by the Generating Facility should not exceed the limits defined by the "Maximum Borderline of Irritation Curve" identified in IEEE 519-1992 (IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, IEEE STD 519-1992). This requirement is necessary to minimize the adverse voltage affects experienced by other customers on MVU's Distribution System. Generators may be connected and brought up to synchronous speed (as an induction motor) provided these flicker limits are not exceeded.
- e. Integration with MVU's Distribution System Grounding. The grounding scheme of the Generating Facility interconnection shall not cause over-voltages that exceed the rating of the equipment connected to the MVU's Distribution System and shall not disrupt the coordination of the ground fault protection on the MVU's Distribution System (IEEE1547-4.1.2) (See Section I.3.h).
- f. Frequency: MVU controls system frequency, and the Generating Facility shall operate in synchronism with the MVU's Distribution System. Whenever MVU's Distribution System frequency at the Point of Common Coupling varies from and remains outside normal (nominally 60 Hz) by the predetermined amounts set forth in Table D.2, the Generating Facility's Protective Functions shall cease to energize MVU's Distribution System within the stated maximum trip time.

Table D.2 Frequency Trip Settings

	Frequency Range	Maximum Trip Time [1]
<u>Generating Facility Rating</u>	<u>(Assuming 60Hz Nominal)</u>	<u>(Assuming 60 Cycles per Second)</u>
Less or equal to 30kW	Less than 59.3 Hz Greater than 60.5 Hz	10 Cycles
Greater than 30kW	Less than 57 Hz	10 Cycles
	Less than an adjustable value between 59.8Hz and 57 Hz but greater than 57 Hz. [2]	Adjustable between 10 and 18,000 Cycles. [2, 3]
	Greater than 60.5 Hz	10 Cycles

[1] - "Maximum Trip time" refers to the time between the onset of the abnormal condition and the Generating Facility ceasing to energize MVU's Distribution System. Protective Function sensing equipment and circuits may remain connected to MVU's Distribution System to allow sensing of electrical conditions for use by the "reconnect" feature. The purpose of the allowed time delay is to allow a Generating Facility to "ride through" short-term disturbances to avoid nuisance tripping. Set points shall not be user adjustable (though they may be field adjustable by qualified personnel). For Generating Facilities with a Gross Nameplate Rating greater than 30 kVA, set points shall be field adjustable and different voltage set points and trip times from those in Table D.2 may be negotiated with MVU.

[2] - Unless otherwise required by MVU, a trip frequency of 59.3 Hz and a maximum trip time of 10 cycles shall be used.

[3] - When a 10 cycle Maximum trip time is used, a second under frequency trip setting is not required.

- g. Harmonics. When the Generating Facility is serving balanced linear loads, harmonic current injection into MVU's Distribution System at the PCC shall not exceed the limits stated below in Table D.3. The harmonic current injections shall be exclusive of any harmonic currents due to harmonic voltage distortion present in MVU's Distribution System without the Generating Facility connected (IEEE1547-4.3.3). The harmonic distortion of a Generating Facility located at a Customer's site shall be evaluated using the same criteria as for the Host Loads.

Table D.3 Maximum harmonic current distortion in percent of current (I) [1,2]

Individual harmonic order, h (odd harmonics) [3]	$h < 11$	$11 \leq h < 17$	$17 \leq h < 23$	$23 \leq h < 35$	$35 \leq h$	Total demand distortion (TDD)
Max Distortion (%)	4.0	2.0	1.5	0.6	0.3	5.0

[1] - IEEE1547-4.3.3

[2] - $I =$ the greater of the maximum Host Load current average demand over 15 or 30 minutes without the Generating Facility, or the Generating Facility rated current capacity (transformed to the Point of Common Coupling when a transformer exists between the Generating Facility and the Point of Common Coupling).

[3] - Even harmonics are limited to 25% of the odd harmonic limits above.

- h. Direct Current Injection. Generating Facilities should not inject direct current greater than 0.5% of rated output current into MVU’s Distribution System.
- i. Power Factor. Each Generator in a Generating Facility shall be capable of operating at some point within a power factor range from 0.9 leading to 0.9 lagging. Operation outside this range is acceptable provided the reactive power of the Generating Facility is used to meet the reactive power needs of the Host Loads or that reactive power is otherwise provided under tariff by MVU. The Producer shall notify MVU if it is using the Generating Facility for power factor correction. Unless otherwise agreed upon by the Producer and MVU, Generating Facilities shall automatically regulate power factor, not voltage, while operating in parallel with MVU’s Distribution System.

3. TECHNOLOGY SPECIFIC REQUIREMENTS

- a. Three-Phase Synchronous Generators. For three-phase Generators, the Generating Facility circuit breakers shall be three-phase devices with electronic or electromechanical control. The Producer shall be responsible for properly synchronizing its Generating Facility with MVU’s Distribution System by means of either manual or automatic synchronizing equipment. Automatic synchronizing is required for all synchronous Generators that have a Short Circuit Contribution Ratio (SCCR) exceeding 0.05. Loss of synchronism protection is not required except as may be necessary to meet Section D.2.d (Flicker) (IEEE1547-4.2.5). Unless otherwise agreed upon by the Producer and MVU, synchronous Generators shall automatically regulate power factor, not voltage, while operating in parallel with MVU’s Distribution System. A power system stabilization function is specifically not required for Generating Facilities under 10 MW Net Nameplate Rating.

- b. Induction Generators. Induction Generators (except self-excited Induction Generators) do not require a synchronizing Function. Starting or rapid load fluctuations on induction generators can adversely impact MVU's Distribution System's voltage. Corrective step-switched capacitors or other techniques may be necessary and may cause undesirable ferro-resonance. When these counter measures (e.g., additional capacitors) are installed on the Producer's side of the Point of Common Coupling, MVU must review these measures. Additional equipment may be required as determined in a Supplemental Review or an Interconnection Study.
- c. Inverters. Utility-interactive inverters do not require separate synchronizing equipment. Non-utility-interactive or "stand-alone" inverters shall not be used for Parallel Operation with MVU's Distribution System.
- d. Single-Phase Generators. For single-phase Generators connected to a shared single-phase secondary system, the maximum Net Nameplate Rating of the Generating Facilities shall be 20 kVA. Generators connected to a center-tapped neutral 240-volt service must be installed such that no more than 6 kVA of imbalanced power is applied to the two "legs" of the 240-volt service. For Dedicated Distribution Transformer services, the maximum Net Nameplate Rating of a single-phase Generating Facility shall be the transformer nameplate rating.

4. SUPPLEMENTAL GENERATING FACILITY REQUIREMENTS

- a. The maximum solar generation capacity that will be approved to be connected to each meter is up to 50% of the meter minimum daytime load. The meter minimum daytime load will be determined by analyzing one year of historic data, while ignoring any extraordinary events (outages, partial lights, etc.), unless there have been recent major changes to the daily demand schedule. In that case, the most recent information will be evaluated.
- b. For 12kV distribution circuits with multiple solar projects connected, the maximum solar generation capacity that will be approved will be up to 50% of the total minimum daytime coincident circuit load, including any solar generation previously approved on the circuit. Capacity will be approved on a first come and first serve basis. 50% of the minimum daytime coincident circuit load will be determined by analyzing one year of historic data, while ignoring any extraordinary events (outages, partial lights, etc.), unless there have been recent major changes to the daily demand schedule. In that case, the most recent information will be evaluated.
- c. Fault Detection. A Generating Facility with a short circuit contribution ratio exceeding 0.1 or one that does not cease to energize MVU's Distribution System within two seconds of the formation of an Unintended Island shall be equipped with Protective Functions designed to detect Distribution System faults, both line-to-line and line-to-ground and shall cease to

energize MVU's Distribution System within two seconds of the initiation of a fault.

- d. Transfer Trip. For a Generating Facility that cannot detect Distribution System faults (both line-to-line and line-to-ground) or the formation of an Unintended Island and cease to energize MVU's Distribution System within two seconds, MVU may require a Transfer Trip system or an equivalent Protective Function.
- e. Reclose Blocking. Where the aggregate Generating Facility, capacity exceeds 15% of the peak load on any automatic reclosing device, MVU may require additional Protective Functions, including, but not limited to reclose-blocking on some of the automatic reclosing devices.
- f. The Generating Facility may require additional approvals from other agencies before the Facility is allowed to begin construction.

E. INTERCONNECTION FACILITIES AND DISTRIBUTION SYSTEM MODIFICATIONS

- 1. SCOPE AND OWNERSHIP OF INTERCONNECTION FACILITIES AND DISTRIBUTION SYSTEM MODIFICATIONS
 - a. Scope. Parallel Operation of Generating Facilities may require Interconnection Facilities or modifications to MVU's Distribution System ("Distribution System modifications"). The type, extent and costs of Interconnection Facilities and Distribution System modifications shall be consistent with this Rule and determined through the Supplemental Review and/or Interconnection Studies described in Section C.
 - b. Ownership. Interconnection Facilities installed on Producer's side of the Point of Common Coupling may be owned, operated and maintained by the Producer or MVU. Interconnection Facilities installed on MVU's side of the Point of Common Coupling and Distribution System modifications shall be owned, operated and maintained only by MVU.
- 2. RESPONSIBILITY OF COSTS OF INTERCONNECTING A GENERATING FACILITY
 - a. Review, Study, and Additional Commissioning Test Verification (pre-parallel inspections) Costs. A producer shall be responsible for the reasonably incurred costs of the review's studies, and additional Commissioning Test verifications (pre-parallel inspections) conducted pursuant to Section C of the Rule. If the initial

Commissioning Test verification (pre-parallel inspection) is not successful through no fault of MVU, MVU may impose upon the Producer a cost-based charge for subsequent Commissioning Test verifications (pre-parallel inspections). All Costs for additional Commissioning Test verifications (pre-parallel inspections) shall be paid by Producer within thirty days of receipt of MVU's invoice. Additional costs, if any, will be specified on the invoice. If the initial Commissioning test (pre-parallel inspection) is not successful through the fault of the MVU, that visit will not be considered the initial Commissioning Test (pre-parallel inspection).

- b. Facility Costs. A Producer shall be responsible for all costs associated with Interconnection Facilities owned by the Producer. The Producer shall also be responsible for any costs reasonably incurred by MVU in providing, operating, or maintaining the Interconnection Facilities and Distribution System modifications required solely for the Interconnection of the Producer's Generating Facility with MVU's Distribution System. Generating Facilities eligible for Net Energy Metering under California Public Utilities Code Sections 2827, 2827.8, 2827.9, or 2827.10 are exempt from any costs associated with Distribution System modifications.
 - c. Separation of Costs. Should MVU combine the installation of Interconnection Facilities or Distribution System modifications required for the Interconnection of a Generating Facility with modifications to MVU's Distribution System to serve other Customers or Producers, MVU shall not include the costs of such separate or incremental facilities in the amounts billed to the Producer.
3. **INSTALLATION OF INTERCONNECTION FACILITIES AND DISTRIBUTION SYSTEM MODIFICATIONS**
- a. Agreement Required. The costs for Interconnection Facilities and Distribution System modifications shall be paid by the Producer pursuant to the provisions contained in the Interconnection Agreement.
 - b. Interconnection Facilities and Distribution System Modifications. Except as provided for in Sections E.2.b. and E.3.c. of this Rule, Interconnection Facilities connected to MVU's side of the Point of Common Coupling and Distribution System modifications shall be provided, installed, owned and maintained by MVU at Producer's expense, or may be installed by a third party upon approval by MVU.
 - c. Third-Party Installations. Subject to the approval of MVU, a Producer may at its option employ a qualified contractor to provide

and install Interconnection Facilities or Producer paid Distribution System modifications, to be owned and operated by MVU, on MVU's side of the Point of Common Coupling. Such Interconnection Facilities and Distribution System modifications shall be installed in accordance with MVU's design and specifications. Upon final inspection and acceptance by MVU, the Producer shall transfer ownership of such Producer installed Interconnection Facilities or Distribution System modifications to MVU and such facilities shall thereafter be owned and maintained by MVU. The Producer shall pay MVU's reasonable cost of design, administration, and monitoring of the installation for such facilities to ensure compliance with MVU's requirements. The Producer shall also be responsible for all costs associated with the transfer of Producer installed Interconnection Facilities and Distribution System modifications to MVU.

F. METERING, MONITORING AND TELEMETRY

1. **GENERAL REQUIREMENTS:** All Generating Facilities shall be metered in accordance with this Section F and shall meet all applicable standards of MVU contained in MVU's applicable rules and published MVU manuals dealing with specifications.
2. **METERING BY NON-MVU PARTIES:** The ownership, installation, operation, reading and testing of revenue Metering Equipment for Generating Facilities shall be by MVU.
3. **NET GENERATION OUTPUT METERING (NGOM):** Generating Facilities' customers may be required to install NGOM for evaluation, monitoring and verification purposes, to satisfy applicable CAISO reliability requirements, and for Distribution System planning and operations.

The relevant factors in determining the need for NGOM are as listed below:

- a. Data requirements in proportion to need for information;
- b. Producer's election to install equipment that adequately addresses MVU's operational requirements;
- c. Accuracy and type of required Metering consistent with purposes of collecting data;
- d. Cost of Metering relative to the need for and accuracy of the data;
- e. The Generating Facility's size relative to the cost of the Meter/monitoring;
- f. Other means of obtaining the data (e.g., Generating Facility logs, proxy data etc.);

- g. Requirements under any interconnection Agreement with the Producer.

The requirements in this Section may not apply to Metering of Generating Facilities operating under MVU's Net Energy Metering tariff pursuant to the California Public Utilities Cod Section 2827, et seq. Nothing in this Section F.3 supersedes Section B.4.

4. **POINT OF COMMON COUPLING METERING:** For purposes of assessing MVU charges for retail service, the Producer's PCC Metering shall be a bi-directional meter so that power deliveries to and from the Producer's site can be separately recorded. Alternately, the Producer may, at its sole option and cost, require MVU to install multi-metering equipment to separately record power deliveries to MVU's Distribution System and retail purchases from MVU. Where necessary, such PCC Metering shall be designed to prevent reverse registration.
5. **TELEMETERING:** If the nameplate rating of the Generating Facility is 1 MW or greater, Telemetering equipment at the Net Generator Output Metering location may be required at the Producer's expense. If the Generating Facility is Interconnected to a portion of MVU's Distribution System operating at a voltage below 10 kV, then Telemetering equipment may be required on Generating Facilities 250 kW or greater. MVU shall only require Telemetering to the extent that less intrusive and/or more cost effective options for providing the necessary data in real time are not available.
6. **LOCATION:** Where MVU-owned Metering is located on the Producer's premises, Producer shall provide, at no expense to MVU, a suitable location for all such Metering Equipment.
7. **COSTS OF METERING:** The Producer will bear all costs of the Metering required by this Rule, including the incremental costs of operating and maintaining the Metering Equipment.

G. DISPUTE RESOLUTION PROCESS

The following procedures will apply for disputes arising from this Rule:

1. The City Council shall have jurisdiction to interpret, add, delete or modify any provision of this Rule or of any agreements entered into between MVU and the Producer to implement this tariff ("The Implementing Agreements") and to resolve disputes regarding MVU's performance of its obligations under its rules, the applicable agreements, and requirements related to the Interconnection of the Producer's Generating or Interconnection Facilities pursuant to this Rule.
2. The dispute shall be submitted in writing by the Producer to MVU. Authorized representatives from both Parties shall meet and confer to try to resolve the dispute. If the Parties cannot resolve the dispute, the dispute will be submitted to the City Council for resolution. Their decision shall be final.

3. Pending resolution of any dispute under this Section, the Parties shall proceed diligently with the performance of their respective obligations under this Rule and the Implementing Agreements, unless the Implementing Agreements have been terminated. Disputes as to the application and implementation of this Section shall be subject to resolution pursuant to the procedures set forth in this Section.

H. DEFINITIONS

The definitions in this Section H are applicable only to this Rule, the Application and Interconnection Agreements.

Anti-Islanding: A control scheme installed as part of the Generating Facility or Interconnection Facilities that senses and prevents the formation of an Unintended Island.

Applicant: The entity submitting an Application for Interconnection pursuant to this Rule.

Application: A Commission-approved standard form submitted to MVU for Interconnection of a Generating Facility.

Certification Test: A test pursuant to this Rule that verifies conformance of certain equipment with Commission-approved performance standards in order to be classified as Certified Equipment. Certification Tests are performed by NRTLs.

Certification; Certified; Certificate: The documented results of a successful Certification Testing.

Certified Equipment: Equipment that has passed all required Certification Tests.

Commissioning Test: A test performed during the commissioning of all or part of a Generating Facility to achieve one or more of the following:

- Verify specific aspects of its performance;
- Calibrate its instrumentation; and
- Establish instrument or Protective Function set-points.

Customer: The entity that receives or is entitled to receive Distribution Service through the MVU's Distribution System.

Dedicated Transformer; Dedicated Distribution Transformer: A transformer that provides electricity service to a single Customer. The Customer may or may not have a Generating Facility.

Device: A mechanism or piece of equipment designed to serve a purpose or perform a function. The term may be used interchangeably with the terms "equipment" and "function" without intentional difference in meaning. See also Function and Protective Function.

Distribution Service: All services required by, or provided to, a Customer pursuant to the approved rules of MVU other than services directly related to the Interconnection of a Generating Facility under this Rule.

Distribution System: All electrical wires, equipment, and other facilities owned or provided by MVU, other than Interconnection Facilities, by which MVU provides Distribution Service to its Customers.

Emergency: An actual or imminent condition or situation, which jeopardizes MVU's Distribution System Integrity.

Field Testing: Testing performed in the field to determine whether equipment meets MVU's requirements for safe and reliable Interconnection.

Function: Some combination of hardware and software designed to provide specific features or capabilities. Its use, as in Protective Function, is intended to encompass a range of implementations from a single-purpose device to a section of software and specific pieces of hardware within a larger piece of equipment to a collection of devices and software.

Generating Facility: All Generators, electrical wires, equipment, and other facilities owned or provided by Producer for the purpose of producing electric power.

Generator: A device converting mechanical, chemical or solar energy into electrical energy, including all of its protective and control Functions and structural appurtenances. One or more Generators comprise a Generating Facility.

Gross Nameplate Rating; Gross Nameplate Capacity: The total gross generating capacity of a Generator or Generating Facility as designated by the manufacturer(s) of the Generator(s).

Host Load: The electrical power, less the Generator auxiliary load, consumed by the Customer, to which the Generating Facility is connected.

Initial Review: The review by MVU, following receipt of an Application, to determine the following: (a) the Generating Facility qualifies for Simplified Interconnection; or (b) if the Generating Facility can be made to qualify for Interconnection with a Supplemental Review determining any additional requirements.

In-rush Current: The current determined by the In-rush Current Test.

Interconnection Agreement: The Interconnection Agreement has been replaced by Rule 21 A – Interconnection Responsibilities, Terms and Conditions. This rule details the rights and obligations to effect or end Interconnection. For the purposes of this Rule, Net Energy Metering or Power Purchase Agreements authorized by the Commission are also defined as Interconnection Agreements.

Interconnection; Interconnected: The physical connection of a Generating Facility in accordance with the requirements of this Rule so that Parallel Operation with MVU's Distribution System can occur (has occurred).

Interconnection Facilities: The electrical wires, switches and related equipment that are required in addition to the facilities required to provide electric Distribution Service to a Customer to allow Interconnection. Interconnection Facilities may be located on either side of the Point of Common Coupling as appropriate to their purpose and design. Interconnection Facilities may be integral to a Generating Facility or provided separately.

Interconnection Study: A study to establish the requirements for Interconnection of a Generating Facility with MVU's Distribution System.

Island; Islanding: A condition on MVU's Distribution System in which one or more Generating Facilities deliver power to Customers using a portion of MVU's Distribution System that is electrically isolated from the remainder of MVU's Distribution System.

Line Section: That portion of MVU's Distribution System connected to a Customer bounded by automatic sectionalizing devices or the end of the distribution line.

Load Carrying Capability: The maximum electrical load that may be carried by a section of MVU's Distribution System consistent with reliability and safety under the circumstances being evaluated.

Metering: The measurement of electrical power in kW and/or energy in kWh, and, if necessary, reactive power in kVAR at a point, and its display to MVU, as required by this Rule.

Metering Equipment: All equipment, hardware, software including meter cabinets, conduit, etc., that are necessary for Metering.

Momentary Parallel Operation: The interconnection of a Generating Facility to the Distribution System for one second (60 cycles) or less.

Nationally Recognized Testing Laboratory (NRTL): A laboratory accredited to perform the Certification Testing requirements under this Rule.

Net Energy Metering: Metering for the receipt and delivery of electricity between the Producer and MVU pursuant to Section 2827, 2827.8, 2827.9, or 2827.10 of the Public Utilities Code.

Net Generation Output Metering: Metering of the net electrical power output in kW or energy in kWh, from a given Generating Facility. This may also be the measurement of the difference between the total electrical energy produced by a Generator and the electrical energy consumed by the auxiliary equipment necessary to operate the Generator. For a Generator with no Host Load and/or Public Utilities Code Section 218 Load (Section 218 Load), Metering that is located at the Point of Common Coupling. For a Generator with

Host Load and/or Section 218 Load, Metering that is located at the Generator but after the point of auxiliary load(s) and prior to serving Host Load and/or Section 218 Load.

Net Nameplate Rating: The Gross Nameplate Rating minus the consumption of electrical power of a Generator or Generating Facility as designated by the manufacturer(s) of the Generator(s).

Network Service: More than one electrical feeder providing Distribution Service at a Point of Common Coupling.

Non-Export; Non-Exporting: Designed to prevent the transfer of electrical energy from the Generating Facility to MVU's Distribution System.

Non-Islanding: Designed to detect and disconnect an Unintended Island with matched load and generation. Reliance solely on under/over voltage and frequency trip is not considered sufficient to qualify as Non-Islanding.

Parallel Operation: The simultaneous operation of a Generator with power delivered or received by MVU while Interconnected. For the purpose of this Rule, Parallel Operation includes only those Generating Facilities that are Interconnected with MVU's Distribution System for more than 60 cycles (one second).

Paralleling Device: An electrical device, typically a circuit breaker, operating under the control of a synchronization function or by a qualified operator to connect an energized generator to an energized electric power system or two energized power systems to each other.

Periodic Test: A test performed on part or all of a Generating Facility/ Interconnection Facilities at pre-determined time or operational intervals to achieve one or more of the following: (1) Verify specific aspects of its performance; (2) Calibrate instrumentation; and (3) Verify and re-establish instrument or Protective Function set-points.

Point of Common Coupling (PCC): The transfer point for electricity between the electrical conductors of MVU and the electrical conductors of the Producer.

Point of Common Coupling Metering: Metering located at the Point of Common Coupling. This is the same Metering as Net Generation Metering for Generating Facilities with no Host Load and/or Section 218 Load.

Point of Interconnection: The electrical transfer point between a Generating Facility and MVU's Distribution System. This may or may not be coincident with the Point of Common Coupling.

Producer: The entity that executes an Interconnection Agreement with MVU. The Producer may or may not own or operate the Generating Facility, but is responsible for the rights and obligations related to the Interconnection Agreement.

Production Test: A test performed on each device coming off the production line to verify certain aspects of its performance.

Protective Function(s): The equipment, hardware and/or software in a Generating Facility (whether discrete or integrated with other functions) whose purpose is to protect against Unsafe Operating Conditions.

Prudent Electrical Practices: Those practices, methods, and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to design and operate electric equipment lawfully and with safety, dependability, efficiency and economy.

Scheduled Operation Date: The date specified in the Interconnection Agreement when the Generating Facility is, by the Producer's estimate, expected to begin operation pursuant to this Rule.

Secondary Network: A network supplied by several primary feeders suitably interlaced through the area in order to achieve acceptable loading of the transformers under emergency conditions and to provide a system of extremely high service reliability. Secondary networks usually operate at 600 V or lower.

Section 218 Load: Electrical power that is supplied in compliance with California Public Utilities Code Section 218. Public Utilities Code Section 218 defines an "Electric Corporation" and provides conditions under which a transaction involving a Generating Facility would not classify a Producer as an Electric Corporation. These conditions relate to "over-the-fence" sale of electricity from a Generating Facility without using MVU's Distribution System.

Short Circuit (Current) Contribution Ratio (SCCR): The ratio of the Generating Facility's short circuit contribution to the short circuit contribution provided through MVU's Distribution System for a three-phase fault at the high voltage side of the distribution transformer connecting the Generating Facility to MVU's system.

Simplified Interconnection: Interconnection conforming to the Initial Review requirements under this Rule, as determined by Section I.

Single Line Diagram; Single Line Drawing: A schematic drawing, showing the major electric switchgear, Protective Function devices, wires, Generators, transformers and other devices, providing sufficient detail to communicate to a qualified engineer the essential design and safety of the system being considered.

Special Facilities: As defined in MVU's Rules governing Special Facilities.

Starting Voltage Drop: The percentage voltage drop at a specified point resulting from In-rush Current. The Starting Voltage Drop can also be expressed in volts on a particular base voltage, (e.g., 6 volts on a 120-volt base, yielding a 5% drop).

Supplemental Review: A process wherein MVU further reviews an Application that fails one or more of the Initial Review Process steps. The Supplemental Review may result in one of the following: (a) approval of Interconnection; (b) approval of Interconnection with additional requirements; or (c) cost and schedule for an Interconnection Study.

System Integrity: The condition under which MVU's Distribution System is deemed safe and can reliably perform its intended functions in accordance with the safety and reliability rules of MVU.

Telemetry: The electrical or electronic transmittal of Metering data in real-time to MVU.

Transfer Trip: A Protective Function that trips a Generating Facility remotely by means of an automated communications link controlled by MVU.

Type Test: A test performed on a sample of a particular model of a device to verify specific aspects of its design, construction and performance.

Unintended Island: The creation of an island, usually following a loss of a portion of MVU's Distribution System, without the approval of MVU.

Unsafe Operating Conditions: Conditions that, if left uncorrected, could result in harm to personnel, damage to equipment, loss of System Integrity or operation outside pre-established parameters required by the Interconnection Agreement.

I. REVIEW PROCESS FOR APPLICATIONS TO INTERCONNECT GENERATION FACILITIES

1. INTRODUCTION

This Review Process allows for rapid approval for the interconnection of those Generating Facilities that do not require an Interconnection Study. The review process includes a screening to determine if a Supplemental Review is required.

Note: Failure to pass any step of the review process means only that further review and/or studies are required before the Generating Facility can be approved for Interconnection with MVU's Distribution System. It does not mean that the Generating Facility cannot be Interconnected. Though not explicitly covered in the Initial Review Process the Generating Facility shall be designed to meet all of the applicable requirements in Section D.

2. PURPOSE

The review determines the following:

- a. If a Generating Facility qualifies for Simplified Interconnection;

- b. If a Generating Facility can be made to qualify for Interconnection with a Supplemental Review determining any additional requirements; or
- c. If an Interconnection Study is required, the cost estimate and schedule for performing the Interconnection Study.

3. REVIEW PROCESS DETAILS

- a. Step 1: Is the PCC on a Networked Secondary System?
 - If yes, the Generating Facility does not qualify for Simplified Interconnection. Perform Supplemental Review.
 - If No, continue to next step.

Significance: Special considerations must be given to Generating Facilities proposed to be installed on networked secondary Distribution Systems because of the design and operational aspects of network protectors. There are no such considerations for radial Distribution Systems.

- b. Step 2: Will power be exported across the PCC?
 - If yes, the Generating Facility does not qualify for Simplified Interconnection. Perform Supplemental Review.
 - If No, the Generating Facility must incorporate one of the following four options:

Option 1 (“Reverse Power Protection”): To ensure that power is not exported across the PCC, a reverse power Protective Function may be provided. The default setting for this Protective Function, when used, shall be 0.1% (export) of the service transformer’s rating, with a maximum 2.0 second time delay.

Option 2 (“Minimum Power Protection”): To ensure that at least a minimum amount of power is imported across the PCC at all times (and therefore, that power is not exported), an under-power Protective Function may be provided. The default setting for this Protective Function, when used, shall be 5% (import) of the Generating Facility’s total Gross Nameplate Rating, with a maximum 2.0 second time delay.

Option 3 (“Certified Non-Islanding Protection”): To ensure that the incidental export of power across the PCC is limited to acceptable levels, this option, when used, requires that all of the following conditions be met: (a) the total Gross Nameplate Capacity of the Generating Facility must be no more than 25% of the nominal ampere rating of the Producer’s service equipment; (b) the total Gross Nameplate Capacity of the Generating Facility must be no more than 50% of the Producer’s service transformer

capacity rating (this capacity requirement does not apply to customers taking primary service without an intervening transformer); and (c) the Generating Facility must be certified as Non-Islanding.

The ampere rating of the Customer's Service Equipment to be used in this evaluation will be that rating for which the customer's utility service was originally sized or for which an upgrade has been approved. It is not the intent of this provision to allow increased export simply by increasing the size of the customer's service panel, without separate approval for the resize.

Option 4 ("Relative Generating Facility Rating"): This option, when used, requires Net Nameplate Rating of the Generating Facility to be so small in comparison to its host facility's minimum load, that the use of additional Protective Functions is not required to insure that power will not be exported to MVU's Distribution System. This option requires the Generating Facility capacity to be no greater than 50% of the Producer's verifiable minimum Host Load over the past 12 months.

Significance:

- 1) If it can be ensured that the Generating Facility will not export power, MVU's Distribution System does not need to be studied for Load-Carrying Capability or Generating Facility power flow effects on MVU voltage regulators.
 - 2) This step permits the use of reverse-power or minimum-power relaying as a Non-Islanding Protective Function (Options 1, 2 and 3).
 - 3) This step allows, under certain defined conditions, for Generating Facilities that incorporate Certified Non-Islanding protection to qualify for Simplified
- c. Step 3: Is the Interconnection Facilities Equipment Certified for the application or does the Interconnection Facilities Equipment have interim MVU approval?
- If Yes, continue to next step.
 - If No, the Generating Facility and/or Interconnection Facilities does not qualify or Simplified Interconnection. Perform Supplemental Review.

Interim approval allows the MVU to treat equipment that has not completed the Rule 21 certification requirements as having met the intent of this screen. Interim approval is granted, at MVU's discretion, on a case by case

basis, and approval for one Generating Facility does not guarantee approval for any other Generating Facility

Significance: If the Generating Facility and/or Interconnection Facilities has been Certified or previously approved by MVU, MVU does not need to repeat its full review and/or test of the Generating and/or Interconnection Facilities' Protective Functions. Site Commissioning Testing may still be required to insure that the Protective Functions are working properly.

Certification indicates that the criteria in Section J, as appropriate, have been tested and verified.

- d. Step 4: Is the aggregate Generating Facility capacity on the Line Section less than 15% of Line Section peak load?
- If Yes, continue to next step.
 - If No, the Generating Facility does not qualify for Simplified Interconnection. Perform Supplemental Review to determine cumulative impact on Line Section.

Significance:

- 1) Low penetration of Generating Facility installations will have a minimal impact on the operation and load restoration efforts of MVU's Distribution System.
- 2) The operating requirements for a high penetration of Generating Facilities may be different since the impact on MVU's Distribution System will no longer be minimal, therefore requiring additional study or controls.

- e. Step 5: Is the Starting Voltage Drop within acceptable limits?

- If Yes, continue to next step.
- If No, the Generating Facility does not qualify for Simplified Interconnection. Perform Supplemental Review.

Note: This Step only applies to Generating Facilities that start by motoring the Generator(s).

MVU has two options in determining whether Starting Voltage Drop is acceptable. The option to be used is at MVU's discretion:

Option 1: MVU may determine that the Generating Facility's starting In-rush Current is equal to or less than the continuous ampere rating of the customer's service equipment.

Option 2: MVU may determine the impedances of the service distribution transformer (if present) and the secondary conductors to Customer's service equipment and perform a voltage drop calculation. Alternatively, MVU may use tables or nomographs to determine the voltage drop. Voltage drops caused by starting a Generator as a motor must be less than 2.5% for primary interconnections and 5% for secondary interconnections.

Significance:

- 1) This step addresses potential voltage fluctuation problems that may be caused by Generators that start by motoring.
- 2) When starting, Generating Facilities should have minimal impact on the service voltage to other MVU Customers.
- 3) Passing this step does not relieve the Producer from ensuring that its Generating Facility complies with the flicker requirements of this Rule, Section D.2.d.

f. Step 6: Is the Gross Nameplate Rating of the Generating Facility 11 kVA or less?

- If Yes, the Generating Facility qualifies for Simplified Interconnection. Skip remaining steps.
- If No, continue to next step.

Significance:

The Generating Facility will have a minimal impact on fault current levels and any potential line overvoltages from loss of MVU's Distribution System neutral grounding.

g. Step 7: Is the Short Circuit Current Contribution Ratio within acceptable limits?

- If Yes, continue to next step.
- If No, the Generating Facility does not qualify for Simplified Interconnection. Perform Supplemental Review.

The Short Circuit Current Contribution Ratio Screen consists of two criteria; both of which must be met when applicable:

- 1) When measured at primary side (high side) of a Dedicated Distribution Transformer serving a Generating Facility, the sum of the Short Circuit Contribution Ratios of all generating facilities connected to MVU's Distribution System circuit that serves the Generating Facility must be less than or equal to 0.1, and

- 2) When measured at the secondary side (low side) of a shared distribution transformer, the short circuit contribution of the proposed Generating Facility must be less than or equal to 2.5% of the interrupting rating of the Producer’s Service Equipment.

Significance:

If the Generating Facility passes this screen it can be expected that it will have no significant impact on MVU’s Distribution System’s short circuit duty, fault detection sensitivity, relay coordination or fuse-saving schemes.

- h. Step 8: Is the Line Configuration compatible with the Interconnection type?
 - If Yes, the Generating Facility qualifies for Simplified Interconnection.
 - If No, then the Generating Facility does not qualify for Simplified Interconnection. Perform Supplemental Review. Identify primary distribution line configuration that will serve the Generating Facility. Based on the type of Interconnection to be used for the Generating Facility, determine from the Table I.1 if the proposed Generating Facility passes the step.

Table I.1

Primary Distribution Line Type Configuration	Type of Interconnection to be Made to Primary Distribution Line	Results/Criteria
Three-phase, three wire	Any type	Pass Step
Three-phase, four wire	Single-phase, line-to-neutral	Pass Step
Three-phase, four wire (For any line that has such a section OR mixed three wire and four wire)	All others	To pass, aggregate GF Nameplate Rating must be less than or equal to 10% of Line Section peak load

Significance: If the primary distribution line serving the Generating Facility is of a “three-wire” configuration, or if the Generating Facility’s distribution transformer is single-phase and connected in a line-to-neutral configuration, then there is no concern about overvoltages to MVU’s, or other Customer’s equipment caused by loss of system neutral grounding during the operating time of the Non-Islanding Protective Function.

J. CERTIFICATION AND TESTING CRITERIA

1. INTRODUCTION

This Section describes the test procedures and requirements for equipment used for the Interconnection of Generating Facilities to MVU's Distribution System. Included are Type Testing, Production Testing, Commissioning Testing and Periodic Testing. The procedures listed rely heavily on those described in appropriate Underwriters Laboratory (UL), Institute of Electrical and Electronic Engineers (IEEE), and International Electrotechnical Commission (IEC) documents—most notably UL 1741 and IEEE 929, as well as the testing described in *May 1999 New York State Public Services Commission Standardized Interconnection Requirements*. As noted in Section A, this rule has been revised to be consistent with ANSI/IEEE 1547-2003 *Standard for Interconnecting Distributed Resources with Electric Power Systems*.

The tests described here, together with the technical requirements in Section D of this Rule, are intended to provide assurance that the Generating Facility's equipment will not adversely affect MVU's Distribution System and that a Generating Facility will cease providing power to MVU's Distribution System under abnormal conditions. The tests were developed assuming a low level of Generating Facility penetration or number of connections to MVU's Distribution System. At high levels of Generating Facility penetration, additional requirements and corresponding test procedures may need to be defined.

Section J also provides criteria for "Certifying" Generators or inverters. Once a Generator or inverter has been Certified per this Rule, it may be considered suitable for Interconnection with MVU's Distribution System. Subject to the exceptions described in Section J, MVU will not repeat the design review or require retesting of such Certified Equipment. It should be noted that the Certification process is intended to facilitate Generating Facility Interconnections. Certification is not a prerequisite to interconnect a Generating Facility.

The revisions made to this rule relative to IEEE 1547-2003 have resulted in changes in set points, test criteria, test procedures, and other requirements that will impact previously certified or listed equipment as well as equipment currently under evaluation. These changes were made to provide consistency with IEEE 1547. Equipment that is certified or that has been submitted to a Nationally Recognized Testing Laboratory (NRTL) for testing prior to the adoption of the revised Underwriters Laboratories (UL) 1741 titled Inverters, Converters, Controllers and Interconnection Systems Equipment for use with Distributed Energy Resources and that subsequently meet the provisions Rule 21 certification requirements will continue to be accepted as Certified Equipment for Interconnection Applications submitted through May 7, 2007, the effective date of the revised UL 1741. [this change will be incorporated by Advice Letter in Dec. 2005]

2. CERTIFIED AND NON-CERTIFIED INTERCONNECTION EQUIPMENT

a. Certified Equipment

Equipment tested and approved (e.g., “Listed”) by an accredited NRTL as having met both the Type Testing and Production Testing requirements described in this document is considered to be Certified Equipment for purposes of Interconnection with MVU’s Distribution System. Certification may apply to either a pre-packaged system or an assembly of components that address the necessary functions. Type Testing may be done in the manufactures’ factory or test laboratory, or in the field. At the discretion of the testing laboratory, field-certification may apply only to the particular installation tested. In such cases, some or all of the tests may need to be repeated at other installations.

When equipment is certified by a NRTL, the NRTL shall provide to the manufacturer, at a minimum, a Certificate with the following information for each device:

Administrative:

- 1) The effective date of Certification or applicable serial number (range or first in series), and/or other proof that Certification is current;
- 2) Equipment model number(s) of the Certified Equipment;
- 3) The software version utilized in the equipment, if applicable;
- 4) Test procedures specified (including date or revision number); and
- 5) Laboratory accreditation (by whom and to what standard).

Technical (as appropriate):

- 1) Device ratings (kW, kVA, Volts, Amps, etc.);
- 2) Maximum available fault current in Amps;
- 3) In-rush Current in Amps;
- 4) Trip points, if factory set (trip value and timing);
- 5) Trip point and timing ranges for adjustable settings;
- 6) Nominal power factor or range if adjustable;
- 7) If the equipment is Certified for Non-Exporting and the method used (reverse power or under power); and

8) If the equipment is Certified Non-Islanding.

It is the responsibility of the equipment manufacturer to ensure that Certification information is made publicly available by the manufacturer, the testing laboratory or by a third party.

b. Non-Certified Equipment

For non-Certified Equipment, some or all of the tests described in this Rule may be required by MVU for each Generating Facility and/or Interconnection Facilities. The manufacturer or a laboratory acceptable to MVU may perform these tests. Test results for Non-Certified Equipment must be submitted to MVU for the Supplemental Review. Approval by MVU for equipment used in a particular Generating Facility and/or Interconnection Facilities does not guarantee MVU's approval for use in other Generating Facility and/or Interconnection Facilities.

3. TYPE TESTING

- a. Type Tests and Criteria for Interconnection Equipment Certification. Type Testing provides a basis for determining that equipment meets the specifications for being designated as Certified Equipment under this Rule. The requirements described in this Section cover only issues related to Interconnection and are not intended to address equipment safety or other issues.

Table J.1. defines the test criteria by Generator or inverter technology. While UL 17411 was written specifically for inverters, the requirements are readily adaptable to synchronous Generators, induction Generators, as well as single/multi-function controllers and protection relays. Until a universal test standard is developed, MVU or NRTL shall adapt the procedures referenced in Table J.1 as appropriate and necessary for a Generating Facility and/or Interconnection Facilities or associated equipment performance and its control and Protective Functions. The tests shall be performed in the sequence shown in Table J.2 below.

Table J.1 Type Tests and Requirements for Interconnection Equipment Certification

Type Test	Reference (1)	Inverter	Synchronous Generator	Induction Generator
Utility Interaction	UL 1741 – 39	X	X	X
DC Isolation	UL 1741 – 40.1	X	-	-
Simulated PV Array (Input) Requirements	UL 1741 – 41.2	X	-	-
Dielectric Voltage Withstand	UL 1741 – 44	X	X	X
	UL 1741 – 45.2.2	X	X	X
Harmonic Distortion	UL 1741 – 45.4	X	X	X
DC Injection	UL 1741 – 45.5	X	-	-
Utility Voltage and Frequency Variation	UL 1741 – 46.2	X	X	X
Reset Delay	UL 1741 – 46.2.3	X	X	X
Loss of Control Circuit	UL 1741 – 46.4	X	X	X
Short Circuit	UL 1741 – 47.3	X	X	X
Load Transfer	UL 1741 – 47.7	X	X	X
Surge Withstand Capability	J.3.e	X	X	X
Anti-Islanding	J.3.b	(2)	(2)	(2)
Non-Export	J.3.c	(3)	(3)	(3)
In-rush Current	J.3.d	-	-	(4)
Synchronization	J.3.f	(5)	X	(5)

Table Notes: (1) References are to section numbers in either UL 1741 (Inverters, Converters and Charge Controllers for use in Independent Power Systems) or this Rule. References in UL 1741 to “photovoltaics” or “inverter” may have to be adapted to the other technologies by the testing laboratory to appropriately apply in the tests to other technologies.

- (2) Required only if Non-Islanding designation
 - (3) Required only if Non-Export designation is desired.
 - (4) Required for Generators that use MVU power to motor to speed.
 - (5) Required for all self-excited induction Generators as well as Inverters that operate as voltage sources when connected to MVU’s Distribution System.
- X = Required , - = Not Required

Table J.2 Type Tests Sequence for Interconnection Equipment Certification

Test No.	Type Test
1	Utility Voltage and Frequency Variation
2	Synchronization
3	Surge Withstand Capability
4	Utility Voltage and Frequency Variation
5	Synchronization
6	Other Required and Optional Tests
Tests 1, 2, and 3, must be done first and in the order shown. Tests 4 and on follow in order convenient to the test agency.	

- b. Anti-Islanding Test
Devices that pass the Anti-Islanding test procedure described in UL 1741 Section 46.3 will be considered Non-Islanding for the purposes of these

interconnection requirements. The test is required only for devices for which a Certified Non-Islanding designation is desired.

c. Non-Export Test

Equipment that passes the Non-Export test procedure described in Section J.7.a. will be considered Non-Exporting for the purposes of these Interconnection requirements. This test is required only for equipment for which a Certified Non-Export designation is desired.

d. In-rush Current Test

Generation equipment that utilizes MVU power to motor up to speed will be tested using the procedure defined in Section J.7.b. to determine the maximum current drawn during this startup process. The resulting In-rush Current is used to estimate the Starting Voltage Drop.

e. Surge Withstand Capability Test

The interconnection equipment shall be tested for the surge withstand requirement in D.1.c in all normal operating modes in accordance with IEEE Std C62.45-2002 for equipment rated less than 1000 V to confirm that the surge withstand capability is met by using the selected test level(s) from IEEE Std C62.41.2-2002. Interconnection equipment rated greater than 1000 V shall be tested in accordance with manufacturer or system integrator designated applicable standards. For interconnection equipment signal and control circuits, use IEEE Std C37.90.1-2002. These tests shall confirm the equipment did not fail, did not misoperate, and did not provide misinformation (IEEE1547-5.1.3.2). The location/exposure category for which the equipment has been tested shall be clearly marked on the equipment label or in the equipment documentation. External surge protection may be used to protect the equipment in harsher location/exposure categories.

f. Synchronization Test

This test is applied to synchronous Generators, self-excited induction generators, and inverters capable of operating as voltage-source while connected to MVU's Distribution System. The test is also applied to the resynchronization Function (transition from stand-alone to parallel operation) on equipment that provides such functionality. This test may not need to be performed on both the synchronization and re-synchronization functions if the manufacturers can verify to the satisfaction of the testing organization that monitoring and controls hardware and software are common to both functions. This test is not necessary for induction generators or current-source inverters. Instead, the In-rush Current test Section J.3.d shall be applied to those generators.

This test shall demonstrate that at the moment of the paralleling-device closure, all three synchronization parameters in Table J.3 are within the stated limits. This test shall also demonstrate that if any of the parameters are outside of the limits stated in the table, the paralleling-device shall not close (IEEE 1547- 5.1.2A). The test will start with only one of the three parameters: (1) voltage difference between Generating Facility and MVU's Distribution System; (2) frequency difference; or (3) phase angle outside of the synchronization specification. Verify that the Generating Facility is brought within specification prior to synchronization. Repeat the test five times for each of the three parameters. For manual synchronization with synch check or manual control with auto synchronization, the test must verify that paralleling does not occur until the parameters are brought within specifications.

Table J.3. Synchronization Parameter Limits [1]

Aggregate Rating of Generator Units (kVA)	Frequency Difference (Δf , Hz)	Voltage Difference (ΔV , %)	Phase Angle Difference ($\Delta \phi$, \square)
0-500	0.3	10	20
> 500-1,500	0.2	5	15
> 1,500-10,000	0.1	3	10

[1] – IEEE 1547-5.1.1B

g. Paralleling Device Withstand Test

The di-electric voltage withstand test specified in Section J.1 shall be performed on the paralleling device to ensure compliance with those requirements specified in Section D.1.c (IEEE 1547-5.1.3.3).

4. Production Testing

As a minimum, each interconnection system shall be subjected to the Utility Voltage and Frequency Variation Test procedure described in UL1741 under Manufacturing and Production Tests, Section 68 and the Synchronization test specified in Section J.3.f Interconnection systems with adjustable set points shall be tested at a single set of set points as specified by the manufacturer. This test may be performed in the factory or as part of a Commissioning Test (Section J.5.).

5. Commissioning Testing

- a. Commissioning Testing, where required, will be performed on-site to verify protective settings and functionality. Upon initial Parallel Operation of a Generating Facility, or any time interface hardware or software is changed

that may affect the functions listed below, a Commissioning Test must be performed. An individual qualified in testing protective equipment (professional engineer, factory-certified technician, or licensed electrician with experience in testing protective equipment) must perform Commissioning Testing in accordance with the manufacturer's recommended test procedure to verify the settings and requirements per this Rule.

MVU may require written Commissioning test procedure be submitted to MVE at least 10 working days prior to the performance of the Commissioning Test. MVU has the right to witness Commissioning Test, MVU may also require written certification by the installer describing which tests were performed and their results. Protective Functions to be tested during commissioning, particularly with respect to non-Certified equipment, may consist of the following:

- (1) Over and under voltage
- (2) Over and under frequency
- (3) Anti-Islanding function (if applicable)
- (4) Non-Exporting function (if applicable)
- (5) Inability to energize dead line
- (6) Time delay on restart after utility source is stable
- (7) Utility system fault detection (if used)
- (8) Synchronizing controls (if applicable)
- (9) Other Interconnection Protective Functions that may be required as part of the Interconnection Agreement

Commissioning Test shall include visual inspections of the interconnection equipment and protective settings to confirm compliance with the interconnection requirements.

b. Other checks and tests that may need to be performed include:

- (1) Verifying final Protective Function settings
- (2) Trip test (J.5.f)
- (3) In-service tests (J.5.g)

c. Certified Equipment

Generating Facilities qualifying for Simplified Interconnection incorporate Certified Equipment that have, at a minimum, passed the Type Tests and Production Tests described in this Rule and are judged to have little or no potential impact on MVU's Distribution System. For such Generating Facilities, it is necessary to perform only the following tests:

- (1) Protective Function settings that have been changed after Production Testing will require field verification. Tests shall be performed using injected secondary frequencies, voltages and currents, applied waveforms, at a test connection using a Generator to simulate abnormal utility voltage or frequency, or varying the set points to show that the device trips at the measured (actual) utility voltage or frequency.
- (2) The Non-Islanding function shall be checked by operating a load break disconnect switch to verify the Interconnection equipment ceases to energize MVU's Distribution System and does not re-energize it for the required time delay after the switch is closed.
- (3) The Non-Exporting function shall be checked using secondary injection techniques. This function may also be tested by adjusting the Generating Facility output and local loads to verify that the applicable Non-Exporting criteria (i.e., reverse power or underpower) are met.

The Supplemental Review or an Interconnection Study may impose additional components or additional testing.

d. Non-Certified Equipment

Non-certified Equipment shall be subjected to the appropriate tests described in Type Testing (Section J.3.) as well as those described in Certified Equipment Commissioning Tests (Section J.5.c.). With MVU's approval, these tests may be performed in the factory, in the field as part of commissioning, or a combination of both. MVU, at its discretion, may also approve a reduced set of tests for a particular Generating Facility or, for example, if it determines it has sufficient experience with the equipment.

e. Verification of Settings

At the completion of Commission testing, the Producer shall confirm all devices are set to MVU-approved settings. Verification shall be documented in the Commissioning Test Certification.

f. Trip Tests

Interconnection Protective Functions and devices (e.g. reverse power relays) that have not previously been tested as part of the Interconnection Facilities with their associated interrupting devices (e.g. contactor or circuit breaker) shall be trip tested during commissioning. The trip test shall be adequate to prove that the associated interrupting devices open when the protective devices operate. Interlocking circuits between Protective

Function devices or between interrupting devices shall be similarly tested unless they are part of a system that has been tested and approved during manufacturing.

g. In-service Tests

Interconnection Protective Functions and devices that have not previously been tested as part of the Interconnection Facilities with their associated instrument transformers or that are wired in the field shall be given an in-service test during commissioning. This test will verify proper wiring, polarity, CT/PT ratios, and proper operation of the measuring circuits. The in-service test shall be made with the power system energized and carrying a known level of current. A measurement shall be made of the magnitude and phase angle of each Alternating Current (AC) voltage and current connected to the protective device and the results compared to expected values. For protective devices with built-in Metering Functions that report current and voltage magnitudes and phase angles, or magnitudes of current, voltage, and real and reactive power, the metered values may be used for in-service testing. Otherwise, portable ammeters, voltmeters, and phase-angle meters shall be used.

6. Periodic Testing

Periodic Testing of Interconnection-related Protective Functions shall be performed as specified by the manufacturer, or at least every four years. All Periodic Tests prescribed by the manufacturer shall be performed. The Producer shall maintain Periodic Test reports or a log for inspection by MVU. Periodic Testing conforming to MVU test intervals for the particular Line Section may be specified by MVU under special circumstances, such as high fire hazard areas. Batteries used to activate any Protective Function shall be checked and logged once per month for proper voltage.

Once every four years, the battery must be either replaced or a discharge test performed.

7. Type Testing Procedures Not Defined in Other Standards

This Section describes the additional Type Tests necessary to qualify a device as Certified under this Rule. These Type Tests are not contained in Underwriters Laboratories UL 1741 Standard *Inverters, Converters and Controllers for Use in Independent Power Systems*, or other referenced standards.

a. Non-Exporting Test Procedures

The Non-Exporting test is intended to verify the operation of relays, controllers and inverters designed to limit the export of power and certify the equipment as meeting the requirements of Screen 2, Options 1 and 2, of the review process. Tests are provided for discrete relay packages and for controllers and inverters with the intended Functions integrated.

(1) Discrete Reverse Power Relay Test

This version of the Non-Exporting test procedure is intended for discrete reverse power and underpower relay packages provided to meet the requirements of Options 1 and 2 of Screen 2. It should be understood that in the reverse power application, the relay will provide a trip output with power flowing in the export (toward MVU's Distribution System) direction.

Step 1: Power Flow Test at Minimum, Midpoint and Maximum Pickup Level Settings

Determine the corresponding secondary pickup current for the desired export power flow of 0.5 secondary watts (the minimum pickup setting, assumes 5 amp and 120V CT/PT secondary). Apply nominal voltage with minimum current setting at zero (0) degrees phase angle in the trip direction. Increase the current to pickup level. Observe the relay's (LCD or computer display) indication of power values. Note the indicated power level at which the relay trips. The power indication should be within 2% of the expected power. For relays with adjustable settings, repeat this test at the midpoint, and maximum settings. Repeat at phase angles of 90, 180 and 270 degrees and verify that the relay does not operate (measured watts will be zero or negative).

Step 2: Leading Power Factor Test

Apply rated voltage with a minimum pickup current setting (calculated value for system application) and apply a leading power factor load current in the non-trip direction (current lagging voltage by 135 degrees). Increase the current to relay rated current and verify that the relay does not operate. For relays with adjustable settings, this test should be repeated at the minimum, midpoint, and maximum settings.

Step 3: Minimum Power Factor Test

At nominal voltage and with the minimum pickup (or ranges) determined in Step 1, adjust the current phase angle to 84 or 276 degrees. Increase the current level to pickup (about 10 times higher than at 0 degrees) and verify that the relay operates. Repeat for phase angles of 90, 180 and 270 degrees and verify that the relay does not operate.

Step 4: Negative Sequence Voltage Test

Using the pickup settings determined in Step 1, apply rated relay voltage and current at 180 degrees from tripping direction, to

simulate normal load conditions (for three-phase relays, use Ia at 180, Ib at 60 and Ic at 300 degrees). Remove phase-1 voltage and observe that the relay does not operate. Repeat for phases-2 and 3.

Step 5: Load Current Test

Using the pickup settings determined in Step 1, apply rated voltage and current at 180 degrees from the tripping direction, to simulate normal load conditions (use Ia at 180, Ib at 300 and Ic at 60 degrees). Observe that the relay does not operate.

Step 6: Unbalanced Fault Test

Using the pickup settings determined in Step 1, apply rated voltage and 2 times rated current, to simulate an unbalanced fault in the non-trip direction (use Va at 0 degrees, Vb and Vc at 180 degrees, Ia at 180 degrees, Ib at 0 degrees, and Ic at 180 degrees). Observe that the relay, especially single phase, does operate properly.

Step 7: Time Delay Settings Test

Apply Step 1 settings and set time delay to minimum setting. Adjust the current source to the appropriate level to determine operating time, and compare against calculated values. Verify that the timer stops when the relay trips. Repeat at midpoint and maximum delay settings.

Step 8: Dielectric Test

Perform the test described in IMVU 414 using 2 kV RMS for 1 minute.

Step 9: Surge Withstand Test

Perform the surge withstand test described in IEEE C37.90.1.1989 or the surge withstand capability test described in J.3.e.

(2) Discrete Underpower Relay Test

This version of the Non-Exporting test procedure is intended for discrete underpower relay packages and meets the requirements of Option 2 of Screen 2. A trip output will be provided when import power (toward the Producer's load) drops below the specified level.

Note: For an underpower relay, pickup is defined as the highest power level at which the relay indicates that the power is less than the set level.

Step 1: Power Flow Test at Minimum, Midpoint and Maximum Pickup Level Settings

Determine the corresponding secondary pickup current for the desired power flow pickup level of 5% of peak load minimum pickup setting. Apply rated voltage and current at 0 (zero) degrees phase angle in the direction of normal load current. Decrease the current to pickup level. Observe the relay's (LCD or computer display) indication of power values. Note the indicated power level at which the relay trips. The power indication should be within 2% of the expected power. For relays with adjustable settings, repeat the test at the midpoint, and maximum settings. Repeat at phase angles of 90, 180 and 270 degrees and verify that the relay operates (measured watts will be zero or negative).

Step 2: Leading Power Factor Test

Using the pickup current setting determined in Step 1, apply rated voltage and rated leading power factor load current in the normal load direction (current leading voltage by 45 degrees). Decrease the current to 145% of the pickup level determined in Step 1 and verify that the relay does not operate. For relays with adjustable settings, repeat the test at the minimum, midpoint, and maximum settings.

Step 3: Minimum Power Factor Test

At nominal voltage and with the minimum pickup (or ranges) determined in Step 1, adjust the current phase angle to 84 or 276 degrees. Decrease the current level to pickup (about 10% of the value at 0 degrees) and verify that the relay operates. Repeat for phase angles 90, 180 and 270 degrees and verify that the relay operates for any current less than rated current.

Step 4: Negative Sequence Voltage Test

Using the pickup settings determined in Step 1, apply rated relay voltage and 25% of rated current in the normal load direction, to simulate light load conditions. Remove phase 1 voltage and observe that the relay does not operate. Repeat for Phases-2 and 3.

Step 5: Unbalanced Fault Test

Using the pickup settings determined in Step 1, apply rated voltage and two times rated current, to simulate an unbalanced fault in the normal load direction (use V_a at 0 degrees, V_b and V_c at 180

degrees, Ia at 0 degrees, Ib at 180 degrees, and Ic at 0 degrees). Observe that the relay (especially single-phase types) operates properly.

Step 6: Time Delay Settings Test

Apply Step 1 settings and set time delay to minimum setting. Adjust the current source to the appropriate level to determine operating time, and compare against calculated values. Verify that the timer stops when the relay trips. Repeat at midpoint and maximum delay settings.

Step 7: Dielectric Test

Perform the test described in IEC 414 using 2 kV RMS for 1 minute.

Step 8: Surge Withstand Test

Perform the surge withstand test described in IEEE C37.90.1.1989 or the surge withstand test described in Section J.3.e.

(3) Tests for Inverters and Controllers with Integrated Functions

Inverters and controllers designed to provide reverse or underpower functions shall be tested to certify the intended operation of this function. Two methods are acceptable:

Method 1: If the inverter or controller utilizes external current/voltage measurement to determine the reverse or underpower condition, then the inverter or controller shall be functionally tested by application of appropriate secondary currents and potentials as described in the Discrete Reverse Power Relay Test, Section J.7.a.(1) of this Rule.

Method 2: If external secondary current or voltage signals are not used, then unit-specific tests must be conducted to verify that power cannot be exported across the PCC for a period exceeding two seconds. These may be factory tests, if the measurement and control points are integral to the unit, or they may be performed in the field.

b. In-rush Current Test Procedures

This test will determine the maximum In-rush Current drawn by the Generator.

(1) Locked-Rotor Method

Use the test procedure defined in NEMA MG-1 (manufacturer's data is acceptable if available).

(2) Start-up Method

Install and setup the Generating Facility equipment as specified by the manufacturer. Using a calibrated oscilloscope or data acquisition equipment with appropriate speed and accuracy, measure the current draw at the Point of Interconnection as the Generating Facility starts up and parallels with MVU's Distribution System. Startup shall follow the normal, manufacturer-specified procedure. Sufficient time and current resolution and accuracy shall be used to capture the maximum current draw within 5%. In-rush Current is defined as the maximum current draw from MVU during the startup process, using a 10-cycle moving average. During the test, the utility source, real or simulated, must be capable of maintaining voltage within +/- 5% of rated at the connection to the unit under test. Repeat this test five times. Report the highest 10-cycle current as the In-rush Current. A graphical representation of the time-current characteristic along with the certified In-rush Current must be included in the test report and made available to MVU.

RULE 21A – GENERATION INTERCONNECTION RULES, TERMS AND CONDITIONS

Applicability

The former MVU Net Energy Metering 2.0/Interconnection Agreement has been replaced by Rule 21A. This rule applies to all interconnections between MVU and the generation Producer providing for the Interconnection of a Generating Facility that gives certain rights and obligations to effect or end Interconnection.

Applicable to Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a renewable electrical generation facility, as therein defined, located on the customer's owned, leased, or rented premises, is a vendor/contractor owned PV system that is leased or rented (includes a purchase power agreement) to an MVU electric customer or a customer owned system that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with MVU's power system as authorized by MVU.

Territory

Within the entire territory served by Moreno Valley Utility.

Net Surplus Compensation Rate

The net surplus compensation rate per kWh applied to any net surplus energy remaining at the end of the customer's relevant period based on the MVU rate under which the customer is billed and all the conditions thereof.

Special Conditions

1. As determined in each billing period, when a customer is a net consumer of energy, the resulting net consumed energy will be used in the calculation of all applicable energy charges.
2. As determined in each billing period, when a customer is a net producer of energy, the resulting net produced energy will be used in the calculation of a monetary value that shall only be applied to the customer's monthly bill, including any minimum charges and applicable taxes. The customer acknowledges that no incentive is available for the installed PV system.
3. A customer is a net producer of energy when the amount of generated kilowatt-hours (kWh) of energy that is exported to MVU's system exceeds the amount that the customer receives from MVU.
4. The monetary value calculated is the product of the net kWh produced multiplied by the Net Surplus Compensation Rate (NSCR).
5. The NSCR value is established by MVU to reflect the costs MVU avoids in procuring power during the time period net surplus generators are likely to produce excess power.
6. MVU shall retain any net surplus energy generated by the NEM customer, including any associated environmental attributes or renewable energy credits ("REC").
7. To be eligible for service under this Schedule, generating facilities must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of

Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules regarding safety and reliability (i.e., MVU's Electric Rule 21). All generating facilities must have a warranty of at least 10 years for all equipment and the associated installation from the system provider (not from MVU). All major solar system components (including PV panels and other generation equipment, inverters and meters) must be on the verified equipment list maintained by the CEC. Any other equipment, as determined by MVU, must be verified as having safety certification from a Nationally Recognized Testing Laboratory.

8. To be eligible for service under this Schedule, the customer's generating facilities must be sized to offset part or all of the customer's own electrical requirements and cannot be oversized. This means that the estimated output of the generating facility, using the CEC-AC nameplate rating for inverter-based generating facilities must not exceed the customer's previous annual usage in kWh. In the event that there is less than 12 months of previous recorded usage data, the standard of 2 watts per square foot of the premises will apply.

9. Customers seeking to interconnect their generating facilities for the purpose of receiving service under this Schedule are subject to the interconnection requirements and interconnection cost responsibility provisions as established in MVU's Electric Rule 21.

10. A new customer of record who owns, rents, or leases a premise that includes a generating facility that was approved by MVU for parallel operation prior to the new customer moving in and/or taking electric service with MVU will take service under this Schedule as long as the requirements of this Schedule are met. This provision also applies to premises where the developer/contractor establishes the interconnection.

11. Existing generating facilities currently under Schedule NEM that are modified such that: (1) the generating capacity or output increases by 10% or more; or (2) adding battery storage will be placed under Schedule NEM 2.0.

12. Existing customers under Schedule NEM will remain under Schedule NEM for a period of fifteen (15) years from the original year in which their generating facility was interconnected to MVU's grid as determined from the date the customer received the permission to operate (PTO), and then will be switched to Schedule NEM 2.0 or any otherwise applicable rate schedule. Existing customers under Schedule NEM can request to be placed under Schedule NEM 2.0 at any time; the customer's account will be trued up at the time of the request. This means that any outstanding balance due or credit due will be applied to the next regular billing.

Solar or Wind Generating Facility

1. Operating Option

1. Customer has elected to construct, design, install, operate, and maintain the Facility in a manner consistent with the normal and safe operation of the electrical distribution system owned and operated by MVU. The Facility is intended primarily to provide part or all of the Customer's own electrical energy requirements. If the facility is within the service territory of MVU, then by that fact the Customer understands, accepts, and agrees that connection and operation of the

Customer's Facility shall be subject to the terms and conditions set forth in in MVU's Electric Service Rules (the "Rules").

2. Pursuant to Electric Service Rule No. 21 and Rule 21A, based on facility type and size, an Interconnection Fee may be required.

2. Credits for Net Energy

1. Customer is eligible to receive credits for energy if Customer's monthly energy generated by the Facility exceeds Customer's monthly energy requirements, calculated by the "Net Metering." Net Metering uses a non-demand, time differentiated meter or meters to measure the difference between the energy supplied by MVU and the energy generated by the Facility and supplied to MVU. Net metering account billing options, net energy carryover rules and restrictions, and energy costs are controlled by MVU's Net Metering Schedule in effect at the time of Customer's start of service.

3. Interruption or Reduction of Deliveries

1. MVU shall not be obligated to accept, and MVU may require Customer to interrupt or reduce, deliveries of energy to MVU: (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of MVU's equipment or part of the MVU system; or (b) if MVU determines that curtailment, interruption, or reduction of receipt of energy from Customer's Facility is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices.
2. Notwithstanding any other provision of this Rule, if at any time MVU, in its sole discretion, determines that either (a) the Facility may endanger MVU personnel or members of the general public, or (b) the continued operation of Customer's Facility may impair the integrity of MVU's electric distribution system, MVU shall have the right to disconnect Customer's Facility from MVU's electric distribution system. Customer's Facility shall remain disconnected until such time as MVU is satisfied that the condition(s) referenced in (a) or (b) of this paragraph have been corrected, and MVU shall not be obligated to compensate Customer for any loss of use of generation or energy during any and all periods of such disconnection.

4. Interconnection

1. Customer shall deliver energy from the Facility to MVU at MVU's meter.
2. Customer, and not MVU, shall be solely responsible for all legal and financial obligations arising from the construction, installation, design, operation, and maintenance of the Facility in accordance with all applicable laws and regulations.
3. Customer, at Customer's sole expense, shall obtain and possess all permits and authorizations in accordance with all applicable laws and regulations for the construction, installation, design operation and maintenance of the Facility.

4. MVU shall furnish and install one or more standard watt-hour meters to read energy generated by Customer's Facility. Customer shall provide and install a meter socket and connections in accordance with MVU's metering standards. If the Customer desires more detailed metering equipment, all associated costs will be incurred by the Customer.
 5. MVU shall have the right to have its representatives present at the final inspection made by the governmental authority having jurisdiction to inspect and approve the installation of the Generating Facility or battery storage. For interconnections involving battery storage, Customer shall be responsible for all inspection and commissioning fees. Customer shall notify MVU in accordance with the terms of Section 12, herein, at least five (5) days prior to such inspection.
 6. Customer shall not connect the Facility, or any portion of it, to MVU's distribution system, until written approval of Facility has been given to Customer by MVU. Such approval shall not be unreasonably withheld.
 7. Customer may reconnect its Facility to the MVU system following normal operational outages and interruptions without notifying MVU unless MVU has disconnected service, or MVU notifies Customer that a reasonable possibility exists that reconnection would pose a safety hazard.
 8. If MVU has disconnected Service to the Facility, or MVU has notified Customer that a reasonable possibility exists that reconnection would pose a safety hazard, Customer may call MVU's Customer Service Center to request authorization to reconnect the Facility.
- 5. Design Requirements**
1. Customer's Facility, and all portions of it used to provide or distribute electrical power and parallel interconnection with MVU's distribution equipment shall be designed, installed, constructed, operated, and maintained in compliance with this Rule. Compliance with this section is mandatory.
 2. Customer shall conform to all applicable solar or wind electrical generating system safety and performance standards established by MVU's Electric Service Rule No. 21, the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), and accredited testing laboratories such as Underwriters Laboratories, and where applicable, rules of the Public Utilities Commission regarding safety and reliability, and applicable building codes.
- 6. Maintenance and Permits**
1. Customer shall: (a) maintain the Facility and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, requirements of Section 5 above, and (b) to the extent that future requirements may require, obtain any governmental authorizations or permits required for the operation of the Facility. Customer shall reimburse MVU

for any and all losses, damages, claims, penalties, or liability MVU incurs as a result of Customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of the Customer's Facility.

7. Access to Premises

1. MVU may enter Customer's premises without prior notice (a) to inspect, at all reasonable hours, Customer's protective devices and read or test any meter for the Facility and (b) to disconnect, at any time, without notice, the Facility if, in MVU's sole opinion, a hazardous condition exists and that immediate action is necessary to protect persons, or MVU's facilities, or property of others from damage or interference caused by (1) Customer's Facility, or (2) Customer's failure to comply with the requirements of this Rule.

8. Indemnity and Liability by Customer

1. Customer shall indemnify and hold MVU, its directors, officers, agents and employees harmless against all loss, damages expense and liability to third persons for injury to or death of persons or injury to property caused by the Customer's engineering design, construction, installation, ownership, maintenance or operations of the Facility in connection with this Agreement by reason of omission or negligence, whether active or passive. Customer shall, on MVU's request, defend any suit asserting a claim covered by this indemnity. Customer shall pay all costs that may be incurred by MVU in enforcing this indemnity.
2. Neither MVU, its officers, agents nor employees shall be liable for any claims, demands, costs, losses, causes of action, or any other construction, ownership, maintenance or operation of, or making of replacements, additions or betterment to, Customer's Facility except to the extent actually caused by the sole and gross negligence of the MVU.
3. Neither MVU, its officers, agents nor employees shall be liable for damages of any kind to the Facility caused by any electrical disturbance of the MVU system or on the system of another, whether or not the electrical disturbance results from the negligence of MVU.

9. Insurance

1. Customer is required to maintain insurance in force for the duration of this life of the Facilities in the amount of \$xxx per install kW capacity of the Facilities. MVU shall have the right to inspect or obtain a copy of the original policy or policies of insurance prior to commencing operation. Such insurance shall, by endorsement to the policy or policies, provide for thirty (30) calendar days written notice to MVU prior to cancellation, termination, alteration, or material change of such insurance.

CHART OF CHARGES AND FEES

Item	Charge
Service Initiation Charge	
Next Day, Normal Business Hours	\$15.00
Identity Verification Fee	\$5.00
Additional Charge for Same Day Turn On of Service	\$30.00
Additional Charge for Weekends and After Hours Turn On of Service	\$50.00
Deposits	
Residential Service – Single Family	Twice Average Monthly Bill, minimum \$235
Residential Service – Mulit-Family	Twice Average Monthly Bill, minimum \$105
Non Residential Service	Twice Maximum Monthly Bill
Reestablishment of Credit	Twice Maximum Monthly Bill
Interest on Deposits	1/12 th of the Interest Rate on Commercial Paper (Prime, 3 Months)
Interest on Unauthorized Use Billings	10% Per Annum
Interest on Amortized Repayment Agreements	10% Per Annum
Return Check Charge	\$31.00
Field Notification Charge	\$10.00
Collection Processing Fee	\$30.00
Meter Test Deposit – (Refunded if Meter Registers within Parameters)	
Meter Installed without Current or Potential Transformer	\$20.00
Meter Installed with Current or Potential Transformer	\$100.00
Late Charge	0.9% per Month of Unpaid Balance
Utility Users Tax	5.75%
Reconnection Charge	
Meter Panel – Next Day	\$20.00
Meter Panel – Same Day During Working Hours	\$30.00
Meter Panel – Weekends and After Hours	\$50.00
Pole / Service Structure – Next Day	\$60.00
Pole / Service Structure – Same Day During Working Hours	\$75.00
Pole / Service Structure – Weekends and After Hours	\$90.00
Transformer/Structure Due to Energy Theft	\$150.00
Damaged Steel Lock-ring	\$15.00
Damaged Aluminum Lock-ring	\$5.00
Replaced Damaged Meter	Actual cost (time and material)

Attachment: MVU Rules Fees Charges 12072021 final (5574 : APPROVE ADDITIONAL FUNDING FOR COVID UTILITY ASSISTANCE PROGRAM)

PLAN CHECKING and INSPECTION/TESTING FEES

Upon submittal of improvement plan(s) for a project's electrical distribution system, line extension facilities and/or structures for plan review, the submittal shall be accompanied with a deposit of an amount equal to 3.25% of the engineer's estimated construction costs for improvements. Prior to second submittal of improvement plans, the City Engineer will approve a final cost for improvements and a plan review fee will be established. From this final fee, the deposit will be deducted. This fee shall be paid prior to the second submittal of the improvement plan(s).

Improvement Plans

(Total cost of construction)

Off-Site & On-Site 1-3 submittals

First \$20,000.00	4.0%
Next \$80,000.00	3.5%
Over \$100,000.00	3.25%
4 th and subsequent submittals per sheet	\$248.00/sheet or as directed by City Engineer

Revisions (Improvement Plans)

Minor per sheet	\$261.00
Major per sheet (minimum fee)	\$269.00

Inspection and Testing

(Total cost of construction)

Off-Site & On- Site

First \$20,000.00	4.0%
Next \$80,000.00	3.5%
Over \$100,000.00	3.25%



Report to City Council

TO: Mayor and City Council

FROM: Michael Lloyd, Public Works Director/City Engineer

AGENDA DATE: December 7, 2021

TITLE: PEN20-0037 (PM 37478) – APPROVE PARCEL MAP 37478 LOCATED AT THE SOUTHEAST CORNER OF ALESSANDRO BOULEVARD AND REBECCA STREET. DEVELOPER: ALESSANDRO INDUSTRIAL NO. 14 LP

RECOMMENDED ACTION

Recommendations:

1. Approve Parcel Map 37478.
2. Authorize the City Clerk to sign the map and transmit said map to the Riverside County Recorder's Office for recordation.

SUMMARY

This report recommends approval of Parcel Map 37478 that is owned by Alessandro Industrial No 14, LP. The Parcel Map 37478 contains approximately 16.7 acres and subdivides a parcel into eight (8) parcels. The property is located at the southeast corner of Alessandro Boulevard and Rebecca Street.

DISCUSSION

On August 13, 2020, the Planning Commission of the City of Moreno Valley approved Tentative Parcel Map 37478. The project is for the subdivision of a parcel into eight (8) parcels. The proposed lot configuration consists of eight (8) industrial lots on approximately 16.7 acres located at the southeast corner of Alessandro Boulevard and Rebecca Street. An Agreement for Public Improvements will be approved by the City Engineer prior to map recordation. Parcel Map 37478 is in substantial conformance with the approved Tentative Parcel Map. The owner has requested that the map be approved for recordation. Due to the size of the map, it is not attached to this report.

However, the map is available for review at the Public Works/Land Development counter at City Hall.

ENVIRONMENTAL

On August 13, 2020, the Planning Commission of the City of Moreno Valley approved Amended Tentative Parcel Map 37478. In accordance with the California Environmental Quality Act (CEQA) Guidelines, it was determined that project impacts would be less than significant with mitigation, and the Planning Commission adopted an Addendum to the previously approved Mitigated Negative Declaration for the project at the same meeting. The addendum was prepared pursuant to CEQA Guidelines Section 15162, as the current proposal does not include changes, which will require major revisions of the previous environmental document due to identification of new or increased significant environmental effects.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative as it will allow the parcel map to be recorded and allow the project to move forward for the development of an industrial property.*
2. Do not approve and do not authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will not allow the parcel map to be recorded and not allow the project to move forward for the development of an industrial property.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Hoang Nguyen, P.E.
Associate Engineer II

Department Head Approval:
Michael Lloyd, P.E.
Public Works Director/City Engineer

Concurred By:
Quang Nguyen, P.E.
Acting Principal Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

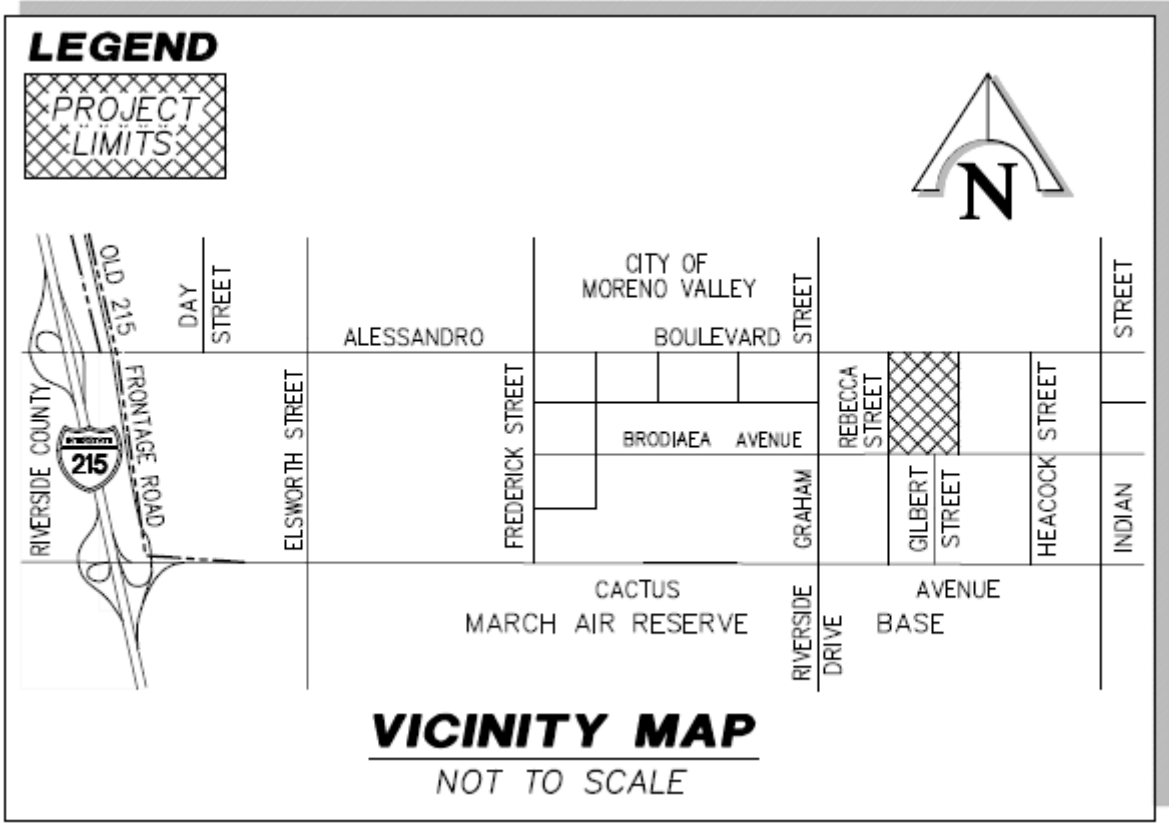
ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Vicinity Map - PEN20-0037 (PM 37478)

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/22/21 7:31 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:17 AM



CITY OF MORENO VALLEY
 PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

PEN20-0037 (PM 37478)
 Parcel Map

Attachment: Vicinity Map - PEN20-0037 (PM 37478) (5587 : PEN20-0037 (PM 37478) – APPROVE PARCEL MAP 37478)



Report to City Council

TO: Mayor and City Council

FROM: Michael Lloyd, Public Works Director/City Engineer

AGENDA DATE: December 7, 2021

TITLE: PEN21-0135 (PM 38112) - APPROVE PARCEL MAP 38112 LOCATED AT THE SOUTHWEST CORNER OF PERRIS BOULEVARD AND IRIS AVENUE DEVELOPER: THE LYNCH GROUP, INC.

RECOMMENDED ACTION

Recommendations:

1. Approve Parcel Map 38112.
2. Authorize the City Clerk to sign the map and transmit said map to the Riverside County Recorder's Office for recordation.

SUMMARY

This report recommends approval of Parcel Map 38112 owned by United Family Limited Partnership. The Parcel Map 38112 contains approximately 8.6 acres and subdivides a single parcel into four (4) parcels. The property is located at the southwest corner of Perris Boulevard and Iris Avenue.

DISCUSSION

On September 2, 2021, the Community Development Director of the City of Moreno Valley approved Tentative Parcel Map 38112. The project is for the subdivision of a single parcel into four (4) parcels. The proposed lot configuration consists of four (4) commercial lots on approximately 8.6 acres located at the southwest corner of Perris Boulevard and Iris Avenue. An Agreement for Public Improvements is not required since there are no public improvements that are required. Parcel Map 38112 is in substantial conformance with the approved Tentative Parcel Map. The owner has requested that the map be approved for recordation. Due to the size of the map, it is

not attached to this report. However, the map is available for review at the Public Works/Land Development counter at City Hall.

ENVIRONMENTAL

On September 2, 2021, the Community Development Director determined Tentative Parcel Map 38112 was exempt pursuant to the California Environmental Quality Act (CEQA) as a Class 15 Categorical Exemption, CEQA Guidelines Section 15315, for Minor Land Division and approved the subject map.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative as it will allow the parcel map to be recorded and allow the project to move forward to subdivide the existing parcel for the development of four commercial properties.*
2. Do not approve and do not authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will not allow the parcel map to be recorded and not allow the project to move forward to subdivide the existing parcel for development four commercial properties.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Vince Girón
Associate Engineer

Department Head Approval:
Michael Lloyd, P.E.
Public Works Director/City Engineer

Concurred By:
Quang Nguyen, P.E.
Acting Principal Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

1. **Economic Development**
2. **Public Safety**

- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

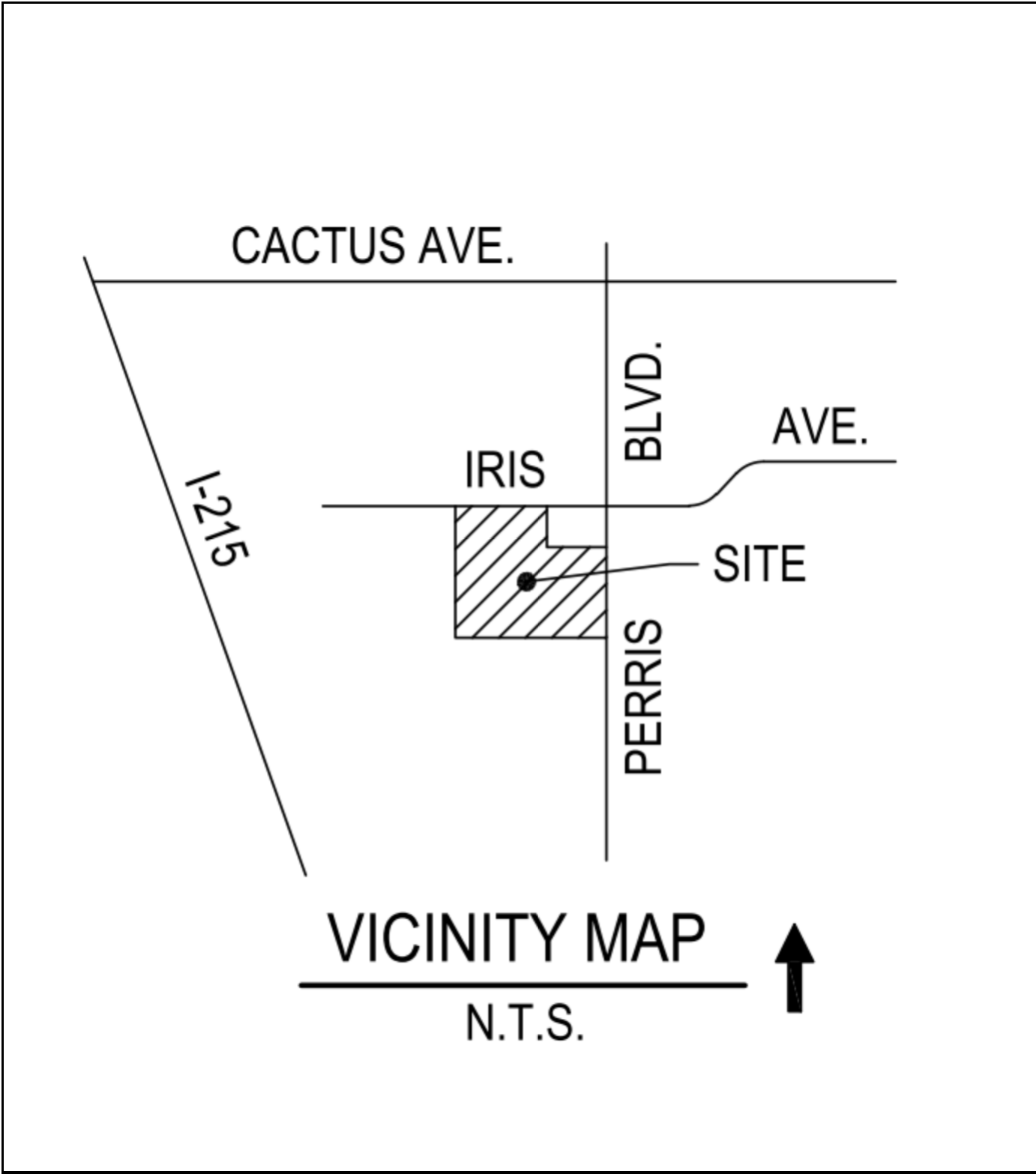
ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Vicinity Map - PEN21-0135 (PM 38112)

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/30/21 5:37 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	12/01/21 9:25 AM



CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

PEN21-0135 (PM 38112)
Parcel Map

Attachment: Vicinity Map - PEN21-0135 (PM 38112) (5591 : PEN21-0135 (PM 38112) - APPROVE PARCEL MAP 38112)



Report to City Council

TO: Mayor and City Council

FROM: Michael Lloyd, Public Works Director/City Engineer

AGENDA DATE: December 7, 2021

TITLE: PM 9184 AND PM 12374 - ADOPT RESOLUTION NO. 2021-XX ACCEPTING PUBLIC RIGHT OF WAY FOR PORTIONS OF ANGELLA WAY AND BAY AVENUE

RECOMMENDED ACTION

Recommendations:

1. Adopt Resolution 2021-XX. A Resolution of the City Council of the City of Moreno Valley, California, Accepting Dedication of Easements over Certain Property for Public Right of Way Purposes for Portions of Bay Avenue east of Nason Street and Angella Way east of Indian Street.
2. Direct the City Clerk to certify the acceptance of said dedication and cause said certification to be recorded in the Office of the Recorder of the County of Riverside together with said Resolution.

SUMMARY

Offers of dedication for public right of way have been made to the City via recorded maps for portions of Bay Avenue east of Nason Street and Angella Way east of Indian Street. These outstanding offers must be accepted by City Council Resolution in order for the City to utilize the right of way for purposes such as utilities and streets. Staff, therefore, recommends adoption of the Resolution accepting the offers of dedication. There is no cost to the City in accepting the offers of dedication.

DISCUSSION

Parcel Map 9184 and Parcel Map 12374 offered various public rights of way within the City generally in the area of Bay Avenue east of Nason Street and Angella Way east of Indian Street, respectively. These maps were recorded prior to the incorporation of the

City of Moreno Valley. To date, only some of the offers of dedication made with the maps have been partially accepted by the City.

As development continues to occur within the area, the public right of way will be needed to support the installation of new infrastructure. At this time, it is necessary to accept portions of the offers of dedication such that development projects can move forward. Specifically, short segments of Bay Avenue east of Nason Street (Lot "E" of Parcel Map 9184) and Angella Way east of Indian Street (Lot "C" of Parcel Map 12374) are needed in order for infrastructure to be constructed. Acceptance of these public rights of way will contribute towards public convenience and welfare.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative, because it will allow the City to accept the offers of dedication and utilize the public right of way.*
2. Do not approve and do not authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative, because it will result in unaccepted offers of dedication that cannot be utilized as public right of way.*

FISCAL IMPACT

There is no cost to the City for accepting the offers of dedication for public right of way.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Larry Gonzales
Senior Engineer, P.E.

Department Head Approval:
Michael Lloyd, P.E.
Public Works Director/City Engineer

Concurred By:
Quang Nguyen, P.E.
Acting Principal Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Resolution 2021-XX - ROW Dedication Acceptance PM 9184 and PM 12374

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/22/21 7:29 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:19 AM

RESOLUTION NO. 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ACCEPTING DEDICATION OF EASEMENTS OVER CERTAIN PROPERTY FOR PUBLIC RIGHT OF WAY PURPOSES FOR PORTIONS OF BAY AVENUE EAST OF NASON STREET AND ANGELLA WAY EAST OF INDIAN STREET

WHEREAS, each parcel of the real property hereafter described was heretofore a portion of the real property offered for dedication to use for public road, utility, and public service purposes, which said offers of dedication have not heretofore been accepted by the City Council; and said portions of offers of dedication are more particularly depicted in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the parcels are Lot "E" of Parcel Map 9184, located on Bay Avenue east of Nason Street, and Lot "C" of Parcel Map 12374, located on Angella Way east of Indian Street; and

WHEREAS, public convenience and welfare now require the use by the public of the above-described real property for public road, utility, and public service purposes; and

WHEREAS, the above-described property is only a portion of the property offered for dedication and the remaining unaccepted portions of the offers of dedication shall be available for acceptance by future action of the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The property described herein is hereby accepted for public road, utility, and public service purposes.
2. The City Clerk shall certify the acceptance of said property and cause said certification to be recorded in the Office of the Recorder of the County of Riverside together with this Resolution.

APPROVED AND ADOPTED this 7th day of December, 2021.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-XX was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

EXHIBIT "A"

Attachment: Resolution 2021-XX - ROW Dedication Acceptance PM 9184 and PM 12374 [Revision 2] (5594 - ADOPT RESOLUTION NO. 2021-XX

SHEET 1 OF 1 SHEET
Plm 37/10

IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF RIVERSIDE, CALIFORNIA

PARCEL MAP 9184

OF LOT 4, BLOCK 105, OF BEAR VALLEY & ALESSANDRO DEVELOPMENT COMPANY NO. 1 PER MAP BOOK 11, PAGE 10, RECORDS OF SAN BERNARDINO COUNTY, CALIF. LOC. IN SEC. 10 T.3S., R.3W. S.B.B. & M.
SCALE 1" = 200' DECEMBER 1976

ROBERT L. TAYLOR
CIVIL ENGINEER

Engineer's Notes

- Denotes monuments found as noted.
- Denotes 1/4" R tagged A.C.E. 10470, set flush, unless otherwise noted.
- Basis of bearings has been taken on the centerline of Bay Ave as shown per PM 29/2-3 (Records of Riverside County, as being N 89° 33' 42" W, ROTATION FACTOR TO CONVERT TO GRID BEING + 0° 00' 10").

NOTARY ACKNOWLEDGEMENT
State of California }
County of Riverside } s.s.
On this 14 day of July, 1977, before me, LAURA L. DOUGHTY Notary Public in and for said County and State, personally appeared DAVID CELAND LANTZ, CAROL ROBERT LANTZ, CAROL MARISS LANTZ, JUDITH DIANE LANTZ, PAULA MAURINE LANTZ, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same. Witness my hand and official seal.
My Commission expires JUNE 12, 1981
Laura L. Doughty
Notary Public in and for said County and State

NOTARY ACKNOWLEDGEMENT
State of California }
County of Riverside } s.s.
On this 14 day of July, 1977, before me, LAURA L. DOUGHTY Notary Public in and for said County and State, personally appeared DAVID CELAND LANTZ, CAROL ROBERT LANTZ, CAROL MARISS LANTZ, JUDITH DIANE LANTZ, PAULA MAURINE LANTZ, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same. Witness my hand and official seal.
My Commission expires JUNE 12, 1981
Laura L. Doughty
Notary Public in and for said County and State

SURVEYOR'S CERTIFICATE
This map was prepared by me or under my direction and is based upon a field survey in conformance with the requirements of the Subdivision Map Act of the request of Tred Lantz on December 1976. I hereby state that the parcel map procedures of the local agency have been complied with and that this parcel map conforms to the approved tentative map and the conditions of approval thereof which were required to be fulfilled prior to the filing of the parcel map.
Robert L. Taylor
RCE 10470
COUNTY SURVEYOR

COUNTY SURVEYOR'S CERTIFICATE
This map conforms with the requirements of the Subdivision Map Act and local ordinance.
Dated July 15, 1977
B. Douglas Powell
B. DOUGLAS POWELL
COUNTY SURVEYOR

BOARD OF SUPERVISORS' CERTIFICATE
The County of Riverside, State of California, by and through its duly authorized officers hereby approves said parcel map and waives the effect of dedication made herein except Lots "D" and "E".
Dated July 19, 1977, COUNTY OF RIVERSIDE STATE OF CALIFORNIA
BY: Donald D. Sullivan
CHAIRMAN OF THE BOARD OF SUPERVISORS

ATTEST:
Donald D. Sullivan
County Clerk and ex-officio Clerk of the Board of Supervisors
BY: Anna Permat
Deputy

OWNER'S CERTIFICATE
We hereby certify that we are the owners of the land included within the subdivision shown hereon, that we are the only persons whose consent is necessary to pass a clear title to said land, and that we consent to the making and recording of this Parcel Map as shown within the colored border line. We hereby dedicate to public use for street and public utility purposes, Lots "A" through "E", inclusive.
Carol Robert Lantz Carol Mariss Lantz
David Celand Lantz Judith Diane Lantz
John Wallace Lantz Paula Maurine Lantz

EASEMENT NOTE
1. Bear Valley and Alessandro Development Company, holder of right by reservation, over, under and upon said land for all necessary pipe lines, ditches and flumes; also the right to enter upon said land to construct and repair said facilities, together with the right to conduct water in and through same. Exact location thereof not being disclosed by the records.

NOTE: All new dwelling units shall be floodproofed by elevating the finished floor a minimum of 18" inches above adjacent ground surface.

PM 37/10

IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
PARCEL MAP NO. 12,374
 BEING A DIVISION OF THE SOUTH HALF OF LOT 18 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES,
 AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY,
 LYING WITHIN SECTION 30, T.3S., R.3W., S.B.M.

GARY L. AKERS, REGISTERED CIVIL ENGINEER — SCALE: 1" = 100' — AUGUST, 1979

SHEET 1 OF 1 SHEET
RECORDER'S CERTIFICATE
 Filed this 12 day of August, 1979, at 11:20 A.M. in Book 77 of Parcel Maps, at Page 37, at the request of the County Clerk.
 No. 74533
 Fee 35.00
 DONALD D. SULLIVAN, County Recorder

By: Dennis Ann Stogren, Deputy
 Subdivision Guarantees SafeCo Title Ins. Co.

ENGINEER'S CERTIFICATE
 This map was prepared by me or under my direction and is based upon a field survey in conformance with requirements of the Subdivision Map Act and local ordinance at request of J. Van Tuyle on Jan. 17, 1978. I hereby state that this parcel map substantially conforms to the approved or conditionally approved tentative map, if any.

Gary L. Akers
 GARY L. AKERS, R.C.E. 23713
COUNTY SURVEYOR'S CERTIFICATE
 This map conforms with the requirements of the Subdivision Map Act and local ordinance.
 Date: 8/17/79, 1979

A.E. Newcomb
 A. E. NEWCOMB, County Surveyor
BOARD OF SUPERVISOR'S CERTIFICATE
 The County of Riverside, State of California, by and through its duly authorized officers hereby approves said Parcel Map, and accepts the offers of dedication made hereon, except Lots 21 through 22, inclusive. Dated: 4-15-80, 1980
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

By: G.O. McAndrew
 Chairman of the Board of Supervisors

ATTEST:
 DONALD D. SULLIVAN
 County Clerk and Ex-Officio
 Clerk of the Board of Supervisors

By: Dennis Ann Stogren, Deputy

ENGINEER'S NOTES
 The basis of bearings for this survey is the celebration of bearings, meridian being (N89°12'00"E) for P.M. 51/37, relation to corner of section 30, T.3S., R.3W., S.B.M. on the California Quadrangle System Zone 12 per Riverside County Map 95-514

- o --- Indicates set 1" L.D. gage I.P. flush, with R.C.E. 23713 high exact centerline monuments which are set 1/2" down.
- --- Indicates found monuments as noted.
- () --- Recorded date as noted.
- [] --- Recorded date per M.B. 8121.

Containing 1027 Acres gross.

All new dwelling units shall be floodproofed by elevating the finished floor a minimum of 18 inches above adjacent ground surface. Erosion protection shall be provided for mobile home supports.

John J. Pearce Escrow, Inc. as Trustee, per that No. 42074, rec. Jan. 27, 1978.

John J. Pearce
 John J. Pearce, Trustee

NOTARY ACKNOWLEDGEMENT
 State of California } s.s.
 County of Orange }
 On this 21 day of August, 1979,
 before me, Michelle Trusdian,
 a Notary Public in and for said County and
 State, personally appeared
James R. Van Tuyle and
June B. Van Tuyle
 known to me to be the persons described in,
 and whose names they were subscribed to the
 within instrument, and they acknowledged to
 me that they executed the same.
 Witness my hand and official seal.

Michelle Trusdian
 Notary Public in and for said County and State
 My commission expires 4-30-83

NOTARY ACKNOWLEDGEMENT
 State of California } s.s.
 County of Riverside }
 On this 12 day of August, 1979,
 before me, John J. Pearce,
 a Notary Public in and for said County and State,
 personally appeared John J. Pearce
President known to me to be the
John J. Pearce
 S.E. of J.A.C.M. Corporation, the corpora-
 tion that executed the within instrument, and
 known to me to be the persons who executed
 the within instrument on behalf of said
 corporation, and acknowledged to me that
 such corporation executed the same.
 Witness my hand and official seal.

John J. Pearce
 Notary Public in and for said County and State
 My commission expires 7-19-80

RIVERSIDE ALFALFA ACRES
 BLOCK 2
 M. B. 8 / 21

LOT 17
 LOT 18
 LOT 23
 LOT 24

KRAMERIA AVENUE
 ANGELLA WAY

R. S. 65/54-62
 P. M. 42/84

Attachment: Resolution 2021-XX - ROW Dedication Acceptance PM 9184 and PM 12374 [Revision 2] (5594 : ADOPT RESOLUTION NO. 2021-XX



Report to City Council

TO: Mayor and City Council

FROM: Michael Lloyd, Public Works Director/City Engineer

AGENDA DATE: December 7, 2021

TITLE: PEN20-0099 (PM 37920) – APPROVE PARCEL MAP 37920 LOCATED AT THE NORTHEAST CORNER OF ALESSANDRO BLVD AND GRAHAM STREET. OWNER: GRAHAM SQUARE, LLC

RECOMMENDED ACTION

Recommendations:

1. Approve Parcel Map 37920.
2. Authorize the City Clerk to sign the map and transmit said map to the Riverside County Recorder's Office for recordation.

SUMMARY

This report recommends approval of Parcel Map 37920 that is owned by Graham Square, LLC. The Parcel Map 37920 contains approximately 3.2 acres and subdivides a single parcel into two (2) parcels. The property is located at the northeast corner of Alessandro Boulevard and Graham Street.

DISCUSSION

On November 19, 2020, the Community Development Director of the City of Moreno Valley approved Tentative Parcel Map 37920. The project is for the subdivision of a single parcel into two (2) parcels. The proposed lot configuration consists of two (2) commercial lots on approximately 3.2 acres located at the northeast corner of Alessandro Boulevard and Graham Street. An Agreement for Public Improvements is not required since there are no public improvements that are required. Parcel Map 37920 is in substantial conformance with the approved Tentative Parcel Map. The owner has requested that the map be approved for recordation. Due to the size of the

map, it is not attached to this report. However, the map is available for review at the Public Works/Land Development counter at City Hall.

ENVIRONMENTAL

On November 19, 2020, the Community Development Director determined Tentative Parcel Map 37920 was exempt pursuant to the California Environmental Quality Act (CEQA) as a Class 15 Categorical Exemption, CEQA Guidelines Section 15315, for Minor Land Division and approved the subject map.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative as it will allow the parcel map to be recorded and allow the project to move forward to subdivide the existing parcel.*
2. Do not approve and do not authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will not allow the parcel map to be recorded and not allow the project to move forward to subdivide the existing parcel.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Hoang Nguyen, P.E.
Associate Engineer II

Department Head Approval:
Michael Lloyd, P.E.
Public Works Director/City Engineer

Concurred By:
Quang Nguyen, P.E.
Acting Principal Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

1. **Economic Development**
2. **Public Safety**
3. **Library**

- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

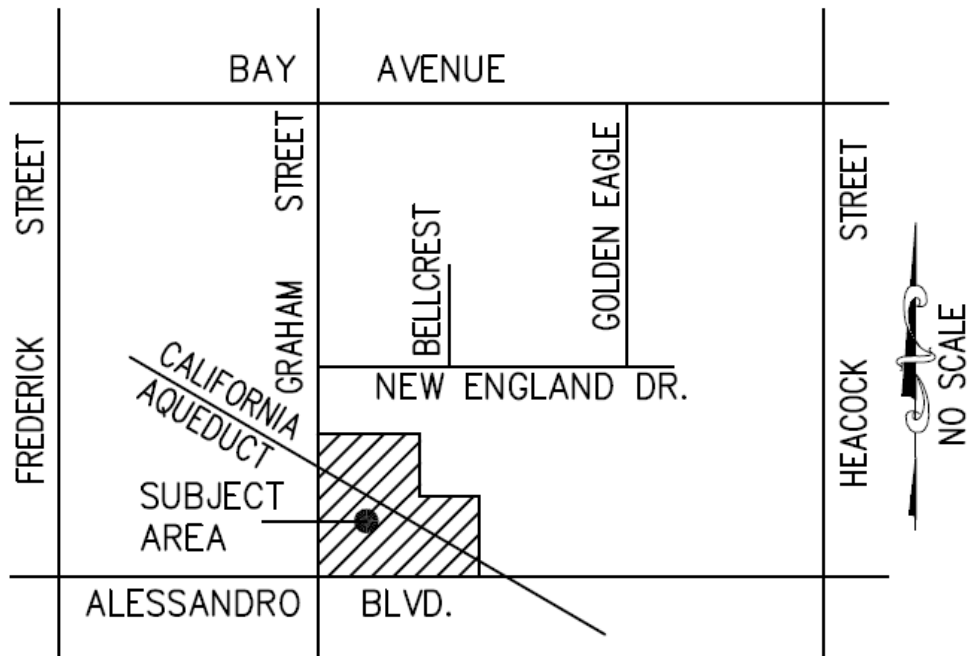
ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Vicinity Map - PEN20-0099 (PM 37920)

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/22/21 7:21 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:09 AM



VICINITY MAP
NO SCALE

CITY OF MORENO VALLEY
 PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

PEN20-0099 (PM 37920)
Parcel Map

Attachment: Vicinity Map - PEN20-0099 (PM 37920) [Revision 1] (5601 : PEN20-0099 (PM 37920) - APPROVE PARCEL MAP 37920)



Report to City Council

TO: Mayor and City Council

FROM: Manuel A. Mancha, Community Development Director

AGENDA DATE: December 7, 2021

TITLE: PAA21-0001 MORENO VALLEY TRADE CENTER APPEAL

RECOMMENDED ACTION

Recommendation:

That the City Council consider the Appeal filed by MVTC, LLC, (the “Appellant”) appealing the Planning Commission’s denial of the Appellant’s application for a General Plan Amendment to develop a warehouse and logistics center on approximately 80 acres located south of Eucalyptus Avenue, north of Encelia Avenue, east of Quincy Street, and west of Redlands Boulevard and take any action the City Council deems appropriate

BACKGROUND:

The Appellant submitted applications requesting approval of the following: 1) a General Plan Amendment (PEN19-0191) to amend the General Plan Land Use Designation of the Project Site from Residential 2 (R2) to Business Park (BP); 2) a Change of Zone (PEN19-0192) to amend the City’s Zoning Atlas to rezone the Project Site from Residential Agriculture 2 (RA2) District to Light Industrial (LI) District and remove the Primary Animal Keeping Overlay (PAKO) District; 3) Tentative Parcel Map (PEN19-0234) to merge 11 parcels into 1 parcel; and 4) a Plot Plan (PEN19-0193) for an approximately 1,328,853 square foot Warehouse/Distribution Building. (“Proposed Project”)

The Proposed Project is located south of Eucalyptus Avenue, north of Encelia Avenue, east of Quincy Street and west of Redlands Boulevard comprising Assessor Parcel Nos. 488-340-002 through 012. (“Project Site”)

On October 28, 2021, the Proposed Project was considered by the Planning Commission in the context of a noticed Public Hearing. The Planning Commission voted

to deny the requested General Plan Amendment, which effectively resulted in rejecting the Proposed Project, since approval of the General Plan Amendment (PEN19-0191) is a prerequisite to approving the Proposed Project's Change of Zone (PEN19-0192), Tentative Parcel Map (PEN19-0234), and Plot Plan (PEN19-0193).

The General Plan Amendment was denied based on the following findings:

- 1) That the Proposed Project is inconsistent with the City's current 2040 General Plan; and
- 2) That the Proposed project would result in significant environmental impacts to the surrounding community.

SPECIFIC REASONS FOR APPEAL:

Pursuant to MVMC Section 9.02.240 (Appeals), the Appellant is required to state the specific reasons for the appeal. In light of the foregoing, the Appellant has provided the following specific reasons for appealing the Planning Commission's October 28 denial:

- 1) The Planning Commission Erred in Finding That the GPA is Inconsistent with the 2040 General Plan
- 2) The Planning Commission Prejudiced the Project by Making it a Symbol for All Industrial Development in the City
- 3) The Planning Commission Erred in Denying the GPA Based on the Alleged Environmental Impacts of the Project Because These Impacts Are Minor in Nature, Significantly Reduced by the Project's Mitigation and Design Measures, and Substantially Outweighed by the Project's Benefits

The Appellant purports that the Planning Commission's denial of the General Plan Amendment based on the Project's alleged environmental impacts was made in a vacuum and without reference to the mitigation measures and community benefits that, individually and collectively, reduce or offset these impacts and ultimately provide greater community benefits to the City. The Appellant further purports that there was also no factual or evidentiary foundation to support the Planning Commission's findings of denial, as the Commissioners freely acknowledged not having read or reviewed the Project's EIR or related materials.

SCOPE AND STANDARD OF REVIEW:

Pursuant to Moreno Valley Municipal Code (MVMC) Section 9.02.040 (General Plan Amendments), the authority for approval of general plan amendments shall be vested in the City Council. However, Section 9.02.040 further provides that the Planning Commission's action recommending disapproval of proposed general plan amendment, regardless of how such amendment was initiated, shall be final unless appealed to the City Council within fifteen (15) consecutive calendar days after the Planning Commission's recommended disapproval. The Planning Commission's action was taken on October 28, 2021, and the Appellant filed its appeal on November 10, 2021, within the 15 day appeal period.

Section 9.02.040 provides that the City Council may approve, approve with modifications, or disapprove any proposed General Plan Amendment. However, prior to any final City Council action regarding the General Plan Amendment, if there is any substantial modification proposed by the City Council that was not previously considered by the Planning Commission, the proposed substantial modification must first be referred to the Planning Commission for its recommendation.

Finally, if the City Council is inclined to approved the proposed General Plan Amendment, it must make the following findings:

- 1) That the proposed General Plan Amendment is consistent with existing goals, objectives, policies and programs of the general plan; and
- 2) That the proposed General Plan Amendment will not adversely affect the public health, safety or general welfare.

ALTERNATIVES

- 1) Overrule the Planning Commission's decision; adopt the Resolution approving General Plan Amendment (PEN19-0191); adopt the Resolution approving Change of Zone (PEN19-0192); adopt the Resolution approving Tentative Parcel Map (PEN19-0234); and adopt the Resolution approving Plot Plan (PEN19-0193) based on the findings set forth in the above-reference Resolutions and the Administrative Record; or
- 2) Uphold the Planning Commission's decision.

FISCAL IMPACT

Not Applicable

PREPARATION OF STAFF REPORT

Prepared By:
Gabriel Diaz
Associate Planner

Department Head Approval:
Manuel A. Mancha
Community Development Director

Concurred By:
Sean P. Kelleher
Planning Official

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 1.1: Proactively attract high-quality businesses.

Objective 1.2: Market all the opportunities for quality industrial development in Moreno Valley by promoting all high-profile industrial and business projects that set the City apart from others.

Objective 1.3: Promote local hiring through the expansion of local, quality, high paying jobs, and workforce development efforts.

Objective 1.5: Showcase Moreno Valley's unique assets.

Objective 1.6: Establish Moreno Valley as the worldwide model in logistics development.

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

1. Appeal Letter
2. Draft Planning Commission of October 28, 2021
3. Adopted Planning Commission Resolution No. 2021-41 General Plan Amendment
4. Planning Commission Staff Report
5. Planning Commission Resolution 2021-40 Final Environmental Impact Report

6. Planning Commission Appendix A - Initial Study, NOP, and Written Comments on the NOP
7. Planning Commission Appendix B1 - Air Quality Impact Analysis - Warehouse
8. Planning Commission Appendix B2 - Air Quality Impact Analysis - E-Commerce
9. Planning Commission Appendix B3 - Mobile Source Health Risk Assessment - Warehouse
10. Planning Commission Appendix B4 - Mobile Source Health Risk Assessment - E-Commerce
11. Planning Commission Appendix B5 - Supplemental Air Quality Analysis Memo - Warehouse
12. Planning Commission Appendix B6 - Supplemental Air Quality Analysis Memo - E-Commerce
13. Planning Commission Appendix C1 - Biological Technical Report
14. Planning Commission Appendix C2 - Jurisdictional Delineation
15. Planning Commission Appendix C3 - Determination Biologically Equivalent or Superior Preservation
16. Planning Commission Appendix D - Cultural Resources
17. Planning Commission Appendix E1 - Energy Analysis - Warehouse
18. Planning Commission Appendix E2 - Energy Analysis - E-Commerce
19. Planning Commission Appendix F - Geotechnical Report
20. Planning Commission Appendix G - Paleontological Report
21. Planning Commission Appendix H1 - Greenhouse Gas Emissions Report - Warehouse
22. Planning Commission Appendix H2 - Greenhouse Gas Emissions Report - E-Commerce
23. Planning Commission Appendix I - Phase I Environmental Site Assessment
24. Planning Commission Appendix J1 - Hydrology Report - Warehouse
25. Planning Commission Appendix J2 - Preliminary WQMP - Warehouse
26. Planning Commission Appendix J3 - Hydrology Report - E-Commerce
27. Planning Commission Appendix J4 - Preliminary WQMP - E-Commerce
28. Planning Commission Appendix J5 - Supplemental Hydrology Memorandum
29. Planning Commission Appendix K1 - Noise Report - Warehouse
30. Planning Commission Appendix K2 - Noise Report - E-Commerce
31. Planning Commission Appendix L1 - Traffic Impact Analysis - Warehouse
32. Planning Commission Appendix L2 - Traffic Impact Analysis - E-Commerce
33. Planning Commission Appendix L3 - Trip Generation Comparison - Warehouse
34. Planning Commission Appendix L4 - Trip Generation Comparison - E-Commerce
35. Planning Commission Appendix M - Water Supply Assessment
36. Planning Commission Exhibit B - Mitigation Monitoring and Reporting Program
37. Planning Commission Exhibit C - Statement of Overriding Considerations

- 38. Planning Commission Resolution No. 2021-41 General Plan Amendment
- 39. Planning Commission Resolution No. 2021-42 Change of Zone
- 40. Planning Commission Resolution No. 2021-43 Parcel Map
- 41. Planning Commission Resolution No. 2021-44 Plot Plan
- 42. Planning Commission Resolution No. 2021-45 No Net Loss
- 43. Site Plan and Elevations Plans
- 44. Colored Elevations
- 45. Preliminary Grading Plan
- 46. Tentative Parcel Map 37836
- 47. Preliminary Landscape Plan
- 48. 600 Foot Public Hearing Notice
- 49. 600 Foot Radius Map
- 50. Project Public Comments Planning Commission
- 51. Project Public Comments City Council
- 52. MVTC Community Benefits Letter 1
- 53. MVTC Community Benefits Letter 2

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	12/01/21 7:50 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	12/01/21 9:31 AM



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO COMMUNITY FACILITIES DISTRICT 2021-01 (PARKS MAINTENANCE) (RESO. NO. CSD 2021-____, CSD 2021-____, CSD 2021-____, CSD 2021-____, CSD 2021-____, AND CSD 2021-____)

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed annexations into Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance).
2. Adopt Resolution No. CSD 2021-____, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 5 - LCG MVD II, LLC, Located at the Southeast Corner of Heacock St. and Hemlock Ave.).
3. Adopt Resolution No. CSD 2021-____, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 6 - Maria J. Luna, located at 11950 Mathews Rd.).

4. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 7 - Ada Velis Iglesias de Turcios, located on the north side of Angella Way, east of Indian St.).
5. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 8 - MV Resource Center, LLC, located at the northeast corner of Resource Way and Corporate Way).
6. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 10 - Alessandro Industrial No. 14, LP, located on the south side of Alessandro Blvd., west of Heacock St.).
7. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Submitting to the Landowners of Territory Proposed for Annexation to Community Facilities District No. 2021-01 (Parks Maintenance) the Question of the Levy of a Special Tax Within Such Territory (Annexation No. 11 - Gold Coast Properties CA 3, LLC, located southwest of Indian St. and Hemlock St.).
8. Direct the Secretary of the CSD to canvass the returned ballots and report the results of the special election to the CSD Board.
9. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 5 - LCG MVD II, LLC, Located at the Southeast Corner of Heacock St. and Hemlock Ave.).
10. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01

(Parks Maintenance) and Ordering Said Annexation (Annexation No. 6 - Maria J. Luna, located at 11950 Mathews Rd.).

11. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 7 - Ada Velis Iglesias de Turcios, located on the north side of Angella Way, east of Indian St.).
12. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 8 - MV Resource Center, LLC, located at the northeast corner of Resource Way and Corporate Way).
13. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 10 - Alessandro Industrial No. 14, LP, located on the south side of Alessandro Blvd., west of Heacock St.).
14. Adopt Resolution No. CSD 2021-___, a Resolution of the Board for the Moreno Valley Community Services District of the City of Moreno Valley, California, Declaring the Results of an Election in Connection with an Annexation of Territory to Community Facilities District No. 2021-01 (Parks Maintenance) and Ordering Said Annexation (Annexation No. 11 - Gold Coast Properties CA 3, LLC, located southwest of Indian St. and Hemlock St.).

SUMMARY

This report recommends that the CSD Board convene a Public Hearing to annex certain parcels into Community Facilities District (CFD) No. 2021-01 (Parks Maintenance) (the "District"). After the close of the Public Hearing, the CSD Board can adopt Resolutions to Call for the Election (Attachments 1 through 6) and direct the Secretary of the CSD to open the landowner ballots. Provided the property owners approve their respective ballots, the CSD Board can adopt Resolutions Ordering the Annexation of the property identified below to the District (Attachments 7 through 12). This action impacts only the property owners identified below, not the general citizens or taxpayers of the City.

DISCUSSION

As a condition of approval of the development projects identified below, the applicants are required to provide an ongoing funding source for maintenance of certain public facilities (e.g. parks). The funding is used to mitigate the cost of certain impacts created by the proposed development.

Property Owner Project ACP Record #s	Annexation No.	APNs	Location
LCG MVD II, LLC The District Retail & Grocery PEN20-0148/SMP21-0007	5	481-090-009, 481-090-032 & 481-090-033	Southeast corner of Heacock St. and Hemlock Ave.
Maria J. Luna Single-family residential unit PEN19-0257/SMP21-0006	6	474-161-035	11950 Mathews Rd.
Ada Velis Iglesias de Turcios Two single-family residential units PEN18-0042/SMP21-0005	7	316-110-021	North side of Angella Way, east of Indian St.
MV Resource Center, LLC 47,400 sq. ft. industrial building PEN19-0201/SMP21-0004	8	297-220-006, 297-220-007 & 297-220-008	Northeast corner of Resource Way and Corporate Way
Alessandro Industrial No. 14, LP 280,800 sq. ft. Business Park PEN20-0038/SMP21-0009	10	297-170-083	South side of Alessandro Blvd., west of Heacock St.
Gold Coast Properties CA 3, LLC Woodspring Suites PEN18-0232/SMP21-0010	11	481-090-037	Southwest of Indian St. and Hemlock Ave.

On June 1, 2021, the CSD Board formed CFD No. 2021-01, pursuant to the Mello-Roos Community Facilities Act of 1982. The District was created to provide the development community with an alternative funding tool to mitigate the impacts of their proposed development. If a property owner elects to annex the parcels of their development into the District, they also authorize the CSD to annually levy a special tax, collected on the annual property tax bill, against property in the development project. Thus, satisfying the condition of approval.

At the request of the property owners, the CSD Board adopted a Resolution of Intent on October 19, 2021 to annex the property identified herein into the District. After the CSD Board conducts tonight's Public Hearing and takes the related actions, the property owner ballots can be opened to determine whether the property owners have authorized annexation of their respective property into the District. Each ballot will be counted separately to determine if a property owner approved annexation of their property to the District.

ALTERNATIVES

1. Conduct the Public Hearing and approve the recommended actions as presented. *Staff recommends this alternative since it will allow the opening of ballots and annexation of certain parcels into the District, provided the property owners approved the ballot.*

2. Conduct the Public Hearing but do not approve the recommended actions as presented. *Staff does not recommend this alternative because it may delay project development. The City will incur additional costs to reinstate the process.*
3. Open the Public Hearing and continue it to a future regularly scheduled meeting. *Staff does not recommend this alternative because it will delay announcement of the special election results and may delay project development.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund the services provided by CFD No. 2021-01. The special tax can only be applied to a property tax bill of a parcel wherein the qualified electors (i.e., landowners or registered voters, depending upon the number of registered voters) have previously provided approval. If the projected revenue from the maximum special tax exceeds what is necessary to fund the services, a lower amount will be applied to the property tax bills for all the properties within the District.

Property Owner Project ACP Record #s	Annexation No.	Property Type	FY 2021/22 Maximum Special Tax Rate
LCG MVD II, LLC The District Retail & Grocery PEN20-0148/SMP21-0007	5	Commercial	\$18.69 per 1,000 feet of building square feet
Maria J. Luna Single-family Residential Unit PEN19-0257/SMP21-0006	6	Single-Family	\$291.59 per unit
Ada Velis Iglesias de Turcios Two Single-family Residential Units PEN18-0042/SMP21-0005	7	Single-Family	\$291.59 per unit
MV Resource Center, LLC 47,400 sq. ft. Industrial Building PEN19-0201/SMP21-0004	8	Industrial	\$9.07 per 1,000 feet of building square feet
Alessandro Industrial No. 14, LP 280,800 sq. ft. Business Park PEN20-0038/SMP21-0009	10	Industrial	\$9.07 per 1,000 feet of building square feet
Gold Coast Properties CA 3, LLC Woodspring Suites PEN18-0232/SMP21-0010	11	Commercial	\$18.69 per 1,000 feet of building square feet

NOTIFICATION

The Press-Enterprise published the legal notice for tonight's Public Hearing on November 30, 2021, consistent with Government Code § 53339.4 and 53322.

PREPARATION OF STAFF REPORT

Prepared by:

Department Head Approval:

Candace E. Cassel
Special Districts Division Manager

Brian Mohan
Assistant City Manager

Concurred by:
Jeremy Bubnick
Parks & Community Services Director

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. **Economic Development**
2. **Public Safety**
3. **Library**
4. **Infrastructure**
5. **Beautification, Community Engagement, and Quality of Life**
6. **Youth Programs**

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

Objective 5.2: Promote the installation and maintenance of cost effective, low maintenance landscape, hardscape and other improvements which create a clean, inviting community.

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

1. Resolution Calling Election - Annexation No. 5
2. Resolution Calling Election - Annexation No. 6
3. Resolution Calling Election - Annexation No. 7
4. Resolution Calling Election - Annexation No. 8
5. Resolution Calling Election - Annexation No. 10
6. Resolution Calling Election - Annexation No. 11

- 7. Resolution Ordering Annexation - Annexation No. 5
- 8. Resolution Ordering Annexation - Annexation No. 6
- 9. Resolution Ordering Annexation - Annexation No. 7
- 10. Resolution Ordering Annexation - Annexation No. 8
- 11. Resolution Ordering Annexation - Annexation No. 10
- 12. Resolution Ordering Annexation - Annexation No. 11

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 1:47 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/30/21 5:20 PM

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, SUBMITTING TO THE LANDOWNERS OF TERRITORY PROPOSED FOR ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) THE QUESTION OF THE LEVY OF A SPECIAL TAX WITHIN SUCH TERRITORY

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55, the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-30 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 5 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 75 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, the Resolution of Intention set December 7, 2021, at 6:00 PM (or as soon thereafter as practical), in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553, as the date, time and place at which the CSD Board would hold a public hearing (the "Public Hearing") on the proposed annexation; and

WHEREAS, notice of the Public Hearing was published as required by law; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, at the appointed time and place, the CSD Board held the Public Hearing and all persons wishing to provide oral or written testimony regarding the proposed annexation or the levy of the Special Tax within the Annexation Territory were heard; and

WHEREAS, a majority protest does not exist pursuant to Section 53339.6 of the Act with respect to the proposed annexation; and

WHEREAS, the CSD Board now desires to submit to the landowners of the Annexation Territory the question of the levy of the Special Tax in connection with the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Election. A special election is hereby called for December 7, 2021 (the "Election") within the Annexation Territory. The Election shall be held in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553 immediately following the adoption of this Resolution, and closing fifteen minutes after the adoption of this Resolution. However, the Secretary of the CSD (the City Clerk of the City of Moreno Valley) may close the Election at any earlier time if all the qualified voters have voted. All time limits specified in Section 53326 of the Act, all analysis, all arguments and all requirements of law pertaining to the conduct of the Election have been waived by unanimous written consent to such waiver from the qualified electors of the CFD. The Secretary of the CSD, as elections official, will conduct the election and has concurred with such waiver. The Secretary of the CSD may close the election and canvass the ballots once all ballots have been received. The vote will be by the landowners of the Annexation Territory, and each landowner of the Annexation Territory who is the owner of record at the close of the Hearing, or is the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the Annexation Territory. The CSD Board determines that the identities of the landowner(s) of the CFD (and the number of acres, or portions thereof, of land in the CFD that is owned by each such landowner) is as set forth in Exhibit "A" to this Resolution, which is attached hereto and incorporated herein by reference.
3. Ballot Measure. The levy of the Special Tax within the Annexation Territory is hereby submitted to the qualified electors of the Annexation Territory at the Election. The question to be put to the qualified electors shall be as set forth below:

"Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the "Annexation Territory") shown on Annexation Map No. 5 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD") shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within

2

Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?"

Reference is made to the Resolution of Intention with respect to this ballot question. The Resolution of Intention is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference. For administrative convenience, the question may be referred to as "Annexation Measure 5."

- 4. This Resolution shall be effective immediately upon adoption.
- 5. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 7th day of December, 2021

 Mayor of the City of Moreno Valley
 Acting in the capacity as President of
 the Board of the Moreno Valley
 Community Services District

ATTEST:

 City Clerk of the City of Moreno Valley
 Acting in the capacity of Secretary of the
 Board of the Moreno Valley Community
 Services District

APPROVED AS TO FORM:

 City Attorney, acting in the capacity
 of General Counsel of the Moreno
 Valley Community Services District

3
 Resolution No. CSD 2021-_____
 Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 5 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 5 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

EXHIBIT "A"
ANNEXATION PARCEL(S)

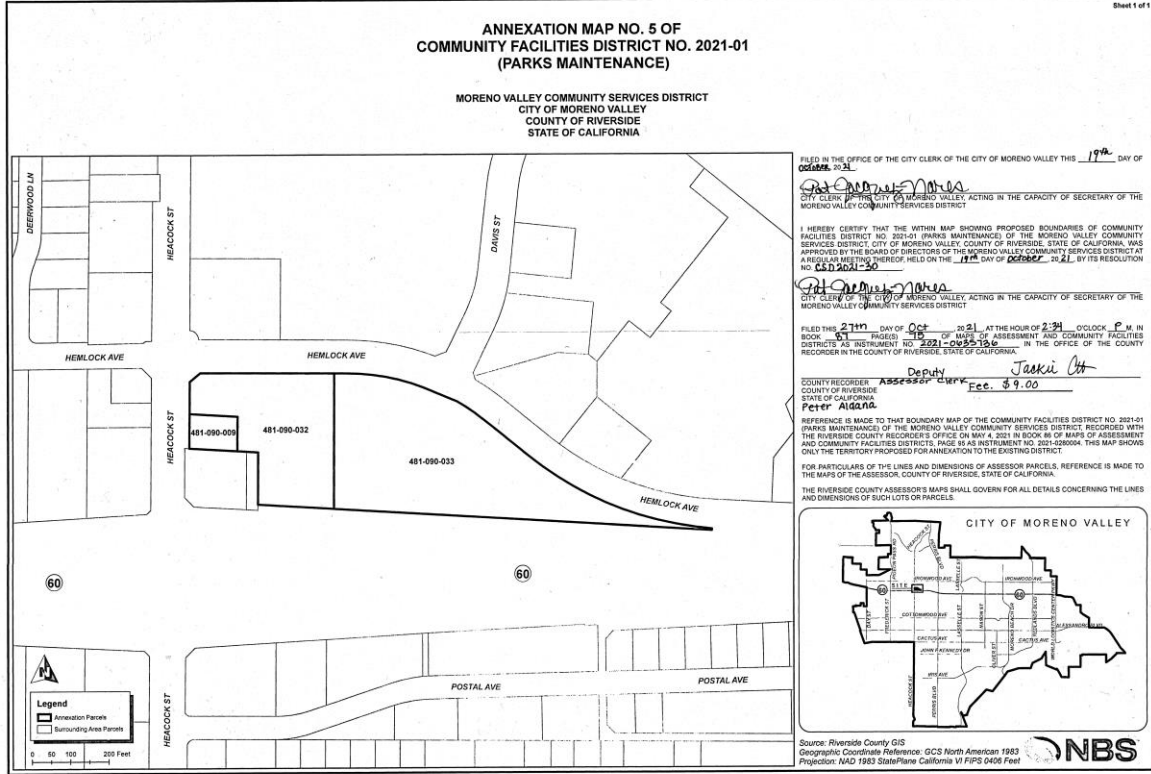
List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Number of Acres¹
5	481-090-009 481-090-032 481-090-033	LCG MVD II, LLC	7

¹ Rounded up

Attachment: Resolution Calling Election - Annexation No. 5 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



COPY 81/75
Sheet 1 of 1

Attachment: Resolution Calling Election - Annexation No. 5 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, SUBMITTING TO THE LANDOWNERS OF TERRITORY PROPOSED FOR ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) THE QUESTION OF THE LEVY OF A SPECIAL TAX WITHIN SUCH TERRITORY

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55, the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-31 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 6 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 76 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, the Resolution of Intention set December 7, 2021, at 6:00 PM (or as soon thereafter as practical), in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553, as the date, time and place at which the CSD Board would hold a public hearing (the "Public Hearing") on the proposed annexation; and

WHEREAS, notice of the Public Hearing was published as required by law; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, at the appointed time and place, the CSD Board held the Public Hearing and all persons wishing to provide oral or written testimony regarding the proposed annexation or the levy of the Special Tax within the Annexation Territory were heard; and

WHEREAS, a majority protest does not exist pursuant to Section 53339.6 of the Act with respect to the proposed annexation; and

WHEREAS, the CSD Board now desires to submit to the landowners of the Annexation Territory the question of the levy of the Special Tax in connection with the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Election. A special election is hereby called for December 7, 2021 (the "Election") within the Annexation Territory. The Election shall be held in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553 immediately following the adoption of this Resolution, and closing fifteen minutes after the adoption of this Resolution. However, the Secretary of the CSD (the City Clerk of the City of Moreno Valley) may close the Election at any earlier time if all the qualified voters have voted. All time limits specified in Section 53326 of the Act, all analysis, all arguments and all requirements of law pertaining to the conduct of the Election have been waived by unanimous written consent to such waiver from the qualified electors of the CFD. The Secretary of the CSD, as elections official, will conduct the election and has concurred with such waiver. The Secretary of the CSD may close the election and canvass the ballots once all ballots have been received. The vote will be by the landowners of the Annexation Territory, and each landowner of the Annexation Territory who is the owner of record at the close of the Hearing, or is the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the Annexation Territory. The CSD Board determines that the identities of the landowner(s) of the CFD (and the number of acres, or portions thereof, of land in the CFD that is owned by each such landowner) is as set forth in Exhibit "A" to this Resolution, which is attached hereto and incorporated herein by reference.
3. Ballot Measure. The levy of the Special Tax within the Annexation Territory is hereby submitted to the qualified electors of the Annexation Territory at the Election. The question to be put to the qualified electors shall be as set forth below:

"Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the "Annexation Territory") shown on Annexation Map No. 6 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD") shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within

2

Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”

Reference is made to the Resolution of Intention with respect to this ballot question. The Resolution of Intention is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference. For administrative convenience, the question may be referred to as “Annexation Measure 6.”

4. This Resolution shall be effective immediately upon adoption.
5. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 7th day of December, 2021

 Mayor of the City of Moreno Valley
 Acting in the capacity as President of
 the Board of the Moreno Valley
 Community Services District

ATTEST:

 City Clerk of the City of Moreno Valley
 Acting in the capacity of Secretary of the
 Board of the Moreno Valley Community
 Services District

APPROVED AS TO FORM:

 City Attorney, acting in the capacity
 of General Counsel of the Moreno
 Valley Community Services District

3
 Resolution No. CSD 2021-_____
 Date Adopted: December 7, 2021

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 6 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

EXHIBIT "A"
ANNEXATION PARCEL(S)

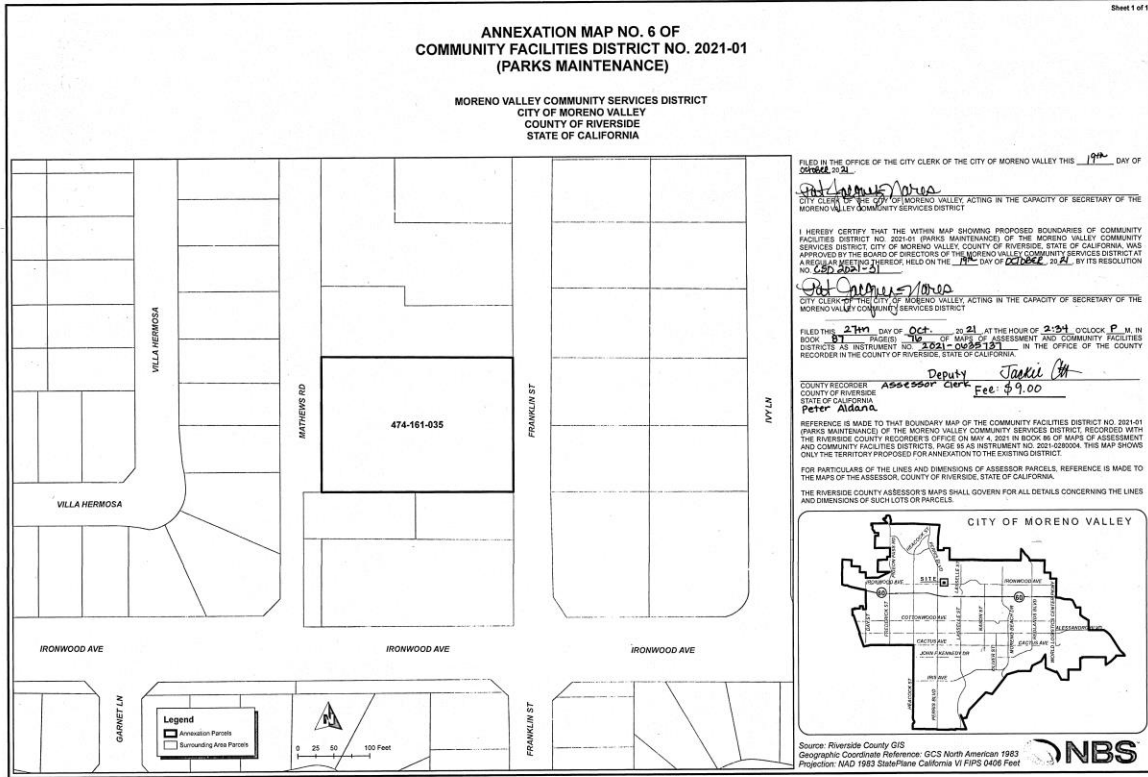
List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Number of Acres¹
6	474-161-035	Maria J. Luna	2

¹ Rounded up

Attachment: Resolution Calling Election - Annexation No. 6 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



Attachment: Resolution Calling Election - Annexation No. 6 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, SUBMITTING TO THE LANDOWNERS OF TERRITORY PROPOSED FOR ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) THE QUESTION OF THE LEVY OF A SPECIAL TAX WITHIN SUCH TERRITORY

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55, the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-32 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 7 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 77 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, the Resolution of Intention set December 7, 2021, at 6:00 PM (or as soon thereafter as practical), in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553, as the date, time and place at which the CSD Board would hold a public hearing (the "Public Hearing") on the proposed annexation; and

WHEREAS, notice of the Public Hearing was published as required by law; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, at the appointed time and place, the CSD Board held the Public Hearing and all persons wishing to provide oral or written testimony regarding the proposed annexation or the levy of the Special Tax within the Annexation Territory were heard; and

WHEREAS, a majority protest does not exist pursuant to Section 53339.6 of the Act with respect to the proposed annexation; and

WHEREAS, the CSD Board now desires to submit to the landowners of the Annexation Territory the question of the levy of the Special Tax in connection with the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Election. A special election is hereby called for December 7, 2021 (the "Election") within the Annexation Territory. The Election shall be held in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553 immediately following the adoption of this Resolution, and closing fifteen minutes after the adoption of this Resolution. However, the Secretary of the CSD (the City Clerk of the City of Moreno Valley) may close the Election at any earlier time if all the qualified voters have voted. All time limits specified in Section 53326 of the Act, all analysis, all arguments and all requirements of law pertaining to the conduct of the Election have been waived by unanimous written consent to such waiver from the qualified electors of the CFD. The Secretary of the CSD, as elections official, will conduct the election and has concurred with such waiver. The Secretary of the CSD may close the election and canvass the ballots once all ballots have been received. The vote will be by the landowners of the Annexation Territory, and each landowner of the Annexation Territory who is the owner of record at the close of the Hearing, or is the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the Annexation Territory. The CSD Board determines that the identities of the landowner(s) of the CFD (and the number of acres, or portions thereof, of land in the CFD that is owned by each such landowner) is as set forth in Exhibit "A" to this Resolution, which is attached hereto and incorporated herein by reference.
3. Ballot Measure. The levy of the Special Tax within the Annexation Territory is hereby submitted to the qualified electors of the Annexation Territory at the Election. The question to be put to the qualified electors shall be as set forth below:

"Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the "Annexation Territory") shown on Annexation Map No. 7 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD") shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within

2

Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”

Reference is made to the Resolution of Intention with respect to this ballot question. The Resolution of Intention is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference. For administrative convenience, the question may be referred to as “Annexation Measure 7.”

- 4. This Resolution shall be effective immediately upon adoption.
- 5. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 7th day of December, 2021

 Mayor of the City of Moreno Valley
 Acting in the capacity as President of
 the Board of the Moreno Valley
 Community Services District

ATTEST:

 City Clerk of the City of Moreno Valley
 Acting in the capacity of Secretary of the
 Board of the Moreno Valley Community
 Services District

APPROVED AS TO FORM:

 City Attorney, acting in the capacity
 of General Counsel of the Moreno
 Valley Community Services District

3
 Resolution No. CSD 2021-_____
 Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

EXHIBIT "A"
ANNEXATION PARCEL(S)

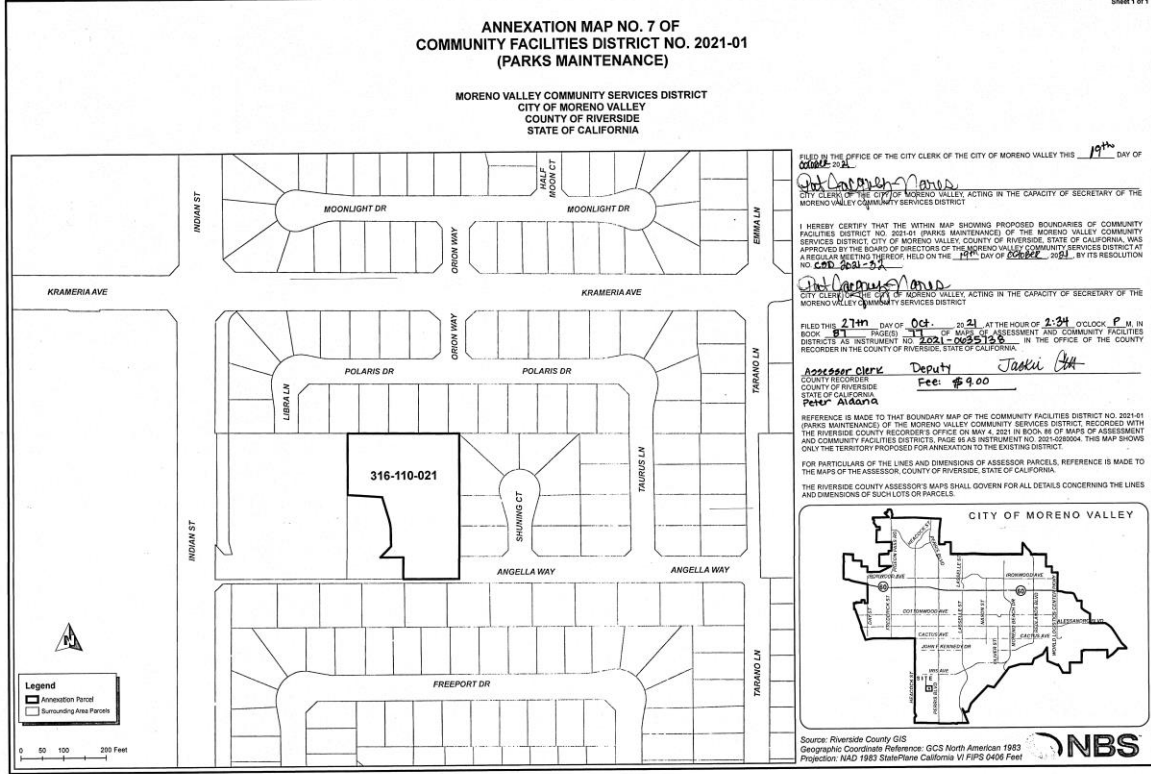
List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Number of Acres¹
7	316-110-021	Ada Velis Iglesias de Turcios	2

¹ Rounded up

Attachment: Resolution Calling Election - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



Attachment: Resolution Calling Election - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, SUBMITTING TO THE LANDOWNERS OF TERRITORY PROPOSED FOR ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) THE QUESTION OF THE LEVY OF A SPECIAL TAX WITHIN SUCH TERRITORY

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55, the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-33 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 8 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 78 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, the Resolution of Intention set December 7, 2021, at 6:00 PM (or as soon thereafter as practical), in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553, as the date, time and place at which the CSD Board would hold a public hearing (the "Public Hearing") on the proposed annexation; and

WHEREAS, notice of the Public Hearing was published as required by law; and

Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

WHEREAS, at the appointed time and place, the CSD Board held the Public Hearing and all persons wishing to provide oral or written testimony regarding the proposed annexation or the levy of the Special Tax within the Annexation Territory were heard; and

WHEREAS, a majority protest does not exist pursuant to Section 53339.6 of the Act with respect to the proposed annexation; and

WHEREAS, the CSD Board now desires to submit to the landowners of the Annexation Territory the question of the levy of the Special Tax in connection with the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Election. A special election is hereby called for December 7, 2021 (the "Election") within the Annexation Territory. The Election shall be held in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553 immediately following the adoption of this Resolution, and closing fifteen minutes after the adoption of this Resolution. However, the Secretary of the CSD (the City Clerk of the City of Moreno Valley) may close the Election at any earlier time if all the qualified voters have voted. All time limits specified in Section 53326 of the Act, all analysis, all arguments and all requirements of law pertaining to the conduct of the Election have been waived by unanimous written consent to such waiver from the qualified electors of the CFD. The Secretary of the CSD, as elections official, will conduct the election and has concurred with such waiver. The Secretary of the CSD may close the election and canvass the ballots once all ballots have been received. The vote will be by the landowners of the Annexation Territory, and each landowner of the Annexation Territory who is the owner of record at the close of the Hearing, or is the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the Annexation Territory. The CSD Board determines that the identities of the landowner(s) of the CFD (and the number of acres, or portions thereof, of land in the CFD that is owned by each such landowner) is as set forth in Exhibit "A" to this Resolution, which is attached hereto and incorporated herein by reference.
3. Ballot Measure. The levy of the Special Tax within the Annexation Territory is hereby submitted to the qualified electors of the Annexation Territory at the Election. The question to be put to the qualified electors shall be as set forth below:

"Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the "Annexation Territory") shown on Annexation Map No. 8 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD") shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within

2

Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”

Reference is made to the Resolution of Intention with respect to this ballot question. The Resolution of Intention is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference. For administrative convenience, the question may be referred to as “Annexation Measure 8.”

- 4. This Resolution shall be effective immediately upon adoption.
- 5. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 7th day of December, 2021

 Mayor of the City of Moreno Valley
 Acting in the capacity as President of
 the Board of the Moreno Valley
 Community Services District

ATTEST:

 City Clerk of the City of Moreno Valley
 Acting in the capacity of Secretary of the
 Board of the Moreno Valley Community
 Services District

APPROVED AS TO FORM:

 City Attorney, acting in the capacity
 of General Counsel of the Moreno
 Valley Community Services District

3
 Resolution No. CSD 2021-_____
 Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

EXHIBIT "A"
ANNEXATION PARCEL(S)

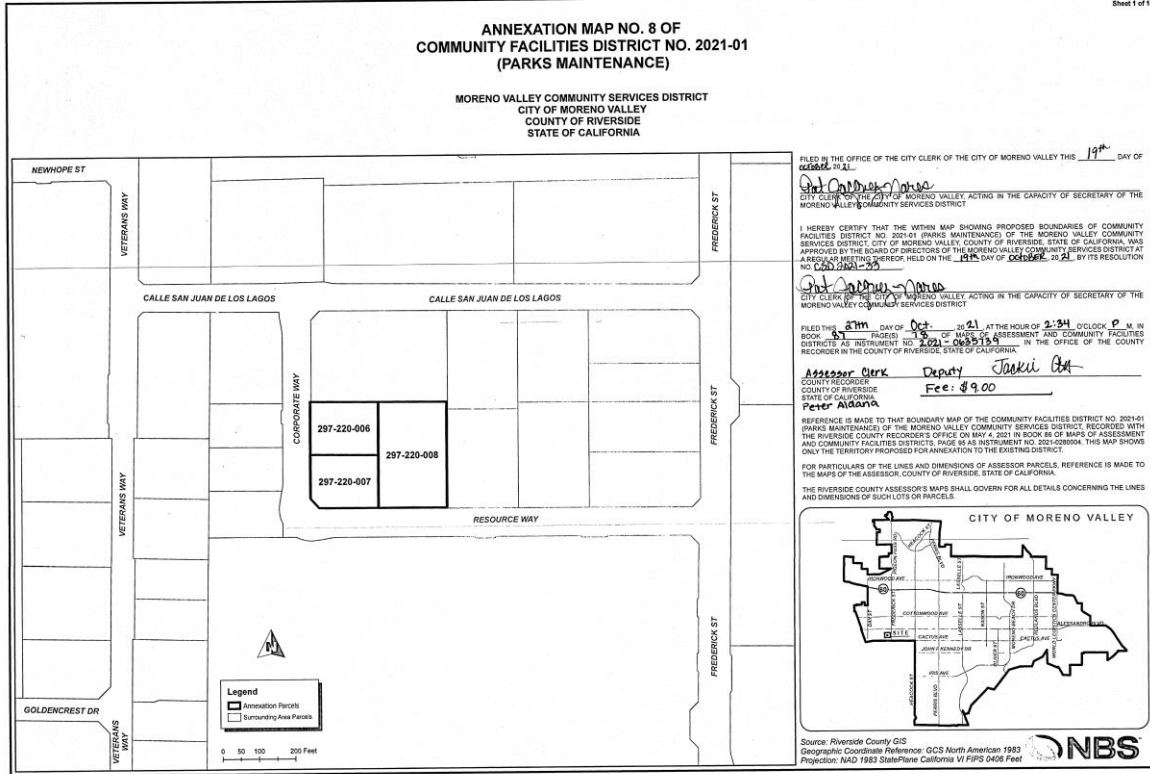
List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Number of Acres¹
8	297-220-006 297-220-007 297-220-008	MV Resource Center, LLC	3

¹ Rounded up

Attachment: Resolution Calling Election - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



COPY 81/78
Sheet 1 of 1

Attachment: Resolution Calling Election - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, SUBMITTING TO THE LANDOWNERS OF TERRITORY PROPOSED FOR ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) THE QUESTION OF THE LEVY OF A SPECIAL TAX WITHIN SUCH TERRITORY

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55, the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-34 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 10 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 79 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, the Resolution of Intention set December 7, 2021, at 6:00 PM (or as soon thereafter as practical), in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553, as the date, time and place at which the CSD Board would hold a public hearing (the "Public Hearing") on the proposed annexation; and

WHEREAS, notice of the Public Hearing was published as required by law; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, at the appointed time and place, the CSD Board held the Public Hearing and all persons wishing to provide oral or written testimony regarding the proposed annexation or the levy of the Special Tax within the Annexation Territory were heard; and

WHEREAS, a majority protest does not exist pursuant to Section 53339.6 of the Act with respect to the proposed annexation; and

WHEREAS, the CSD Board now desires to submit to the landowners of the Annexation Territory the question of the levy of the Special Tax in connection with the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Election. A special election is hereby called for December 7, 2021 (the "Election") within the Annexation Territory. The Election shall be held in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553 immediately following the adoption of this Resolution, and closing fifteen minutes after the adoption of this Resolution. However, the Secretary of the CSD (the City Clerk of the City of Moreno Valley) may close the Election at any earlier time if all the qualified voters have voted. All time limits specified in Section 53326 of the Act, all analysis, all arguments and all requirements of law pertaining to the conduct of the Election have been waived by unanimous written consent to such waiver from the qualified electors of the CFD. The Secretary of the CSD, as elections official, will conduct the election and has concurred with such waiver. The Secretary of the CSD may close the election and canvass the ballots once all ballots have been received. The vote will be by the landowners of the Annexation Territory, and each landowner of the Annexation Territory who is the owner of record at the close of the Hearing, or is the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the Annexation Territory. The CSD Board determines that the identities of the landowner(s) of the CFD (and the number of acres, or portions thereof, of land in the CFD that is owned by each such landowner) is as set forth in Exhibit "A" to this Resolution, which is attached hereto and incorporated herein by reference.
3. Ballot Measure. The levy of the Special Tax within the Annexation Territory is hereby submitted to the qualified electors of the Annexation Territory at the Election. The question to be put to the qualified electors shall be as set forth below:

"Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the "Annexation Territory") shown on Annexation Map No. 10 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD") shall an annual special tax be levied as set forth in such resolution, against each parcel of real property

2

Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”

Reference is made to the Resolution of Intention with respect to this ballot question. The Resolution of Intention is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference. For administrative convenience, the question may be referred to as “Annexation Measure 10.”

- 4. This Resolution shall be effective immediately upon adoption.
- 5. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 7th day of December, 2021

 Mayor of the City of Moreno Valley
 Acting in the capacity as President of
 the Board of the Moreno Valley
 Community Services District

ATTEST:

 City Clerk of the City of Moreno Valley
 Acting in the capacity of Secretary of the
 Board of the Moreno Valley Community
 Services District

APPROVED AS TO FORM:

 City Attorney, acting in the capacity
 of General Counsel of the Moreno
 Valley Community Services District

3
 Resolution No. CSD 2021-_____
 Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 10 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

EXHIBIT "A"
ANNEXATION PARCEL(S)

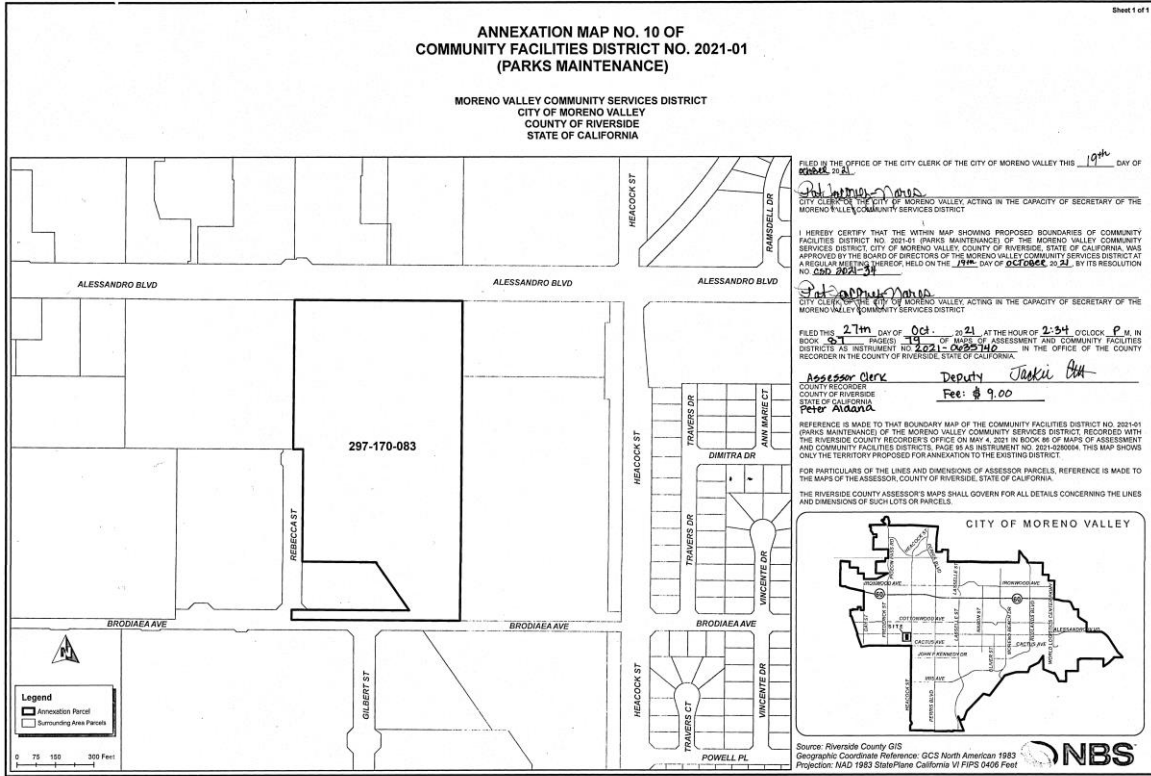
List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Number of Acres¹
10	297-170-083	Alessandro Industrial No. 14, LP	17

¹ Rounded up

Attachment: Resolution Calling Election - Annexation No. 10 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



Attachment: Resolution Calling Election - Annexation No. 10 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, SUBMITTING TO THE LANDOWNERS OF TERRITORY PROPOSED FOR ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) THE QUESTION OF THE LEVY OF A SPECIAL TAX WITHIN SUCH TERRITORY

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55, the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-35 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 11 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 80 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, the Resolution of Intention set December 7, 2021, at 6:00 PM (or as soon thereafter as practical), in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553, as the date, time and place at which the CSD Board would hold a public hearing (the "Public Hearing") on the proposed annexation; and

WHEREAS, notice of the Public Hearing was published as required by law; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, at the appointed time and place, the CSD Board held the Public Hearing and all persons wishing to provide oral or written testimony regarding the proposed annexation or the levy of the Special Tax within the Annexation Territory were heard; and

WHEREAS, a majority protest does not exist pursuant to Section 53339.6 of the Act with respect to the proposed annexation; and

WHEREAS, the CSD Board now desires to submit to the landowners of the Annexation Territory the question of the levy of the Special Tax in connection with the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Election. A special election is hereby called for December 7, 2021 (the "Election") within the Annexation Territory. The Election shall be held in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553 immediately following the adoption of this Resolution, and closing fifteen minutes after the adoption of this Resolution. However, the Secretary of the CSD (the City Clerk of the City of Moreno Valley) may close the Election at any earlier time if all the qualified voters have voted. All time limits specified in Section 53326 of the Act, all analysis, all arguments and all requirements of law pertaining to the conduct of the Election have been waived by unanimous written consent to such waiver from the qualified electors of the CFD. The Secretary of the CSD, as elections official, will conduct the election and has concurred with such waiver. The Secretary of the CSD may close the election and canvass the ballots once all ballots have been received. The vote will be by the landowners of the Annexation Territory, and each landowner of the Annexation Territory who is the owner of record at the close of the Hearing, or is the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the Annexation Territory. The CSD Board determines that the identities of the landowner(s) of the CFD (and the number of acres, or portions thereof, of land in the CFD that is owned by each such landowner) is as set forth in Exhibit "A" to this Resolution, which is attached hereto and incorporated herein by reference.
3. Ballot Measure. The levy of the Special Tax within the Annexation Territory is hereby submitted to the qualified electors of the Annexation Territory at the Election. The question to be put to the qualified electors shall be as set forth below:

"Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the "Annexation Territory") shown on Annexation Map No. 11 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD") shall an annual special tax be levied as set forth in such resolution, against each parcel of real property

2

Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”

Reference is made to the Resolution of Intention with respect to this ballot question. The Resolution of Intention is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference. For administrative convenience, the question may be referred to as “Annexation Measure 11.”

4. This Resolution shall be effective immediately upon adoption.
5. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 7th day of December, 2021

 Mayor of the City of Moreno Valley
 Acting in the capacity as President of
 the Board of the Moreno Valley
 Community Services District

ATTEST:

 City Clerk of the City of Moreno Valley
 Acting in the capacity of Secretary of the
 Board of the Moreno Valley Community
 Services District

APPROVED AS TO FORM:

 City Attorney, acting in the capacity
 of General Counsel of the Moreno
 Valley Community Services District

3
 Resolution No. CSD 2021-_____
 Date Adopted: December 7, 2021

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

Attachment: Resolution Calling Election - Annexation No. 11 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

EXHIBIT "A"
ANNEXATION PARCEL(S)

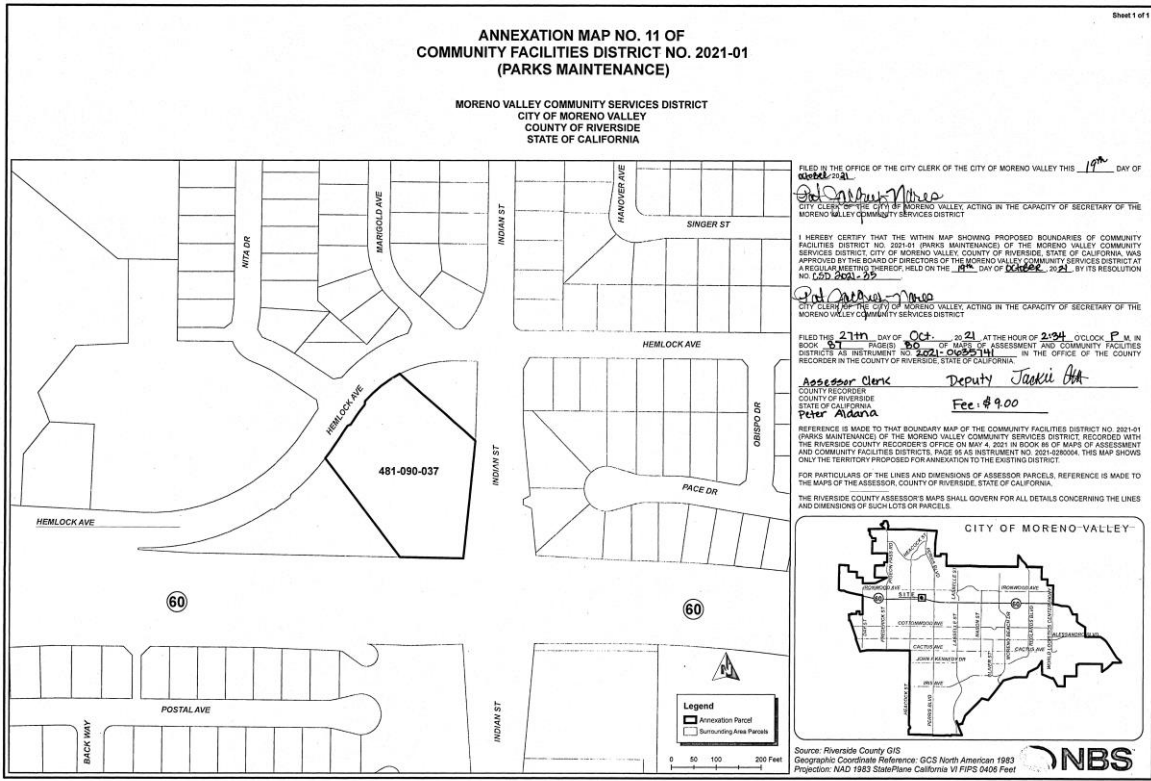
List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Number of Acres¹
11	481-090-037	Gold Coast Properties CA 3, LLC	2

¹ Rounded up

Attachment: Resolution Calling Election - Annexation No. 11 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



COPY 8/180
Sheet 1 of 1

Attachment: Resolution Calling Election - Annexation No. 11 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-6
Date Adopted: December 7, 2021

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DECLARING THE RESULTS OF AN ELECTION IN CONNECTION WITH AN ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) AND ORDERING SAID ANNEXATION

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55 (the "Ordinance"), the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-30 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 5 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 75 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, on December 7, 2021, following a noticed public hearing, the CSD Board, by its Resolution No. CSD 2021-____, submitted to the landowners of the Annexation Territory, at a December 7, 2021 special election (the "Election") the question of the levy of the Special Tax in connection with the CFD; and

WHEREAS, all ballots have now been received by the CSD Secretary, as elections official, and she has closed the election and canvassed the ballots; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, the CSD Board desires to declare and certify the results of the Election and to take all actions necessary to finally annex the Annexation Territory to the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Canvass. The canvass of the Election by the Secretary of the CSD, which is on file in the office of the City Clerk and incorporated herein by reference, is hereby approved.
3. Question Submitted. The question submitted to the voters, which was referred to for administrative convenience as “Annexation Measure 5” (the “Measure”), was:

“Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the “Annexation Territory”) shown on Annexation Map No. 5 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the “CFD”) shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”
4. Election Results. The CSD Board determines that the requisite two-thirds of votes cast in the Special Election approved the Measure.
5. Annexation Ordered. The Annexation Territory is added to and part of the CFD with full legal effect, and the Special Tax is hereby levied within the Annexation Territory in the manner set forth in the Resolution of Intention and the Ordinance.
6. Notice of Special Tax Lien. The CSD Secretary is directed to record notice of the annexation pursuant to Section 3117.5 of the Streets and Highways Code.
7. This Resolution shall be effective immediately upon adoption.
8. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

2
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

APPROVED AND ADOPTED this 7th day of December, 2021

Mayor of the City of Moreno Valley
Acting in the capacity as President of
the Board of the Moreno Valley
Community Services District

ATTEST:

City Clerk of the City of Moreno Valley
Acting in the capacity of Secretary of the
Board of the Moreno Valley Community
Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

Resolution No. CSD 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Annexation No. 5 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PACELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

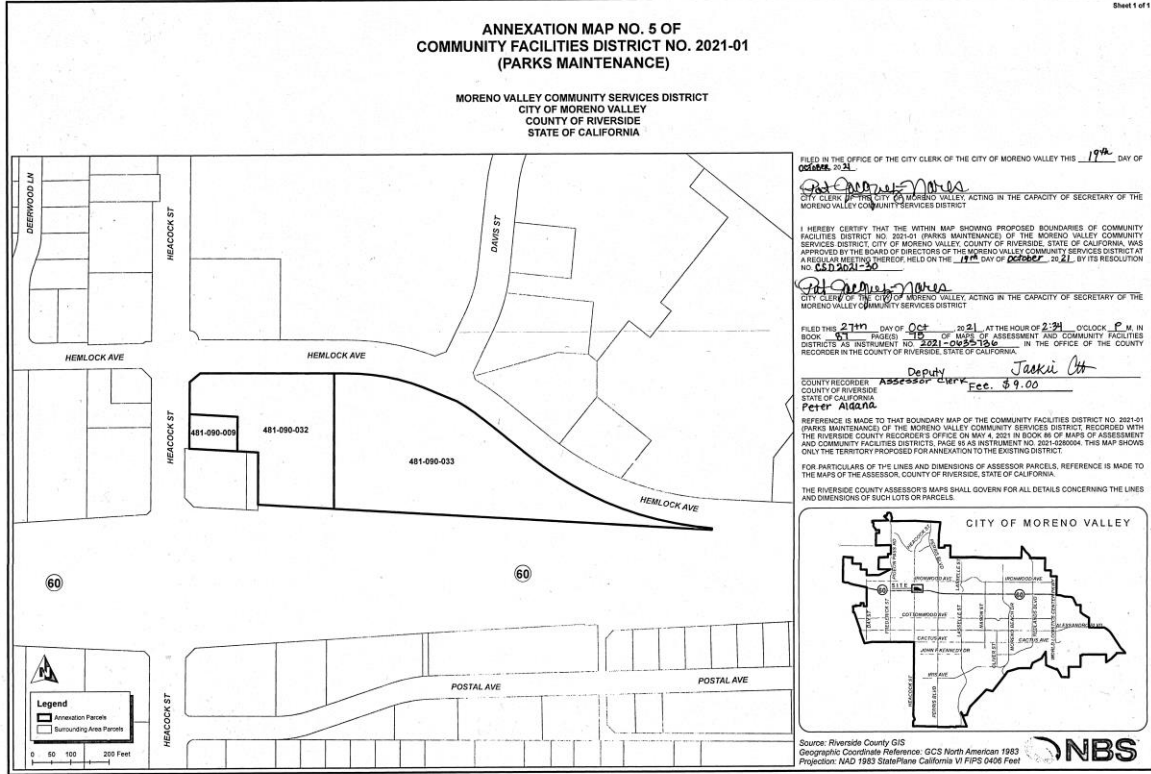
**EXHIBIT "A"
ANNEXATION PARCEL(S)**

List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Property Type
5	481-090-009 481-090-032 481-090-033	LCG MVD II, LLC	Commercial
Based on current development plans, it is anticipated that the Annexation Parcel(s) will be identified as the Property Type listed above; however, all taxes will be calculated as set forth in the Rate and Method of Apportionment.			

Attachment: Resolution Ordering Annexation - Annexation No. 5 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



COPY 81/75
Sheet 1 of 1

Attachment: Resolution Ordering Annexation - Annexation No. 5 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DECLARING THE RESULTS OF AN ELECTION IN CONNECTION WITH AN ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) AND ORDERING SAID ANNEXATION

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55 (the "Ordinance"), the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-31 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 6 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 76 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, on December 7, 2021, following a noticed public hearing, the CSD Board, by its Resolution No. CSD 2021-____, submitted to the landowners of the Annexation Territory, at a December 7, 2021 special election (the "Election") the question of the levy of the Special Tax in connection with the CFD; and

WHEREAS, all ballots have now been received by the CSD Secretary, as elections official, and she has closed the election and canvassed the ballots; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, the CSD Board desires to declare and certify the results of the Election and to take all actions necessary to finally annex the Annexation Territory to the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Canvass. The canvass of the Election by the Secretary of the CSD, which is on file in the office of the City Clerk and incorporated herein by reference, is hereby approved.
3. Question Submitted. The question submitted to the voters, which was referred to for administrative convenience as “Annexation Measure 6” (the “Measure”), was:

“Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the “Annexation Territory”) shown on Annexation Map No. 6 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the “CFD”) shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”
4. Election Results. The CSD Board determines that the requisite two-thirds of votes cast in the Special Election approved the Measure.
5. Annexation Ordered. The Annexation Territory is added to and part of the CFD with full legal effect, and the Special Tax is hereby levied within the Annexation Territory in the manner set forth in the Resolution of Intention and the Ordinance.
6. Notice of Special Tax Lien. The CSD Secretary is directed to record notice of the annexation pursuant to Section 3117.5 of the Streets and Highways Code.
7. This Resolution shall be effective immediately upon adoption.
8. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

2
Resolution No. CSD 2021-
Date Adopted: December 7, 2021

APPROVED AND ADOPTED this 7th day of December, 2021

Mayor of the City of Moreno Valley
Acting in the capacity as President of
the Board of the Moreno Valley
Community Services District

ATTEST:

City Clerk of the City of Moreno Valley
Acting in the capacity of Secretary of the
Board of the Moreno Valley Community
Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

Resolution No. CSD 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Annexation No. 6 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PACELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

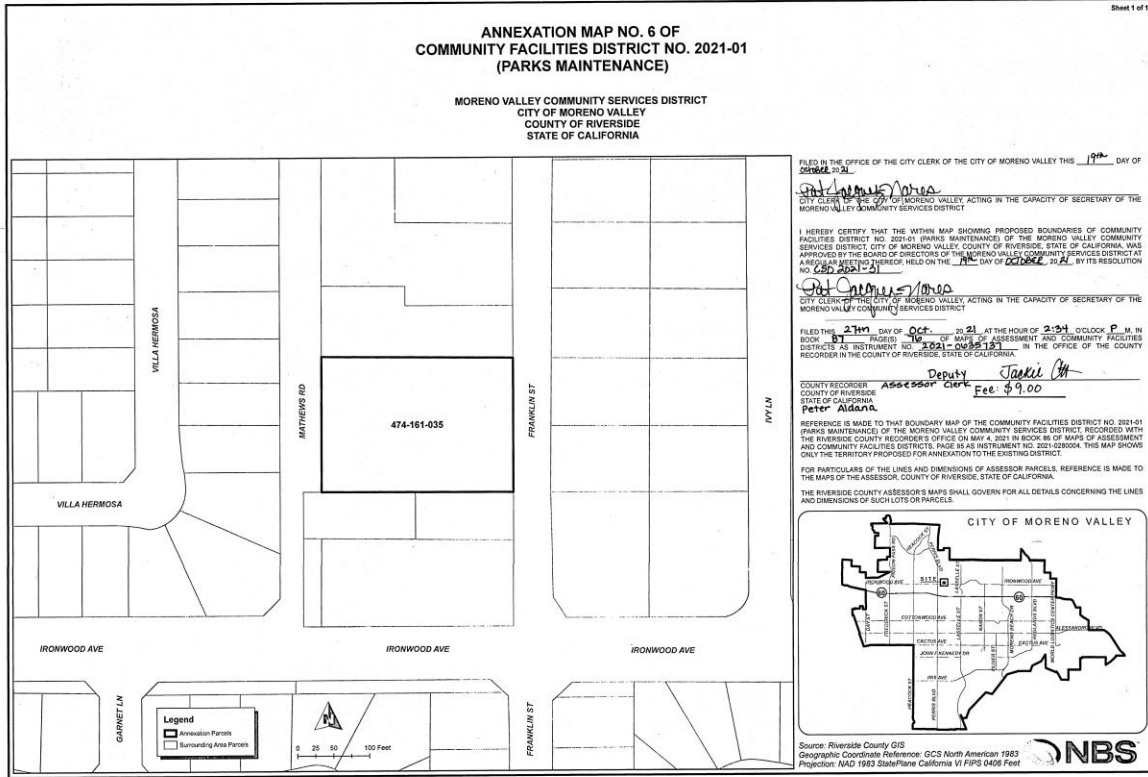
**EXHIBIT "A"
ANNEXATION PARCEL(S)**

List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Property Type
6	474-161-035	Maria J. Luna	Single-Family
Based on current development plans, it is anticipated that the Annexation Parcel(s) will be identified as the Property Type listed above; however, all taxes will be calculated as set forth in the Rate and Method of Apportionment.			

Attachment: Resolution Ordering Annexation - Annexation No. 6 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



Attachment: Resolution Ordering Annexation - Annexation No. 6 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

6
Resolution No. CSD 2021-
Date Adopted: December 7, 2021

RESOLUTION NO. CSD 2021-_____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DECLARING THE RESULTS OF AN ELECTION IN CONNECTION WITH AN ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) AND ORDERING SAID ANNEXATION

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55 (the "Ordinance"), the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-32 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 7 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 77 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, on December 7, 2021, following a noticed public hearing, the CSD Board, by its Resolution No. CSD 2021-_____, submitted to the landowners of the Annexation Territory, at a December 7, 2021 special election (the "Election") the question of the levy of the Special Tax in connection with the CFD; and

WHEREAS, all ballots have now been received by the CSD Secretary, as elections official, and she has closed the election and canvassed the ballots; and

1
Resolution No. CSD 2021-_____
Date Adopted: December 7, 2021

WHEREAS, the CSD Board desires to declare and certify the results of the Election and to take all actions necessary to finally annex the Annexation Territory to the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Canvass. The canvass of the Election by the Secretary of the CSD, which is on file in the office of the City Clerk and incorporated herein by reference, is hereby approved.
3. Question Submitted. The question submitted to the voters, which was referred to for administrative convenience as “Annexation Measure 7” (the “Measure”), was:

“Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the “Annexation Territory”) shown on Annexation Map No. 7 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the “CFD”) shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”
4. Election Results. The CSD Board determines that the requisite two-thirds of votes cast in the Special Election approved the Measure.
5. Annexation Ordered. The Annexation Territory is added to and part of the CFD with full legal effect, and the Special Tax is hereby levied within the Annexation Territory in the manner set forth in the Resolution of Intention and the Ordinance.
6. Notice of Special Tax Lien. The CSD Secretary is directed to record notice of the annexation pursuant to Section 3117.5 of the Streets and Highways Code.
7. This Resolution shall be effective immediately upon adoption.
8. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

2
Resolution No. CSD 2021-
Date Adopted: December 7, 2021

APPROVED AND ADOPTED this 7th day of December, 2021

Mayor of the City of Moreno Valley
Acting in the capacity as President of
the Board of the Moreno Valley
Community Services District

ATTEST:

City Clerk of the City of Moreno Valley
Acting in the capacity of Secretary of the
Board of the Moreno Valley Community
Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

Resolution No. CSD 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PACELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

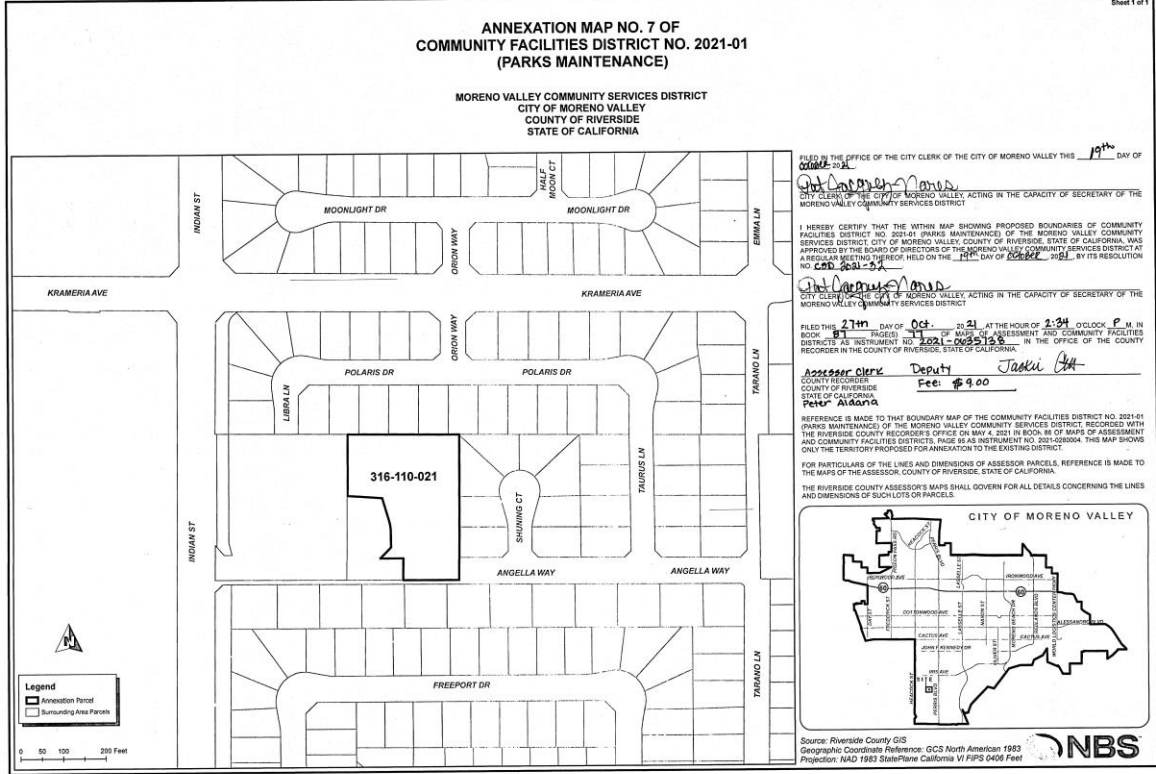
Attachment: Resolution Ordering Annexation - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

**EXHIBIT "A"
ANNEXATION PARCEL(S)**

List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Property Type
7	316-110-021	Ada Velis Iglesias de Turcios	Single-Family
Based on current development plans, it is anticipated that the Annexation Parcel(s) will be identified as the Property Type listed above; however, all taxes will be calculated as set forth in the Rate and Method of Apportionment.			

Attachment: Resolution Ordering Annexation - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

EXHIBIT "B" BOUNDARY MAP



Attachment: Resolution Ordering Annexation - Annexation No. 7 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-7
Date Adopted: December 7, 2021

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DECLARING THE RESULTS OF AN ELECTION IN CONNECTION WITH AN ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) AND ORDERING SAID ANNEXATION

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55 (the "Ordinance"), the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-33 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 8 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 78 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, on December 7, 2021, following a noticed public hearing, the CSD Board, by its Resolution No. CSD 2021-____, submitted to the landowners of the Annexation Territory, at a December 7, 2021 special election (the "Election") the question of the levy of the Special Tax in connection with the CFD; and

WHEREAS, all ballots have now been received by the CSD Secretary, as elections official, and she has closed the election and canvassed the ballots; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, the CSD Board desires to declare and certify the results of the Election and to take all actions necessary to finally annex the Annexation Territory to the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Canvass. The canvass of the Election by the Secretary of the CSD, which is on file in the office of the City Clerk and incorporated herein by reference, is hereby approved.
3. Question Submitted. The question submitted to the voters, which was referred to for administrative convenience as “Annexation Measure 8” (the “Measure”), was:

“Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the “Annexation Territory”) shown on Annexation Map No. 8 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the “CFD”) shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”
4. Election Results. The CSD Board determines that the requisite two-thirds of votes cast in the Special Election approved the Measure.
5. Annexation Ordered. The Annexation Territory is added to and part of the CFD with full legal effect, and the Special Tax is hereby levied within the Annexation Territory in the manner set forth in the Resolution of Intention and the Ordinance.
6. Notice of Special Tax Lien. The CSD Secretary is directed to record notice of the annexation pursuant to Section 3117.5 of the Streets and Highways Code.
7. This Resolution shall be effective immediately upon adoption.
8. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

2
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

APPROVED AND ADOPTED this 7th day of December 2021

Mayor of the City of Moreno Valley
Acting in the capacity as President of
the Board of the Moreno Valley
Community Services District

ATTEST:

City Clerk of the City of Moreno Valley
Acting in the capacity of Secretary of the
Board of the Moreno Valley Community
Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

Resolution No. CSD 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PACELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

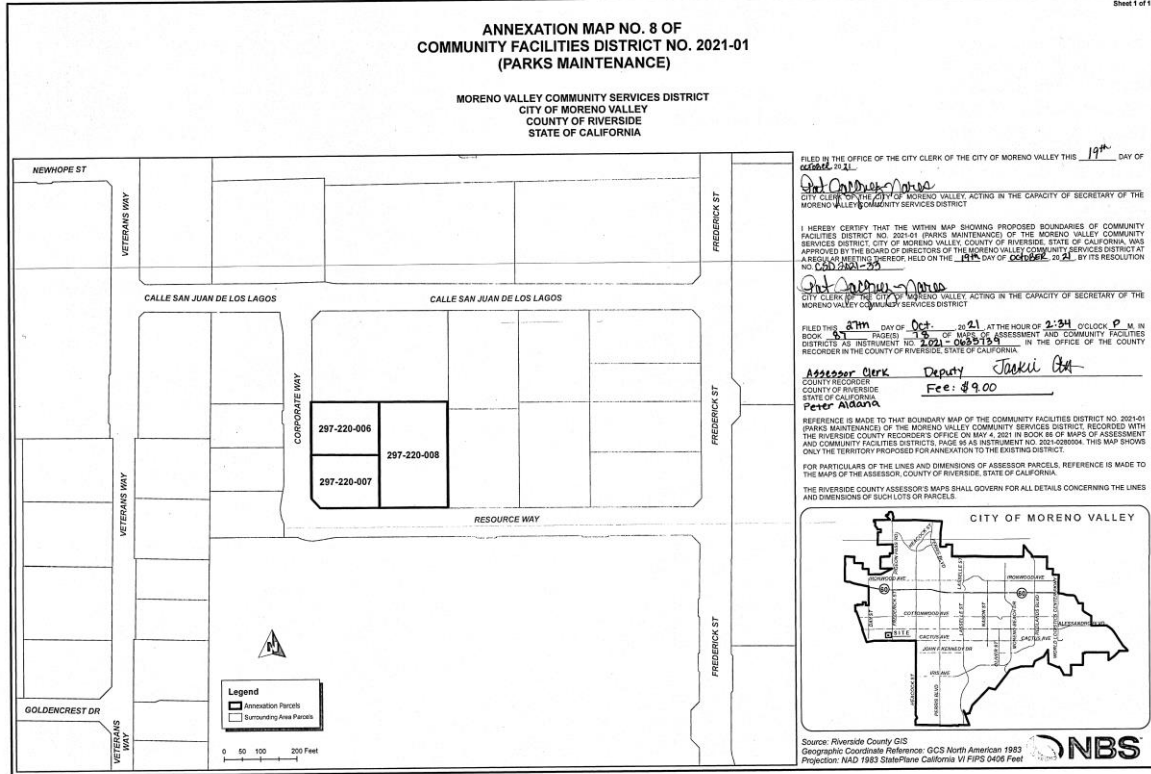
**EXHIBIT "A"
ANNEXATION PARCEL(S)**

List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Property Type
8	297-220-006 297-220-007 297-220-008	MV Resource Center, LLC	Industrial
Based on current development plans, it is anticipated that the Annexation Parcel(s) will be identified as the Property Type listed above; however, all taxes will be calculated as set forth in the Rate and Method of Apportionment.			

Attachment: Resolution Ordering Annexation - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



Attachment: Resolution Ordering Annexation - Annexation No. 8 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DECLARING THE RESULTS OF AN ELECTION IN CONNECTION WITH AN ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) AND ORDERING SAID ANNEXATION

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55 (the "Ordinance"), the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-34 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 10 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 79 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, on December 7, 2021, following a noticed public hearing, the CSD Board, by its Resolution No. CSD 2021-____, submitted to the landowners of the Annexation Territory, at a December 7, 2021 special election (the "Election") the question of the levy of the Special Tax in connection with the CFD; and

WHEREAS, all ballots have now been received by the CSD Secretary, as elections official, and she has closed the election and canvassed the ballots; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, the CSD Board desires to declare and certify the results of the Election and to take all actions necessary to finally annex the Annexation Territory to the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Canvass. The canvass of the Election by the Secretary of the CSD, which is on file in the office of the City Clerk and incorporated herein by reference, is hereby approved.
3. Question Submitted. The question submitted to the voters, which was referred to for administrative convenience as "Annexation Measure 10" (the "Measure"), was:

"Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the "Annexation Territory") shown on Annexation Map No. 10 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD") shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?"
4. Election Results. The CSD Board determines that the requisite two-thirds of votes cast in the Special Election approved the Measure.
5. Annexation Ordered. The Annexation Territory is added to and part of the CFD with full legal effect, and the Special Tax is hereby levied within the Annexation Territory in the manner set forth in the Resolution of Intention and the Ordinance.
6. Notice of Special Tax Lien. The CSD Secretary is directed to record notice of the annexation pursuant to Section 3117.5 of the Streets and Highways Code.
7. This Resolution shall be effective immediately upon adoption.
8. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

2
Resolution No. CSD 2021-
Date Adopted: December 7, 2021

APPROVED AND ADOPTED this 7th day of December, 2021

Mayor of the City of Moreno Valley
Acting in the capacity as President of
the Board of the Moreno Valley
Community Services District

ATTEST:

City Clerk of the City of Moreno Valley
Acting in the capacity of Secretary of the
Board of the Moreno Valley Community
Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

Resolution No. CSD 2021-3
Date Adopted: December 7, 2021

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

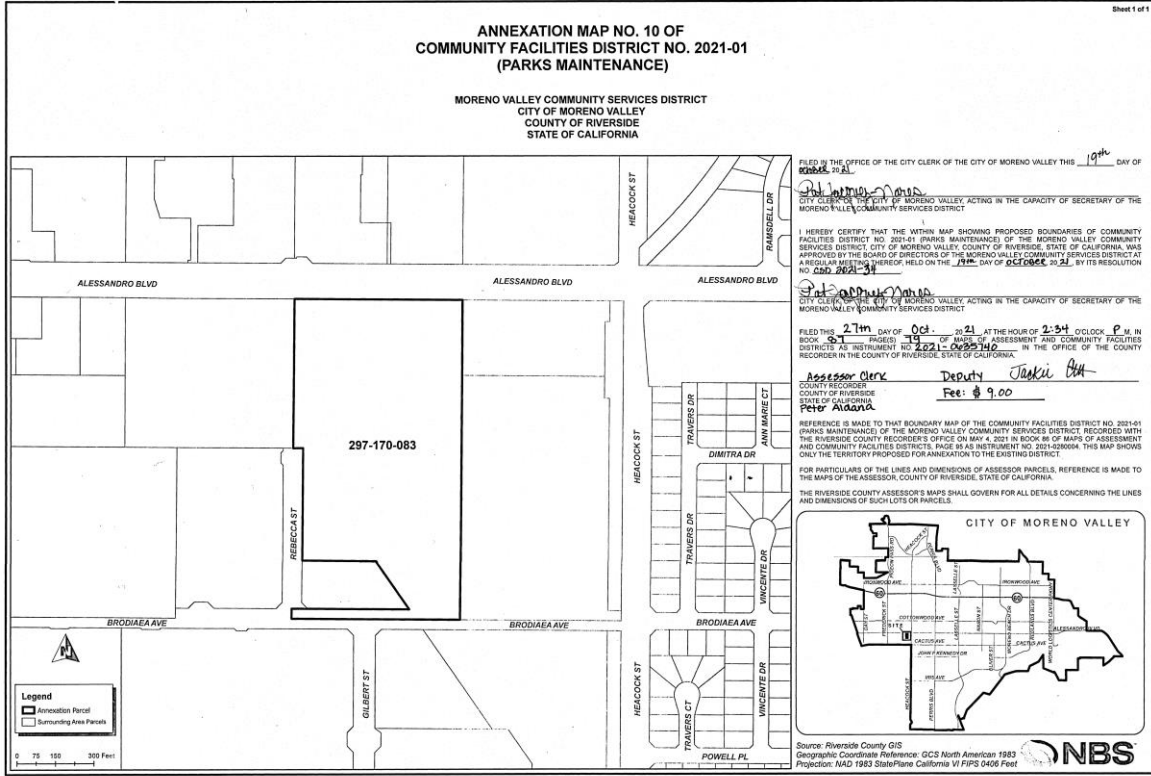
**EXHIBIT "A"
ANNEXATION PARCEL(S)**

List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Property Type
10	297-170-083	Alessandro Industrial No. 14, LP	Industrial
Based on current development plans, it is anticipated that the Annexation Parcel(s) will be identified as the Property Type listed above; however, all taxes will be calculated as set forth in the Rate and Method of Apportionment.			

Attachment: Resolution Ordering Annexation - Annexation No. 10 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



Attachment: Resolution Ordering Annexation - Annexation No. 10 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION NO. CSD 2021-____

A RESOLUTION OF THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DECLARING THE RESULTS OF AN ELECTION IN CONNECTION WITH AN ANNEXATION OF TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) AND ORDERING SAID ANNEXATION

WHEREAS, by its Resolution No. CSD 2021-22, the Board for the Community Services District (the "CSD Board") established the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. CSD 55 (the "Ordinance"), the CSD Board authorized an annual special tax to be levied against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund park maintenance services; and

WHEREAS, on October 19, 2021, by adoption of its Resolution No. CSD 2021-35 (the "Resolution of Intention"), the CSD Board proposed to annex certain parcels (the "Annexation Territory") into the CFD; and

WHEREAS, the parcel(s) included in the Annexation Territory are listed in Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference; and

WHEREAS, reference is further made to the boundary map of the Annexation Territory titled "ANNEXATION MAP NO. 11 OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE), MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the City Clerk, is attached hereto in reduced form as Exhibit B to this Resolution, is incorporated herein by reference, and was recorded on October 27, 2021 in the Office of the Riverside County Recorder as page 80 of book 87 of the Book of Maps of Assessment and Community Facilities Districts; and

WHEREAS, on December 7, 2021, following a noticed public hearing, the CSD Board, by its Resolution No. CSD 2021-____, submitted to the landowners of the Annexation Territory, at a December 7, 2021 special election (the "Election") the question of the levy of the Special Tax in connection with the CFD; and

WHEREAS, all ballots have now been received by the CSD Secretary, as elections official, and she has closed the election and canvassed the ballots; and

1
Resolution No. CSD 2021-____
Date Adopted: December 7, 2021

WHEREAS, the CSD Board desires to declare and certify the results of the Election and to take all actions necessary to finally annex the Annexation Territory to the CFD.

NOW, THEREFORE, THE BOARD FOR THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Canvass. The canvass of the Election by the Secretary of the CSD, which is on file in the office of the City Clerk and incorporated herein by reference, is hereby approved.
3. Question Submitted. The question submitted to the voters, which was referred to for administrative convenience as “Annexation Measure 11” (the “Measure”), was:

“Subject to accountability measures set forth in the resolution proposing the annexation of the territory (the “Annexation Territory”) shown on Annexation Map No. 11 of Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance) (the “CFD”) shall an annual special tax be levied as set forth in such resolution, against each parcel of real property within the Annexation Territory to fund certain parks maintenance services, as well as administrative expenses of the CFD?”
4. Election Results. The CSD Board determines that the requisite two-thirds of votes cast in the Special Election approved the Measure.
5. Annexation Ordered. The Annexation Territory is added to and part of the CFD with full legal effect, and the Special Tax is hereby levied within the Annexation Territory in the manner set forth in the Resolution of Intention and the Ordinance.
6. Notice of Special Tax Lien. The CSD Secretary is directed to record notice of the annexation pursuant to Section 3117.5 of the Streets and Highways Code.
7. This Resolution shall be effective immediately upon adoption.
8. The Secretary of the CSD shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

2
Resolution No. CSD 2021-
Date Adopted: December 7, 2021

APPROVED AND ADOPTED this 7th day of December, 2021

Mayor of the City of Moreno Valley
Acting in the capacity as President of
the Board of the Moreno Valley
Community Services District

ATTEST:

City Clerk of the City of Moreno Valley
Acting in the capacity of Secretary of the
Board of the Moreno Valley Community
Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

Resolution No. CSD 2021-3
Date Adopted: December 7, 2021

Attachment: Resolution Ordering Annexation - Annexation No. 11 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

RESOLUTION JURAT

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2021-__ was duly and regularly adopted by the Board of Directors for the Moreno Valley Community Services District at a regular meeting held on the 7th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2021-__⁴
Date Adopted: December 7, 2021

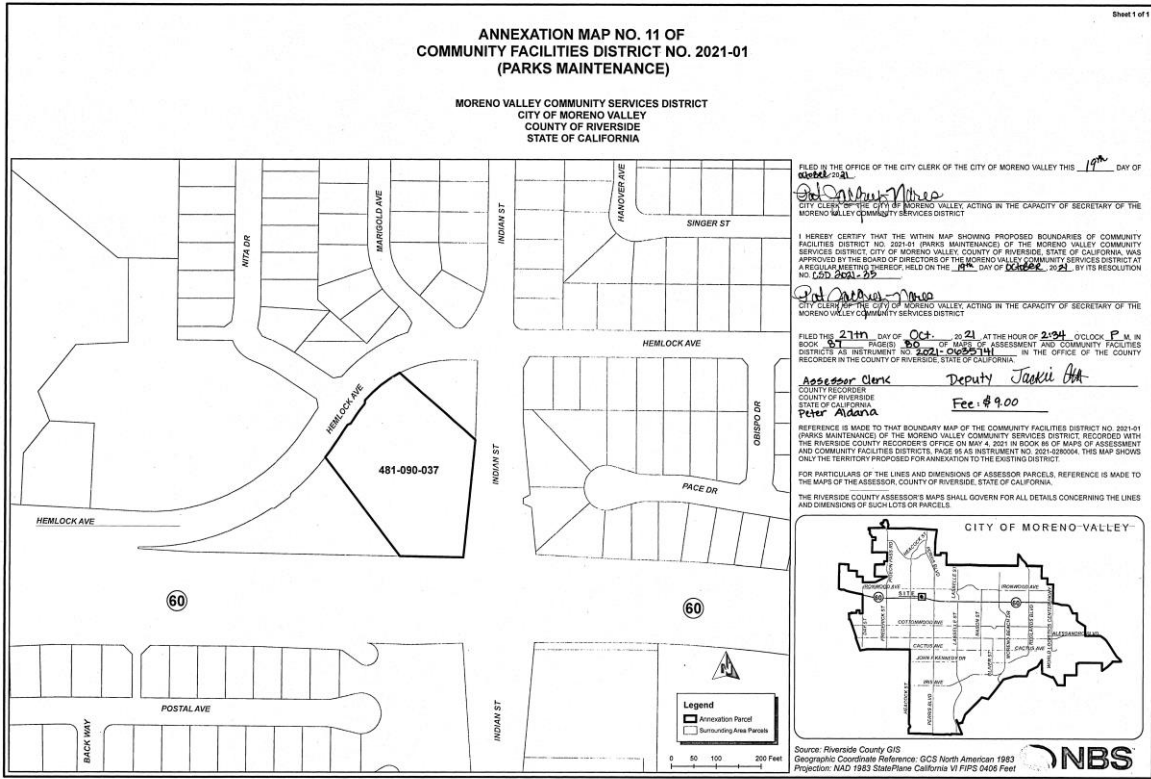
**EXHIBIT "A"
ANNEXATION PARCEL(S)**

List of Annexation Parcel(s)			
Boundary Map Annexation No.	Assessor's Parcel Numbers	Property Owner	Property Type
11	481-090-037	Gold Coast Properties CA 3, LLC	Commercial
Based on current development plans, it is anticipated that the Annexation Parcel(s) will be identified as the Property Type listed above; however, all taxes will be calculated as set forth in the Rate and Method of Apportionment.			

Attachment: Resolution Ordering Annexation - Annexation No. 11 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO

Resolution No. CSD 2021-5
Date Adopted: December 7, 2021

EXHIBIT "B" BOUNDARY MAP



COPY 87/80
Sheet 1 of 1

Attachment: Resolution Ordering Annexation - Annexation No. 11 (5484 : PUBLIC HEARING ON THE ANNEXATION OF CERTAIN PARCELS TO



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: PUBLIC HEARING TO DESIGNATE FUTURE ANNEXATION AREA FOR COMMUNITY FACILITIES DISTRICT 2021-01 (PARKS MAINTENANCE) (ORDINANCE NO. CSD ___)

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct the Public Hearing for the designation of the Future Annexation Area for the Moreno Valley Community Services District Community Facilities District No. 2021-01 (Parks Maintenance).
2. Introduce Ordinance No. CSD __, an Ordinance of the Moreno Valley Community Services District of the City of Moreno Valley, California, Providing for Future Annexation of Territory to its Community Facilities District No. 2021-01 (Parks Maintenance) and Taking Certain Related Actions.

SUMMARY

This report recommends that the CSD Board convene a Public Hearing and introduce an Ordinance (Attachment 1) to designate the Future Annexation Area for Moreno Valley Community Services District Community Facilities District (CFD) No. 2021-01 (Parks Maintenance) (the "District"). This action does not change the current services or special tax rate of the properties within the District. It will, however, streamline the process for those developing property owners who choose to annex their property into the District in the future.

DISCUSSION

As a condition of approval of development projects, applicants are required to provide an ongoing funding source for maintenance of certain public facilities (e.g. parks). The funding is used mitigate the cost of certain impacts created by the proposed development

On June 1, 2021, the CSD Board formed CFD No. 2021-01, pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"). The District provides the development community with an alternative funding tool to provide the required funding. If a property owner chooses to annex the parcels of their development into the District, they also authorize the CSD to annually levy a special tax, collected on the property tax bill, against property in the development project. Thus, satisfying the condition of approval.

To annex into the District, the Act requires the CSD Board first adopt a resolution of intention to annex territory. Between 30-60 days thereafter, a Public Hearing is held and property owner ballot opened to determine whether the property owner has authorized annexation of their property into the District.

The Act authorizes the CSD Board to designate a future annexation area. With a designated future annexation area, annexations to the District can be completed in the future, without public hearings, "upon the unanimous approval of the owner of owners of each parcel or parcels at the time that the parcel or parcels are annexed."

On October 19, 2021, the CSD Board adopted a Resolution of Intent and set tonight as the Public Hearing for the designation of the Future Annexation Area, which includes the entire City (Attachment 2). Provided the CSD Board approves tonight's item and the 2nd reading (tentatively scheduled for December 21, 2021), the Ordinance will become effective 30-days thereafter. Developing property owners can use the streamlined process to annex into the District as early as the February 1, 2022 CSD Board meeting

ALTERNATIVES

1. Conduct the Public Hearing and approve the recommended actions as presented. *Staff recommends this alternative since it will streamline the annexation process for property owners.*
2. Open the Public Hearing and continue it to a future regularly scheduled meeting. *Staff does not recommend this alternative because it will delay implementation of a streamlined annexation process.*
3. Conduct the Public Hearing but do not approve the recommended actions as presented. *Staff does not recommend this alternative because it will require use of a lengthier process to annex into the District.*

FISCAL IMPACT

Third party costs associated with designation of the Future Annexation Area are

projected not-to-exceed \$3,500 for special legal counsel, legal notice publication costs, recording costs, and other related expenses. Sufficient funds exist in the City's FY 2021/22 Adopted Operating Budget of the Special Districts Administrative Fund 2006-30-79-25701.

NOTIFICATION

The Press-Enterprise published the legal notice for tonight's Public Hearing on November 30, 2021, consistent with Government Code § 53339.4 and 53322.

PREPARATION OF STAFF REPORT

Prepared by:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Brian Mohan
Assistant City Manager

Concurred by:
Jeremy Bubnick
Parks & Community Services Director

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

Objective 5.2: Promote the installation and maintenance of cost effective, low maintenance landscape, hardscape and other improvements which create a clean, inviting community.

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Ordinance
- 2. Boundary Map

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 1:48 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/30/21 5:19 PM

ORDINANCE NO. CSD _____

AN ORDINANCE OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, PROVIDING FOR FUTURE ANNEXATION OF TERRITORY TO MORENO VALLEY COMMUNITY SERVICES DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE)

The Moreno Valley Community Services District of the City of Moreno Valley, California, acting as the legislative body of Community Facilities District No. 2021-01 (Parks Maintenance), does hereby ordain as follows:

SECTION 1. FINDINGS

A. The Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the “Act”) authorizes the Board of Directors (the “CSD Board”) of the Moreno Valley Community Services District (the “CSD”) to establish a community facilities district to finance certain services within the district.

B. Section 53339.7(a) of the Act authorizes the CSD Board, following a properly noticed public hearing, to provide for the future annexation of territory to a community facilities district. Such designation permits the annexation of a territory within the future annexation area, without additional hearings, upon the unanimous approval of the owner or owners of each parcel or parcels at the time that the parcel or parcels are annexed.

C. By its Resolution No. CSD 2021-22, adopted on June 1, 2021, the CSD Board established its Community Facilities District No. 2021-01 (Parks Maintenance) (the “CFD”).

D. By its Ordinance No. CSD 55, adopted on June 15, 2021 (the “Special Tax Ordinance”), the CSD Board levied an annual special tax (the “Special Tax”) pursuant to Section 5340 of the Act against all non-exempt parcels of real property within the CFD.

E. By its Resolution No. CSD 2021-36, adopted on October 19, 2021 (the “Resolution of Intention”), the CSD Board declared its intention to provide for future annexation of territory to the CFD.

F. The proposed future annexation area, which constitutes the entire territory of the City aside from the territory currently constituting the CFD, is shown on the map titled “Annexation Map No. 4 of Community Facilities

District No. 2021-01 (Parks Maintenance), Moreno Valley Community Services District, City of Moreno Valley, County of Riverside, State of California (Territory proposed for annexation in the future, with the condition that parcels within that territory may be annexed only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed)" ("Annexation Map No. 4"). Annexation Map No. 4 is recorded in Book 87 of Maps of Assessment and Community Facilities Districts at page 81, in the office of the County Recorder for the County of Riverside, State of California and is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference.

G. On December 7, 2021, at 6:00 PM (or as soon thereafter as practical), in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553, the CSD Board held a full and fair public hearing (the "Hearing") on the designation of the territory shown on Annexation Map No. 4 for annexation to the CFD in the future.

H. Notice of the Hearing was published pursuant to Section 53339.4 of the Act in the November 30, 2021 edition of The Press-Enterprise.

I. At the Hearing, the CSD Board heard oral and written testimony from all those wishing to provide such testimony. There was no majority protest (as defined by Section 53339.3 of the Act) against the proposed addition of territory to the CFD in the future.

J. The CSD Board now desires to provide for the future annexation of territory to the CFD.

SECTION 2. PROVISION FOR ANNEXATION IN THE FUTURE:

The CSD Board hereby provides for the annexation to the CFD of the territory shown on Annexation Map No. 4 upon the unanimous approval of the owner or owners of each parcel or parcels at the time that the parcel or parcels are annexed, without additional hearings.

SECTION 3. TAX

The CSD Board hereby provides for the levy of special taxes on parcels that will be annexed to the community facilities district pursuant to Section 2 of this Ordinance. Such special taxes shall be apportioned and collected in the manner specified in the Special Tax Ordinance at a rate that shall not exceed the rate consented to by the owners of each parcel at the time of its annexation.

SECTION 4. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The CSD Board hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause and phrase hereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses or phases hereof be declared invalid or unconstitutional.

SECTION 5. NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the Secretary of the CSD (the City Clerk of the City of Moreno Valley) shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 6. EFFECTIVE DATE:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 21st day of December 2021.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, Secretary of the Moreno Valley Community Services District, Moreno Valley, California, do hereby certify that Ordinance No. CSD ____ had its first reading on December 7, 2021, and had its second reading on December 21, 2021 and was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District, at a regular meeting held on the 21st day of December, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Board Members, Vice-President and President)

PAT JACQUEZ-NARES, SECRETARY

(SEAL)

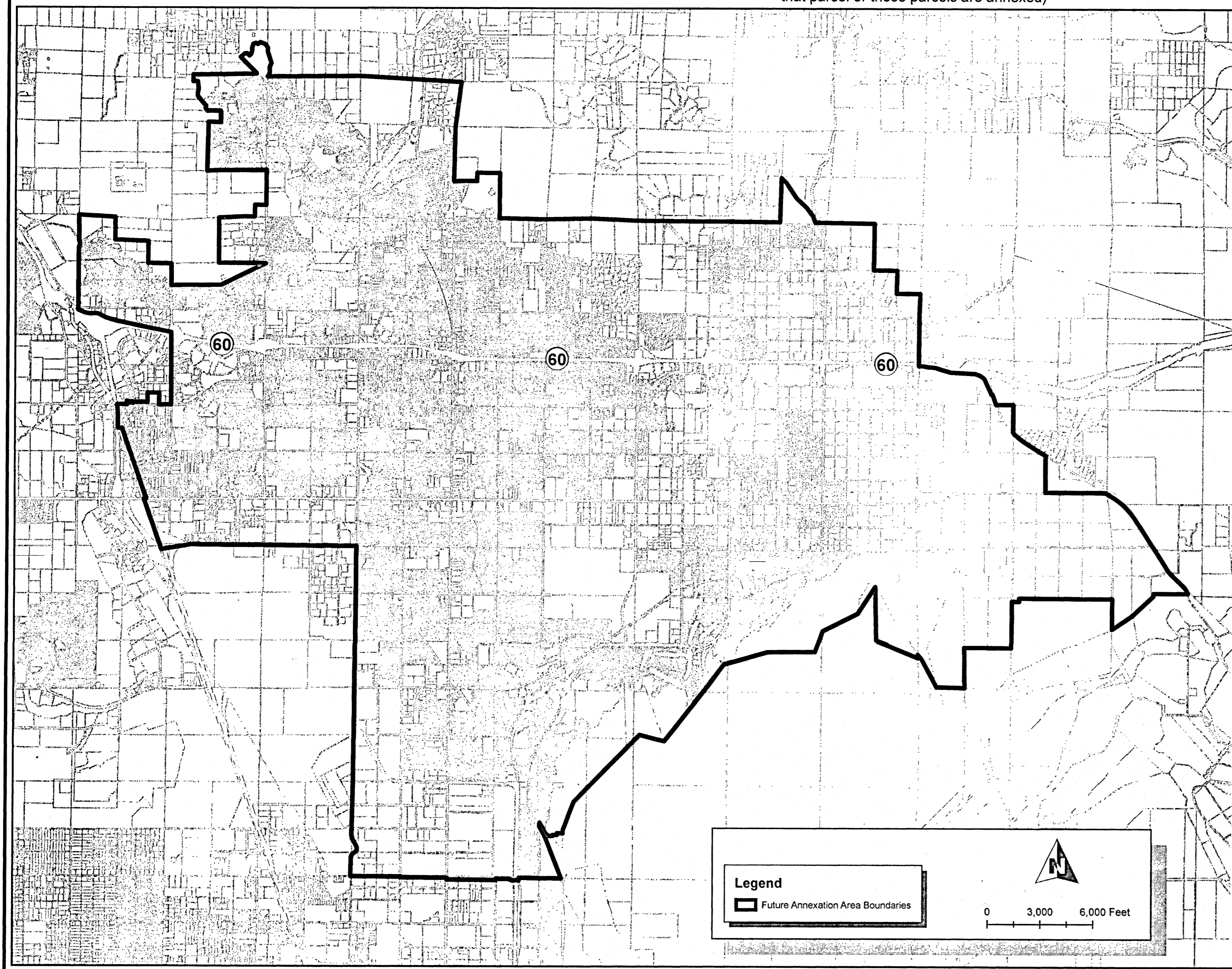
COPY

87/81

**ANNEXATION MAP NO. 4 OF
COMMUNITY FACILITIES DISTRICT NO. 2021-01
(PARKS MAINTENANCE)**

**MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

(Territory proposed for annexation in the future, with the condition that parcels within that territory may be annexed only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed)



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS 19th DAY OF October, 2021.

Pat Gagnier-Nares
CITY CLERK OF THE CITY OF MORENO VALLEY, ACTING IN THE CAPACITY OF SECRETARY OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT AT A REGULAR MEETING THEREOF, HELD ON THE 19th DAY OF October, 2021, BY ITS RESOLUTION NO. CSD 2021-86.

Pat Gagnier-Nares
CITY CLERK OF THE CITY OF MORENO VALLEY, ACTING IN THE CAPACITY OF SECRETARY OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT

FILED THIS 27th DAY OF Oct., 2021, AT THE HOUR OF 2:34 O'CLOCK P M, IN BOOK 81 PAGE(S) 81 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2021-0635142 IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

Assessor Clerk Deputy Jackie Ott
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA
Peter Aidana
Fee: \$19.00

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 2021-01 (PARKS MAINTENANCE) OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT, RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON MAY 4, 2021 IN BOOK 86 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 95 AS INSTRUMENT NO. 2021-0280004.

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF ASSESSOR PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ASSESSOR, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

Source: Riverside County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 0406 Feet



Attachment: Boundary Map (5486 : PUBLIC HEARING TO DESIGNATE FUTURE ANNEXATION AREA FOR COMMUNITY FACILITIES DISTRICT 2021-01 (PARKS)



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: PUBLIC HEARING FOR ADOPTION OF STATE MANDATED SENATE BILL 1383 ORDINANCE TO AMEND MUNICIPAL CODE TITLE 6 ADDING CHAPTER 6.03 MANDATORY ORGANIC WASTE DISPOSAL REDUCTION REQUIREMENTS

RECOMMENDED ACTION

Recommendation:

Adoption of Ordinance Amending City of Moreno Valley Municipal Code Title 6, adding Chapter 6.03 Mandatory Organic Waste Disposal Reduction Requirements, which is a required State mandate under Senate Bill 1383.

SUMMARY

Senate Bill 1383 Mandatory Organic Waste Disposal Reduction Requirements mandates that Cities add required language to their Municipal Codes to ensure future compliance with this legislation.

Therefore, this report recommends the City Council approve and authorize adoption of the attached Ordinance No. XX State Mandated Senate Bill (SB) 1383 Ordinance to Amend Municipal Code Title 6 Adding Chapter 6.03 Mandatory Organic Waste Disposal Reduction Requirements.

If City of Moreno Valley fails to comply with this State mandate, the City may be subject to a \$10,000 per day fine by CalRecycle for noncompliance.

DISCUSSION

In September 2016, Governor Brown signed into law SB 1383 regulations, requiring California to reduce organic waste sent to landfills by 75% and increase edible food recovery by 20% by 2025. The SB 1383 regulatory requirements refer to the Organic Waste Reduction regulations that were developed by the California Department of Resources Recycling and Recovery (CalRecycle). These regulations will go into effect January 1, 2022, which mandate that organic waste generators, waste haulers, and other entities comply with the requirements of the regulations.

The proposed ordinance allows the City of Moreno Valley to comply with and implement SB 1383 requirements, such as:

1. Provide separate organic waste collection services to all residents, multi-family units and businesses.
2. Work with edible food recovery programs to enhance edible food recovery from potential waste.
3. Conduct an enhanced educational and marketing campaign, targeting residents, multi-family units and businesses impacted by the new mandate.
4. Enhance efforts to procure recycled organic waste products.
5. Establish a monitoring schedule to enforce compliance with the newly enacted mandate.
6. Implement a new record keeping mechanism to track violators.

Jurisdictions must have their plans in place by January 1, 2022, and are required to take enforcement on non-compliant entities by January 1, 2024. While the local jurisdiction may designate a public or private entity to fulfill some of its regulatory responsibilities with written agreements or contracts, the local jurisdiction itself remains responsible for its SB 1383 compliance by enforcing other entities to comply with the regulations outlined in the ordinance. However, the local jurisdiction is not allowed to delegate the authority to impose civil penalties to a private entity. In addition, there are other SB 1383 regulatory requirements placed on the local jurisdictions that are not included that CalRecycle may enforce, including certain record keeping requirements, contamination monitoring, procurement and outreach requirements.

ALTERNATIVES

1. City Council approve and authorize adoption of the attached Ordinance No. XX State Mandated (Unfunded) Senate Bill (SB) 1383 Ordinance to amend Municipal Code Title 6, adding Chapter 6.03 Mandatory Organic Waste Disposal Reduction Requirements. *Staff recommends this alternative as it will allow the City of Moreno Valley to be in compliance with SB 1383.*
2. City Council does not approve the recommended actions as presented in this staff report. *Staff does not recommend this alternative as the City will not be in compliance of SB 1383 and would be subject to State fines. If City of Moreno Valley fails to comply with state mandates, the City will be subject to a \$10,000 fine per day by CalRecycle for noncompliance.*

FISCAL IMPACT

The fiscal impacts associated with the approval of this ordinance is unknown at this time. It is anticipated that there will be administrative costs incurred by the City to implement the necessary record keeping required to implement and monitor these mandated regulations.

NOTIFICATION

Publication of Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Anna Chacon
Management Analyst

Department Head Approval:
Brian Mohan
Assistant City Manager

Concurred By:
Felicia London
Purchasing and Sustainability Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. 2 SB 1383 Organics Recycling Ordinance - Final
- 2. SB 1383 CalRecycle Mandates

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	12/01/21 7:25 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	12/01/21 9:22 AM

ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADDING CHAPTER 6.03 (MANDATORY ORGANIC WASTE DISPOSAL REDUCTION REQUIREMENTS) TO TITLE 6 (HEALTH AND SANITATION) OF THE CITY OF MORENO VALLEY MUNICIPAL CODE, TO ESTABLISH REGULATIONS IN COMPLIANCE WITH AB 341, AB 1826, AND SB 1383 AND REPORTING AND ADOPTION OF AN EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, the City of Moreno Valley (“City”) is a General Law city organized pursuant to Article XI of the California Constitution; and

WHEREAS, State recycling law, Assembly Bill 939, known as the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq., as amended, supplemented, superseded, and replaced from time to time), requires cities and counties to reduce, reuse, and recycle (including composting) Solid Waste generated in their jurisdictions to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment; and

WHEREAS, State recycling law, Assembly Bill 341 (approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of, the Public Resources Code, as amended, supplemented, superseded and replaced from time to time), places requirements on businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste to arrange for recycling services and requires jurisdictions to implement a Mandatory Commercial Recycling program; and

WHEREAS, State organics recycling law, Assembly Bill 1826 (approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time), requires businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste, Recycling, and Organic Waste per week to arrange for recycling services for that waste, requires Jurisdictions to implement a recycling program to divert Organic Waste from businesses subject to the law, and requires jurisdictions to implement a Mandatory Commercial Organics Recycling program; and

WHEREAS, SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires the California Department of Resources Recycling and Recovery (CalRecycle) to develop regulations to reduce organics in landfills as a source of methane. As adopted by CalRecycle, these SB 1383 regulations (SB 1383 Regulations) place requirements on multiple entities including the City, residential households, commercial businesses and business owners, commercial edible food generators, haulers, self-haulers, food recovery organizations, and food recovery services to support achievement of statewide organic waste disposal reduction targets; and

WHEREAS, the SB 1383 Regulations require the City to adopt and enforce an ordinance or other enforceable mechanism to implement relevant provisions of the SB 1383 Regulations, and

WHEREAS, this Ordinance implements the requirements of AB 341, AB 1826, and the SB 1383 Regulations; and

WHEREAS, on _____, 2021, the City Council conducted a legally noticed public hearing for this Ordinance, and has considered all oral and written testimony from members of the public and City staff, including but not limited to, all staff reports and exhibits and accompanying documents; and

WHEREAS, all legal prerequisites for the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The facts set forth in the recitals in this Ordinance are true and correct and incorporated by reference. The recitals constitute findings in this matter and, together with the staff report, other written reports, public testimony and other information contained in the record, are an adequate and appropriate evidentiary basis for the actions taken in the Ordinance.

Section 2. The Ordinance is consistent with the City's General Plan, the City of Moreno Valley Municipal Code, and applicable Federal and State Laws.

Section 3. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15061 (b)(3) and 15308 on the grounds that it can be seen with certainty that the enhanced solid waste regulations, provided for in this Ordinance, will not have a significant effect on the environment and that the new requirements, which strengthen requirements for the handling of solid waste, organics and recyclables, represent actions by a regulatory agency (the City) for the protection of the environment. Additionally, the proposed ordinance is not a "Project" for the purposes of CEQA as that term is defined in CEQA Guidelines Section 15378.

Section 4. The Ordinance is hereby adopted by the addition of a new Chapter 6.03 "MANDATORY ORGANIC WASTE DISPOSAL REDUCTION REQUIREMENTS," in

Title 6 of the City of Moreno Valley Municipal Code to read in its entirety as shown in Attachment "A" attached hereto and incorporated herein by this reference.

Section 5 The Mayor shall sign this Ordinance and the City Clerk shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published and posted pursuant to the provisions of law in this regard, and this Ordinance shall take effect in accordance with the "Effective Date" stated in Section 6.03.190 of Attachment "A" after its final passage.

Attachment: 2 SB 1383 Organics Recycling Ordinance - Final [Revision 3] (5556 : PUBLIC HEARING FOR ADOPTION OF STATE MANDATED

APPROVED AND ADOPTED this 7th day of December 2021.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. ____ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of December 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Attachment A

Chapter 6.03, "MANDATORY ORGANIC WASTE DISPOSAL REDUCTION REQUIREMENTS," in Title 6 of the City of Moreno Valley Municipal Code

Attachment: 2 SB 1383 Organics Recycling Ordinance - Final [Revision 3] (5556 : PUBLIC HEARING FOR ADOPTION OF STATE MANDATED

Chapter 6.03 - MANDATORY ORGANIC WASTE DISPOSAL REDUCTION REQUIREMENTS

- 6.03.010 - Findings.
- 6.03.020 - Definitions.
- 6.03.030 - Authorizations.
- 6.03.040 - Non-Delegable Responsibilities.
- 6.03.050 - Delegable Responsibilities.
- 6.03.060 - Requirements for Single-Family Generators.
- 6.03.070 - Requirements for Commercial Businesses.
- 6.03.080 - Waivers for Generators.
- 6.03.090 - Requirements for Commercial Edible Food Generators.
- 6.03.100 - Requirements for Food Recovery Organizations and Services.
- 6.03.110 - Requirements for Haulers and Facility Operators.
- 6.03.120 - Self-Hauler Requirements.
- 6.03.130 - Compliance with CALGreen Recycling Requirements.
- 6.03.140 - Model Water Efficient Landscaping Ordinance Requirements (MWELO).
- 6.03.150 - Procurement Requirements for City Departments, Direct Service Providers, and Vendors.
- 6.03.160 - Inspections and Investigations.
- 6.03.170 - Enforcement.
- 6.03.180 - Coordination and Interpretation in Conjunction with Related Solid Waste Ordinances.
- 6.03.190 - Effective Date.

6.03.010 Findings.

The City finds:

- A. State recycling law. Assembly Bill 939 of 1989, the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq., as amended, supplemented, superseded, and replaced from time to time), requires cities and counties to reduce, reuse and recycle (including Composting) Solid Waste generated in their cities to the maximum extent feasible before any incineration or landfill disposal of waste to conserve water, energy and other natural resources, and to protect the environment.
- B. State recycling law. Assembly Bill 341 of 2011 (approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of the Public Resources Code, as amended, supplemented, superseded and replaced from time to time), places requirements on businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste to

arrange for recycling services and requires cities to implement a Mandatory Commercial Recycling program.

- C. State organics recycling law, Assembly Bill 1826 of 2014 (approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time), requires businesses and Multi-Family property owners that generate a specified threshold amount of Solid Waste, Recycling, and Organic Waste per week to arrange for recycling services for that waste, requires cities to implement a recycling program to divert Organic Waste from businesses subject to the law, and requires cities to implement a Mandatory Commercial Organics Recycling program.
- D. SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires CalRecycle to develop regulations to reduce organics in landfills as a source of methane. The regulations place requirements on multiple entities including cities, residential households, Commercial Businesses and business owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of Statewide Organic Waste disposal reduction targets.
- E. SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires cities to adopt and enforce an ordinance or enforceable mechanism to implement relevant provisions of SB 1383 Regulations. This ordinance will also help reduce food insecurity by requiring Commercial Edible Food Generators to arrange to have the maximum amount of their Edible Food, that would otherwise be disposed, be recovered for human consumption.
- F. Requirements in this ordinance are consistent with other adopted goals and policies of the City of Moreno Valley Municipal Code Chapter 6.03 - Mandatory Organic Waste Disposal Reduction Requirements:

6.03.020 Definitions

“Authorized Collector” means a private contractor authorized to provide collection services on behalf of the City through contract, exclusive franchise agreement, or non-exclusive franchise agreement.

“Blue Container” has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and collection of Source Separated Recyclable Materials or Source Separated Blue Container Organic Waste.

"CalRecycle" means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations.

"California Code of Regulations" or "CCR" means the State of California Code of Regulations. CCR references in this Chapter are preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR" refers to Title 14 of CCR).

"City" means the City of Moreno Valley, California, within its jurisdictional boundaries.

"City Enforcement Official" means the City Manager or his/her authorized designee(s) who is/are partially or wholly responsible for enforcing the ordinance.

"Commercial Business" or "Commercial" means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multifamily residential dwelling, as defined in 14 CCR Section 18982(a)(6). A Multi-Family Residential Dwelling that consists of fewer than five (5) units is not a Commercial Business for purposes of implementing this Chapter.

"Commercial Edible Food Generator" includes a Tier One or a Tier Two Commercial Edible Food Generator, as defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).

"Compliance Review" means a review of records by a City to determine compliance with this Chapter.

"Community Composting" means any activity that Composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or, as otherwise defined by 14 CCR Section 18982(a)(8).

"Compost" has the same meaning as in 14 CCR Section 17896.2(a)(4), which stated, as of the effective date of this Chapter, that "Compost" means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized facility.

"Compostable Plastics" or "Compostable Plastic" means food-service and food-packaging plastic materials or plastic bags used for collecting organics material that are placed in the Green Container and transported to a compostable material handling operations or facilities, in-vessel digestion operations or other facility provided the organic waste processing facility accepts the material and has provided written notification annually to the City stating that the facility can process and recover that material for composability, as defined in 14 CCR Section 18984.1(a)(1)(A).

"Container Contamination" or "Contaminated Container" means a container, regardless of color, that contains Prohibited Container Contaminants, as defined in 14 CCR Section 18982(a)(55).

"C&D" means construction and demolition debris.

"Designated Source Separated Organic Waste Facility", as defined in 14 CCR Section 18982(14.5), means a Solid Waste facility that accepts a Source Separated Organic Waste collection stream as defined in 14 CCR Section 17402(a)(26.6) and complies with one of the following:

1. The facility is a "transfer/processor," as defined in 14 CCR Section 18815.2(a)(62), that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d), and meets or exceeds an annual average Source Separated organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024 and 75 percent on and after January 1, 2025 as calculated pursuant to 14 CCR Section 18815.5(f) for Organic Waste received from the Source Separated Organic Waste collection stream.
 - a. If a transfer/processor has an annual average Source Separated organic content Recovery rate lower than the rate required in Paragraph 1 of this definition for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a "Designated Source Separated Organic Waste Facility".
2. The facility is a "composting operation" or "composting facility" as defined in 14 CCR Section 18815.2(a)(13), that pursuant to the reports submitted under 14 CCR Section 18815.7 demonstrates that the percent of the material removed for landfill disposal that is Organic Waste is less than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), whichever is applicable, and, if applicable, complies with the digestate handling requirements specified in 14 CCR Section 17896.5.

If the percent of the material removed for landfill disposal that is Organic Waste is more than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), for two (2) consecutive reporting periods, or three (3) reporting periods within three (3) years, the facility shall not qualify as a "Designated Source Separated Organic Waste Facility." For the purposes of this ordinance, the reporting periods shall be consistent with those defined in 14 CCR Section 18815.2(a)(49).

"Designee" means an entity that a Jurisdiction contracts with or otherwise arranges to carry out any of the Jurisdiction's responsibilities of this ordinance as authorized

in 14 CCR Section 18981.2. A Designee may be a government entity, a hauler, a private entity, or a combination of those entities.

“Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this ordinance or as otherwise defined in 14 CCR Section 18982(a)(18), “Edible Food” is not Solid Waste if it is recovered and not discarded. Nothing in this ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

“Enforcement Action” means an action of the Jurisdiction to address non-compliance with this ordinance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.

“Excluded Waste” means hazardous substance, hazardous waste, infectious waste, designated waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances or material that facility operator(s), which receive materials from the Jurisdiction and its generators, reasonably believe(s) would, as a result of or upon acceptance, transfer, processing, or disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be disposed of in Class III landfills or accepted at the facility by permit conditions, waste that in Jurisdictions, or its Designee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Jurisdiction, or its Designee, to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe collection, processing, recycling, treatment, and disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

“Food Distributor” means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores, as defined in 14 CCR Section 18982(a)(22).

“Food Facility” has the same meaning as in Section 113789 of the Health and Safety Code.

“Food Recovery” means actions to collect and distribute food for human consumption that otherwise would be disposed, as defined in 14 CCR Section 18982(a)(24).

“Food Recovery Organization” means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities as defined in 14 CCR Section 18982(a)(25), including, but not limited to:

1. A food bank as defined in Section 113783 of the Health and Safety Code;

2. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
3. A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7). If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this ordinance.

“Food Recovery Service” means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, as defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

“Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

“Food Service Provider” means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations, as defined in 14 CCR Section 18982(a)(27).

“Food-Soiled Paper” is compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means Food Scraps, and Food-Soiled Paper.

“Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and collection of Gray Container Waste. Per the definition provided in 14 CCR Section 18982(a)(28), the Gray Container may actually be black, or black with a gray lid, or gray with a black lid.

“Gray Container Waste” means Solid Waste that is collected in a Gray Container that is part of a three-container Organic Waste collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b), as defined in 14 CCR Section 17402(a)(6.5).

“Green Container” has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for the purpose of storage and collection of Source Separated Green Container Organic Waste.

“Grocery Store” means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, as defined in 14 CCR Section 18982(a)(30).

“Hauler Route” means the designated itinerary or sequence of stops for each segment of the Jurisdiction’s collection service area, as defined in 14 CCR Section 18982(a)(31.5).

“High Diversion Organic Waste Processing Facility” means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average Mixed Waste organic content Recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the “Mixed waste organic collection stream” as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).

“Inspection” means a site visit where a Jurisdiction reviews records, containers, and an entity’s collection, handling, recycling, or landfill disposal of Organic Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this ordinance, as defined in 14 CCR Section 18982(a)(35).

"Large Event" means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Chapter.

"Large Venue" means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of this Chapter and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this Chapter and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39)

differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Chapter.

"Local Education Agency" means a school district, charter school, or county office of education that is not subject to the control of City or county regulations related to Solid Waste, as defined in 14 CCR Section 18982(a)(40).

"Multi-Family Residential Dwelling" or "Multi-Family" means of, from, or pertaining to residential premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

"MWELO" refers to the Model Water Efficient Landscape Ordinance (MWELO), 23 CCR, Division 2, Chapter 2.7.

"Non-Compostable Paper" includes but is not limited to paper that is coated in a plastic material that will not breakdown in the Composting process, as defined in 14 CCR Section 18982(a)(41).

"Non-Local Entity" means the following entities that are not subject to the City's enforcement authority, as defined in 14 CCR Section 18982(a)(42):

1. Special district(s) located within the boundaries of the City.
2. Federal facilities, including, without limitation, military installations, located within the boundaries of the City.
3. Prison(s) located within the boundaries of the City, excepting that private prisons are considered Commercial Businesses and do not fall within this definition.
4. Facilities operated by the State park system located within the boundaries of the City.
5. Public universities (including community colleges) located within the boundaries of the City.
6. County fairgrounds located within the boundaries of the City.
7. State agencies located within the boundaries of the City.

"Non-Organic Recyclables" means non-putrescible and non-hazardous recyclable wastes including but not limited to bottles, cans, metals, plastics and glass, as defined in 14 CCR Section 18982(a)(43).

"Notice of Violation (NOV)" means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties, as defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.

"Organic Waste" means Solid Wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, green material, landscape and pruning waste, organic textiles and carpets, untreated lumber, wood, manure, biosolids, digestate, and sludges as defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined by 14 CCR Section 18982(a).

"Organic Waste Generator" means a person or entity that is responsible for the initial creation of Organic Waste, as defined in 14 CCR Section 18982(a)(48).

"Paper Products" include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling, as defined in 14 CCR Section 18982(a)(51). Paper Products, when source separated, shall be considered Source Separated Recyclable Materials.

"Printing and Writing Papers" include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications, as defined in 14 CCR Section 18982(a)(54). Printing and Writing Papers, when source separated, shall be considered Source Separated Recyclable Materials.

"Prohibited Container Contaminants" means the following: (i) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the Jurisdiction's Blue Container; (ii) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the Jurisdiction's Green Container; (iii) discarded materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or Source Separated Green Container Organic Wastes to be placed in Jurisdiction's Green Container and/or Blue Container; and, (iv) Excluded Waste placed in any container.

"Recovered Organic Waste Products" means products made from California, landfill-diverted recovered Organic Waste processed in a permitted or otherwise authorized facility, as defined in 14 CCR Section 18982(a)(60).

"Recovery" means any activity or process described in 14 CCR Section 18983.1(b), as defined in 14 CCR Section 18982(a)(49).

"Recycled-Content Paper" means Paper Products and Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber, as defined in 14 CCR Section 18982(a)(61).

“Renewable Gas” means gas derived from Organic Waste that has been diverted from a California landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recycle Organic Waste, as defined in 14 CCR Section 18982(a)(62).

“Restaurant” means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption, as defined in 14 CCR Section 18982(a)(64).

“Route Review” means a visual inspection of containers along a Hauler Route for the purpose of determining Container Contamination, and may include mechanical inspection methods such as the use of cameras, as defined in 14 CCR Section 18982(a)(65).

“SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

“SB 1383 Regulations” or “SB 1383 Regulatory” means or refers to, for the purposes of this ordinance, the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR.

“Self-Hauler” means a person, who hauls Solid Waste, Organic Waste or recyclable material he or she has generated to another person. Self-hauler also includes a person who back-hauls waste, as defined in 14 CCR Section 18982(a)(66). Back-haul means generating and transporting Organic Waste to a destination owned and operated by the generator using the generator’s own employees and equipment, as defined in 14 CCR Section 18982(a)(66)(A).

“Single-Family” means of, from, or pertaining to any residential premises with fewer than five (5) units.

“Solid Waste” has the same meaning as defined in State Public Resources Code Section 40191, which defines Solid Waste as all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and

semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

1. Hazardous waste, as defined in the State Public Resources Code Section 40141.
2. Radioactive waste regulated pursuant to the State Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the State Health and Safety Code).
3. Medical waste regulated pursuant to the State Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the State Health and Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste landfill, as defined in State Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to Division 30 of the State Public Resources Code.

“Source Separated” means materials, including commingled recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or processing those materials for recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products, which meet the quality standards necessary to be used in the marketplace, as defined in 14 CCR Section 17402.5(b)(4). For the purposes of the ordinance, Source Separated shall include separation of materials by the generator, property owner, property owner’s employee, property manager, or property manager’s employee into different containers for the purpose of collection such that Source Separated materials are separated from other Solid Waste for the purposes of collection and processing

“Source Separated Green Container Organic Waste” means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate collection of Organic Waste by the generator, excluding Source Separated Blue Container Organic Waste; Non-Compostable Paper; Paper Products; Printing and Writing Paper; and any other Organic Waste that an Organics Waste Facility may reject to maintain any organics-related Composting certifications including but not limited to organic carpets and textiles, contaminated wood or lumber, manure, digestate, biosolids, and sludges.

“State” means the State of California.

“Supermarket” means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, as defined in 14 CCR Section 18982(a)(71).

“Tier One Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

1. Supermarket.
2. Grocery Store with a total facility size equal to or greater than 10,000 square feet.
3. Food Service Provider.
4. Food Distributor.
5. Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this ordinance.

“Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following:

1. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
2. Hotel with an on-site Food Facility and 200 or more rooms.
3. Health facility with an on-site Food Facility and 100 or more beds.
4. Large Venue.
5. Large Event.
6. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
7. A Local Education Agency facility with an on-site Food Facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this ordinance.

“Uncontainerized Green Waste and Yard Waste Collection Service” or “Uncontainerized Service” means a collection service that collects green waste and yard waste that is placed in a pile or bagged for collection on the street in front of a generator’s house or place of business for collection and transport to a facility that recovers Source Separated Organic Waste, or as otherwise defined in 14 CCR Section 189852(a)(75).

“Wholesale Food Vendor” means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, as defined in 14 CCR Section 189852(a)(76).

6.03.030 Authorization

The City Manager, or his or her designee, is hereby authorized to make any determinations, or undertake or arrange for any programs or activities required to implement and enforce the SB 1383 Regulations. The SB 1383 Regulations are hereby incorporated into this Chapter in their entirety as if fully set forth herein.

6.03.040. Non-Delegable Responsibilities

In undertaking his or her obligations under Section 6.03.030, the City Manager or his or her representative, shall have sole authority and responsibility to perform the following non-delegable determinations, programs or activities, and in so doing may utilize City personnel.

- A. Initially determine, or modify, the Organic Waste collection services approach to be used by the City, either the standard organic waste collection services set forth in Article 3 of the SB 1383 Regulations, or the performance-based collection services set forth in Article 17 of the SB 1383 Regulations, following consultation with the Authorized Collector.
- B. Adopting Organic Waste Recovery and Edible Food Recovery standards and policies consistent with SB 1383 Regulations.
- C. Granting of waivers from certain SB 1383 Regulations to an Organic Waste Generator, and preparation and maintenance of records regarding such waivers and exemptions as set forth in 14 CCR Section 18984.11.
- D. Conducting inspections and investigations in accordance with Section 18995.1 of Organic Waste Generators for compliance with applicable SB 1383 Regulations, and preparation and maintenance of records regarding such activities.
- E. Conducting inspections and investigations of complaints in accordance with Section 18995.3 of alleged violations of Chapter 12 of the SB 1383 Regulations, and preparation and maintenance of records regarding such activities.
- F. Applying for waivers or exemptions from certain SB 1383 Regulations granted by CalRecycle and maintaining records regarding such waivers and exemptions as set forth in 14 CCR Section 18984.12.

- G. Applying for waivers from SB 1383 requirements granted by CalRecycle in the event of emergencies or disasters and maintaining records regarding such waivers and exemptions as set forth in 14 CCR Section 18984.13.
- H. Regulating Food Recovery Organizations and Food Recovery Services for their compliance with applicable SB 1383 Regulations.
- I. Regulating Organic Waste Generators for their compliance with applicable SB 1383 Regulations.
- J. Initiating, inspecting, and prosecuting enforcement actions against Authorized Collectors, Food Recovery Organizations, Food Recovery Services and Organic Waste Generators for violation of this ordinance, including the determination and assessment of penalties as set forth in 14 CCR Sections 18995.1, 18995.4, 18997.1 and 18997.2.
- K. Receipt and investigation of written complaints of alleged violations of Chapter 12 of Title 14 as set forth in 14 CCR Section 18995.3.
- L. Procuring of recycled content paper for use by the City as set forth in 14 CCR Section 18993.3.
- M. Adopting CALGreen Building Standards as set forth in 14 CCR Section 18989.1 and adopting a Water Efficient Landscaping Ordinance as set forth in 14 CCR Section 18989.2.
- N. Undertaking Organic Waste capacity planning, as set forth in 14 CCR Section 18992.1, and Edible Food Recovery capacity planning, as set forth in 14 CCR Section 18992.2.
- O. Maintaining and submitting records and reports required by the SB 1383 Regulations.

6.03.050. Delegable Responsibilities

Except for those determinates, programs, or activities that are non-delegable as set forth under Section 6.03.050, in undertaking his or her obligations under Section 6.03.040, the City Manager or his or her designee, may undertake programs or activities implementing applicable provisions of the SB 1383 Regulations, and in so doing may utilize City personnel, or may make arrangements for these delegable programs or activities as set forth in the SB 1383 Regulations with an Authorized Collector, Food Recovery Organization, Food Recovery Service, other private or non-profit entities, or through agreements with other jurisdictions.

6.03.060. Requirements for Single-Family Generators.

Organic Waste Generators shall subscribe to a City approved waste hauler three-container collection service, which includes a Blue Container, Green Container and Gray Container, and shall comply with the following requirements, except Single-

Family Generators that meet the Self-Hauler requirements in the City of Moreno Valley Municipal Code and to the extent permitted by the Code.

- A. Shall subscribe to and pay for City's approved Organic Waste collection services for all Organic Waste generated as described in Section 6.03.060(B). City or its Designee shall have the right to review the number and size of a Generator's containers to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials regardless of City waste disposal franchise agreement; and, Single-Family Generators shall adjust their service level for collection services as requested by the City or its Authorized Collector. Generators may additionally manage their Organic Waste by preventing or reducing their Organic Waste, managing Organic Waste on site, and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).
- B. Shall participate in the City's Organic Waste collection service(s) by placing designated materials in designated containers as described below, and shall not place Prohibited Container Contaminants in collection containers.
 - 1. Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generators shall not place materials designated for the Gray Container into the Green Container or Blue Container. It shall be unlawful and a violation of this chapter to place Contamination in a collection container, and may subject the Generator to a contamination processing fee or enforcement action as set forth in Section 6.03.140.

6.03.070 Requirements for Commercial Businesses.

Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, shall:

- A. Subscribe to and pay for City approved waste hauler three-container collection services and comply with requirements of those services as described below in Section 6.03.070(B), except Commercial Businesses that meet all Self-Hauler requirements set forth in the City of Moreno Valley Municipal Code. City representative or its Authorized Collector shall have the right to review the number and size of a Generator's containers and frequency of collection to evaluate adequacy of capacity provided for each type of collection service for proper separation of materials and containment of materials; and, Commercial Businesses shall adjust their service level for their collection services as requested by the City representative or its Authorized Collector.

- B. Exception: Commercial Businesses that meet the Self-Hauler requirements in this Chapter shall follow the City's Organic Waste Collection requirements by placing designated materials in designated containers as described below.
1. Generator shall place Source Separated Green Container Organic Waste, including Food Waste, in the Green Container; Source Separated Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray Container. Generator shall not place materials designated for the Gray Container into the Green Container or Blue Container. It shall be unlawful and a violation of this chapter to place Contamination in a collection container, and may subject the Generator to a contamination processing fee or enforcement action as set forth in Section 6.03.140.
 2. Supply and allow access to adequate number, size and location of collection containers with sufficient labels or colors (conforming with Subsections 3(a) and 3(b) below) for employees, contractors, tenants, and customers, consistent with City's Blue Container, Green Container, and Gray Container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with Section 6.03.120.
 3. Excluding Multi-Family Residential Dwellings, provide containers for the collection of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials in all indoor and outdoor areas where disposal containers are provided for customers, for materials generated by that business. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, then the business does not have to provide that particular container in all areas where disposal containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the business shall have either:
 - a. A body or lid that conforms with the container colors provided through the collection service provided by the City, with either lids conforming to the color requirements or bodies conforming to the color requirements or both lids and bodies conforming to color requirements. A Commercial Business is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of the subsection prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.
 - b. Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted

text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container. Pursuant 14 CCR Section 18984.8, the container labeling requirements are required on new containers commencing January 1, 2022.

4. Multi-Family Residential Dwellings are not required to comply with container placement requirements or labeling requirements in Subsection 3(b) pursuant to 14 CCR Section 18984.9(b).
5. To the extent practical through education, training, inspection, and/or other measures, excluding Multi-Family Residential Dwellings, prohibit employees from placing materials in a container not designated for those materials per the City's Blue Container, Green Container, and Gray Container collection service or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with Section 6.03.120.
6. Excluding Multi-Family Residential Dwellings, periodically inspect Blue Containers, Green Containers, and Gray Containers for Contamination and inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).
7. Annually provide information to employees, contractors, tenants, and customers about Organic Waste Recovery requirements and about proper sorting of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials.
8. Provide education information before or within fourteen (14) days of occupation of the premises to new tenants that describes requirements to keep Source Separated Green Container Organic Waste and Source Separated Recyclable Materials separate from Gray Container Waste (when applicable) and the location of containers and the rules governing their use at each property.
9. Provide or arrange access for City representative or its Authorized Collector to their properties during all Inspections conducted in accordance with 6.03.160 of this Chapter to confirm compliance with the requirements of this Chapter.
10. Accommodate and cooperate with City's program for Inspection of the contents of containers for Prohibited Container Contaminants, which may be implemented by City at a later date, to evaluate Generator's compliance with this Section 6.03.070(B).

11. If a Commercial Business wants to self-haul, meet the Self-Hauler requirements in Section 6.03.120 of this Chapter.
12. Nothing in this Section prohibits a generator from preventing or reducing waste generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).
13. Commercial Businesses that are Tier One or Tier Two Commercial Edible Food Generators shall comply with Food Recovery requirements, pursuant to Section 6.03.090.

6.03.080 Waivers for Generators.

- A. De Minimis Waivers - City may waive a Commercial Business' obligation (including Multi-Family Residential Dwellings) to comply with some or all of the Organic Waste requirements of this Chapter if the Commercial Business provides documentation that the business generates below a certain amount of Organic Waste material as described in Section 6.03.080(A)(2) below. Commercial Businesses requesting a de minimis waiver shall:
 1. Submit an application specifying the services that they are requesting a waiver from and provide documentation as noted in Section 6.03.080(A)(2) below.
 2. Provide documentation that either:
 - a. The Commercial Business' total Solid Waste collection service is two cubic yards or more per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 20 gallons per week per applicable container of the business' total waste; or,
 - b. The Commercial Business' total Solid Waste collection service is less than two cubic yards per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 10 gallons per week per applicable container of the business' total waste.
 3. Notify City if circumstances change such that Commercial Business's Organic Waste exceeds the threshold required for waiver, in which case the waiver will be rescinded.
 4. Provide written verification of eligibility for de minimis waiver every 5 years, if City has approved de minimis waiver.

- B. Physical Space Waivers - City may waive a Commercial Business' or property owner's obligations (including Multi-Family Residential Dwellings) to comply with some or all of the recyclable materials and/or Organic Waste collection service requirements if the City has evidence from its own staff, a hauler, licensed architect, or licensed engineer demonstrating that the premises lack adequate space for the collection containers required for compliance with the Organic Waste collection requirements of Section 6.03.070. A Commercial Business or property owner may request a physical space waiver through the following process:
1. Submit an Exemption Request form to the Public Works Department specifying the type(s) of collection services for which they are requesting a compliance waiver.
 2. Provide documentation that the premises lacks adequate space for Blue Containers and/or Green Containers including documentation from its hauler, licensed architect, or licensed engineer.
 3. Provide written verification to the City Manager or his/her designee that it is still eligible for physical space waiver every five years, if City has approved application for a physical space waiver.

6.03.090 Requirements for Commercial Edible Food Generators.

- A. Tier One Commercial Edible Food Generators must comply with the requirements of this Section commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3 and 14 CCR Section 18991.4.
- B. Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section and the SB 1383 Regulations, commencing January 1, 2024.
- C. Commercial Edible Food Generators shall comply with the following requirements:
1. Arrange to recover the maximum amount of Edible Food that would otherwise be disposed.
 2. Contract with, or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for: (i) the collection of Edible Food for Food Recovery; or, (ii) acceptance of the Edible Food that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.

3. Shall not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.
 4. Allow City's designated enforcement entity or designated third party enforcement entity to access the premises and review records pursuant to 14 CCR Section 18991.4.
 5. Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:
 - a. A list of each Food Recovery Service or Food Recovery Organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).
 - b. A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).
 - c. A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:
 - i. The name, address and contact information of the Food Recovery Service or Food Recovery Organization.
 - ii. The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.
 - iii. The established frequency that food will be collected or self-hauled.
 - iv. The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.
 6. No later than July 1st of each year commencing no later than July 1, 2022 for Tier One Commercial Edible Food Generators and July 1, 2024 for Tier Two Commercial Edible Food Generators provide an annual Food Recovery report to the City that includes the records listed in Section 6.03.090(C)(5)(c).
- D. Nothing in this Chapter shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State of California on September 25, 2017, which added Article 13 [commencing with

Section 49580] to Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and to amend Section 114079 of the Health and Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time).

6.03.100 Requirements for Food Recovery Organizations and Services.

- A. Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(l):
1. The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.
 2. The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.
 3. The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.
 4. The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.
- B. Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):
1. The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.
 2. The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month.
 3. The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.
- C. Food Recovery Organizations and Food Recovery Services shall inform Generators about California and Federal Good Samaritan Food Donation Act protection in written communications, such as in their contract or agreement established under 14 CCR Section 18991.3(b).
- D. Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the City and contract with or have written

agreements with one or more Commercial Edible Food Generators pursuant to 14 CCR Section 18991.3(b) shall report to the City it is located in the total pounds of Edible Food recovered in the previous calendar year from the Tier One and Tier Two Commercial Edible Food Generators they have established a contract or written agreement with pursuant to 14 CCR Section 18991.3(b) no later than July 1, 2022.

- E. In order to support Edible Food Recovery capacity planning assessments or other studies conducted by the County, City, special district that provides Solid Waste collection services, or its designated entity, Food Recovery Services and Food Recovery Organizations operating in the City shall provide information and consultation to the City, upon request, regarding existing, or proposed new or expanded, Food Recovery capacity that could be accessed by the City and its Commercial Edible Food Generators. A Food Recovery Service or Food Recovery Organization contacted by the City shall respond to such request for information within 60 days, unless a shorter timeframe is otherwise specified by the City.

6.03.110 Requirements for Haulers and Facility Operators.

- A. Exclusive or non-exclusive franchised hauler(s), as applicable, providing residential, Commercial, or industrial Organic Waste collection services to Generators within the City's boundaries shall meet the following requirements as a condition of approval of a contract, agreement, or similar contractual authorization with the City to collect Organic Waste:
1. Through written notice to the City annually on or before July 1, 2022, identify the facilities to which they will transport Organic Waste including facilities for Source Separated Recyclable Materials and Source Separated Green Container Organic Waste.
 2. Transport Source Separated Recyclable Materials and Source Separated Green Container Organic Waste to a facility, operation, activity, or property that recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2. Notwithstanding the foregoing, hauler shall not be required to transport any containers with Prohibited Container Contaminants to a facility, operation, activity, or property that recovers Organic Waste.
 3. Obtain approval from the City to haul Organic Waste, unless it is transporting Source Separated Organic Waste to a Community Composting site or lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1, Section 6.03.100 hereof.
 4. The authorization of exclusive or non-exclusive franchised hauler(s), as applicable, to collect Organic Waste shall comply with any education, equipment, signage, container labeling, container color, Contamination,

monitoring, and reporting requirements relating to the collection of Organic Waste contained within its franchise agreement with the City.

- B. It shall be a violation of this chapter for any person to collect Organic Waste or provide any services related thereto unless such person is an Authorized Collector.
- C. Requirements for Facility Operators and Community Composting Operations
 - 1. Owners of facilities, operations, and activities that recover Organic Waste, including, but not limited to, Compost facilities, in-vessel digestion facilities, and publicly-owned treatment works shall, upon City request, provide information regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes. Entities contacted by the City shall respond within 60 days.
 - 2. Community Composting operators, upon City request, shall provide information to the City to support Organic Waste capacity planning, including, but not limited to, an estimate of the amount of Organic Waste anticipated to be handled at the Community Composting operation. Entities contacted by the City shall respond within 60 days.

6.03.120 Self-Hauler Requirements.

- A. Self-Haulers shall source separate all recyclable materials and Organic Waste (materials that the City otherwise requires Generators to separate for collection in the City's organics and recycling collection program) generated on-site from Solid Waste in a manner consistent with 14 CCR Sections 18984.1 and 18984.2, or shall haul Organic Waste to a High Diversion Organic Waste Processing Facility as specified in 14 CCR Section 18984.3.
- B. Self-Haulers shall haul their Source Separated Recyclable Materials to a facility that recovers those materials; and haul their Source Separated Green Container Organic Waste to a Solid Waste facility, operation, activity, or property that processes or recovers Source Separated Organic Waste. Alternatively, Self-Haulers may haul Organic Waste to a High Diversion Organic Waste Processing Facility.
- C. Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall keep a record of the amount of Organic Waste delivered to each Solid Waste facility, operation, activity, or property that processes or recovers Organic Waste; this record shall be subject to Inspection by the City. The records shall include the following information:
 - 1. Delivery receipts and weight tickets from the entity accepting the waste.

2. The amount of material in cubic yards or tons transported by the Generator to each entity.
 3. If the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the Self-Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of the entities that received the Organic Waste.
- D. Self-Haulers that are Commercial Businesses (including Multi-Family Self-Haulers) shall provide information collected in Section 6.03.120(C) to the City if requested and within ten (10) days of such request.

6.03.130 Compliance with CALGreen Recycling Requirements

- A. Persons applying for a permit from the City for new construction and building additions and alternations shall comply with the requirements of this Section and all required components of the California Green Building Standards Code, 24 CCR, Part 11, known as CALGreen, as amended, if its project is covered by the scope of CALGreen or more stringent requirements of the City. If the requirements of CALGreen are more stringent then the requirements of this Section, the CALGreen requirements shall apply.

Project applicants shall refer to City's building and/or planning code for complete CALGreen requirements.

- B. For projects covered by CALGreen or more stringent requirements of the City, the applicants must, as a condition of the City's permit approval, comply with the following:
1. Where five (5) or more Multi-Family dwelling units are constructed on a building site, provide readily accessible areas that serve occupants of all buildings on the site and are identified for the storage and collection of Blue Container and Green Container materials, consistent with the three container collection program offered by the City, or comply with provision of adequate space for recycling for Multi-Family and Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of the California Green Building Standards Code, 24 CCR, Part 11 as amended provided amended requirements are more stringent than the CALGreen requirements for adequate recycling space effective January 1, 2020.
 2. New Commercial construction or additions resulting in more than 30% of the floor area shall provide readily accessible areas identified for the storage and collection of Blue Container and Green Container materials,

consistent with the three container collection program offered by the City, or shall comply with provision of adequate space for recycling for Multi-Family and Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of the California Green Building Standards Code, 24 CCR, Part 11 as amended provided amended requirements are more stringent than the CALGreen requirements for adequate recycling space effective January 1, 2020.

3. Comply with CALGreen requirements and applicable law related to management of C&D, including diversion of Organic Waste in C&D from disposal. Comply with all written and published City policies, ordinances, and/or administrative guidelines regarding the collection, recycling, diversion, tracking, and/or reporting of C&D.

6.03.140 Model Water Efficient Landscaping Ordinance Requirements (MWELO).

- A. Property owners or their building or landscape designers, including anyone requiring a building or planning permit, plan check, or landscape design review from the City, who are constructing a new (Single-Family, Multi-Family, public, institutional, or Commercial) project with a landscape area greater than 500 square feet, or rehabilitating an existing landscape with a total landscape area greater than 2,500 square feet, shall comply with Sections 492.6(a)(3)(B), (C), (D), and (G) of the MWELO, including sections related to use of Compost and mulch as delineated in this Section 6.03.140.
- B. The following Compost and mulch use requirements that are part of the MWELO are now also included as requirements of this Chapter. Other requirements of the MWELO are in effect and can be found in 23 CCR, Division 2, Chapter 2.7.
- C. Property owners or their building or landscape designers that meet the threshold for MWELO compliance outlined in **Section 7.17.120(A)** above shall:
 1. Comply with Sections 492.6 (a)(3)(B)(C),(D) and (G) of the MWELO, which requires the submittal of a landscape design plan with a soil preparation, mulch, and amendments section to include the following:
 - a. For landscape installations, Compost at a rate of a minimum of four cubic yards per 1,000 square feet of permeable area shall be incorporated to a depth of six (6) inches into the soil. Soils with greater than six percent (6%) organic matter in the top six (6) inches of soil are exempt from adding Compost and tilling.
 - b. For landscape installations, a minimum three- (3-) inch layer of mulch shall be applied on all exposed soil surfaces of planting areas except in turf areas, creeping or rooting groundcovers, or

direct seeding applications where mulch is contraindicated. To provide habitat for beneficial insects and other wildlife up to five percent (5%) of the landscape area may be left without mulch. Designated insect habitat must be included in the landscape design plan as such.

- c. Organic mulch materials made from recycled or post-consumer materials shall take precedence over inorganic materials or virgin forest products unless the recycled post-consumer organic products are not locally available. Organic mulches are not required where prohibited by local fuel modification plan guidelines or other applicable local ordinances.
2. The MWELo compliance items listed in this Section are not an inclusive list of MWELo requirements; therefore, property owners or their building or landscape designers that meet the threshold for MWELo compliance outlined in Section 6.03.140(A) shall consult the full MWELo for all requirements.
- D. If, after the adoption of this Chapter, the California Department of Water Resources, or its successor agency, amends 23 CCR, Division 2, Chapter 2.7, Sections 492.6(a)(3)(B) (C), (D), and (G) of the MWELo September 15, 2015 requirements in a manner that requires jurisdictions to incorporate the requirements of an updated MWELo in a local ordinance, and the amended requirements include provisions more stringent than those required in this Section, the revised requirements of 23 CCR, Division 2, Chapter 2.7 shall be enforced.

6.03.150 Procurement Requirements for City Departments, Direct Service Providers and Vendors.

- A. City departments, and direct service providers to the City, as applicable, must comply with the City-adopted procurement policy for Recovered Organic Waste Product Recycled-Content Paper.
- B. All vendors providing Paper Products and Printing and Writing Paper to the City shall:
 - 1. If fitness and quality are equal, provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber instead of non-recycled products whenever recycled Paper Products, Printing, and Writing Paper are available at the same or lesser total cost than non-recycled items.

2. Provide Paper Products and Printing and Writing Paper that meet Federal Trade Commission recyclability standard as defined in 16 Code of Federal Regulations (CFR) Section 260.12.
3. Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the City. This certification requirement may be waived if the percentage of postconsumer material in the Paper Products, Printing and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.
4. Certify in writing, on invoices or receipts provided, that the Paper Products and Printing and Writing Paper offered or sold to the City is eligible to be labeled with an unqualified recyclable label as defined in 16 Code of Federal Regulations (CFR) Section 260.12.
5. Provide records to the City's designated personnel member for purposes of Recovered Organic Waste Product procurement recordkeeping in accordance with the City's Recycled-Content Paper procurement policy(ies) of all Paper Products and Printing and Writing Paper purchases within thirty (30) days of the purchase (both recycled-content and non-recycled content, if any is purchased) made by any division or department or employee of the City. Records shall include a copy (electronic or paper) of the invoice or other documentation of purchase, written certifications as required in Sections 6.03.150(B)(3) and (B)(4) of this Chapter for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-recycled content Paper Products or Printing and Writing Papers are provided, include a description of why Recycled-Content Paper Products or Printing and Writing Papers were not provided.

6.03.160 Inspections and Investigations.

- A. City representatives and/or its designated entity, including Designees are authorized to conduct Inspections and investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from Generators, or Source Separated materials to confirm compliance with this Chapter by Organic Waste Generators, Commercial Businesses (including Multi-Family Residential Dwellings), property owners, Commercial Edible Food Generators, Self-Haulers, Food Recovery Services, and Food Recovery Organizations, subject to applicable laws. This Section does not allow City to enter the interior of a private residential property for Inspection.

- B. Organic Waste Generators, Commercial Businesses (including Multi-Family Residential Dwellings), property owners, Commercial Edible Food Generators, Self-Haulers, Food Recovery Services, and Food Recovery Organizations shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with the City Representative and Authorized Collector during such Inspections and investigations. Such Inspections and investigations may include confirmation of proper placement of materials in containers, Edible Food Recovery activities, records, or any other requirement of this Chapter described herein. Failure to provide or arrange for: (i) access to an entity's premises, or (ii) access to records for any Inspection or investigation is a violation of this Chapter and may result in penalties described.
- C. Any records obtained by the City during its Inspections and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in Government Code Section 6250 et seq.
- D. City representatives/personnel and/or Designee are authorized to conduct any Inspections or other investigations of Organic Waste Generators, Commercial Businesses (including Multi-Family Residential Dwellings), property owners, Commercial Edible Food Generators, Self-Haulers, Food Recovery Services, and Food Recovery Organizations as reasonably necessary to further the goals of this Chapter, subject to applicable laws.
- E. City shall receive written complaints from persons regarding an entity that may be potentially non-compliant with SB 1383 Regulations, including receipt of anonymous complaints.

6.03.170 Enforcement

- A. Violation of any provision of this Chapter shall constitute grounds for issuance of a Notice of Violation and assessment of a fine by a City representative and/or Community Enhancement Officer. Enforcement Actions under this Chapter include, but are not limited to, issuance of an administrative citation and assessment of a fine. In addition to the procedures in this section 6.03.170, the City may enforce this Chapter consistent with the procedures in the City of Moreno Valley Municipal Code Chapter 1.10.
- B. Other remedies allowed by law may be used for enforcement, including but not limited to civil action or prosecution as misdemeanor or infraction. The City may pursue civil actions in the California courts to seek recovery of unpaid administrative citations. The City may choose to delay court action until such time as a sufficiently large number of violations, or cumulative size of violations exist such that court action is a reasonable use of City staff and resources.
- C. Responsible Entity for Enforcement

1. Enforcement pursuant to this Chapter may be undertaken by the City Representative and/or Community Enhancement Officer authorized and legally able to undertake such action.
 - a. The City Representative and/or Community Enhancement Officer will interpret this Chapter; determine the applicability of waivers, if violation(s) have occurred; implement Enforcement Actions; and, determine if compliance standards are met.
 - b. The City Representative and/or Community Enhancement Officer may issue Notices of Violation(s).

D. Process for Enforcement

1. The City Representative and/or Community Enhancement Officer will monitor compliance with this Chapter randomly and through compliance reviews, route reviews, investigation of complaints, and an inspection program. Section 6.03.160 establishes City's right to conduct Inspections and investigations.
2. City may issue an official notification to notify regulated entities of its obligations under the ordinance.
3. Contamination Prevention.
 - a. For incidences of Prohibited Container Contaminants found by City or its Designee in containers, City will issue a Notice of Violation to any Generator found to have Prohibited Container Contamination in a container. Prior to issuance of a Notice of Violation, City's Authorized Collector may provide an informal warning(s) or notice(s) of Container Contaminants via cart tag. Thereafter, any Notice of Violation shall be provided by the City in person or via mail within two (2) days after City determines a violation has occurred with respect to Prohibited Container Contaminants. If the City or its Authorized Collector observes Prohibited Container Contaminants in a Generator's containers on more than two (2) occasion(s) in any calendar year starting January 1, the City may assess an administrative fine or penalty on the Generator in accordance with Section 6.03.170(E).
 - b. In addition to 6.03.170(D)(3)(a), City's Authorized Collector may implement through its service rate structure a Contamination service charge for customers committing incidents of Prohibited Container Contaminants. The Authorized Collector shall provide such customers with written notice and/or cart tags, or such other procedures required under any contract, agreement, or similar contractual authorization between the City and its Authorized

Collector, prior to levying any Contamination service charge. The foregoing Contamination service charge shall not be considered an administrative fine or penalty. Any disputes arising from the assessment of a Contamination service charge shall be adjudicated pursuant to the customer complaint resolution process provided under the terms of any contract, agreement, or similar contractual authorization between the City and its Authorized Collector assigned to collect Organic Waste.

4. With the exception of violations of Generator Contamination of container contents addressed under Section 6.03.170(D)(3), City shall issue a Notice of Violation requiring compliance within 60 days of issuance of the notice.
 5. Absent compliance by the respondent within the deadline set forth in the Notice of Violation, City shall commence an Enforcement Action to impose penalties, via an administrative citation and fine.
 6. Notices shall be sent to "property manager/owner" at the official address of the owner maintained by the tax collector for the City or if no such address is available, to the owner at the address of the dwelling or Commercial property or to the party responsible for paying for the collection services, depending upon available information.
- E. Penalty Amounts for Types of Violations. The penalty levels for City-issued Notices of Violation are as follows:
1. For a first violation, the amount of the base penalty shall be \$100 per violation.
 2. For a second violation, the amount of the base penalty shall be \$200 per violation.
 3. For a third or subsequent violation, the amount of the base penalty shall be \$500 per violation.
- F. Compliance Deadline Extension Considerations. The City may extend the compliance deadlines set forth in a Notice of Violation issued in accordance with this Section 6.03.170 if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:
1. Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters, including, without limitation, pandemics or epidemics;

- 2. Delays in obtaining discretionary permits or other government agency approvals; or,
 - 3. Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the City is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.
- G. Appeals Process. Persons receiving an administrative citation containing a penalty for an uncorrected violation may request a hearing to appeal the citation pursuant to the appeal in procedures in Moreno Valley Municipal Code Section 1.10.170.
- H. Education Period for Non-Compliance. Beginning January 1, 2022 and through December 31, 2023, City will conduct inspections, Route Reviews or waste evaluations, and Compliance Reviews, depending upon the type of regulated entity, to determine and Compliance Reviews, depending upon the type of regulated entity, to determine compliance with this Chapter, and if the City determines that Organic Waste Generator, Self-Hauler, hauler, Tier One Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance, it shall provide educational materials to the entity describing its obligations under this Chapter and a notice that compliance is required by January 1, 2022, and that violations may be subject to administrative civil penalties beginning on January 1, 2024.
- I. Civil Penalties for Non-Compliance. Beginning January 1, 2024, if the City determines that an Organic Waste Generator, Self-Hauler, hauler, Tier One or Tier Two Commercial Edible Food Generator, Food Recovery Organization, Food Recovery Service, or other entity is not in compliance with this Chapter, it shall document the noncompliance or violation, issue a Notice of Violation, and take Enforcement Action pursuant to this section 6.03.170, as needed.
- J. Enforcement Table - Non-exclusive List of Violations.

Table 1 below provides a non-exclusive list of violations of this Chapter, which may subject an entity to an Enforcement Action pursuant to this Section 6.03.170.

Table 1. List of Violations

Requirement	Description of Violation
Commercial Business and Commercial Business Owner Responsibility Requirement Section 6.03.070	Commercial Business fails to provide or arrange for Organic Waste collection services consistent with the City requirements and as outlined in chapter 6.03, for employees, contractors, tenants, and customers, including supplying and allowing access to adequate numbers, size, and location of containers and sufficient signage and container color.
Organic Waste Generator Requirement Sections 6.03.060 and 6.03.070	Organic Waste Generator fails to comply with requirements adopted pursuant to chapter 6.03 for the collection and Recovery of Organic Waste.
Hauler Requirement Section 6.03.110	A hauler providing residential, Commercial or industrial Organic Waste collection service fails to transport Organic Waste to a facility, operation, activity, or property that recovers Organic Waste, as prescribed by Chapter 6.03.
Hauler Requirement Section 6.03.110	A hauler providing residential, Commercial, or industrial Organic Waste collection service fails to obtain applicable approval issued by the City to haul Organic Waste as prescribed by Chapter 6.03.
Hauler Requirement Section 6.03.110	A hauler fails to keep a record of the applicable documentation of its approval by the City, as prescribed by Chapter 6.03.
Self-Hauler Requirement Section 6.03.120	A generator who is a Self-Hauler fails to comply with the requirements of 14 CCR Section 18988.3(b).
Commercial Edible Food Generator Requirement Section 6.03.090	Tier One Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food Recovery Service and comply with Section 6.03.090 commencing January 1, 2022.
Commercial Edible Food Generator Requirement Section 6.03.090	Tier Two Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food

	Recovery Service and comply with this Section 6.03.090 commencing January 1, 2024.
Commercial Edible Food Generator Requirement Section 6.03.090	Tier One or Tier Two Commercial Edible Food Generator intentionally spoils Edible Food that is capable of being recovered by a Food Recovery Organization or Food Recovery Service.
Organic Waste Generator, Commercial Business Owner, Commercial Edible Food Generator, Food Recovery Organization or Food Recovery Service Sections 6.03.070 and 6.03.090	Failure to provide or arrange for access to an entity's premises for any Inspection or investigation.
Recordkeeping Requirements for Commercial Edible Food Generator Section 6.03.090	Tier One or Tier Two Commercial Edible Food Generator fails to keep records, as prescribed by Section 6.03.090.
Recordkeeping Requirements for Food Recovery Services and Food Recovery Organizations Section 6.03.100	A Food Recovery Organization or Food Recovery Service that has established a contract or written agreement to collect or receive Edible Food directly from a Commercial Edible Food Generator pursuant to 14 CCR Section 18991.3(b) fails to keep records, as prescribed by Section 6.03.100.

6.03.180 Coordination and Interpretation in Conjunction with Related Solid Waste Ordinances.

In interpreting this Chapter in conjunction with the City's general Solid Waste regulations (Moreno Valley Municipal Code Chapter 6.02), in the event of any conflict between this Chapter and Chapter 6.02 that cannot be reasonably harmonized through the application of lawful principles of statutory construction, the provisions of this Chapter shall control with respect to all issues specific to the regulation of organic and Food Waste collection, disposal, enforcement and penalties.

6.03.190 Effective Date

This Chapter shall be effective commencing January 1, 2022.



CalRecycle
SB 1383 Implementation Tools
Model Mandatory Organic Waste Disposal
Reduction Ordinance

DATE
Revised 1/25/2021

Prepared by
HF&H Consultants, LLC
in conjunction with
Debra Kaufman Consulting





Insert Date

- 2 -

Jurisdiction Name/Contractor Name

Franchise Agreement

DISCLAIMER

This Model Tool is for informational and example purposes only. It should not merely be duplicated without consideration of an individual jurisdiction's particular needs or circumstances. It is not intended to cover each and every situation, nor can it anticipate specific needs. In developing this Model Tool, CalRecycle and its consultants (HF&H Consultants in conjunction with Debra Kaufman Consulting) have attempted to ensure that the language herein aligns with the SB 1383 regulations; however, in the event of any conflict, the language in the regulations shall prevail over language in the Model Tool and determination of regulatory intent and interpretation should be appropriately guided by the regulatory language and the official rulemaking record of which this Model Tool is not a component. CalRecycle and its consultants make no representation that use of this Model Tool will ensure compliance with regulatory requirements. This Model Tool does not constitute legal advice. Jurisdictions are encouraged to seek legal counsel appropriate to their particular circumstances regarding compliance with regulatory requirements.

SB 1383 regulations do not dictate that jurisdictions use this Model Ordinance or other ordinance to establish an enforceable mechanism to regulate entities compliance with SB 1383 requirements and standards. Jurisdictions may use an ordinance or other enforceable mechanisms as appropriate pursuant to SB 1383 regulations (14 CCR Section 18981.2(a)).

ACKNOWLEDGEMENTS

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GUIDANCE ON THE MODEL MANDATORY ORGANIC WASTE DISPOSAL REDUCTION ORDINANCE

The California Department of Resources Recycling and Recovery (CalRecycle) oversees a variety of programs and policy initiatives to reduce the amount of solid waste sent to landfills and promote recycling in California, including organic waste recycling under SB 1383. SB 1383, as enacted in 2017 (Lara, Chapter 395, Statutes of 2016), establishes statewide targets to reduce the statewide disposal of organic waste by 50 percent by 2020 and 75 percent by 2025; and requires that not less than 20 percent of edible food that is currently disposed be recovered for human consumption by 2025. For the purposes of this document, “SB 1383 regulations” or “SB 1383 regulatory” requirements refer to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of Title 14, Division 7 of the California Code of Regulations (CCR), and amended portions of regulations of Title 14 CCR and Title 27 CCR. The SB 1383 regulations set forth a variety of programmatic and policy-related requirements for jurisdictions, generators, and other entities to support the Statewide goals of SB 1383.

To support jurisdictions and other regulated entities with implementing programs and policies to reach compliance with SB 1383 regulations, CalRecycle offers four Model Implementation Tools including a Model Franchise Agreement, Model Mandatory Organic Waste Disposal Reduction Ordinance, Model Recovered Organic Waste Product Procurement Policy, and Model Food Recovery Agreement. These tools are available for jurisdictions to use and customize to meet their unique needs.

INTRODUCTION

This Guidance supports the use of the Model Mandatory Organic Waste Disposal Reduction Ordinance (Model). The Model was created recognizing that jurisdictions throughout the State are required by SB 1383 regulations to adopt an ordinance or other similarly enforceable mechanism by January 1, 2022, to mandate that organic waste generators, haulers, and other entities subject to the requirements of SB 1383 regulations and subject to the jurisdiction’s authority, comply with SB 1383 regulatory requirements. The Model supports establishment of enforceable SB 1383-related requirements for organic waste generators, haulers, and other entities subject to the jurisdiction’s authority. It also provides a tool for jurisdictions to regulate those entities’ compliance with SB 1383 regulations. Some jurisdictions may choose to adopt such an ordinance or amend an existing ordinance earlier than January 1, 2022. While a jurisdiction may designate a public or private entity to fulfill some of its SB 1383 regulatory responsibilities via contracts or written agreements, the jurisdiction itself remains responsible for its SB 1383 compliance and enforcing other entities’ compliance with the SB 1383 regulatory items

contained in the ordinance. Under SB 1383 regulations, the jurisdiction is also not allowed to delegate the authority to impose civil penalties to a private entity.

Note: SB 1383 regulations do not dictate that jurisdictions use this Model Ordinance or other ordinance to establish an enforceable mechanism to regulate entities' compliance with SB 1383 regulatory requirements and standards. Jurisdictions may use an ordinance or other enforceable mechanisms as appropriate, pursuant to SB 1383 regulations (14 CCR Section 18981.2(a)).

The Model includes and addresses the SB 1383 regulatory requirements that jurisdictions need to enforce on other entities, including requirements for generators to participate in organic waste collection programs or self-haul organic waste to processing; multi-family and business owners and property managers to support organic waste disposal reduction; commercial edible food generators to recover edible food through contracts or written agreements with food recovery organizations and services; and more. There are other SB 1383 regulatory requirements placed on the jurisdictions that are not included in this Model that may be enforced by CalRecycle on the jurisdiction (and others) including certain recordkeeping, contamination monitoring, procurement, and outreach requirements. These other jurisdictional requirements of SB 1383 regulations may need to be addressed in the jurisdiction's ordinance or separately from their ordinance via incorporation into jurisdiction's other internal policies, guidance, municipal code, and/or other planning documents and guidelines.

Jurisdictions should consult with their legal counsel to determine the best avenue for incorporating these other requirements into their relevant policies, codes, and practices. For example, procurement requirements specified in 14 CCR, Division 7, Chapter 12, Article 12 are presented in the Model Procurement Policy; however, some jurisdictions may determine that some or all of the procurement requirements should be addressed in their ordinance. In such case, the ordinance shall be expanded beyond the scope provided herein to incorporate additional procurement requirements.

The Model has been developed to provide an easy-to-use and highly customizable template for creating an ordinance. The guidance provided herein highlights important considerations to keep in mind when using the Model; customization strategies to adapt the Model to fit jurisdictions' unique conditions, and includes tips and list of additional resources. The jurisdiction may use this model ordinance in its entirety or use only relevant parts of the ordinance.

IMPORTANT CONSIDERATIONS

- **New Ordinance or Amendment of Existing Ordinance.** The Model is designed to be highly customizable for jurisdictions, providing options to address a range of program and policy choices. It can be used by jurisdictions drafting a new ordinance and those amending an existing ordinance. If jurisdictions are amending an existing ordinance, example provisions from the Model can be integrated into their existing ordinance. Jurisdictions should be mindful of the fact that this Model is intended to

focus on SB 1383 regulatory requirements. A jurisdiction may choose to integrate additional provisions into its ordinance to: (i) provide more clarification on how regulated entities are expected to comply; (ii) expand beyond the SB 1383 regulatory requirements; and/or (iii) include other solid waste handling and diversion requirements.

- **SB 1383 Regulatory Requirements.** Each jurisdiction is responsible for understanding and achieving compliance with SB 1383 regulations. Use of the Model Ordinance does not exempt a jurisdiction from complying with all SB 1383 regulatory requirements. The Model Ordinance includes example language that supports compliance with some, but not all SB 1383 regulatory requirements. The Model Ordinance is designed to enable the jurisdiction to require and enforce provisions that SB 1383 regulations require jurisdictions to require and enforce. It does not include the requirements on the jurisdiction itself, which CalRecycle will be enforcing on the jurisdiction, including recordkeeping, contamination monitoring, recovered organic waste product procurement target attainment, and outreach and education. It is advised that jurisdictions thoroughly review the SB 1383 regulations and take necessary actions to ensure full compliance.

In instances where language from the SB 1383 regulations are incorporated into the Model Ordinance, [the language is shown in blue font](#). The SB 1383 regulation-specific content in blue font follows closely with SB 1383 regulatory language; however, in many cases, the wording of SB 1383 regulatory requirements was adapted to fit the context of the Model Ordinance, conform with defined terms, or be framed with sufficient detail for the Model Ordinance. Additional information on SB 1383 regulations is embedded in many of the guidance notes.

Black font identifies language that is not specific to SB 1383 regulations. In most cases, it relates to the requirements of SB 1383 regulations and has been included to provide the context to understand how SB 1383 regulation-related provisions can be integrated into an ordinance. In other cases, it presents example language to provide the framework of a typical ordinance and guidance notes generally indicate that it is example language that is not required by SB 1383 regulations.

- **Involve Legal Counsel.** Any ordinance that results from use of the Model shall not be considered to have undergone legal counsel review. Each jurisdiction is responsible for involving its legal counsel to perform legal review and approval processes typically required by the jurisdiction for approval of such ordinances.
- **Engage with Affected Entities** When adopting a new or amended ordinance, it is advised that the review and adoption process involve engagement with the regulated entities, which will help with the implementation process as they will be more aware of the upcoming requirements. For example, engagement with organic waste generators, haulers, food recovery organizations, and food recovery services may help jurisdictions to obtain useful input from these stakeholders.

- **Example Language Only.** The provisions in the Model Ordinance are examples of how some SB 1383 regulatory requirements may be integrated and worded in an ordinance. Jurisdictions are not required to use this exact language. The language does, however, reflect the requirements that jurisdictions are required to place on others. All language should be considered in the context of the specific requirements contained in the SB 1383 regulations and the jurisdictions' unique conditions.

CUSTOMIZATION CONSIDERATIONS

The Model Ordinance is designed to be customizable for a diverse range of jurisdictions, while providing flexibility for each jurisdiction using the Model to reflect their needs. For example, the Model includes a range of options for collection programs (three-, three-plus, two-, and one-container programs; split carts; uncontainerized collection; etc.).

Each jurisdiction will want to capture its local systems and unique approach to its organics collection program and services. As such, jurisdictions are advised to consider the following general items when crafting their ordinance. More specific guidance is included in the Model.

1. GUIDANCE AND OPTION NOTES

Guidance notes are integrated into the Model Ordinance to explain how specific sections and provisions of the Model can be customized for a jurisdiction's needs. **General guidance notes are highlighted green.** **Notes in blue identify various options or areas where specific information is to be inserted or selected.**

The Model Ordinance addresses common variations of programs and service options; however, addressing all jurisdictional scenarios was not practical. Given this, some jurisdictions may need to customize some sections of the Model to reflect their conditions by drawing on example provisions in the Model as a starting point. This may be especially true for rural, low-population, or high-elevation jurisdictions that may qualify under SB 1383 regulations for waivers or exemptions from specific requirements (subject to CalRecycle approval of such waivers).

2. STANDARD COMPLIANCE OR PERFORMANCE-BASED COMPLIANCE APPROACH

The terms "Standard Compliance Approach" and "Performance-Based Compliance Approach" are used throughout the Model Ordinance in some section titles, guidance notes, and customization notes. For the purpose of the Model, "Standard Compliance Approach" means the method for complying with the SB 1383 regulations through implementation of organic waste collection programs and policies in accordance with 14 CCR Division 7, Chapter 12, Article 3 and associated requirements. Generally, all provisions in the SB 1383 regulations, other than 14 CCR, Division 7, Chapter 12, Article

17, apply to the Standard-Compliance Approach, unless the Performance-Based Compliance Approach is specifically referenced. For the purpose of the Model, “Performance-Based Compliance Approach” means the “performance-based source separated collection service” that meets the requirements of 14 CCR Division 7, Chapter 12, Article 17, or as otherwise defined by 14 CCR Section 18982(a)(52.5), and all associated requirements.

The compliance approach chosen will affect the provisions and structure of a jurisdiction’s ordinance. Some sections in the Model Ordinance are specific to jurisdictions using the Standard Compliance Approach and Performance-Based Compliance Approach and are labeled accordingly. Jurisdictions should use only the sections relevant to their compliance approach and delete the other sections. If section labeling does not identify either of these approaches, the section is applicable to jurisdictions using either type of approach.

For jurisdictions that are adopting a Performance-Based Compliance Approach, jurisdictions should consider the requirements from which they are exempt pursuant to SB 1383 regulations (14 CCR Section 18998.2). Some jurisdictions may decide it is prudent to include these requirements in their ordinance with a mechanism that allows the provisions to be triggered automatically, within a specified time frame, in the event the jurisdiction does not meet the requirements of the Performance-Based Compliance Approach and such compliance exceptions are no longer valid. Other jurisdictions may choose not to include provisions related to the compliance exceptions and amend their ordinance in the future if the jurisdiction does not meet the requirements of the Performance-Based Compliance Approach. The Model Ordinance reflects the later approach.

3. TYPE OF JURISDICTION

Some SB 1383 regulatory requirements differ based on the type of jurisdiction (e.g., city, county, regional agency, special district that provides solid waste collection services, etc.). Jurisdictions should choose the customization options that best match the requirements of their jurisdiction type. Ordinance provisions that differ based on the jurisdiction type will be identified in the guidance notes of the Model Ordinance. Note that the Model does not address the full framework a regional agency or special district will need to capture for its relationship with its member agencies. These types of jurisdictions will need to make modifications to the ordinance depending on their specific requirements.

4. WAIVERS AND EXEMPTIONS

SB 1383 regulations allow jurisdictions to grant waivers to some generators for de minimis volumes, physical space limitations, and less-than-weekly collection frequency, although these waivers are not required. Jurisdictions are advised to review SB 1383 regulations (14 CCR Section 18984.11) on allowable generator waivers and decide whether or not to

include one or more of these generator waivers in their ordinance. The Model Ordinance includes sample language should a jurisdiction decide to include de minimis, physical space, and/or less-than-weekly collection frequency waivers for generators that meet specified requirements.

SB 1383 regulations (14 CCR Section 18984.12) also provide for CalRecycle to grant waivers and exemptions to jurisdictions and some or all of its generators for compliance with some or all of the organic waste collection requirements of SB 1383 regulations (14 CCR Division 7, Chapter 12, Article 3) when the jurisdictions meet low-population, rural area, or high-elevation criteria. Jurisdictions are advised to review the relevant SB 1383 regulations to assess their eligibility for jurisdiction waivers and exemptions and decide whether they plan to apply for a low population or high elevation waiver or a rural exemption. The Model Ordinance does not include language for low population and high elevation waivers and rural exemptions, as the Model Ordinance is focused on requirements on generators and those regulated by the jurisdiction. These types of waivers are granted by CalRecycle to the jurisdiction. Jurisdictions may need to modify their ordinance language depending upon whether they plan to apply for and are granted these specific waivers from CalRecycle.

While waivers for low-population areas and high-elevation areas waive some SB 1383 regulatory requirements for generators and jurisdictions, AB 341 and AB 1826 requirements apply for jurisdictions and for multi-family and commercial generators that are covered by AB 341 and AB 1826 and located in these areas. As a result, jurisdictions with these waivers may need to amend their ordinances to require generators that are covered by AB 341 and AB 1826 to comply with those requirements, to address waivers allowed under AB 341 and AB 1826, and to align with the jurisdiction's AB 341 commercial recycling program and AB 1826 organic waste recycling programs.

5. COLLECTION METHOD

The manner in which a jurisdiction arranges for organic waste collection services to be provided to generators will impact the necessary provisions of their ordinance. General guidance and options are presented in the Model Ordinance to give jurisdictions insight on which language to select and adapt for their collection program conditions.

6. DELEGATION OF RESPONSIBILITIES & ENFORCEMENT

Users of the Model Ordinance are also advised to consider which enforcement requirements of the SB 1383 regulations will remain the responsibility of the jurisdiction or whether they will be delegated to another jurisdiction, including regional agencies. For example, some jurisdictions may choose to conduct inspections and enforcement themselves and others may enter an agreement with another jurisdiction to conduct such inspections and enforcement on their behalf (such as a regional agency or County Environmental Health Department). Jurisdictions should consider whether it is sharing responsibility for enforcement with any other jurisdictions when considering what language to include.

Example language to reflect a shared enforcement methodology is presented in the Model Ordinance as an option. It is important to note that regardless of how a jurisdiction chooses to handle enforcement, the jurisdiction itself remains responsible for enforcement, and could be subject to penalties based on non-enforcement, according to SB 1383 regulations. It is also important to understand that SB 1383 regulations prohibit a jurisdiction from delegating its authority to impose civil penalties, or to maintain an action to impose civil penalties, to a private entity. Jurisdictions should change the enforcement language in the Model Ordinance to be consistent with their own administrative procedures on enforcement actions; the enforcement process and timeline outlined in SB 1383 regulations; and California Government Code Section 53069.4.

7. ALIGNMENT OF DEFINED TERMS

The Model Ordinance includes dozens of defined terms, many of which were obtained from SB 1383 regulatory definitions and some from example ordinances and franchise agreements. The nuances of defined terms and their relationship to one another can have a significant impact on the meaning of the provisions of the ordinance. For this reason, jurisdictions are advised to carefully review the definitions they are using in existing ordinances, franchises, processing agreements, and municipal code, as well as the definitions in SB 1383 regulations, and modify existing definitions, delete non-applicable definitions, and integrate new ones where needed. It is likely that some of the definitions in the Model can be used without modification, while others will need to be tailored to the jurisdiction's unique conditions, collection program, and contractual arrangements. For example, if a jurisdiction is considering use of an anaerobic digestion facility that only accepts clean food scraps, the jurisdiction may want to exclude food-soiled paper in the definition of food scraps, or create an additional subdivision of the definition.

Additionally, the Model refers to containers by their colors (gray, green, blue, and brown) as done in the SB 1383 regulations. Users may need to add, remove, or change colors of containers in the definitions to match the container lid and body color options selected for their program, pursuant to the container color requirements and compliance dates in Article 3 of the SB 1383 regulations. Additionally, definitions are included that would work for each type of organics collection system: three, three-plus, two-, and one-container, and the allowable permutations thereof. Once the jurisdiction determines their collection system(s), they should retain the definitions that are most appropriate for their collection program and delete the others. Guidance notes in the Model provide direction on the instances in which some definitions are applicable or non-applicable.

The following figure identifies the defined terms used in the Model Ordinance to describe the various material streams associated with each color container. This is provided for convenience to orient the user to the terminology, which, in some cases, is likely to be different than their current terminology.

Defined Terms Used in Model Ordinance

Container Color	Terminology of Material Streams
Blue Containers	<ul style="list-style-type: none"> • Source separated recyclable materials • Non-organic recyclables - glass, metal, plastic, etc. • Source separated blue container organic waste (SSBCOW) – organic recyclables such as fibers and cardboard
Green containers	<ul style="list-style-type: none"> • Source separated Green Container organic waste (SSGCOW)
Gray containers	<ul style="list-style-type: none"> • Gray container waste (three- and three-plus container systems that do not allow organic waste, such as food waste, in the gray container) • Mixed waste organic collection stream or mixed waste (two- and one-container systems and three- and three-plus-container systems that allow organic waste, such as food waste, in the gray container)

Note: Organic waste is a defined term that serves as an umbrella for all organics including SSBCOW, SSGCOW, textiles, carpet, etc. Organic wastes are collected in a combination of containers depending on the collection system and therefore not separately identified in the table above.

Not all of the definitions contained within the SB 1383 regulations have been included in the ordinance. It is advised that the jurisdiction review all of the SB 1383 regulatory definitions and determine whether it would be beneficial to add any additional terms. While the user may also modify or create their own definitions, the jurisdiction must ensure that all SB 1383 regulatory requirements are met. For example, material streams can be defined, renamed, or further subdivided, or the jurisdiction may wish to refer to the containers by material stream type rather than color; however, the ordinance must include requirements to assure that all organic waste specified in SB 1383 regulations for collection is collected and processed or managed in a compliant manner.

In addition, jurisdictions will need to amend the definitions in their municipal/county code to align with updated definitions in their ordinance and franchise agreement. Jurisdictions should attempt to coordinate definitions used in the ordinance, their franchise agreement, and their municipal/county code sections related to solid waste collection and recycling.

8. DOCUMENT STRUCTURE

The Model Ordinance is structured to include sections on definitions and requirements on: single-family and multi-family generators, commercial businesses, self-haulers, commercial edible food generators, food recovery organizations and services, vendors of paper products, and sections on waivers, compliance with CALGreen and MWEL0,

inspections, and enforcement. Where applicable, separate sections are included for those using the standard compliance approach vs. the performance-based compliance approach.

ADDITIONAL TIPS FOR USING THE MODEL

1. **Modify Language.** Adjust the Model language to fit the jurisdiction’s specific needs. For example, a jurisdiction using only a three-container system will need to delete all provisions related to three-plus, two-, and one-container systems.
2. **Change Jurisdiction.** The term “jurisdiction” is used throughout this Model Ordinance; however, the entity responsible for adopting this Ordinance will need to change “jurisdiction” throughout the document to the appropriate term, which may be City, County, City and County, Special District that provides solid waste handling services, Joint Powers Authority, Regional Agency, etc.
3. **Delete Guidance Notes and Unused Options.** Green highlighting identifies guidance notes presented in the Model for reference only, which are to be removed by the user when preparing its final Ordinance. In cases where the Model offers multiple options, blue highlighting identifies optional provisions and areas where customization is advised. Options and customization items that are not selected are to be deleted and section numbers must be modified accordingly.
4. **Blend Existing Provisions with Model Provisions.** When using the Model Ordinance, users may want to select provisions from both the Model Ordinance and their existing ordinance(s) to create an ordinance that best suits its needs.
5. **Style and Design.** The use of multiple font colors and highlighting to differentiate content in the Model Ordinance, as described above, is not required in any final document produced, and the colors should be eliminated or made consistent with the user’s standard document styles. The Model Ordinance has been designed in accordance with CalRecycle’s accessibility guidelines. SB 1383 regulations do not require specific styles or design to be used for ordinances, and the final document style is at each jurisdiction’s discretion.

ADDITIONAL CALRECYCLE RESOURCES

1. SB 1383 General Information: <https://www.calrecycle.ca.gov/organics/slcp>
2. SB 1383 Regulations: <https://www2.calrecycle.ca.gov/Docs/Web/118371> (for an accessible version, please use this link: <https://www2.calrecycle.ca.gov/Docs/Web/118368>)

3. SB 1383 Model Implementation Tools:
<https://www.calrecycle.ca.gov/organics/slcp/education>

This webpage includes the following Model Tools:

- Model Franchise Agreement
- Model Mandatory Organic Waste Disposal Reduction Ordinance
- Model Recovered Organic Waste Product Procurement Policy
- Model Food Recovery Agreement

4. Other Recovered Organic Waste Product Procurement Resources

- Calculator for Annual Recovered Organic Waste Product Procurement:
<https://www2.calrecycle.ca.gov/Docs/Web/118521>

5. SB 1383 Case Studies: <https://www.calrecycle.ca.gov/organics/slcp/education>

Eight case studies are available including two each on franchise agreements, mandatory organic waste disposal reduction ordinances, recovered organic waste product procurement, and food recovery programs and policies.

6. Other Relevant SB 1383 CalRecycle Reports

- SB 1383 Local Services Rates Analysis:
<https://www2.calrecycle.ca.gov/Publications/Details/1698>
- SB 1383 Infrastructure and Market Analysis:
<https://www2.calrecycle.ca.gov/Publications/Details/1652>

7. Relevant Regulations Referenced in the Model Policy:

- Title 14 of California Code of Regulations, Division 7, Department of Resources Recycling and Recovery:
[https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=IFF17BBCC72F5412C8FEEF78290C1526E&originationContext=documenttoc&transitionType=Default&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=IFF17BBCC72F5412C8FEEF78290C1526E&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default))
- Title 27 of California Code of Regulations, Division 2, Environmental Protection, Solid Waste (27 CCR Division 2):
<https://www.calrecycle.ca.gov/laws/regulations/title27>
- Model Water Efficient Landscape Ordinance, Title 23, Division 2, Chapter 2.7 of California Code of Regulations:
<https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I55B69DB0D45A11DEA95CA4428EC25FA0&transitionType=Default&contextData=%28sc.Default%29>

- Public Contract Code (including recycled-content paper requirements):
https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PCC&division=2.&title=&part=2.&chapter=&article=&goUp=Y
- Public Resources Code:
http://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?lawCode=PRC&division=30.&title=&part=1.&chapter=2.&article=&goUp=Y
- Code of Federal Regulations, Title 16 (including relevant definitions):
<https://www.govinfo.gov/app/details/CFR-2013-title16-vol1/CFR-2013-title16-vol1-sec260-12/context>

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1 **MODEL MANDATORY ORGANIC WASTE**
 2 **DISPOSAL REDUCTION ORDINANCE**

3 **SECTION 1. PURPOSE AND FINDINGS**

4 The Jurisdiction finds and declares:

- 5 (a) State recycling law, Assembly Bill 939 of 1989, the California Integrated Waste
 6 Management Act of 1989 (California Public Resources Code Section 40000, et
 7 seq., as amended, supplemented, superseded, and replaced from time to time),
 8 requires cities and counties to reduce, reuse, and recycle (including composting)
 9 Solid Waste generated in their Jurisdictions to the maximum extent feasible before
 10 any incineration or landfill disposal of waste, to conserve water, energy, and other
 11 natural resources, and to protect the environment.
- 12 (b) State recycling law, Assembly Bill 341 of 2011 (approved by the Governor of the
 13 State of California on October 5, 2011, which amended Sections 41730, 41731,
 14 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections
 15 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section
 16 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of,
 17 the Public Resources Code, as amended, supplemented, superseded and
 18 replaced from time to time), places requirements on businesses and Multi-Family
 19 property owners that generate a specified threshold amount of Solid Waste to
 20 arrange for recycling services and requires Jurisdictions to implement a Mandatory
 21 Commercial Recycling program.
- 22 (c) State organics recycling law, Assembly Bill 1826 of 2014 (approved by the
 23 Governor of the State of California on September 28, 2014, which added Chapter
 24 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public
 25 Resources Code, relating to Solid Waste, as amended, supplemented,
 26 superseded, and replaced from time to time), requires businesses and Multi-Family
 27 property owners that generate a specified threshold amount of Solid Waste,
 28 Recycling, and Organic Waste per week to arrange for recycling services for that
 29 waste, requires Jurisdictions to implement a recycling program to divert Organic
 30 Waste from businesses subject to the law, and requires Jurisdictions to to
 31 implement a Mandatory Commercial Organics Recycling program. Guidance:
 32 Rural Jurisdictions that are exempt from AB 1826 may not need the preceding
 33 statement.
- 34 (d) SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires
 35 CalRecycle to develop regulations to reduce organics in landfills as a source of
 36 methane. The regulations place requirements on multiple entities including
 37 Jurisdictions, residential households, Commercial Businesses and business
 38 owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food

39 Recovery Organizations, and Food Recovery Services to support achievement of
40 Statewide Organic Waste disposal reduction targets.

41 (e) SB 1383, the Short-lived Climate Pollutant Reduction Act of 2016, requires
42 Jurisdictions to adopt and enforce an ordinance or enforceable mechanism to
43 implement relevant provisions of SB 1383 Regulations. This ordinance will also
44 help reduce food insecurity by requiring Commercial Edible Food Generators to
45 arrange to have the maximum amount of their Edible Food, that would otherwise
46 be disposed, be recovered for human consumption.

47 (f) Requirements in this ordinance are consistent with other adopted goals and
48 policies of the Jurisdiction including: _____ (Jurisdiction to insert
49 description). Guidance: At Jurisdiction's option, Jurisdictions may want to include
50 this subsection (f) to add Jurisdiction-specific diversion goals or policies here such
51 as a 75% diversion or zero waste goal, C&D recovery ordinance, greenhouse gas
52 reduction goals, local climate action plan, etc.

53 SECTION 2. TITLE OF ORDINANCE

54 This chapter shall be entitled "Mandatory Organic Waste Disposal Reduction Ordinance".

55 Guidance: This is a suggested title for the ordinance. Jurisdictions may choose a different
56 name for the ordinance.

57 SECTION 3. DEFINITIONS

58 Guidance: Most of the following definitions are excerpted from the SB 1383 Regulations
59 (14 CCR Section 18982) with SB 1383 Regulation-specific text noted in green font. There
60 are additional definitions in the SB 1383 Regulations that are not included here.
61 Jurisdiction may want to review that list of definitions in 14 CCR Section 18982 to
62 determine whether it wants to add any additional definitions to its ordinance. Jurisdiction
63 may also choose to delete definitions not appropriate for its system and/or to include
64 additional definitions that are appropriate for its system and ordinance.

65 (a) "Blue Container" has the same meaning as in 14 CCR Section 18982.2(a)(5) and
66 shall be used for the purpose of storage and collection of Source Separated
67 Recyclable Materials or Source Separated Blue Container Organic Waste.
68 Guidance: For three-container, three-plus-container, and two-container blue/gray
69 systems, include this "Blue Container" definition. For two-container green/gray
70 systems and one-container systems, delete this definition.

71 (b) "CalRecycle" means California's Department of Resources Recycling and
72 Recovery, which is the Department designated with responsibility for developing,
73 implementing, and enforcing SB 1383 Regulations on Jurisdictions (and others).

- 74 (c) “California Code of Regulations” or “CCR” means the State of California Code of
 75 Regulations. CCR references in this ordinance are preceded with a number that
 76 refers to the relevant Title of the CCR (e.g., “14 CCR” refers to Title 14 of CCR).
- 77 (d) “Commercial Business” or “Commercial” means a firm, partnership, proprietorship,
 78 joint-stock company, corporation, or association, whether for-profit or nonprofit,
 79 strip mall, industrial facility, or a multifamily residential dwelling, or as otherwise
 80 defined in 14 CCR Section 18982(a)(6). A Multi-Family Residential Dwelling that
 81 consists of fewer than five (5) units is not a Commercial Business for purposes of
 82 implementing this ordinance.
- 83 (e) “Commercial Edible Food Generator” includes a Tier One or a Tier Two
 84 Commercial Edible Food Generator as defined in Sections 3(rrr) and 3(sss) of this
 85 ordinance or as otherwise defined in 14 CCR Section 18982(a)(73) and (a)(74).
 86 For the purposes of this definition, Food Recovery Organizations and Food
 87 Recovery Services are not Commercial Edible Food Generators pursuant to 14
 88 CCR Section 18982(a)(7).
- 89 (f) “Compliance Review” means a review of records by a Jurisdiction to determine
 90 compliance with this ordinance.
- 91 (g) “Community Composting” means any activity that composts green material,
 92 agricultural material, food material, and vegetative food material, alone or in
 93 combination, and the total amount of feedstock and Compost on-site at any one
 94 time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR
 95 Section 17855(a)(4); or, as otherwise defined by 14 CCR Section 18982(a)(8).
- 96 (h) “Compost” has the same meaning as in 14 CCR Section 17896.2(a)(4), which
 97 stated, as of the effective date of this ordinance, that “Compost” means the product
 98 resulting from the controlled biological decomposition of organic Solid Wastes that
 99 are Source Separated from the municipal Solid Waste stream, or which are
 100 separated at a centralized facility.
- 101 (i) “Compostable Plastics” or “Compostable Plastic” means plastic materials that
 102 meet the ASTM D6400 standard for compostability, or as otherwise described in
 103 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).
- 104 (j) “Container Contamination” or “Contaminated Container” means a container,
 105 regardless of color, that contains Prohibited Container Contaminants, or as
 106 otherwise defined in 14 CCR Section 18982(a)(55).
- 107 (k) “C&D” means construction and demolition debris.
- 108 (l) “Designated Source Separated Organic Waste Facility”, as defined in 14 CCR
 109 Section 18982(14.5), means a Solid Waste facility that accepts a Source
 110 Separated Organic Waste collection stream as defined in 14 CCR Section
 111 17402(a)(26.6) and complies with one of the following:

112 (1) The facility is a “transfer/processor,” as defined in 14 CCR Section
113 18815.2(a)(62), that is in compliance with the reporting requirements of 14
114 CCR Section 18815.5(d), and meets or exceeds an annual average Source
115 Separated organic content Recovery rate of 50 percent between January 1,
116 2022 and December 31, 2024 and 75 percent on and after January 1, 2025
117 as calculated pursuant to 14 CCR Section 18815.5(f) for Organic Waste
118 received from the Source Separated Organic Waste collection stream.

119 (A) If a transfer/processor has an annual average Source Separated
120 organic content Recovery rate lower than the rate required in
121 Paragraph 1 of this definition for two (2) consecutive reporting
122 periods, or three (3) reporting periods within three (3) years, the
123 facility shall not qualify as a “Designated Source Separated Organic
124 Waste Facility”.

125 (2) The facility is a “composting operation” or “composting facility” as defined in
126 14 CCR Section 18815.2(a)(13), that pursuant to the reports submitted
127 under 14 CCR Section 18815.7 demonstrates that the percent of the
128 material removed for landfill disposal that is Organic Waste is less than the
129 percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3),
130 whichever is applicable, and, if applicable, complies with the digestate
131 handling requirements specified in 14 CCR Section 17896.5. Guidance:
132 Note that the definition of composting operation includes in-vessel digestion
133 as regulated in 14 CCR Section 17896.

134 (A) If the percent of the material removed for landfill disposal that is
135 Organic Waste is more than the percent specified in 14 CCR Section
136 17409.5.8(c)(2) or 17409.5.8(c)(3), for two (2) consecutive reporting
137 periods, or three (3) reporting periods within three (3) years, the
138 facility shall not qualify as a “Designated Source Separated Organic
139 Waste Facility.” For the purposes of this ordinance, the reporting
140 periods shall be consistent with those defined in 14 CCR Section
141 18815.2(a)(49). Guidance: The reporting periods identified in the
142 above Section 3(l)(2)(A) are consistent with reporting that facilities
143 must submit to CalRecycle under RDRS regulations and not
144 reporting to be submitted under this ordinance.

145 Guidance: This definition is only needed when the Jurisdiction is using the
146 Performance-Based Compliance Approach; delete this definition if using the
147 Standard Compliance Approach.

148 (m) “Designee” means an entity that a Jurisdiction contracts with or otherwise arranges
149 to carry out any of the Jurisdiction’s responsibilities of this ordinance as authorized
150 in 14 CCR Section 18981.2. A Designee may be a government entity, a hauler, a
151 private entity, or a combination of those entities.

152 (n) "Edible Food" means food intended for human consumption, or as otherwise
153 defined in 14 CCR Section 18982(a)(18). For the purposes of this ordinance or as
154 otherwise defined in 14 CCR Section 18982(a)(18), "Edible Food" is not Solid
155 Waste if it is recovered and not discarded. Nothing in this ordinance or in 14 CCR,
156 Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that
157 does not meet the food safety requirements of the California Retail Food Code.

158 (o) "Enforcement Action" means an action of the Jurisdiction to address non-
159 compliance with this ordinance including, but not limited to, issuing administrative
160 citations, fines, penalties, or using other remedies.

161 (p) "Excluded Waste" means hazardous substance, hazardous waste, infectious
162 waste, designated waste, volatile, corrosive, medical waste, infectious, regulated
163 radioactive waste, and toxic substances or material that facility operator(s), which
164 receive materials from the Jurisdiction and its generators, reasonably believe(s)
165 would, as a result of or upon acceptance, transfer, processing, or disposal, be a
166 violation of local, State, or Federal law, regulation, or ordinance, including: land
167 use restrictions or conditions, waste that cannot be disposed of in Class III landfills
168 or accepted at the facility by permit conditions, waste that in Jurisdictions, or its
169 Designee's reasonable opinion would present a significant risk to human health or
170 the environment, cause a nuisance or otherwise create or expose Jurisdiction, or
171 its Designee, to potential liability; but not including de minimis volumes or
172 concentrations of waste of a type and amount normally found in Single-Family or
173 Multi-Family Solid Waste after implementation of programs for the safe collection,
174 processing, recycling, treatment, and disposal of batteries and paint in compliance
175 with Sections 41500 and 41802 of the California Public Resources Code. Excluded
176 Waste does not include used motor oil and filters, household batteries, universal
177 wastes, and/or latex paint when such materials are defined as allowable materials
178 for collection through the Jurisdiction's collection programs and the generator or
179 customer has properly placed the materials for collection pursuant to instructions
180 provided by Jurisdiction or its Designee for collection services.

181 Guidance: Jurisdictions should modify the above Excluded Waste definition based
182 on the specific types of accepted or prohibited materials in their program. For
183 example, the final sentence of this definition is an example of a customization
184 option that a Jurisdiction might include if the Jurisdiction has a special collection or
185 recycling program for items like motor oil and filters, household batteries, or other
186 such items as applicable.

187 (q) "Food Distributor" means a company that distributes food to entities including, but
188 not limited to, Supermarkets and Grocery Stores, or as otherwise defined in 14
189 CCR Section 18982(a)(22).

190 (r) "Food Facility" has the same meaning as in Section 113789 of the Health and
191 Safety Code.

- 192 (s) “Food Recovery” means actions to collect and distribute food for human
 193 consumption that otherwise would be disposed, or as otherwise defined in 14 CCR
 194 Section 18982(a)(24).
- 195 (t) “Food Recovery Organization” means an entity that engages in the collection or
 196 receipt of Edible Food from Commercial Edible Food Generators and distributes
 197 that Edible Food to the public for Food Recovery either directly or through other
 198 entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not
 199 limited to:
- 200 (1) A food bank as defined in Section 113783 of the Health and Safety Code;
- 201 (2) A nonprofit charitable organization as defined in Section 113841 of the
 202 Health and Safety code; and,
- 203 (3) A nonprofit charitable temporary food facility as defined in Section 113842
 204 of the Health and Safety Code.
- 205 A Food Recovery Organization is not a Commercial Edible Food Generator for the
 206 purposes of this ordinance and implementation of 14 CCR, Division 7, Chapter 12
 207 pursuant to 14 CCR Section 18982(a)(7).
- 208 If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization
 209 differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall
 210 apply to this ordinance.
- 211 (u) “Food Recovery Service” means a person or entity that collects and transports
 212 Edible Food from a Commercial Edible Food Generator to a Food Recovery
 213 Organization or other entities for Food Recovery, or as otherwise defined in 14
 214 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible
 215 Food Generator for the purposes of this ordinance and implementation of 14 CCR,
 216 Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).
- 217 (v) “Food Scraps” means all food such as, but not limited to, fruits, vegetables, meat,
 218 poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and
 219 eggshells. Food Scraps excludes fats, oils, and grease when such materials are
 220 Source Separated from other Food Scraps. Guidance: Jurisdictions should modify
 221 the above definition of Food Scraps to be consistent with their specific list of
 222 accepted Food Scraps. For example, Jurisdictions that accept fats, oils, and
 223 grease in their collection program should modify the final sentence of this definition
 224 accordingly.
- 225 (w) “Food Service Provider” means an entity primarily engaged in providing food
 226 services to institutional, governmental, Commercial, or industrial locations of
 227 others based on contractual arrangements with these types of organizations, or as
 228 otherwise defined in 14 CCR Section 18982(a)(27).

229 (x) "Food-Soiled Paper" is compostable paper material that has come in contact with
230 food or liquid, such as, but not limited to, compostable paper plates, paper coffee
231 cups, napkins, pizza boxes, and milk cartons.

232 (y) "Food Waste" means Food Scraps, Food-Soiled Paper, and Compostable Plastics.

233 Guidance: Jurisdictions should modify the above definition of Food Waste
234 according to the materials accepted in their program. For example, some programs
235 do not accept Food-Soiled Paper in their collection programs based on the
236 processing technologies used. In that case, Jurisdictions should modify this
237 definition to remove or restrict Food-Soiled Paper if desired. It should be noted;
238 however, that Jurisdictions are still required to handle Food-Soiled Paper in a
239 manner that results in landfill disposal reduction pursuant to 14 CCR Section
240 18983.1. However, if the Food-Soiled Paper is not included in Food Waste or Food
241 Scraps collection, the Jurisdiction is still responsible for providing a method of
242 properly handling and processing all Organic Waste that are required by SB 1383
243 Regulations to be handled in a manner that results in landfill disposal reduction in
244 accordance with 14 CCR Section 18983.1.

245 Jurisdictions may choose to include Compostable Plastics in their definition of
246 Food Waste if such materials are accepted in their program. If the Jurisdiction does
247 not allow Compostable Plastics to be collected with Food Waste, delete
248 "Compostable Plastics" from the Food Waste definition.

249 (z) "Gray Container" has the same meaning as in 14 CCR Section 18982.2(a)(28) and
250 shall be used for the purpose of storage and collection of Gray Container Waste.
251 Guidance: For two- and one-container systems and three- and three-plus-
252 container systems that allow Organic Waste, such as Food Waste, for collection in
253 the Gray Container, replace "Gray Container Waste" with "Mixed Waste" in this
254 sentence.

255 (aa) "Gray Container Waste" means Solid Waste that is collected in a Gray Container
256 that is part of a three-container Organic Waste collection service that prohibits the
257 placement of Organic Waste in the Gray Container as specified in 14 CCR
258 Sections 18984.1(a) and (b), or as otherwise defined in 14 CCR Section
259 17402(a)(6.5). Guidance: This definition is only needed for Jurisdictions using
260 three- or three-plus-container systems that prohibit Organic Waste, such as Food
261 Waste, to be collected in the Gray Container. For Jurisdictions using a two- or one-
262 container system, or a three- or three-plus-container system that allows Organic
263 Waste, such as Food Waste, for collection in the Gray Container, delete this
264 definition and instead include only the definition of "Mixed Waste" below.

265 (bb) "Green Container" has the same meaning as in 14 CCR Section 18982.2(a)(29)
266 and shall be used for the purpose of storage and collection of Source Separated
267 Green Container Organic Waste. Guidance: For three-container, three-plus-
268 container, and two-container green/gray systems, include this "Green Container"

- 269 definition. For two-container blue/gray systems and one-container systems, delete
270 this definition.
- 271 (cc) “Grocery Store” means a store primarily engaged in the retail sale of canned food;
272 dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area
273 that is not separately owned within the store where the food is prepared and
274 served, including a bakery, deli, and meat and seafood departments, or as
275 otherwise defined in 14 CCR Section 18982(a)(30).
- 276 (dd) “Hauler Route” means the designated itinerary or sequence of stops for each
277 segment of the Jurisdiction’s collection service area, or as otherwise defined in 14
278 CCR Section 18982(a)(31.5). Guidance: The SB 1383 Regulations do not specify
279 the time unit or frequency of a “Hauler Route.” Jurisdictions may wish to modify
280 this definition to specify whether a route is daily, weekly, etc., for the purposes of
281 the ordinance.
- 282 (ee) “High Diversion Organic Waste Processing Facility” means a facility that is in
283 compliance with the reporting requirements of 14 CCR Section 18815.5(d) and
284 meets or exceeds an annual average Mixed Waste organic content Recovery rate
285 of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent
286 after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for
287 Organic Waste received from the “Mixed waste organic collection stream” as
288 defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR
289 Section 18982(a)(33).
- 290 (ff) “Inspection” means a site visit where a Jurisdiction reviews records, containers,
291 and an entity’s collection, handling, recycling, or landfill disposal of Organic Waste
292 or Edible Food handling to determine if the entity is complying with requirements
293 set forth in this ordinance, or as otherwise defined in 14 CCR Section
294 18982(a)(35).
- 295 (gg) “Jurisdiction” Guidance: No definition has been included for Jurisdiction. Users of
296 the Model Ordinance are instructed to replace Jurisdiction throughout the Model
297 with the term appropriate to their organization (e.g., City, County, Special District
298 that provides solid waste collection services, Agency, etc.).
- 299 (hh) “Jurisdiction Enforcement Official” means the city manager, county administrative
300 official, chief operating officer, executive director, or other executive in charge or
301 their authorized Designee(s) who is/are partially or whole responsible for enforcing
302 the ordinance. See also “Regional or County Agency Enforcement Official”.
303 Guidance: If the Jurisdiction chooses a different enforcement model, then it should
304 change or delete this definition. Other approaches may be enforcement by
305 committee, task force, or elected body, should such entities be designated by the
306 Jurisdiction with those responsibilities. Enforcement does not have to be limited
307 to one person; however, the Jurisdiction may not delete its authority to impose any
308 civil penalties that are required by the SB 1383 Regulations to a private entity
309 pursuant to 14 CCR Section 18981.2(d).

- 310 (ii) “Large Event” means an event, including, but not limited to, a sporting event or a
 311 flea market, that charges an admission price, or is operated by a local agency, and
 312 serves an average of more than 2,000 individuals per day of operation of the event,
 313 at a location that includes, but is not limited to, a public, nonprofit, or privately
 314 owned park, parking lot, golf course, street system, or other open space when
 315 being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs
 316 from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to
 317 this ordinance.
- 318 (jj) “Large Venue” means a permanent venue facility that annually seats or serves an
 319 average of more than 2,000 individuals within the grounds of the facility per day of
 320 operation of the venue facility. For purposes of this ordinance and implementation
 321 of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a
 322 public, nonprofit, or privately owned or operated stadium, amphitheater, arena,
 323 hall, amusement park, conference or civic center, zoo, aquarium, airport,
 324 racetrack, horse track, performing arts center, fairground, museum, theater, or
 325 other public attraction facility. For purposes of this ordinance and implementation
 326 of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that
 327 includes more than one Large Venue that is contiguous with other Large Venues
 328 in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39)
 329 differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall
 330 apply to this ordinance.
- 331 (kk) “Local Education Agency” means a school district, charter school, or county office
 332 of education that is not subject to the control of city or county regulations related
 333 to Solid Waste, or as otherwise defined in 14 CCR Section 18982(a)(40).
- 334 (ll) “Mixed Waste Organic Collection Stream” or “Mixed Waste” means Organic Waste
 335 collected in a container that is required by 14 CCR Sections 18984.1, 18984.2 or
 336 18984.3 to be taken to a High Diversion Organic Waste Processing Facility or as
 337 otherwise defined in 14 CCR Section 17402(a)(11.5). Guidance: This definition is
 338 only to be used by Jurisdictions using two- or one-container systems or three- or
 339 three-plus-container systems that allow Organic Waste, such as Food Waste, for
 340 collection in the Gray Container. In these cases, materials in the Gray Containers
 341 are to be processed at a High Diversion Organic Waste Processing Facility. Delete
 342 if using a three- or three-plus container system that does not allow Organic Waste
 343 to be collected in the Gray Containers.
- 344 (mm) “Multi-Family Residential Dwelling” or “Multi-Family” means of, from, or pertaining
 345 to residential premises with five (5) or more dwelling units. Multi-Family premises
 346 do not include hotels, motels, or other transient occupancy facilities, which are
 347 considered Commercial Businesses. Guidance: Under the SB 1383 Regulations
 348 and in this Model Ordinance, Multi-Family Residential Dwellings with five (5) or
 349 more units are included under the definition of a Commercial Business per 14 CCR
 350 Section 18982(a)(6).

- 351 (nn) “MWELo” refers to the [Model Water Efficient Landscape Ordinance \(MWELo\)](#), 23
352 CCR, Division 2, Chapter 2.7.
- 353 (oo) “Non-Compostable Paper” includes but is not limited to paper that is coated in a
354 plastic material that will not breakdown in the composting process, or as otherwise
355 defined in 14 CCR Section 18982(a)(41). Guidance: In the definition of Non-
356 Compostable Paper, Jurisdictions may wish to provide additional detail on the
357 materials and coatings that their processing facility is able to accept. However, the
358 Jurisdiction is still responsible for properly handling and processing all Organic
359 Waste required by the SB 1383 Regulations to be handled in a manner that results
360 in landfill disposal reduction in accordance with 14 CCR Section 18983.1.
- 361 (pp) “Non-Local Entity” means the following entities that are not subject to the
362 Jurisdiction’s enforcement authority, or as otherwise defined in 14 CCR Section
363 18982(a)(42):
- 364 Guidance: Jurisdiction should include one or more of the items below as
365 appropriate for Jurisdiction, and delete non-applicable items.
- 366 (1) [Special district\(s\)](#) located within the boundaries of the Jurisdiction, including
367 _____ (insert names of special districts).
- 368 (2) [Federal facilities](#), including military installations, located within the
369 boundaries of the Jurisdiction, including _____ (insert names of federal
370 facilities).
- 371 (3) [Prison\(s\)](#) located within the boundaries of the Jurisdiction, including
372 _____ (insert names of prisons). Guidance: Private prisons are
373 considered Commercial Businesses and should not be listed here.
- 374 (4) [Facilities operated by the State park system](#) located within the boundaries
375 of the Jurisdiction, including _____ (insert names of State park
376 facilities).
- 377 (5) [Public universities \(including community colleges\)](#) located within the
378 boundaries of the Jurisdiction, including _____ (insert names of
379 universities).
- 380 (6) [County fairgrounds](#) located within the boundaries of the Jurisdiction,
381 including _____ (insert names of fairgrounds).
- 382 (7) [State agencies](#) located within the boundaries of the Jurisdiction, including
383 _____ (insert names of State agencies).
- 384 (qq) “Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable
385 wastes including but not limited to bottles, cans, metals, plastics and glass, or as
386 otherwise defined in 14 CCR Section 18982(a)(43). Guidance: Only Jurisdictions

- 387 that have three-, three-plus-, or two-container collection service will include “Non-
388 Organic Recyclables” definition. Delete if using a one-container collection service.
- 389 (rr) “Notice of Violation (NOV)” means a notice that a violation has occurred that
390 includes a compliance date to avoid an action to seek penalties, or as otherwise
391 defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section
392 18995.4.
- 393 (ss) “Organic Waste” means Solid Wastes containing material originated from living
394 organisms and their metabolic waste products, including but not limited to food,
395 green material, landscape and pruning waste, organic textiles and carpets, lumber,
396 wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate,
397 and sludges or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids
398 and digestate are as defined by 14 CCR Section 18982(a).
- 399 (tt) “Organic Waste Generator” means a person or entity that is responsible for the
400 initial creation of Organic Waste, or as otherwise defined in 14 CCR Section
401 18982(a)(48).
- 402 (uu) “Paper Products” include, but are not limited to, paper janitorial supplies, cartons,
403 wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and
404 toweling, or as otherwise defined in 14 CCR Section 18982(a)(51).
- 405 (vv) “Printing and Writing Papers” include, but are not limited to, copy, xerographic,
406 watermark, cotton fiber, offset, forms, computer printout paper, white wove
407 envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint,
408 and other uncoated writing papers, posters, index cards, calendars, brochures,
409 reports, magazines, and publications, or as otherwise defined in 14 CCR Section
410 18982(a)(54).
- 411 (ww) “Prohibited Container Contaminants”
- 412 Guidance: Jurisdictions shall include one or more of the definitions of Prohibited
413 Container Contaminants listed below, corresponding with the collection service(s)
414 it is using, and delete the others.
- 415 (1) Option 1, Three-container or three-plus-container collection service (Blue
416 Container, Green Container, and Gray Containers): “Prohibited Container
417 Contaminants” means the following: (i) discarded materials placed in the
418 Blue Container that are not identified as acceptable Source Separated
419 Recyclable Materials for the Jurisdiction’s Blue Container; (ii) discarded
420 materials placed in the Green Container that are not identified as acceptable
421 Source Separated Green Container Organic Waste for the Jurisdiction’s
422 Green Container; (iii) discarded materials placed in the Gray Container that
423 are acceptable Source Separated Recyclable Materials and/or Source
424 Separated Green Container Organic Wastes to be placed in Jurisdiction’s

425 Green Container and/or Blue Container; and, (iv) Excluded Waste placed in
426 any container.

427 (2) Option 2a, Two-container (green/gray) collection service for Source
428 Separated Green Container Organic Waste and mixed materials):
429 "Prohibited Container Contaminants" means the following: (i) discarded
430 materials placed in a Green Container that are not identified as acceptable
431 Source Separated Green Container Organic Waste for the Jurisdiction's
432 Green Container; (ii) discarded materials placed in the Gray Container that
433 are identified as acceptable Source Separated Green Container Organic
434 Waste, which are to be separately collected in Jurisdiction's Green
435 Container; and, (iii) Excluded Waste placed in any container.

436 (3) Option 2b, Two-container (blue/gray) collection service for Source
437 Separated Recyclable Materials and mixed materials): "Prohibited
438 Container Contaminants" means the following: (i) discarded materials
439 placed in a Blue Container that are not identified as acceptable Source
440 Separated Recyclable Materials for Jurisdiction's Blue Container; (ii)
441 discarded materials placed in the Gray Container that are identified as
442 acceptable Source Separated Recyclable Materials, which are to be
443 separately collected in Jurisdiction's Blue Container; and, (iii) Excluded
444 Waste placed in any container.

445 (4) Option 3, One-container collection service: "Prohibited Container
446 Contaminants" means Excluded Waste placed in any container. Guidance:
447 The term "Prohibited Container Contaminants" under the SB 1383
448 Regulations does not apply to one-container systems; however,
449 Jurisdictions may wish to use this definition to explicitly state that Excluded
450 Waste is a contaminant in a one-container system.

451 (xx) "Recovered Organic Waste Products" means products made from California,
452 landfill-diverted recovered Organic Waste processed in a permitted or otherwise
453 authorized facility, or as otherwise defined in 14 CCR Section 18982(a)(60).

454 (yy) "Recovery" means any activity or process described in 14 CCR Section
455 18983.1(b), or as otherwise defined in 14 CCR Section 18982(a)(49).

456 (zz) "Recycled-Content Paper" means Paper Products and Printing and Writing Paper
457 that consists of at least 30 percent, by fiber weight, postconsumer fiber, or as
458 otherwise defined in 14 CCR Section 18982(a)(61).

459 (aaa) "Regional Agency" means regional agency as defined in Public Resources Code
460 Section 40181.

461 (bbb) "Regional or County Agency Enforcement Official" means a regional or county
462 agency enforcement official, designated by the Jurisdiction with responsibility for
463 enforcing the ordinance in conjunction or consultation with Jurisdiction
464 Enforcement Official. Guidance: Include Regional or County Agency Enforcement

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- 465 Official only if Jurisdiction plans to designate another public entity with enforcement
466 responsibilities. Jurisdiction should stay involved in Enforcement Actions as the
467 responsibility for enforcement remains with each Jurisdiction.
- 468 (ccc) “Remote Monitoring” means the use of the internet of things (IoT) and/or wireless
469 electronic devices to visualize the contents of Blue Containers, Green Containers,
470 and Gray Containers for purposes of identifying the quantity of materials in
471 containers (level of fill) and/or presence of Prohibited Container Contaminants.
- 472 (ddd) “Renewable Gas” means gas derived from Organic Waste that has been diverted
473 from a California landfill and processed at an in-vessel digestion facility that is
474 permitted or otherwise authorized by 14 CCR to recycle Organic Waste, or as
475 otherwise defined in 14 CCR Section 18982(a)(62).
- 476 (eee) “Restaurant” means an establishment primarily engaged in the retail sale of food
477 and drinks for on-premises or immediate consumption, or as otherwise defined in
478 14 CCR Section 18982(a)(64).
- 479 (fff) “Route Review” means a visual Inspection of containers along a Hauler Route for
480 the purpose of determining Container Contamination, and may include mechanical
481 Inspection methods such as the use of cameras, or as otherwise defined in 14
482 CCR Section 18982(a)(65).
- 483 (ggg) “SB 1383” means Senate Bill 1383 of 2016 approved by the Governor on
484 September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and
485 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing
486 with Section 42652) to Part 3 of Division 30 of the Public Resources Code,
487 establishing methane emissions reduction targets in a Statewide effort to reduce
488 emissions of short-lived climate pollutants as amended, supplemented,
489 superseded, and replaced from time to time.
- 490 (hhh) “SB 1383 Regulations” or “SB 1383 Regulatory” means or refers to, for the
491 purposes of this ordinance, the Short-Lived Climate Pollutants: Organic Waste
492 Reduction regulations developed by CalRecycle and adopted in 2020 that created
493 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR
494 and 27 CCR. Guidance: Throughout the Model, Sections of the SB 1383
495 Regulations are referenced in the format “14 CCR Section XXXX,” or “27 CCR
496 Section XXXX” with the exception of certain cases where a more general reference
497 to “SB 1383 Regulations” was appropriate. “14 CCR” means Title 14 of the
498 California Code of Regulations, and “27 CCR” means Title 27 of the California
499 Code of Regulations.
- 500 (iii) “Self-Hauler” means a person, who hauls Solid Waste, Organic Waste or
501 recyclable material he or she has generated to another person. Self-hauler also
502 includes a person who back-hauls waste, or as otherwise defined in 14 CCR
503 Section 18982(a)(66). Back-haul means generating and transporting Organic
504 Waste to a destination owned and operated by the generator using the generator’s

505 own employees and equipment, or as otherwise defined in 14 CCR Section
506 18982(a)(66)(A).

507 (jjj) “Single-Family” means of, from, or pertaining to any residential premises with fewer
508 than five (5) units. Guidance: Jurisdiction may amend this definition to be
509 consistent with the current definition and the Jurisdiction’s current codes; however,
510 the threshold unit number of five (5) must remain consist with the SB 1383
511 Regulations (refer to Commercial Business definition in 14 CCR Section
512 18982(a)(6), which includes Multi-Family dwellings of five (5) or more units and
513 excludes Multi-Family Residential Dwellings with fewer than five (5) units).

514 (kkk) “Solid Waste” has the same meaning as defined in State Public Resources Code
515 Section 40191, which defines Solid Waste as all putrescible and nonputrescible
516 solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper,
517 rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned
518 vehicles and parts thereof, discarded home and industrial appliances, dewatered,
519 treated, or chemically fixed sewage sludge which is not hazardous waste, manure,
520 vegetable or animal solid and semi-solid wastes, and other discarded solid and
521 semisolid wastes, with the exception that Solid Waste does not include any of the
522 following wastes:

523 (1) Hazardous waste, as defined in the State Public Resources Code Section
524 40141.

525 (2) Radioactive waste regulated pursuant to the State Radiation Control Law
526 (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of
527 the State Health and Safety Code).

528 (3) Medical waste regulated pursuant to the State Medical Waste Management
529 Act (Part 14 (commencing with Section 117600) of Division 104 of the State
530 Health and Safety Code). Untreated medical waste shall not be disposed of
531 in a Solid Waste landfill, as defined in State Public Resources Code Section
532 40195.1. Medical waste that has been treated and deemed to be Solid
533 Waste shall be regulated pursuant to Division 30 of the State Public
534 Resources Code.

535 (lll) “Source Separated” means materials, including commingled recyclable materials,
536 that have been separated or kept separate from the Solid Waste stream, at the
537 point of generation, for the purpose of additional sorting or processing those
538 materials for recycling or reuse in order to return them to the economic mainstream
539 in the form of raw material for new, reused, or reconstituted products, which meet
540 the quality standards necessary to be used in the marketplace, or as otherwise
541 defined in 14 CCR Section 17402.5(b)(4). For the purposes of the ordinance,
542 Source Separated shall include separation of materials by the generator, property
543 owner, property owner’s employee, property manager, or property manager’s
544 employee into different containers for the purpose of collection such that Source
545 Separated materials are separated from Gray Container Waste/Mixed Waste or

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546 other Solid Waste for the purposes of collection and processing. Guidance: In the
547 preceding sentence, use “Gray Container Waste” for three- and three-plus
548 container systems that prohibit Organic Waste, such as Food Waste, in the Gray
549 Containers; use “Mixed Waste” for two- and one-container systems and three- or
550 three-plus-container systems that allow Organic Waste, such as Food Waste, to
551 be collected in the Gray Container.

552 (mmm) “Source Separated Blue Container Organic Waste” means Source
553 Separated Organic Wastes that can be placed in a Blue Container that is limited
554 to the collection of those Organic Wastes and Non-Organic Recyclables as defined
555 in Section 18982(a)(43), or as otherwise defined by Section 17402(a)(18.7).
556 Guidance: This definition is intended to reflect recyclable materials that are
557 considered Organic Waste such as Paper Products and Printing and Writing
558 Paper, and, if permitted by the Jurisdiction to be placed in the Blue Container,
559 wood, dry lumber, and textiles. This definition is only needed for Jurisdictions using
560 three-, three-plus-, or two-container (blue/gray) systems.

561 (nnn) “Source Separated Green Container Organic Waste” means Source Separated
562 Organic Waste that can be placed in a Green Container that is specifically intended
563 for the separate collection of Organic Waste by the generator, excluding Source
564 Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and
565 textiles. Guidance: This definition should only be included for Jurisdictions using a
566 three-, three-plus, or two-container (green/gray) system. This definition is not
567 included in the SB 1383 Regulations. It is provided as a term for materials collected
568 in a Green Container.

569 (ooo) “Source Separated Recyclable Materials” means Source Separated Non-Organic
570 Recyclables and Source Separated Blue Container Organic Waste. Guidance:
571 This definition is only needed for Jurisdictions using three-, three-plus, or two-
572 container (blue/gray) systems. This definition is not included in the SB 1383
573 Regulations. It is provided as a term for materials collected in a Blue Container.

574 (ppp) “State” means the State of California.

575 (qqq) “Supermarket” means a full-line, self-service retail store with gross annual sales of
576 two million dollars (\$2,000,000), or more, and which sells a line of dry grocery,
577 canned goods, or nonfood items and some perishable items, or as otherwise
578 defined in 14 CCR Section 18982(a)(71).

579 (rrr) “Tier One Commercial Edible Food Generator” means a Commercial Edible Food
580 Generator that is one of the following:

- 581 (1) Supermarket.
- 582 (2) Grocery Store with a total facility size equal to or greater than 10,000 square
583 feet.
- 584 (3) Food Service Provider.

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585 (4) Food Distributor.

586 (5) Wholesale Food Vendor.

587 If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible
588 Food Generator differs from this definition, the definition in 14 CCR Section
589 18982(a)(73) shall apply to this ordinance.

590 (sss) "Tier Two Commercial Edible Food Generator" means a Commercial Edible Food
591 Generator that is one of the following:

592 (1) Restaurant with 250 or more seats, or a total facility size equal to or greater
593 than 5,000 square feet.

594 (2) Hotel with an on-site Food Facility and 200 or more rooms.

595 (3) Health facility with an on-site Food Facility and 100 or more beds.

596 (4) Large Venue.

597 (5) Large Event.

598 (6) A State agency with a cafeteria with 250 or more seats or total cafeteria
599 facility size equal to or greater than 5,000 square feet.

600 (7) A Local Education Agency facility with an on-site Food Facility.

601 If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible
602 Food Generator differs from this definition, the definition in 14 CCR Section
603 18982(a)(74) shall apply to this ordinance.

604 (ttt) "Uncontainerized Green Waste and Yard Waste Collection Service" or
605 "Uncontainerized Service" means a collection service that collects green waste
606 and yard waste that is placed in a pile or bagged for collection on the street in front
607 of a generator's house or place of business for collection and transport to a facility
608 that recovers Source Separated Organic Waste, or as otherwise defined in 14 CCR
609 Section 189852(a)(75).

610 (uuu) "Wholesale Food Vendor" means a business or establishment engaged in the
611 merchant wholesale distribution of food, where food (including fruits and
612 vegetables) is received, shipped, stored, prepared for distribution to a retailer,
613 warehouse, distributor, or other destination, or as otherwise defined in 14 CCR
614 Section 189852(a)(76).

615 **SECTION 4. REQUIREMENTS FOR SINGLE-FAMILY GENERATORS**
 616 **(STANDARD COMPLIANCE APPROACH)**

617 Guidance: Pursuant to the SB 1383 Regulations (14 CCR Section 18984.12),
 618 Jurisdictions that are eligible for, apply for, and receive low population, rural, and/or high
 619 elevation waivers may exempt Single-Family Organic Waste Generators from some
 620 generator requirements as specified in the waiver applied for and granted by CalRecycle.
 621 The process for receiving such waivers is described in 14 CCR Section 18984.12. Those
 622 Jurisdictions receiving such waivers shall modify the following requirements according to
 623 the specifics of the waiver granted.

624 Single-Family Organic Waste Generators shall comply with the following requirements
 625 except Single-Family generators that meet the Self-Hauler requirements in Section 12 of
 626 this ordinance: Guidance: Include the text highlighted in blue in the preceding sentence if
 627 the Jurisdiction allows Single-Family generators to self-haul materials they generate. By
 628 virtue of adding this language and requirements on Self-Haulers in Section 12,
 629 Jurisdiction is thereby allowing self-hauling, and creating the required enforceable
 630 mechanism for self-hauling, as required in 14 CCR Section 18988.1(b).

631 (a) Shall subscribe to Jurisdiction's Organic Waste collection services for all Organic
 632 Waste generated as described below in Section 4(b). Jurisdiction shall have the
 633 right to review the number and size of a generator's containers to evaluate
 634 adequacy of capacity provided for each type of collection service for proper
 635 separation of materials and containment of materials; and, Single-Family
 636 generators shall adjust its service level for its collection services as requested by
 637 the Jurisdiction. Generators may additionally manage their Organic Waste by
 638 preventing or reducing their Organic Waste, managing Organic Waste on site,
 639 and/or using a Community Composting site pursuant to 14 CCR Section
 640 18984.9(c).

641 (b) Shall participate in the Jurisdiction's Organic Waste collection service(s) by placing
 642 designated materials in designated containers as described below, and shall not
 643 place Prohibited Container Contaminants in collection containers.

644 Guidance: The collection service options are provided below. Jurisdictions are to
 645 choose the collection service(s) they are using and delete the options they are not
 646 using. For Options 1 and 2 below, Jurisdiction may need to add other streams
 647 collected in their program as appropriate (e.g., dual-stream recycling,
 648 Uncontainerized Green Waste and Yard Waste Collection Service, and other
 649 additional containers as allowed under the SB 1383 Regulations, such as a brown
 650 container or brown section of a split container for separated Food Waste, etc.).

651 (1) Option 1: A three- and three-plus-container collection service (Blue
 652 Container, Green Container, and Gray Container) (choose Option 1a or 1b)

653 (A) Option 1a: Generator shall place Source Separated Green Container
 654 Organic Waste, including Food Waste, in the Green Container;

655 Source Separated Recyclable Materials in the Blue Container; and
 656 Gray Container Waste in the Gray Container. Generators shall not
 657 place materials designated for the Gray Container into the Green
 658 Container or Blue Container.

659 (B) Option 1b: Generator shall place Source Separated Green Container
 660 Organic Waste, except Food Waste, in the Green Container; Source
 661 Separated Recyclable Materials in the Blue Container; and Mixed
 662 Waste, including Food Waste, in the Gray Container. Generator shall
 663 not place materials designated for the Green Containers or Blue
 664 Containers in the Gray Containers.

665 (2) Option 2: Two-container collection service (Green Container/Gray
 666 Container system or Blue Container/Gray Container system) (choose
 667 Option 2a or 2b)

668 (A) Option 2a, Green Container/Gray Container: Generator shall place
 669 only Source Separated Green Container Organic Waste in a Green
 670 Container. Generator shall place all other materials (Mixed Waste) in
 671 a Gray Container.

672 (B) Option 2b, Blue Container/Gray Container: Generator shall place
 673 only Source Separated Recyclable Materials in a Blue Container.
 674 Generator shall place all other materials (Mixed Waste) in a Gray
 675 Container.

676 (3) Option 3: An unsegregated single container (one-container) collection
 677 service

678 (A) Generator shall place all materials (Mixed Waste) in a Gray
 679 Container.

680 SECTION 5. REQUIREMENTS FOR SINGLE-FAMILY GENERATORS 681 (PERFORMANCE-BASED COMPLIANCE APPROACH)

682 Guidance: Note that the regulations do not require Jurisdictions using a Performance-
 683 Based Compliance Approach to include the following items in their ordinance: the
 684 regulation of haulers and Self-Haulers; the generator waivers for physical space, di
 685 minimis volumes, and collection frequency; and the enforcement provisions with the
 686 exception of enforcement related to Edible Food generators and Food Recovery
 687 Organizations and services. There are other regulatory requirements that the Jurisdiction
 688 would also be exempt from related to CalRecycle requirements on the Jurisdiction itself
 689 (e.g., certain recordkeeping, education, container labeling, outreach, and reporting
 690 requirements) that are not intended to be addressed by this ordinance that can be found
 691 in 14 CCR Section 18998.2.

692 Pursuant to SB 1383 Regulations (14 CCR Section 18984.12), Jurisdictions that are
693 eligible for, apply for, and receive low population, rural, and/or high elevation waivers may
694 exempt Single-Family Organic Waste Generators from some generator requirements as
695 specified in the waiver applied for and granted by CalRecycle, provided that the
696 Jurisdiction meets the ninety (90%) participation requirements in the areas not subject to
697 the waiver(s). The process for receiving such waivers is described in 14 CCR Section
698 18984.12. Those Jurisdictions receiving such waivers shall modify the following
699 requirements, if needed, according to the specifics of the waiver granted.

700 Single-Family Organic Waste Generators except Single-Family generators that meet the
701 Self-Hauler requirements in Section 12 of this ordinance: Guidance: Include the text
702 highlighted in blue in the preceding sentence if the Jurisdiction allows Single-Family
703 generators to self-haul materials they generate. By virtue of adding this language and
704 requirements on Self-Haulers in Section 12, Jurisdiction is thereby allowing self-hauling,
705 and creating the required enforceable mechanism for self-hauling, as required in 14 CCR,
706 Section 18988.1(b).

707 (a) Shall be automatically enrolled in the Jurisdiction’s three-container Organic Waste
708 collection services with a minimum Source Separated Recyclable Materials
709 service level of _____ gallons per week (Jurisdiction to insert minimum required
710 service level), and with a minimum Source Separated Green Container Organic
711 Waste service level of _____ gallons per week (Jurisdiction to insert minimum
712 required service level), approved by the _____ (Jurisdiction to insert solid
713 waste manager, public works director or other authorized entity). Jurisdiction shall
714 have the authority to change this minimum required levels of service over time.
715 Jurisdiction shall have the right to review the number, size, and location of a
716 generator’s containers to evaluate adequacy of capacity provided for each type of
717 collection service for proper separation of materials and containment of materials;
718 and, generator shall adjust its service level for its collection services as requested
719 by the Jurisdiction.

720 Guidance: In subsection (a) above, auto enrollment means that Single-Family
721 generators will be subscribed to Organic Waste collection service as determined
722 to be appropriate by the Jurisdiction. Such service provision will not be optional
723 and shall be provided to all generators. This will help the Jurisdiction meet the
724 Performance-Based Compliance Approach requirement that such service shall be
725 provided without requiring businesses or residents to request it prior to enrollment
726 pursuant to 14 CCR Section 18998.1(a)(4).

727 (b) Shall participate in the Jurisdiction’s three-container system for Source Separated
728 Recyclable Materials, Source Separated Green Container organic materials, and
729 Gray Container Waste collection services. Generator participation in the collection
730 programs requires that generators place Source Separated Green Container
731 Organic Waste, including Food Waste, in the Green Container; Source Separated
732 Recyclable Materials in the Blue Container; and Gray Container Waste in the Gray
733 Container. Generators shall not place materials designated for the Gray Container
734 into the Green Container or Blue Container.

- 735 (c) Nothing in this Section prohibits a generator from preventing or reducing waste
 736 generation, managing Organic Waste on site, and/or using a Community
 737 Composting site pursuant to 14 CCR Section 18984.9(c).

738 **SECTION 6. REQUIREMENTS FOR COMMERCIAL BUSINESSES**
 739 **(STANDARD-COMPLIANCE APPROACH)**

740 Guidance: Jurisdictions using a Standard Compliance Approach and a three-, three-plus,
 741 or two-container collection service shall include this Section. Note that Commercial
 742 Businesses by the definition in the SB 1383 Regulations and the definition provided in
 743 this Model Ordinance includes Multi-Family Residential Dwellings of five (5) and more
 744 units.

745 Pursuant to SB 1383 Regulations (14 CCR Section 18984.12), Jurisdictions that are
 746 eligible for, apply for, and receive low population, rural and/or high elevation waivers may
 747 exempt Commercial Businesses and owners (including Multi-Family) from some
 748 generator requirements as specified in the waiver applied for and granted by CalRecycle.
 749 Those Jurisdictions receiving such waivers shall modify the following requirements
 750 according to the specifics of the waiver granted.

751 While waivers for low-population areas and high-elevation areas waive some SB 1383
 752 regulatory requirements for generators and Jurisdictions, AB 341 and AB 1826
 753 requirements apply for Commercial Businesses that are covered by AB 341 and AB 1826
 754 and located in these areas. As a result, Jurisdictions with these waivers may need to this
 755 Section to require Commercial Businesses that are covered by AB 341 and AB 1826 and
 756 located in these areas to comply with AB 341 and AB 1826 requirements in alignment
 757 with the Jurisdiction's AB 341 Commercial recycling program and AB 1826 Organic Waste
 758 recycling programs.

759 Generators that are Commercial Businesses, including Multi-Family Residential
 760 Dwellings, shall:

- 761 (a) Subscribe to Jurisdiction's three-, three-plus, two-, or one-container collection
 762 services and comply with requirements of those services as described below in
 763 Section 6(b), except Commercial Businesses that meet the Self-Hauler
 764 requirements in Section 12 of this ordinance. Guidance: Refer to Section 4 for
 765 guidance on inclusion of the preceding Self-Hauler option. Jurisdiction shall have
 766 the right to review the number and size of a generator's containers and frequency
 767 of collection to evaluate adequacy of capacity provided for each type of collection
 768 service for proper separation of materials and containment of materials; and,
 769 Commercial Businesses shall adjust their service level for their collection services
 770 as requested by the Jurisdiction.

- 771 (b) Except Commercial Businesses that meet the Self-Hauler requirements in Section
 772 12 of this ordinance, participate in the Jurisdiction's Organic Waste collection

773 service(s) by placing designated materials in designated containers as described
774 below.

775 Guidance: The collection service options are provided below. Jurisdictions are to
776 choose the collection service(s) they are using and delete the options they are not
777 using. For Options 1 and 2 below, Jurisdiction may need to add other streams
778 collected in their program as appropriate (e.g., dual-stream recycling,
779 Uncontainerized Green Waste and Yard Waste Collection Service, and other
780 additional containers as allowed under the SB 1383 Regulations, such as a brown
781 container or brown section of a split container for separated Food Waste, etc.).

782 (1) Option 1: A three- and three-plus-container collection service (Blue
783 Container, Green Container, and Gray Container) (choose Option 1a or 1b)

784 (A) Option 1a: Generator shall place Source Separated Green Container
785 Organic Waste, including Food Waste, in the Green Container;
786 Source Separated Recyclable Materials in the Blue Container; and
787 Gray Container Waste in the Gray Container. Generator shall not
788 place materials designated for the Gray Container into the Green
789 Container or Blue Container.

790 (B) Option 1b: Generator shall place Source Separated Green Container
791 Organic Waste, except Food Waste, in the Green Container; Source
792 Separated Recyclable Materials in the Blue Container; and Mixed
793 Waste, including Food Waste, in the Gray Container. Generator shall
794 not place materials designated for the Green Containers or Blue
795 Containers in the Gray Containers.

796 (2) Option 2: Two-container collection service (Green Container/Gray
797 Container system or Blue Container/Gray Container system) (choose
798 Option 2a or 2b)

799 (A) Option 2a, Green Container/Gray Containers: Generator shall place
800 only Source Separated Green Container Organic Waste in a Green
801 Container. Generator shall place all other materials (Mixed Waste)
802 in a Gray Container.

803 (B) Option 2b, Blue Container/Gray Containers: Generator shall place
804 only Source Separated Recyclable Materials in a Blue Container.
805 Generator shall place all other materials (Mixed Waste) in a Gray
806 Container.

807 (3) Option 3: An unsegregated single container (one-container) collection
808 service

809 (A) Generator shall place all materials (Mixed Waste) in a Gray
810 Container.

- 811 (c) Supply and allow access to adequate number, size and location of collection
 812 containers with sufficient labels or colors (conforming with Sections 6(d)(1) and
 813 6(d)(2) below) for employees, contractors, tenants, and customers, consistent with
 814 Jurisdiction's Blue Container, Green Container, and Gray Container collection
 815 service or, if self-hauling, per the Commercial Businesses' instructions to support
 816 its compliance with its self-haul program, in accordance with Section 12. Guidance:
 817 For Jurisdictions using a two-container system, delete Blue Container or Green
 818 Container as applicable from the first sentence. Jurisdictions using a one-container
 819 system may delete this subsection.
- 820 (d) Excluding Multi-Family Residential Dwellings, provide containers for the collection
 821 of Source Separated Green Container Organic Waste and Source Separated
 822 Recyclable Materials in all indoor and outdoor areas where disposal containers are
 823 provided for customers, for materials generated by that business. Guidance: For
 824 Jurisdictions using a two-container system, delete "Source Separated Green
 825 Container Organic Waste" or "Source Separated Recyclable Materials" as
 826 applicable. Jurisdictions using a one-container system may delete this subsection.
 827 Such containers do not need to be provided in restrooms. If a Commercial
 828 Business does not generate any of the materials that would be collected in one
 829 type of container, then the business does not have to provide that particular
 830 container in all areas where disposal containers are provided for customers.
 831 Pursuant to 14 CCR Section 18984.9(b), the containers provided by the business
 832 shall have either:
- 833 (1) A body or lid that conforms with the container colors provided through the
 834 collection service provided by Jurisdiction, with either lids conforming to the
 835 color requirements or bodies conforming to the color requirements or both
 836 lids and bodies conforming to color requirements. A Commercial Business
 837 is not required to replace functional containers, including containers
 838 purchased prior to January 1, 2022, that do not comply with the
 839 requirements of the subsection prior to the end of the useful life of those
 840 containers, or prior to January 1, 2036, whichever comes first.
- 841 (2) Container labels that include language or graphic images, or both, indicating
 842 the primary material accepted and the primary materials prohibited in that
 843 container, or containers with imprinted text or graphic images that indicate
 844 the primary materials accepted and primary materials prohibited in the
 845 container. Pursuant 14 CCR Section 18984.8, the container labeling
 846 requirements are required on new containers commencing January 1, 2022.
- 847 (e) Multi-Family Residential Dwellings are not required to comply with container
 848 placement requirements or labeling requirement in Section 6(d) pursuant to 14
 849 CCR Section 18984.9(b). Guidance: Jurisdictions using a one-container system
 850 may delete this subsection
- 851 (f) To the extent practical through education, training, Inspection, and/or other
 852 measures, excluding Multi-Family Residential Dwellings, prohibit employees from

853 placing materials in a container not designated for those materials per the
 854 Jurisdiction's Blue Container, Green Container, and Gray Container collection
 855 service or, if self-hauling, per the Commercial Businesses' instructions to support
 856 its compliance with its self-haul program, in accordance with Section 12.
 857 Guidance: Jurisdictions using a one-container system may delete this subsection

858 (g) Excluding Multi-Family Residential Dwellings, periodically inspect Blue Containers,
 859 Green Containers, and Gray Containers for contamination and inform employees
 860 if containers are contaminated and of the requirements to keep contaminants out
 861 of those containers pursuant to 14 CCR Section 18984.9(b)(3). Guidance: For
 862 Jurisdictions using a two-container system, delete Blue Container or Green
 863 Container, as applicable. Jurisdictions using a one-container system may delete
 864 this subsection.

865 Guidance: In the above subsection (g), Jurisdictions may wish to specify a
 866 frequency upon which business owners shall inspect containers for contamination
 867 such as quarterly, twice annually, or annually instead of periodically, but this
 868 specified frequency is not required by the SB 1383 Regulations.

869 (h) Annually provide information to employees, contractors, tenants, and customers
 870 about Organic Waste Recovery requirements and about proper sorting of Source
 871 Separated Green Container Organic Waste and Source Separated Recyclable
 872 Materials. Guidance: For Jurisdictions using a two-container system, delete
 873 Source Separated Green Container Organic Waste or Source Separated
 874 Recyclable Materials, as applicable. Jurisdictions using a one-container system
 875 may delete this subsection.

876 (i) Provide education information before or within fourteen (14) days of occupation of
 877 the premises to new tenants that describes requirements to keep Source
 878 Separated Green Container Organic Waste and Source Separated Recyclable
 879 Materials separate from Gray Container Waste (when applicable) and the location
 880 of containers and the rules governing their use at each property. Guidance: For
 881 Jurisdictions using a two-container system, delete Source Separated Green
 882 Container Organic Waste or Source Separated Recyclable Materials, as
 883 applicable. For two-container system and three- and three-plus container systems
 884 that allow for Organic Waste, such as Food Waste, to be collected in the Gray
 885 Container, replace Gray Container Waste with Mixed Waste. Jurisdictions using a
 886 one-container system may delete this subsection.

887 (j) Provide or arrange access for Jurisdiction or its agent to their properties during all
 888 Inspections conducted in accordance with Section 16 of this ordinance to confirm
 889 compliance with the requirements of this ordinance.

890 (k) Accommodate and cooperate with Jurisdiction's Remote Monitoring program for
 891 Inspection of the contents of containers for Prohibited Container Contaminants,
 892 which may be implemented at a later date, to evaluate generator's compliance with
 893 Section 6(b). The Remote Monitoring program shall involve installation of Remote

894 Monitoring equipment on or in the Blue Containers, Green Containers, and Gray
 895 Containers. Guidance: This subsection is an optional provision. It is not required
 896 by the SB 1383 Regulations. Jurisdictions may include this if they choose to use a
 897 Remote Monitoring system to monitor for Prohibited Container Contaminants to
 898 support their compliance with 14 CCR Section 18984.5, Container Contamination
 899 minimization requirements. Jurisdictions granting collection frequency waivers
 900 may choose to require Remote Monitoring for generators granting such waivers.
 901 For Jurisdictions using a two- container system, delete Blue Container or Green
 902 Container as applicable from the first sentence. For Jurisdictions using a one-
 903 container system, delete this subsection.

904 (l) At Commercial Business's option and subject to any approval required from the
 905 Jurisdiction, implement a Remote Monitoring program for Inspection of the
 906 contents of its Blue Containers, Green Containers, and Gray Containers for the
 907 purpose of monitoring the contents of containers to determine appropriate levels
 908 of service and to identify Prohibited Container Contaminants. Generators may
 909 install Remote Monitoring devices on or in the Blue Containers, Green Containers,
 910 and Gray Containers subject to written notification to or approval by the Jurisdiction
 911 or its Designee. Guidance: This subsection is an optional provision. It is not
 912 required by the SB 1383 Regulations. It is provided to address scenarios in which
 913 Commercial Businesses want to implement their own Remote Monitoring systems,
 914 which involves installation of equipment on containers owned by the Jurisdiction
 915 or its hauler. Commercial Businesses may want to implement the Remote
 916 Monitoring system to monitor their compliance with 14 CCR Section 18984.9. For
 917 Jurisdictions using a two- container system, delete Blue Container or Green
 918 Container as applicable from the first sentence.

919 (m) If a Commercial Business wants to self haul, meet the Self-Hauler requirements in
 920 Section 12 of this ordinance.

921 (n) Nothing in this Section prohibits a generator from preventing or reducing waste
 922 generation, managing Organic Waste on site, or using a Community Composting
 923 site pursuant to 14 CCR Section 18984.9(c).

924 (o) Commercial Businesses that are Tier One or Tier Two Commercial Edible Food
 925 Generators shall comply with Food Recovery requirements, pursuant to Section 9.

926 **SECTION 7. REQUIREMENTS FOR COMMERCIAL BUSINESSES** 927 **(PERFORMANCE-BASED COMPLIANCE APPROACH)**

928 Guidance: Jurisdictions using a Performance-Based Compliance Approach with a three-
 929 container collection service shall include this Section. Note that Commercial Business by
 930 the definition in the SB 1383 Regulations and the definition provided in this Model
 931 Ordinance includes Multi-Family Residential Dwellings of five (5) and more units. Under
 932 a Performance-Based Compliance Approach, businesses must be automatically enrolled
 933 in the Jurisdiction's three-container Organic Waste collection service, as opposed to

934 requesting service. Auto enrollment means that Commercial generators will be
935 subscribed to Organic Waste collection service as determined to be appropriate by the
936 Jurisdiction. Such service provision will not be optional and shall be provided to all
937 generators. Pursuant to 14 CCR Section 18998.1(a)(1), at least ninety percent (90%) of
938 Commercial Businesses and ninety percent (90%) of the residential sector subject to a
939 Jurisdiction's authority must be provided with three-container Organic Waste collection
940 service for a Jurisdiction to use the Performance-Based Compliance Approach.

941 Pursuant to SB 1383 Regulations (14 CCR Section 18984.12), Jurisdictions that are
942 eligible for, apply for, and receive low population, rural and/or high elevation waivers may
943 exempt Commercial Businesses and owners (including Multi-Family) from some
944 generator requirements as specified in the waiver applied for and granted by CalRecycle,
945 provided that the Jurisdiction meets the ninety percent (90%) participation requirements
946 in the areas not subject to the waiver(s). Those Jurisdictions receiving such waivers shall
947 modify the following requirements, if needed, according to the specifics of the waiver
948 granted.

949 While waivers for low-population areas and high-elevation areas waiver some SB 1383
950 regulatory requirements for generators and Jurisdictions, AB 341 and AB 1826
951 requirements apply for Commercial Businesses that are covered by AB 341 and AB 1826
952 and located in these areas. As a result, Jurisdictions with these waivers may need to this
953 Section to require Commercial Businesses that are covered by AB 341 and AB 1826 and
954 located in these areas to comply with AB 341 and AB 1826 requirements in alignment
955 with the Jurisdiction's AB 341 Commercial recycling program and AB 1826 Organic Waste
956 recycling programs.

957 Commercial Businesses, which includes Multi-Family Residential Dwellings, shall:

- 958 (a) Except Commercial Businesses that meet the Self-Hauler requirements in Section
959 12 of this ordinance, be automatically enrolled in the Jurisdiction's three-container
960 Organic Waste collection services with a Source Separated Recyclable Materials
961 service level of _____ (Jurisdiction to insert minimum required service level,
962 which could be a specified number of gallons or cubic yards of weekly service, a
963 level equal to the garbage service level, or other basis), and with a Source
964 Separated Green Container Organic Waste service level of _____ (Jurisdiction
965 to insert minimum required service level, which could be a specified number of
966 gallons or cubic yards of weekly service, a level equal to the garbage service level,
967 or other basis), approved by the _____ (Jurisdiction to insert solid waste
968 manager, public works director or other authorized entity). Jurisdiction shall have
969 the authority to change the minimum required service levels over time. The
970 Commercial Business' Source Separated Recyclable Materials service level and
971 Source Separated Green Container Organic Waste service level must be sufficient
972 for the amount of Source Separated Recyclable Materials and Source Separated
973 Green Container Organic Waste generated by the Commercial Business.
974 Jurisdiction shall have the right to review the number, size, and location of a
975 generator's containers and frequency of collection to evaluate adequacy of
976 capacity provided for each type of collection service for proper separation of

977 materials and containment of materials; and, Commercial Business shall adjust its
978 service level for its collection services as requested by the Jurisdiction.

979 Guidance: In subsection (a) above, auto enrollment means that Multi-Family and
980 Commercial generators will be subscribed to Organic Waste collection service as
981 determined to be appropriate by the Jurisdiction. Such service provision will not
982 be optional and shall be provided to all generators. This will help the Jurisdiction
983 meet the Performance-Based Compliance Approach requirement that such
984 service shall be provided without requiring businesses or residents to request it
985 prior to enrollment pursuant to 14 CCR Section 18998.1(a)(4).

986 (b) Except Commercial Businesses that meet the Self-Hauler requirements in Section
987 12 of this ordinance, participate in and comply with the Jurisdiction’s three-
988 container (Blue Container, Green Container, and Gray Container) collection
989 service by placing designated materials in designated containers as described
990 below. Generator shall place Source Separated Green Container Organic Waste,
991 including Food Waste, in the Green Container; Source Separated Recyclable
992 Materials in the Blue Container; and Gray Container Waste in the Gray Container.
993 Generators shall not place materials designated for the Gray Container into the
994 Green Container or Blue Container.

995 (c) Supply and allow access to adequate number, size, and location of collection
996 containers with sufficient labels or colors (conforming with Section 7(d)(1) and
997 7(d)(2) below), for employees, contractors, tenants and customers, consistent with
998 Jurisdiction’s Blue Container, Green Container, and Gray Container collection
999 service.

1000 (d) Excluding Multi-Family Residential Dwellings, provide containers for the collection
1001 of Source Separated Green Container Organic Waste, and Source Separated
1002 Recyclable Materials in all indoor and outdoor areas where disposal containers are
1003 provided for customers, for materials generated by that business. Such containers
1004 do not need to be provided in restrooms. If a Commercial Business does not
1005 generate any of the materials that would be collected in one type of container, then
1006 the business does not have to provide that particular container in all areas where
1007 disposal containers are provided for customers. Pursuant to 14 CCR Section
1008 18984.9(b), the containers provided by the business shall have either:

1009 (1) A body or lid that conforms with the container colors provided through the
1010 collection service provided by Jurisdiction, with either lids conforming to the
1011 color requirements or bodies conforming to the color requirements or both
1012 lids and bodies conforming to color requirements. A Commercial Business
1013 is not required to replace functional containers, including containers
1014 purchased prior to January 1, 2022, that do not comply with the
1015 requirements of the subsection prior to the end of the useful life of those
1016 containers, or prior to January 1, 2036, whichever comes first.

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- 1017 (2) Container labels that include language or graphic images or both indicating
 1018 the primary material accepted and the primary materials prohibited in that
 1019 container or containers with imprinted text or graphic images that indicate
 1020 the primary materials accepted and primary materials prohibited in the
 1021 container. Pursuant 14 CCR Section 18984.8, the container labels are
 1022 required on new containers commencing January 1, 2022.
- 1023 (e) Excluding Multi-Family Residential Dwellings, prohibit employees from placing
 1024 materials in a container not designated for those materials per the Jurisdiction's
 1025 Organic Waste, Non-Organic Recyclables, and non-Organic Waste collection
 1026 service to the extent practical through education, training, Inspection, and/or other
 1027 measures.
- 1028 (f) Excluding Multi-Family Residential Dwellings, periodically inspect Blue Container,
 1029 Green Container, and Gray Containers for contamination and inform employees if
 1030 containers are contaminated and of the requirements to keep contaminants out of
 1031 those containers pursuant to 14 CCR Section 18984.9(b)(3).
- 1032 Guidance: In subsection (g) above, Jurisdictions may wish to specify a frequency
 1033 upon which business owners shall inspect containers for contamination such as
 1034 quarterly, twice annually, or annually instead of periodically, but this specified
 1035 frequency is not required by the SB 1383 Regulations.
- 1036 (g) Annually provide information to employees, contractors, tenants, and customers
 1037 about Organic Waste Recovery requirements and about proper sorting of Source
 1038 Separated Green Container Organic Waste and Source Separated Recyclable
 1039 Materials.
- 1040 (h) Provide education information before or within fourteen (14) days of occupation of
 1041 the premises to new tenants that describes requirements to keep Source
 1042 Separated Green Container Organic Waste and Source Separated Recyclable
 1043 Materials separate from Gray Container Waste (when applicable) and the location
 1044 of containers and the rules governing their use at each property.
- 1045 (i) Provide or arrange access for Jurisdiction or its agent to their properties during all
 1046 Inspections conducted in accordance with Section 16 of this ordinance to confirm
 1047 compliance with the requirements of this Ordinance.
- 1048 (j) Accommodate and cooperate with Jurisdiction's Remote Monitoring program for
 1049 Inspection of the contents of containers for Prohibited Container Contaminants,
 1050 which may be implemented at a later date, to evaluate generator's compliance with
 1051 Section 6(b). The Remote Monitoring program shall involve installation of Remote
 1052 Monitoring equipment on or in the Blue Containers, Green Containers, and Gray
 1053 Containers. Guidance: This subsection is an optional provision. It is not required
 1054 by the SB 1383 Regulations. Jurisdictions may include this if they choose to use a
 1055 Remote Monitoring system to monitor for Prohibited Container Contaminants to
 1056 support their compliance with 14 CCR Section 18984.5, Container Contamination

1057 minimization requirements. Jurisdictions granting collection frequency waivers
 1058 may choose to require Remote Monitoring for generators granting such waivers.
 1059 For Jurisdictions using a two- container system, delete Blue Container or Green
 1060 Container as applicable from the first sentence. For Jurisdictions using a one-
 1061 container system, delete this subsection.

1062 (k) At Commercial Business' option and subject to any approval required from the
 1063 Jurisdiction, implement a Remote Monitoring program for Inspection of the
 1064 contents of its Blue Containers, Green Containers, and Gray Containers for the
 1065 purpose of monitoring the contents of containers to determine appropriate levels
 1066 of service and to identify Prohibited Container Contaminants. Generators may
 1067 install Remote Monitoring devices on or in the Blue Containers, Green Containers,
 1068 and Gray Containers subject to written notification to or approval by the Jurisdiction
 1069 or its Designee. Guidance: This subsection is an optional provision. It is not
 1070 required by the SB 1383 Regulations. It is provided to address scenarios in which
 1071 Commercial Businesses want to implement their own Remote Monitoring systems,
 1072 which involves installation of equipment on containers owned by the Jurisdiction
 1073 or its hauler. Commercial Businesses may want to implement the Remote
 1074 Monitoring system to monitor their compliance with 14 CCR Section 18984.9. For
 1075 Jurisdictions using a two- container system, delete Blue Container or Green
 1076 Container as applicable from the first sentence.

1077 (l) If a Commercial Business wants to self haul, meet the Self-Hauler requirements in
 1078 Section 12 of this ordinance.

1079 (m) Nothing in this Section prohibits a generator from preventing or reducing waste
 1080 generation, managing Organic Waste on site, or using a Community Composting
 1081 site pursuant to 14 CCR Section 18984.9(c).

1082 (n) Commercial Businesses that are Tier One or Tier Two Commercial Edible Food
 1083 Generators shall comply with Food Recovery requirements, pursuant to Section 9.

1084 SECTION 8. WAIVERS FOR GENERATORS

1085 Guidance: Pursuant to 14 CCR Section 18984.11, the SB 1383 Regulations allow
 1086 Jurisdictions, at their option, to grant waivers to generators for physical space limitations,
 1087 de minimis volumes, and/or collection frequency waivers. These waivers are applicable
 1088 only to three-, three-plus, and two-container systems and are optional for Jurisdictions
 1089 using either the Standard Compliance Approach or the Performance-Based Compliance
 1090 Approach. This Section 8 of the Model Ordinance focuses on the requirements that must
 1091 be met by Organic Waste Generators or businesses applying to the Jurisdiction for
 1092 physical space, de minimis, and collection frequency waivers. Other waivers covered in
 1093 14 CCR Section 18984.12, including low population, rural, and high elevation can only be
 1094 applied for by the Jurisdiction to CalRecycle and are not covered herein.

1095 Jurisdictions using the Performance-Based Compliance Approach may issue waivers at
1096 their discretion provided that the minimum ninety percent (90%) Commercial and ninety
1097 percent (90%) residential collection program participation levels are met. Jurisdictions
1098 using the Performance-Based Compliance Approach are not subject to the recordkeeping
1099 requirements for documentation evidencing the need for such waivers to CalRecycle
1100 pursuant to 14 CCR Section 18998.2(a)(7), as provided in this Section or the reporting
1101 requirement on the number and type of waivers issued.

1102 Jurisdictions may choose to include one or more of the three options presented below (de
1103 minimis, physical space, and collection frequency waivers), or any combination thereof,
1104 if Jurisdiction chooses to allow such waivers. Jurisdictions that choose not to a specific
1105 type of waiver shall omit provisions below applicable to that waiver.

1106 For Jurisdictions with low-population area and/or high-elevation area waivers, it is
1107 important to recognize that the SB 1383 waivers are different than the waivers allowed
1108 under AB 341 and AB 1826. As a result, Jurisdictions with low-population area and/or
1109 high-elevation area waiver(s) that choose to offer waivers to Commercial Businesses that
1110 are covered by AB 341 and/or AB 1826 and located in these areas may need to include
1111 a separate section that describes the waivers for these generators.

1112 (a) De Minimis Waivers (Optional for Three-, Three-Plus, and Two-Container Systems
1113 per 14 CCR Section 18984.11). Guidance: Pursuant to 14 CCR Section
1114 18984.11(a)(1), the SB 1383 Regulations limit de minimis waivers to Commercial
1115 Businesses as reflected in this language. A Jurisdiction may waive a Commercial
1116 Business' obligation (including Multi-Family Residential Dwellings) to comply with
1117 some or all of the Organic Waste requirements of this ordinance if the Commercial
1118 Business provides documentation that the business generates below a certain
1119 amount of Organic Waste material as described in Section 8(a)(2) below.
1120 Commercial Businesses requesting a de minimis waiver shall:

1121 (1) Submit an application specifying the services that they are requesting a
1122 waiver from and provide documentation as noted in Section 8(a)(2) below.

1123 (2) Provide documentation that either:

1124 (A) The Commercial Business' total Solid Waste collection service is two
1125 cubic yards or more per week and Organic Waste subject to
1126 collection in a Blue Container or Green Container comprises less
1127 than 20 gallons per week per applicable container of the business'
1128 total waste; or,

1129 (B) The Commercial Business' total Solid Waste collection service is less
1130 than two cubic yards per week and Organic Waste subject to
1131 collection in a Blue Container or Green Container comprises less
1132 than 10 gallons per week per applicable container of the business'
1133 total waste.

1134 (3) Notify Jurisdiction if circumstances change such that Commercial
1135 Business’s Organic Waste exceeds threshold required for waiver, in which
1136 case waiver will be rescinded.

1137 (4) Provide written verification of eligibility for de minimis waiver every 5 years,
1138 if Jurisdiction has approved de minimis waiver.

1139 (b) Physical Space Waivers (Optional for Three-, Three-Plus, and Two-Container
1140 Systems) Guidance: Pursuant to 14 CCR Section 18984.11(a)(1), SB 1383
1141 Regulations limit de minimis waivers to Commercial Businesses as reflected in this
1142 language. Jurisdiction may waive a Commercial Business’ or property owner’s
1143 obligations (including Multi-Family Residential Dwellings) to comply with some or
1144 all of the recyclable materials and/or Organic Waste collection service
1145 requirements if the Jurisdiction has evidence from its own staff, a hauler, licensed
1146 architect, or licensed engineer demonstrating that the premises lacks adequate
1147 space for the collection containers required for compliance with the Organic Waste
1148 collection requirements of Section 6 or 7.

1149 A Commercial Business or property owner may request a physical space waiver
1150 through the following process:

1151 (1) Submit an application form specifying the type(s) of collection services for
1152 which they are requesting a compliance waiver.

1153 (2) Provide documentation that the premises lacks adequate space for Blue
1154 Containers and/or Green Containers including documentation from its
1155 hauler, licensed architect, or licensed engineer. Guidance: For Jurisdictions
1156 using a two-container system, delete Blue Container or Green Container,
1157 as applicable.

1158 (3) Provide written verification to Jurisdiction that it is still eligible for physical
1159 space waiver every five years, if Jurisdiction has approved application for a
1160 physical space waiver.

1161 (c) Collection Frequency Waiver (Optional for Three-, Three-Plus, and Two-Container
1162 Systems) Guidance: Include Section 8(c) only if Jurisdiction offers waivers for less-
1163 than-weekly Gray Container and/or Blue Container collection service (meeting the
1164 requirements in 14 CCR Section 18984.11 3(A)1) to Single-Family or Commercial
1165 Business owners or tenants subscribing to a two-, three-, or three-plus container
1166 collection service. Jurisdiction to indicate below whether their collection service is
1167 a two-, three-, or three-plus-container system, and specify whether these waivers
1168 are available for the Blue Container, Gray Container, or both, as appropriate for
1169 the collection system.. Jurisdiction, at its discretion and in accordance with 14 CCR
1170 Section 18984.11(a)(3), may allow the owner or tenant of any residence, premises,
1171 business establishment or industry that subscribes to the Jurisdiction’s three-
1172 three-plus, or two-container Organic Waste collection service to arrange for the

1173 collection of their Blue Container, Gray Container, or both once every fourteen
1174 days, rather than once per week.

1175 (d) Review and Approval of Waivers by Jurisdiction (Optional)

1176 Guidance: At its option, Jurisdictions may wish to include a provision that identifies
1177 which staff person or department will be responsible for review and approval of
1178 waivers. Note that Jurisdictions' authority to issue a waiver cannot be delegated to
1179 a private entity pursuant to the SB 1383 Regulations (14 CCR Section
1180 18984.11(c)).

1181 SECTION 9. REQUIREMENTS FOR COMMERCIAL EDIBLE FOOD 1182 GENERATORS

1183 (a) Tier One Commercial Edible Food Generators must comply with the requirements
1184 of this Section 9 commencing January 1, 2022, and Tier Two Commercial Edible
1185 Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR
1186 Section 18991.3.

1187 (b) Large Venue or Large Event operators not providing food services, but allowing
1188 for food to be provided by others, shall require Food Facilities operating at the
1189 Large Venue or Large Event to comply with the requirements of this Section,
1190 commencing January 1, 2024.

1191 (c) Commercial Edible Food Generators shall comply with the following requirements:

1192 (1) Arrange to recover the maximum amount of Edible Food that would
1193 otherwise be disposed.

1194 (2) Contract with, or enter into a written agreement with Food Recovery
1195 Organizations or Food Recovery Services for: (i) the collection of Edible
1196 Food for Food Recovery; or, (ii) acceptance of the Edible Food that the
1197 Commercial Edible Food Generator self-hauls to the Food Recovery
1198 Organization for Food Recovery.

1199 (3) Shall not intentionally spoil Edible Food that is capable of being recovered
1200 by a Food Recovery Organization or a Food Recovery Service.

1201 (4) Allow Jurisdiction's designated enforcement entity or designated third party
1202 enforcement entity to access the premises and review records pursuant to
1203 14 CCR Section 18991.4.

1204 (5) Keep records that include the following information, or as otherwise
1205 specified in 14 CCR Section 18991.4:

1206 (A) A list of each Food Recovery Service or organization that collects or
1207 receives its Edible Food pursuant to a contract or written agreement
1208 established under 14 CCR Section 18991.3(b).

1209 (B) A copy of all contracts or written agreements established under 14
1210 CCR Section 18991.3(b).

1211 (C) A record of the following information for each of those Food Recovery
1212 Services or Food Recovery Organizations:

1213 (i) The name, address and contact information of the Food
1214 Recovery Service or Food Recovery Organization.

1215 (ii) The types of food that will be collected by or self-hauled to the
1216 Food Recovery Service or Food Recovery Organization.

1217 (iii) The established frequency that food will be collected or self-
1218 hauled.

1219 (iv) The quantity of food, measured in pounds recovered per
1220 month, collected or self-hauled to a Food Recovery Service or
1221 Food Recovery Organization for Food Recovery.

1222 (6) (Optional) No later than _____ of each year (Jurisdiction to insert date)
1223 commencing no later than _____ for Tier One Commercial Edible Food
1224 Generators and _____ for Tier Two Commercial Edible Food
1225 Generators (Jurisdiction to insert dates), provide an annual Food Recovery
1226 report to the Jurisdiction that includes the following information: _____.
1227 Guidance: While the SB 1383 Regulations do not require reporting by
1228 Commercial Edible Food Generators, Jurisdictions may want to consider
1229 adding this optional requirement that generators submit records of their
1230 contracts or written agreements and Food Recovery activities annually to
1231 monitor Commercial Edible Food Generator compliance and gather
1232 information for capacity planning purposes. While it is also not required,
1233 Jurisdictions may want to require reporting on the amount and type of Edible
1234 Food that was not accepted by Food Recovery Organizations or services
1235 for donation.

1236 (d) Nothing in this ordinance shall be construed to limit or conflict with the protections
1237 provided by the California Good Samaritan Food Donation Act of 2017, the Federal
1238 Good Samaritan Act, or share table and school food donation guidance pursuant
1239 to Senate Bill 557 of 2017 (approved by the Governor of the State of California on
1240 September 25, 2017, which added Article 13 [commencing with Section 49580] to
1241 Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and to amend
1242 Section 114079 of the Health and Safety Code, relating to food safety, as
1243 amended, supplemented, superseded and replaced from time to time).

1244 **SECTION 10. REQUIREMENTS FOR FOOD RECOVERY**
 1245 **ORGANIZATIONS AND SERVICES, JURISDICTIONS, AND REGIONAL**
 1246 **AGENCIES**

1247 Guidance: The inclusion of “Jurisdictions and Regional Agencies” in the title of this
 1248 Section 10 is specific to County ordinances in reference to the Food Recovery capacity
 1249 planning requirements specified in subsection 10(e) below. Remove this part of the title if
 1250 Jurisdiction is not drafting a County ordinance, or modify the title to remove “Regional
 1251 Agencies” if no such agencies operate within the County.

1252 (a) Food Recovery Services collecting or receiving Edible Food directly from
 1253 Commercial Edible Food Generators, via a contract or written agreement
 1254 established under 14 CCR Section 18991.3(b), shall maintain the following
 1255 records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):

1256 (1) The name, address, and contact information for each Commercial Edible
 1257 Food Generator from which the service collects Edible Food.

1258 (2) The quantity in pounds of Edible Food collected from each Commercial
 1259 Edible Food Generator per month.

1260 (3) The quantity in pounds of Edible Food transported to each Food Recovery
 1261 Organization per month.

1262 (4) The name, address, and contact information for each Food Recovery
 1263 Organization that the Food Recovery Service transports Edible Food to for
 1264 Food Recovery.

1265 (b) Food Recovery Organizations collecting or receiving Edible Food directly from
 1266 Commercial Edible Food Generators, via a contract or written agreement
 1267 established under 14 CCR Section 18991.3(b), shall maintain the following
 1268 records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):

1269 (1) The name, address, and contact information for each Commercial Edible
 1270 Food Generator from which the organization receives Edible Food.

1271 (2) The quantity in pounds of Edible Food received from each Commercial
 1272 Edible Food Generator per month.

1273 (3) The name, address, and contact information for each Food Recovery
 1274 Service that the organization receives Edible Food from for Food Recovery.

1275 (c) (Optional provision) Food Recovery Organizations and Food Recovery Services
 1276 shall inform generators about California and Federal Good Samaritan Food
 1277 Donation Act protection in written communications, such as in their contract or
 1278 agreement established under 14 CCR Section 18991.3(b). Guidance: This Section
 1279 10(c) provides information about Good Samaritan protections. This is not required

1280 by SB 1383 Regulations, but the California Good Samaritan Food Act requires
 1281 Environmental Health Department inspectors to promote Food Recovery and
 1282 educate local businesses and organizations about liability protections for
 1283 businesses donating food. Inclusion of this language will expand education
 1284 requirements for Food Recovery beyond that required by SB 1383 Regulations.

1285 (d) Food Recovery Organizations and Food Recovery Services that have their primary
 1286 address physically located in the Jurisdiction and contract with or have written
 1287 agreements with one or more Commercial Edible Food Generators pursuant to 14
 1288 CCR Section 18991.3(b) shall report to the Jurisdiction it is located in the total
 1289 pounds of Edible Food recovered in the previous calendar year from the Tier One
 1290 and Tier Two Commercial Edible Food Generators they have established a
 1291 contract or written agreement with pursuant to 14 CCR Section 18991.3(b) no later
 1292 than _____ (Jurisdiction to insert date). Guidance: This Section 10(d) is included
 1293 to capture the reporting requirements specified in 14 CCR Section
 1294 18994.2(h)(2)(A), which only requires reporting by Food Recovery Organizations
 1295 and Food Recovery Services on the total pounds of Edible Food recovered from
 1296 Commercial Edible Food Generators annually. Jurisdictions may choose to
 1297 expand these reporting requirements to capture additional information to support
 1298 their capacity planning efforts and for other purposes. For example, while SB 1383
 1299 Regulations do not require reporting on amount and type of Edible Food not
 1300 accepted by Food Recovery Organizations and Food Recovery Services,
 1301 Jurisdictions may want to consider adding such a requirement.

1302 (e) Food Recovery Capacity Planning

1303 (1) Food Recovery Services and Food Recovery Organizations. In order to
 1304 support Edible Food Recovery capacity planning assessments or other
 1305 studies conducted by the County, City, special district that provides solid
 1306 waste collection services, or its designated entity, Food Recovery Services
 1307 and Food Recovery Organizations operating in the Jurisdiction shall provide
 1308 information and consultation to the Jurisdiction, upon request, regarding
 1309 existing, or proposed new or expanded, Food Recovery capacity that could
 1310 be accessed by the Jurisdiction and its Commercial Edible Food
 1311 Generators. A Food Recovery Service or Food Recovery Organization
 1312 contacted by the Jurisdiction shall respond to such request for information
 1313 within 60 days, unless a shorter timeframe is otherwise specified by the
 1314 Jurisdiction. Guidance: SB 1383 Regulations (14 CCR Section 18992.2)
 1315 require that counties conduct Edible Food Recovery capacity planning, in
 1316 coordination with Jurisdictions and Regional Agencies, and consult with
 1317 Food Recovery Organizations and services regarding existing, or proposed
 1318 new and expanded, capacity that could be accessed by the Jurisdiction and
 1319 its Commercial Edible Food Generators. Entities contacted by a Jurisdiction
 1320 shall respond within 60 days regarding available and potential new or
 1321 expanded capacity, pursuant to 14 CCR Section 18992.2(b), or another
 1322 timeframe could be inserted within the ordinance that is less than 60 days,
 1323 but this is not required.

- 1324 (2) Jurisdictions and Regional Agencies. (Provision for County ordinances)
 1325 Guidance: SB 1383 Regulations require that counties conduct Food
 1326 Recovery capacity planning in coordination with cities, special districts that
 1327 provide solid waste collection services, and Regional Agencies within the
 1328 county. Jurisdictions that are not counties may remove this subsection (e),
 1329 as their ordinances would not regulate other Jurisdictions or regional
 1330 agencies; however, cities and special districts that provide solid waste
 1331 collection services, and regional agencies should be aware of their
 1332 requirement to conduct capacity planning in coordination with the County.
 1333 Cities, special districts that provide solid waste collection services, and
 1334 regional agencies located within the county shall conduct Edible Food
 1335 Recovery capacity planning, in coordination with the county.
- 1336 (A) If the county identifies that new or expanded capacity to recover
 1337 Edible Food is needed, then each Jurisdiction within the county that
 1338 lacks capacity shall:
- 1339 (i) Submit an implementation schedule to CalRecycle and the
 1340 county that demonstrates how it will ensure there is enough
 1341 new or expanded capacity to recover the Edible Food
 1342 currently disposed by Commercial Edible Food Generators
 1343 within its Jurisdiction by the end of the reporting period set
 1344 forth in 14 CCR Section 18992.3. The implementation
 1345 schedule shall include the information specified in 14 CCR
 1346 Section 18992.2(c)(1)(A).
- 1347 (ii) Consult with Food Recovery Organizations and Food
 1348 Recovery Services regarding existing, or proposed new and
 1349 expanded capacity that could be accessed by the Jurisdiction
 1350 and its Commercial Edible Food Generators.
- 1351 (B) If the county finds that new or expanded capacity is needed, the
 1352 county shall notify the Jurisdiction(s) that lack sufficient capacity.
- 1353 (C) A City, Special District that provides solid waste collection services,
 1354 or Regional Agency contacted by the county pursuant to this Section
 1355 shall respond to the county's request for information within 120 days
 1356 of receiving the request from the county, unless a shorter timeframe
 1357 is otherwise specified by the county.
- 1358 Guidance: If a City, Special District that provides solid waste
 1359 collection services, or Regional Agency fails to provide the
 1360 necessary information within 120 days, the county is not required to
 1361 include estimates for that Jurisdiction in its capacity plan in the report
 1362 it submits pursuant to 14 CCR Section 18992.3.

1363 **SECTION 11. REQUIREMENTS FOR HAULERS AND FACILITY**
 1364 **OPERATORS**

- 1365 (a) Requirements for Haulers (Standard Compliance Approach; Optional for
 1366 Performance-Based Compliance Approach)

1367 Guidance: Jurisdictions using the Standard Compliance Approach are required to
 1368 adopt an ordinance or other enforceable mechanism for hauler regulation
 1369 requirements specified in 14 CCR, Division 7, Chapter 12, Article 7. This Section
 1370 11(a) of the Model Ordinance provides language to document the hauler
 1371 regulations. Jurisdictions that are exempt from the Organic Waste collection
 1372 requirements pursuant to rural, low-population, or high-elevation waivers granted
 1373 by CalRecycle pursuant to 14 CCR Section 18984.12, and haulers and Self-
 1374 Haulers operating or located within exempt areas of those Jurisdictions, are not
 1375 required to comply with the SB 1383 Regulations for the duration of an exemption
 1376 issued pursuant to 14 CCR Section 18984.12. As a result, these Jurisdictions may
 1377 omit this Section 11(a).

1378 Jurisdictions adopting the Performance-Based Compliance Approach are not
 1379 required to impose these requirements on haulers, and do not need to include
 1380 Section 11(a). However, pursuant to SB 1383 Regulations (14 CCR Section
 1381 18998.1(d)(2)) these Jurisdictions must require haulers to keep a record of the
 1382 documentation of its approval as a hauler by the Jurisdiction. These Jurisdictions
 1383 may, however, choose to adopt some of these other requirements as well to
 1384 support their compliance with the requirements of the Performance-Based
 1385 Compliance Approach collection service requirements.

1386 This Section and this Model address specific regulatory requirements that
 1387 Jurisdictions must enforce on haulers and other entities as specified in 14 CCR,
 1388 Division 7, Chapter 12, Article 7. There are other requirements in the SB 1383
 1389 Regulations on the Jurisdiction that the Jurisdiction may delegate to a hauler to
 1390 comply with on their behalf such as Container Contamination requirements,
 1391 outreach and education requirements, container color requirements, and container
 1392 labeling requirements. Some of these requirements are more appropriately
 1393 addressed in franchise agreements, hauler permits, or licensing systems.

1394 Jurisdiction shall place requirements on one or more of the following types of
 1395 haulers depending upon which type(s) of hauler regulation system(s) are allowed
 1396 in the Jurisdiction:

1397 Option 1: Exclusive franchised hauler

1398 Option 2: Non-exclusive franchised haulers

1399 Option 3: Permitted haulers

1400 Option 4: Licensed haulers

- 1401 Option 5: Include a combination of Options 1 through 4 as appropriate
- 1402 (1) _____ (Jurisdiction to insert type(s) of hauler(s) from list
 1403 above) providing residential, Commercial, or industrial Organic Waste
 1404 collection services to generators within the Jurisdiction's boundaries shall
 1405 meet the following requirements and standards as a condition of approval
 1406 of a contract, agreement, or other authorization with the Jurisdiction to
 1407 collect Organic Waste:
- 1408 (A) Through written notice to the Jurisdiction annually on or before _____
 1409 (Jurisdiction to insert date), identify the facilities to which they will
 1410 transport Organic Waste including facilities for Source Separated
 1411 Recyclable Materials, Source Separated Green Container Organic
 1412 Waste, and Mixed Waste. Guidance: For Jurisdictions with three-
 1413 and three-plus container systems that do not allow Organic Waste,
 1414 such as Food Waste to be collected in the Gray Container, delete
 1415 Mixed Waste. For Jurisdictions with two-container systems, delete
 1416 Source Separated Recyclable Materials or Source Separated Green
 1417 Container Organic Waste as applicable.
- 1418 (B) Transport Source Separated Recyclable Materials, Source
 1419 Separated Green Container Organic Waste, and Mixed Waste to a
 1420 facility, operation, activity, or property that recovers Organic Waste
 1421 as defined in 14 CCR, Division 7, Chapter 12, Article 2. Guidance:
 1422 For Jurisdictions with three- and three-plus container systems that
 1423 prohibit Organic Waste, such as Food Waste to be collected in the
 1424 Gray Container, delete Mixed Waste. For Jurisdictions with two-
 1425 container systems, delete Source Separated Recyclable Materials or
 1426 Source Separated Green Container Organic Waste as applicable.
- 1427 (C) Obtain approval from the Jurisdiction to haul Organic Waste, unless
 1428 it is transporting Source Separated Organic Waste to a Community
 1429 Composting site or lawfully transporting C&D in a manner that
 1430 complies with 14 CCR Section 18989.1, Section 13 of this ordinance,
 1431 and Jurisdiction's C&D ordinance.
- 1432 (2) _____ (Jurisdiction to insert type(s) of hauler(s) from list
 1433 above) authorization to collect Organic Waste shall comply with education,
 1434 equipment, signage, container labeling, container color, contamination
 1435 monitoring, reporting, and other requirements contained within its franchise
 1436 agreement, permit, license, or other agreement entered into with
 1437 Jurisdiction. Guidance: This Section 11(a)(2) is not a requirement of SB
 1438 1383 Regulations, but Jurisdictions may want to include it as a cross-
 1439 reference to other documents that contain hauler requirements.
- 1440 (b) Requirements for Facility Operators and Community Composting Operations

- 1441 (1) Owners of facilities, operations, and activities that recover Organic Waste,
 1442 including, but not limited to, Compost facilities, in-vessel digestion facilities,
 1443 and publicly-owned treatment works shall, upon Jurisdiction request,
 1444 provide information regarding available and potential new or expanded
 1445 capacity at their facilities, operations, and activities, including information
 1446 about throughput and permitted capacity necessary for planning purposes.
 1447 Entities contacted by the Jurisdiction shall respond within 60 days.
 1448 Guidance: The SB 1383 Regulations include specific requirements for
 1449 processing and facility standards. CalRecycle's Model Franchise
 1450 Agreement Tool includes more specific detail on those operative
 1451 requirements for facilities. In addition to the capacity planning requirements,
 1452 Jurisdictions may consider including a reference here to a franchise
 1453 agreement, facility agreement, different section of the Jurisdiction's
 1454 municipal/county code, or other relevant document(s) where facility
 1455 standards are specified.
- 1456 (2) Community Composting operators, upon Jurisdiction request, shall provide
 1457 information to the Jurisdiction to support Organic Waste capacity planning,
 1458 including, but not limited to, an estimate of the amount of Organic Waste
 1459 anticipated to be handled at the Community Composting operation. Entities
 1460 contacted by the Jurisdiction shall respond within 60 days.

1461 SECTION 12. SELF-HAULER REQUIREMENTS

1462 Guidance: The SB 1383 Regulations (14 CCR Division 7, Chapter 12, Article 7) specify
 1463 requirements for Self-Haulers (which includes back-haulers per the Self-Hauler definition
 1464 of the SB 1383 Regulations). Jurisdictions that allow for self-hauling and are using either
 1465 the Standard Compliance Approach or Performance-Based Compliance Approach are
 1466 required to adopt an ordinance or other enforceable mechanism for Self-Hauler regulation
 1467 requirements. This Section 12 of the Model Ordinance provides language to document
 1468 the Self-Hauler regulations. If Jurisdictions do not allow self-hauling, this Section 12 may
 1469 be deleted.

1470 Jurisdictions that are exempt from the Organic Waste collection requirements pursuant
 1471 to rural, low-population, or high-elevation waivers granted by CalRecycle pursuant to SB
 1472 1383 Regulations (14 CCR Section 18984.12), and haulers and Self-Haulers operating
 1473 or located within exempt areas of those Jurisdictions, are not required to comply with the
 1474 SB 1383 Regulations for the duration of an exemption issued pursuant to 14 CCR Section
 1475 18984.12. As a result, these Jurisdictions may omit this Section 12.

- 1476 (a) Self-Haulers shall source separate all recyclable materials and Organic Waste
 1477 (materials that Jurisdiction otherwise requires generators to separate for collection
 1478 in the Jurisdiction's organics and recycling collection program) generated on-site
 1479 from Solid Waste in a manner consistent with 14 CCR Sections 18984.1 and
 1480 18984.2, or shall haul Organic Waste to a High Diversion Organic Waste
 1481 Processing Facility as specified in 14 CCR Section 18984.3.

- 1482 (b) Self-Haulers shall haul their Source Separated Recyclable Materials to a facility
 1483 that recovers those materials; and haul their Source Separated Green Container
 1484 Organic Waste to a Solid Waste facility, operation, activity, or property that
 1485 processes or recovers Source Separated Organic Waste. Alternatively, Self-
 1486 Haulers may haul Organic Waste to a High Diversion Organic Waste Processing
 1487 Facility.
- 1488 (c) Self-Haulers that are Commercial Businesses (including Multi-Family Residential
 1489 Dwellings) shall keep a record of the amount of Organic Waste delivered to each
 1490 Solid Waste facility, operation, activity, or property that processes or recovers
 1491 Organic Waste; this record shall be subject to inspection by the Jurisdiction. The
 1492 records shall include the following information:
- 1493 (1) Delivery receipts and weight tickets from the entity accepting the waste.
- 1494 (2) The amount of material in cubic yards or tons transported by the generator
 1495 to each entity.
- 1496 (3) If the material is transported to an entity that does not have scales on-site,
 1497 or employs scales incapable of weighing the Self-Hauler's vehicle in a
 1498 manner that allows it to determine the weight of materials received, the Self-
 1499 Hauler is not required to record the weight of material but shall keep a record
 1500 of the entities that received the Organic Waste.
- 1501 (d) (Optional) Self-Haulers that are Commercial Businesses (including Multi-Family
 1502 Self-Haulers) shall provide information collected in Section 12(c) to Jurisdiction if
 1503 requested. Guidance: Self-Hauler reporting is not required by the SB 1383
 1504 Regulations. If a Jurisdiction includes this subsection, Jurisdiction may want to
 1505 identify who the information should be provided to and on what dates, either in this
 1506 subsection or in other online or other communications to Self-Haulers. Jurisdiction
 1507 may also want to include a provision specifying that Self-Haulers need to register
 1508 with the Jurisdiction, if such a system is available or desired, in order to more
 1509 consistently track this information.
- 1510 (e) A residential Organic Waste Generator that self hauls Organic Waste is not
 1511 required to record or report information in Section 12(c) and (d).

1512 SECTION 13. COMPLIANCE WITH CALGREEN RECYCLING 1513 REQUIREMENTS

1514 Guidance: SB 1383 Regulations (14 CCR Section 18989.1) require that a Jurisdiction,
 1515 which is a city, county, or a city and county, adopt an ordinance or other enforceable
 1516 requirement that requires compliance with C&D recycling requirements for Organic Waste
 1517 commingled with C&D and for provision of adequate space for recycling for Multi-Family
 1518 and Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of
 1519 the California Green Building Standards Code, 24 CCR, Part 11 as amended July 1, 2019

1520 and effective January 1, 2020 (“CALGreen SB 1383 Baseline Requirements”). This
1521 Section 13 provides example language that is structured to fulfill this requirement related
1522 narrowly on the CALGreen SB 1383 Baseline Requirements. Pursuant to SB 1383
1523 Regulations (14 CCR Section 18989.1(b)), a Jurisdiction that is not a city, county, or city
1524 and county, is not required to include these CALGreen requirements and may delete this
1525 Section 13.

1526 SB 1383 Regulations (14 CCR Section 18989.1) cite specific date of effectiveness for
1527 CALGreen of January 1, 2020. Jurisdictions’ ordinances need to meet or exceed these
1528 CALGreen SB 1383 Baseline Requirements. If Jurisdictions have the ability to adopt an
1529 ordinance that allows for an “auto” update of the Jurisdiction’s ordinance as the
1530 CALGreen requirements change, that approach is allowable. If the “auto” update results
1531 in changes in CALGreen with standards that are less than those in the CALGreen SB
1532 1383 Baseline Requirements, then the Jurisdiction will need to maintain the standards in
1533 the CALGreen SB 1383 Baseline Requirements.

1534 Jurisdictions with an ordinance or similarly enforceable mechanism requiring compliance
1535 with CALGreen can omit this Section. Jurisdictions should note that while these
1536 CALGreen provisions are included in this Model Ordinance, a Jurisdiction may determine
1537 it is more appropriate to include these CALGreen requirements in a separate ordinance
1538 or in a different, more relevant municipal code section (e.g., building or planning code).
1539 Also note that Jurisdictions are not required to address the CALGreen requirements
1540 through an ordinance if they prefer to use another type of enforceable mechanism. In
1541 such case, Jurisdictions should delete this Section.

1542 If Jurisdictions do not have a separate C&D ordinance or municipal code that address
1543 other C&D related policies, Jurisdictions may want to expand this Section to address
1544 collection, recycling, diversion, tracking, and/or reporting of C&D.

1545 (a) Persons applying for a permit from the Jurisdiction for new construction and
1546 building additions and alternations shall comply with the requirements of this
1547 Section and all required components of the California Green Building Standards
1548 Code, 24 CCR, Part 11, known as CALGreen, as amended, if its project is covered
1549 by the scope of CALGreen or more stringent requirements of the Jurisdiction. If the
1550 requirements of CALGreen are more stringent then the requirements of this
1551 Section, the CALGreen requirements shall apply.

1552 Project applicants shall refer to Jurisdiction’s building and/or planning code for
1553 complete CALGreen requirements.

1554 (b) For projects covered by CALGreen or more stringent requirements of the
1555 Jurisdiction, the applicants must, as a condition of the Jurisdiction’s permit
1556 approval, comply with the following:

1557 (1) Where five (5) or more Multi-Family dwelling units are constructed on a
1558 building site, provide readily accessible areas that serve occupants of all
1559 buildings on the site and are identified for the storage and collection of Blue

1560 Container and Green Container materials, consistent with the three-, three-
 1561 plus, or two-container collection program offered by the Jurisdiction, or
 1562 comply with provision of adequate space for recycling for Multi-Family and
 1563 Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and
 1564 5.410.1 of the California Green Building Standards Code, 24 CCR, Part 11
 1565 as amended provided amended requirements are more stringent than the
 1566 CALGreen requirements for adequate recycling space effective January 1,
 1567 2020. Guidance: Include only for three- and two-container systems. For a
 1568 two-container system, delete reference to Blue Container or Green
 1569 Container as appropriate. Note that the last portion of the requirement
 1570 beginning with "...or comply with provisions of adequate space..." is
 1571 intended to create an "auto-update" of the ordinance when CALGreen
 1572 changes over time. Jurisdictions may choose to eliminate this provision at
 1573 their option, if they prefer to update their ordinance each time CALGreen
 1574 changes.

1575 (2) New Commercial construction or additions resulting in more than 30% of
 1576 the floor area shall provide readily accessible areas identified for the storage
 1577 and collection of Blue Container and Green Container materials, consistent
 1578 with the three-, three-plus, or two-container collection program offered by
 1579 the Jurisdiction, or shall comply with provision of adequate space for
 1580 recycling for Multi-Family and Commercial premises pursuant to Sections
 1581 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of the California Green Building
 1582 Standards Code, 24 CCR, Part 11 as amended provided amended
 1583 requirements are more stringent than the CALGreen requirements for
 1584 adequate recycling space effective January 1, 2020. Guidance: Include only
 1585 for three-, three-plus, and two-container systems. For a two-container
 1586 system, delete reference to Blue Container or Green Container as
 1587 appropriate. Note that the last portion of the requirement beginning with
 1588 "...or comply with provisions of adequate space..." is intended to create an
 1589 "auto-update" of the ordinance when CALGreen changes over time.
 1590 Jurisdictions may choose to eliminate this provision at their option, if they
 1591 prefer to update their ordinance each time CALGreen changes.

1592 (3) Comply with CALGreen requirements and applicable law related to
 1593 management of C&D, including diversion of Organic Waste in C&D from
 1594 disposal. Comply with Jurisdiction's C&D ordinance, Section ___ of
 1595 Jurisdiction's municipal code, and all written and published Jurisdiction
 1596 policies and/or administrative guidelines regarding the collection, recycling,
 1597 diversion, tracking, and/or reporting of C&D. Guidance: Jurisdictions with a
 1598 C&D ordinance may choose to add a link to their ordinance in this
 1599 subsection.*

1600 SECTION 14. MODEL WATER EFFICIENT LANDSCAPING
1601 ORDINANCE REQUIREMENTS

1602 Guidance: SB 1383 Regulations (14 CCR Section 18989.2) require that a Jurisdiction,
1603 which is a city, county, or a City and county, adopt an ordinance or other enforceable
1604 requirement that requires compliance with Sections 492.6(a)(3)(B) (C), (D), and (G) of the
1605 MWELO as amended September 15, 2015 (“MWELO SB 1383 Baseline
1606 Requirements”). This Section 14 provides example language that is structured to fulfill
1607 this requirement related narrowly on the MWELO SB 1383 Baseline Requirements. As a
1608 result, the Model does not broadly address all requirements of MWELO. Pursuant to SB
1609 1383 Regulations (14 CCR Section 18989.2(b)), a Jurisdiction that is not a city, county,
1610 or city and county, is not required to include these MWELO requirements and may delete
1611 this Section 14.

1612 SB 1383 Regulations (14 CCR Section 18989.2) cite a specific date of effectiveness for
1613 MWELO of September 15, 2015. Jurisdictions’ ordinances need to meet or exceed these
1614 MWELO SB 1393 Baseline Requirements. If a Jurisdiction has the ability to adopt an
1615 ordinance that allows for an “auto” update of the Jurisdiction’s ordinance as the MWELO
1616 requirements change, that approach is allowable. If the “auto” update results in changes
1617 in MWELO with standards that are less than those in the MWELO SB 1383 Baseline
1618 Requirements, then the Jurisdiction will need to maintain the standards in the MWELO
1619 SB 1383 Baseline Requirements.

1620 Jurisdictions that have an existing MWELO ordinance or other enforceable mechanism
1621 that covers the MWELO SB 1383 Baseline Requirements may omit this provision.
1622 Jurisdictions should note that while these MWELO provisions are included in this Model
1623 Ordinance, a Jurisdiction may determine it is more appropriate to include these MWELO
1624 requirements in a separate ordinance or in a different, more relevant municipal code
1625 section (e.g., building or planning code). Also note that Jurisdictions are not required to
1626 address the MWELO requirements through an ordinance if they prefer to use another
1627 type of enforceable mechanism. In such case, Jurisdictions should delete this Section.

1628 (a) Property owners or their building or landscape designers, including anyone
1629 requiring a building or planning permit, plan check, or landscape design review
1630 from the Jurisdiction, who are constructing a new (Single-Family, Multi-Family,
1631 public, institutional, or Commercial) project with a landscape area greater than 500
1632 square feet, or rehabilitating an existing landscape with a total landscape area
1633 greater than 2,500 square feet, shall comply with Sections 492.6(a)(3)(B) (C), (D),
1634 and (G) of the MWELO, including sections related to use of Compost and mulch
1635 as delineated in this Section 14.

1636 (b) The following Compost and mulch use requirements that are part of the MWELO
1637 are now also included as requirements of this ordinance. Other requirements of
1638 the MWELO are in effect and can be found in 23 CCR, Division 2, Chapter 2.7.
1639 Guidance: In the preceding sentence, Jurisdictions can insert link to its own WELO
1640 if the provisions are equal to or greater in stringency than Sections 492.6(a)(3)(B)

- 1641 (C), (D), and (G) of the September 15, 2015 MWELo, but proof of these
1642 requirements will need to be submitted to CalRecycle.
- 1643 (c) Property owners or their building or landscape designers that meet the threshold
1644 for MWELo compliance outlined in Section 14(a) above shall:
- 1645 (1) Comply with Sections 492.6 (a)(3)(B)(C),(D) and (G) of the MWELo, which
1646 requires the submittal of a landscape design plan with a soil preparation,
1647 mulch, and amendments section to include the following:
- 1648 (A) For landscape installations, Compost at a rate of a minimum of four
1649 cubic yards per 1,000 square feet of permeable area shall be
1650 incorporated to a depth of six (6) inches into the soil. Soils with
1651 greater than six percent (6%) organic matter in the top six (6) inches
1652 of soil are exempt from adding Compost and tilling.
- 1653 (B) For landscape installations, a minimum three- (3-) inch layer of mulch
1654 shall be applied on all exposed soil surfaces of planting areas except
1655 in turf areas, creeping or rooting groundcovers, or direct seeding
1656 applications where mulch is contraindicated. To provide habitat for
1657 beneficial insects and other wildlife up to five percent (5%) of the
1658 landscape area may be left without mulch. Designated insect habitat
1659 must be included in the landscape design plan as such.
- 1660 (C) Organic mulch materials made from recycled or post-consumer
1661 materials shall take precedence over inorganic materials or virgin
1662 forest products unless the recycled post-consumer organic products
1663 are not locally available. Organic mulches are not required where
1664 prohibited by local fuel modification plan guidelines or other
1665 applicable local ordinances.
- 1666 (2) The MWELo compliance items listed in this Section are not an inclusive list
1667 of MWELo requirements; therefore, property owners or their building or
1668 landscape designers that meet the threshold for MWELo compliance
1669 outlined in Section 14(a) shall consult the full MWELo for all requirements.
- 1670 (d) If, after the adoption of this ordinance, the California Department of Water
1671 Resources, or its successor agency, amends 23 CCR, Division 2, Chapter 2.7,
1672 [Sections 492.6\(a\)\(3\)\(B\) \(C\), \(D\), and \(G\) of the MWELo September 15, 2015](#)
1673 [requirements](#) in a manner that requires Jurisdictions to incorporate the
1674 requirements of an updated MWELo in a local ordinance, and the amended
1675 requirements include provisions more stringent than those required in this Section,
1676 the revised requirements of 23 CCR, Division 2, Chapter 2.7 shall be enforced.

1677 **SECTION 15. PROCUREMENT REQUIREMENTS FOR JURISDICTION**
 1678 **DEPARTMENTS, DIRECT SERVICE PROVIDERS, AND VENDORS**

1679 Guidance: This Section 15 of the Model Ordinance includes example procurement
 1680 requirements to address the Recovered Organic Waste Product and Recycled-Content
 1681 Paper procurement requirements pursuant to SB 1383 Regulations (14 CCR, Division 7,
 1682 Chapter 12, Article 12). The first Section 15(a) provides a simple statement of
 1683 requirements for Jurisdiction’s departments to comply with the Jurisdiction’s purchasing
 1684 policy, which is anticipated to be adopted or amended to address the procurement
 1685 requirements in SB 1383 Regulations. The second Section 15(b) specifies Recycled-
 1686 Content Paper requirements for vendors. Jurisdictions should note that while these
 1687 provisions are included in this Model Ordinance, a Jurisdiction may determine it is more
 1688 appropriate to include these procurement requirements in a separate ordinance or in a
 1689 different, more relevant municipal code section. Jurisdictions may also choose not to
 1690 include the requirements in an ordinance, and instead use another type of enforceable
 1691 mechanism to document the requirements.

1692 This Model anticipates that Recovered Organic Waste Product and Recycled-Content
 1693 Paper procurement requirements of the SB 1383 Regulations (14 CCR, Division 7,
 1694 Chapter 12, Article 12) will be described fully in a separate procurement policy(ies)
 1695 developed by Jurisdictions. The separate procurement policy(ies) is(are) anticipated to
 1696 contain additional requirements that the Jurisdiction will place on its departments,
 1697 purchasers, and others for procuring Compost, mulch, Renewable Gas, electricity from
 1698 biomass, and Recycled-Content Paper products and Printing and Writing Paper and
 1699 Recovered Organic Waste Products. Jurisdiction shall adopt a separate procurement
 1700 policy(ies) by an action of its governing body. Requiring compliance with that policy(ies)
 1701 through an ordinance is one way to ensure the provisions are enforceable, which is
 1702 required for certain procurement provisions. For example, in order for **mulch** to qualify as
 1703 **a Recovered Organic Waste Product that the Jurisdiction may procure to comply with SB**
 1704 **1383 Regulations (14 CCR Division 7, Chapter 12, Article 12), the Jurisdiction must have**
 1705 **an enforceable ordinance, or similarly enforceable mechanism, that requires the mulch to**
 1706 **meet certain standards**, pursuant to 14 CCR Section 18993.1(f)(4). Note that CalRecycle
 1707 developed a separate Model Procurement Policy as a tool for Jurisdictions. Refer to the
 1708 Additional CalRecycle Resources section in the Guidance section of this Model for a link
 1709 to the Model Procurement Policy.

1710 (a) Jurisdiction departments, and direct service providers to the Jurisdiction, as
 1711 applicable, must comply with the Jurisdiction’s Recovered Organic Waste Product
 1712 procurement policy adopted on _____ and Recycled-Content Paper
 1713 procurement policy adopted on _____ (Jurisdiction to amend the title(s) of the
 1714 “procurement policy(ies)” to reflect their title and insert date in the blank).
 1715 Guidance: In this Model Ordinance, it is anticipated that Jurisdictions will adopt a
 1716 Recovered Organic Waste Product procurement policy and Recycled-Content
 1717 Paper procurement policy (or amend existing one(s)) to incorporate procurement
 1718 requirements required by SB 1383 Regulations (14 CCR, Division 7, Chapter 12,
 1719 Article 12). The purpose of this statement is to identify the requirement for all

1720 Jurisdiction’s departments and direct service providers, if applicable, to comply
1721 with the policy(ies) and ensure the policy(ies) is(are) enforceable.

1722 (b) All vendors providing Paper Products and Printing and Writing Paper shall:

1723 Guidance: This Section 15(b) presents Recycled-Content Paper requirements for
1724 Jurisdiction’s vendors to support Jurisdiction’s compliance with SB 1383
1725 Regulations (14 CCR Section 18993.3). Jurisdiction may choose to use less
1726 specific language here and instead require vendors supplying Paper Products and
1727 Printing and Writing Paper to comply with the Jurisdiction’s procurement policy, if
1728 such policy is adopted prior to or at the same time as this ordinance. If Jurisdiction
1729 already has a procurement policy, it may need to be updated to address the
1730 Recycled-Content Paper procurement requirements and to address Recovered
1731 Organic Waste Product procurement.

1732 Section 22150 of the Public Contracts Code requires local governments to
1733 purchase recycled products instead of non-recycled products whenever recycled
1734 products are available at the same or a lesser total cost than non-recycled items,
1735 if fitness and quality are equal. Under SB 1383 Regulations (14 CCR Section
1736 18993.3), Jurisdictions are not prohibited from either using a price preference
1737 (usually 5 to 10 percent) for Recycled-Content Paper or requiring Recycled-
1738 Content Paper regardless of price. The options are presented below for
1739 consideration.

1740 (1) If fitness and quality are equal, provide Recycled-Content Paper Products
1741 and Recycled-Content Printing and Writing Paper that consists of at least
1742 30 percent, by fiber weight, postconsumer fiber instead of non-recycled
1743 products whenever recycled Paper Products and Printing and Writing Paper
1744 are available at the same or lesser total cost than non-recycled items or at
1745 a total cost of no more than ___% of the total cost for non-recycled items.
1746 Guidance: The procurement requirements specified here are consistent
1747 with the Public Resources Code Section 22150 with the exception of the
1748 blue highlighted text. Jurisdiction that do not want to include any pricing
1749 preference for Recycled-Content Paper should delete the blue highlighted
1750 text. Jurisdictions that want to establish a pricing preference for purchase
1751 of Recycled-Content Paper shall retain the blue highlighted text and insert
1752 a percentage amount.

1753 (2) Provide Paper Products and Printing and Writing Paper that meet Federal
1754 Trade Commission recyclability standard as defined in 16 Code of Federal
1755 Regulations (CFR) Section 260.12.

1756 (3) Certify in writing, under penalty of perjury, the minimum percentage of
1757 postconsumer material in the Paper Products and Printing and Writing
1758 Paper offered or sold to the Jurisdiction. This certification requirement may
1759 be waived if the percentage of postconsumer material in the Paper

1760 Products, Printing and Writing Paper, or both can be verified by a product
 1761 label, catalog, invoice, or a manufacturer or vendor internet website.

1762 (4) Certify in writing, on invoices or receipts provided, that the Paper Products
 1763 and Printing and Writing Paper offered or sold to the Jurisdiction is eligible
 1764 to be labeled with an unqualified recyclable label as defined in 16 Code of
 1765 Federal Regulations (CFR) Section 260.12 (2013).

1766 (5) Provide records to the Jurisdiction’s Recovered Organic Waste Product
 1767 procurement recordkeeping Designee, in accordance with the Jurisdiction’s
 1768 Recycled-Content Paper procurement policy(ies) of all Paper Products and
 1769 Printing and Writing Paper purchases within thirty (30) days of the purchase
 1770 (both recycled-content and non-recycled content, if any is purchased) made
 1771 by any division or department or employee of the Jurisdiction. Records shall
 1772 include a copy (electronic or paper) of the invoice or other documentation
 1773 of purchase, written certifications as required in Sections 15(b)(3) and
 1774 15(b)(4) of this ordinance for recycled-content purchases, purchaser name,
 1775 quantity purchased, date purchased, and recycled content (including
 1776 products that contain none), and if non-recycled content Paper Products or
 1777 Printing and Writing Papers are provided, include a description of why
 1778 Recycled-Content Paper Products or Printing and Writing Papers were not
 1779 provided.

1780 **SECTION 16. INSPECTIONS AND INVESTIGATIONS BY JURISDICTION**

1781 Guidance: SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Article 14) require
 1782 Jurisdictions to inspect regulated entities for compliance and to take Enforcement Action
 1783 against non-compliant entities including generators, Tier One and Tier Two Commercial
 1784 Edible Food Generators, Food Recovery Organizations, Food Recovery Services,
 1785 haulers, and Self-Haulers. This Section 16 provides example ordinance language to
 1786 provide the Jurisdiction the right to conduct Inspections and investigations. Section 17
 1787 addresses enforcement. This Model language presents a simple approach to establishing
 1788 the right to inspect or investigate. Some Jurisdictions may want to expand on this to
 1789 include more specificity, including more specific identification of who has the authority to
 1790 inspect, what entities may be inspected or investigated, and the protocols for such
 1791 Inspections and investigations. Note that for Jurisdictions using the Performance-Based
 1792 Compliance Approach, their Inspection and enforcement obligations under SB 1383
 1793 Regulations are limited to Tier One and Tier Two Commercial Edible Food Generators,
 1794 Food Recovery Organizations, Food Recovery Services, as specified in 14 CCR Sections
 1795 18998.2(a)(8) through 18998.2(a)(11).

1796 (a) Jurisdiction representatives and/or its designated entity, including Designees are
 1797 authorized to conduct Inspections and investigations, at random or otherwise, of
 1798 any collection container, collection vehicle loads, or transfer, processing, or
 1799 disposal facility for materials collected from generators, or Source Separated
 1800 materials to confirm compliance with this ordinance by Organic Waste Generators,

1801 Commercial Businesses (including Multi-Family Residential Dwellings), property
 1802 owners, Commercial Edible Food Generators, haulers, Self-Haulers, Food
 1803 Recovery Services, and Food Recovery Organizations, subject to applicable laws.
 1804 This Section does not allow Jurisdiction to enter the interior of a private residential
 1805 property for Inspection. For the purposes of inspecting Commercial Business
 1806 containers for compliance with Section 6(b) or 7(b) of this ordinance, Jurisdiction
 1807 may conduct container Inspections for Prohibited Container Contaminants using
 1808 Remote Monitoring, and Commercial Businesses shall accommodate and
 1809 cooperate with the Remote Monitoring pursuant to Section 6(k) or 7(k) of this
 1810 ordinance. (Optional) Guidance: The Remote Monitoring addressed in the
 1811 preceding sentence is not required by the SB 1383 Regulations. Jurisdictions may
 1812 include this if they choose to use a Remote Monitoring system to monitor for
 1813 Prohibited Container Contaminants to support their compliance with 14 CCR
 1814 Section 18984.5, Container Contamination minimization requirements.

1815 (b) Regulated entity shall provide or arrange for access during all Inspections (with the
 1816 exception of residential property interiors) and shall cooperate with the
 1817 Jurisdiction's employee or its designated entity/Designee during such Inspections
 1818 and investigations. Such Inspections and investigations may include confirmation
 1819 of proper placement of materials in containers, Edible Food Recovery activities,
 1820 records, or any other requirement of this ordinance described herein. Failure to
 1821 provide or arrange for: (i) access to an entity's premises; (ii) installation and
 1822 operation of Remote Monitoring equipment (optional); or (ii) access to records for
 1823 any Inspection or investigation is a violation of this ordinance and may result in
 1824 penalties described.

1825 (c) Any records obtained by a Jurisdiction during its Inspections, Remote Monitoring,
 1826 and other reviews shall be subject to the requirements and applicable disclosure
 1827 exemptions of the Public Records Act as set forth in Government Code Section
 1828 6250 et seq.

1829 (d) Jurisdiction representatives, its designated entity, and/or Designee are authorized
 1830 to conduct any Inspections, Remote Monitoring, or other investigations as
 1831 reasonably necessary to further the goals of this ordinance, subject to applicable
 1832 laws.

1833 (e) Jurisdiction shall receive written complaints from persons regarding an entity that
 1834 may be potentially non-compliant with SB 1383 Regulations, including receipt of
 1835 anonymous complaints. Guidance: Jurisdiction shall develop a method to accept
 1836 anonymous complaints and require that all complaints be made in writing with
 1837 specified information. See SB 1383 Regulations (14 CCR Section 18995.3) for
 1838 more guidance.

1839 **SECTION 17. ENFORCEMENT**

1840 Guidance: SB 1383 Regulations (14 CCR, Division 7, Chapter 12, Articles 14 and 16)
 1841 specify Jurisdiction's requirements for enforcement and assessment of administrative civil
 1842 penalties, respectively. Section 17 provides example language to support the
 1843 enforcement process and assessment of penalties. Jurisdictions will need to make sure
 1844 that the enforcement language in their ordinance conforms with their own enforcement
 1845 procedures. Jurisdictions will need to modify the enforcement language to match their
 1846 current and desired enforcement procedures. In addition, Jurisdictions may want to
 1847 provide enforcement procedures and requirements stricter than those specified in the SB
 1848 1383 Regulations at its option.

1849 (a) Violation of any provision of this ordinance shall constitute grounds for issuance of
 1850 a Notice of Violation and assessment of a fine by a Jurisdiction Enforcement
 1851 Official or representative. Enforcement Actions under this ordinance are issuance
 1852 of an administrative citation and assessment of a fine. The Jurisdiction's
 1853 procedures on imposition of administrative fines are hereby incorporated in their
 1854 entirety, as modified from time to time, and shall govern the imposition,
 1855 enforcement, collection, and review of administrative citations issued to enforce
 1856 this ordinance and any rule or regulation adopted pursuant to this ordinance,
 1857 except as otherwise indicated in this ordinance.

1858 (b) Other remedies allowed by law may be used, including civil action or prosecution
 1859 as misdemeanor or infraction. Jurisdiction may pursue civil actions in the California
 1860 courts to seek recovery of unpaid administrative citations. Jurisdiction may choose
 1861 to delay court action until such time as a sufficiently large number of violations, or
 1862 cumulative size of violations exist such that court action is a reasonable use of
 1863 Jurisdiction staff and resources.

1864 (c) Responsible Entity for Enforcement

1865 (1) Enforcement pursuant to this ordinance may be undertaken by the
 1866 Jurisdiction Enforcement Official, which may be the **city manager** or their
 1867 designated entity, legal counsel, or combination thereof.

1868 (2) Enforcement may also be undertaken by a **Regional or County Agency**
 1869 Enforcement Official, designated by the Jurisdiction, in consultation with
 1870 Jurisdiction Enforcement Official.

1871 (A) Jurisdiction Enforcement Official(s) **(and Regional or County Agency**
 1872 **Enforcement Official, if using)** will interpret ordinance; determine the
 1873 applicability of waivers, if violation(s) have occurred; implement
 1874 Enforcement Actions; and, determine if compliance standards are
 1875 met.

1876 (B) Jurisdiction Enforcement Official(s) **(and Regional or County Agency**
 1877 **Enforcement Official, if using)** may issue Notices of Violation(s).

1878 Guidance: Include Section 17(c)(2) above if Jurisdiction intends to delegate
 1879 enforcement responsibilities to a Regional Agency, County, or joint powers
 1880 authority. Regional or County Agency Enforcement Officials may include
 1881 environmental health director or Designee; executive director of Regional
 1882 Agency or joint powers authority or Designee; or county administrator or
 1883 Designee.

1884 (d) Process for Enforcement

1885 (1) Jurisdiction Enforcement Officials or Regional or County Enforcement
 1886 Officials and/or their Designee will monitor compliance with the ordinance
 1887 randomly and through Compliance Reviews, Route Reviews, investigation
 1888 of complaints, and an Inspection program (that may include Remote
 1889 Monitoring). Section 16 establishes Jurisdiction's right to conduct
 1890 Inspections and investigations.

1891 (2) Jurisdiction may issue an official notification to notify regulated entities of its
 1892 obligations under the ordinance.

1893 (3) For Jurisdictions assessing contamination processing fees/penalties. For
 1894 incidences of Prohibited Container Contaminants found in containers,
 1895 Jurisdiction will issue a Notice of Violation to any generator found to have
 1896 Prohibited Container Contaminants in a container. Such notice will be
 1897 provided via a cart tag or other communication immediately upon
 1898 identification of the Prohibited Container Contaminants or within ___ days
 1899 after determining that a violation has occurred. If the Jurisdiction observes
 1900 Prohibited Container Contaminants in a generator's containers on more
 1901 than ___ () consecutive occasion(s), the Jurisdiction may assess
 1902 contamination processing fees or contamination penalties on the generator.
 1903 Guidance: Jurisdiction to include this provision if it chooses to assess
 1904 contamination penalties or contamination processing fees for additional
 1905 costs of processing Contaminated Containers; otherwise Jurisdictions
 1906 should delete provision. Notwithstanding the Jurisdiction enforcement
 1907 requirements in SB 1383 Regulations (14 CCR Section 18995.1), do not
 1908 require Jurisdictions to impose administrative civil penalties on generators
 1909 for violation of Prohibited Container Contaminants requirements. If
 1910 choosing to include these optional fees, Jurisdictions should modify this
 1911 Section to specify the conditions and procedure for issuance of the fees.
 1912 For example, a fee could be assessed per instance of contamination or
 1913 could be assessed after certain number of consecutive instances. For
 1914 Jurisdictions choosing not to assess contamination processing fees or
 1915 contamination penalties, delete Section 17(d)(3).

1916 (4) With the exception of violations of generator contamination of container
 1917 contents addressed under Section 17(d)(3), Jurisdiction shall issue a Notice
 1918 of Violation requiring compliance within 60 days of issuance of the notice.

1919 (5) Absent compliance by the respondent within the deadline set forth in the
 1920 Notice of Violation, Jurisdiction shall commence an action to impose
 1921 penalties, via an administrative citation and fine, pursuant to the
 1922 Jurisdiction’s _____ policy/ordinance/guidelines or requirements contained
 1923 in Section 17(k), Table 1, List of Violations. Guidance: Note that the
 1924 Jurisdiction shall amend the text in blue highlighting to identify its
 1925 policy/ordinance/guidelines related to assessment of penalties or the
 1926 penalty amounts and/or should refer to Table 1 if it has chosen to include
 1927 Table 1 in its ordinance.

1928 Notices shall be sent to “owner” at the official address of the owner
 1929 maintained by the tax collector for the Jurisdiction or if no such address is
 1930 available, to the owner at the address of the dwelling or Commercial
 1931 property or to the party responsible for paying for the collection services,
 1932 depending upon available information

1933 (e) Penalty Amounts for Types of Violations

1934 Guidance: SB 1383 Regulations (14 CCR Section 18997.2) require assessment of
 1935 penalties with minimum penalty levels consistent with the applicable requirements
 1936 prescribed in Government Code Sections 53069.4, 25132, and 36900.
 1937 Jurisdictions may choose to use the ranges of penalties included in the
 1938 Government Code Section and listed below, or may choose to amend the penalty
 1939 amounts shown below to establish a specific penalty level (rather than a range) for
 1940 each violation type. Jurisdictions that choose to pick a specific penalty amount
 1941 must select an amount that is somewhere in the range or higher than the amounts
 1942 shown below, but no lower than the lowest value for each range listed below, and
 1943 consistent with the ranges listed in Sections 53069.4, 25132, and 36900 of the
 1944 Government Code. Jurisdictions should indicate if these penalties are consistent
 1945 or different than administrative penalties in Jurisdiction’s code.

1946 The penalty levels are as follows:

1947 (1) For a first violation, the amount of the base penalty shall be \$50 to \$100 per
 1948 violation.

1949 (2) For a second violation, the amount of the base penalty shall be \$100 to
 1950 \$200 per violation.

1951 (3) For a third or subsequent violation, the amount of the base penalty shall be
 1952 \$250 to \$500 per violation.

1953 (f) Factors Considered in Determining Penalty Amount

1954 Guidance: Jurisdictions may consider including this Section if the penalty amounts
 1955 are defined as a range (rather than a specific penalty amount). Note that the factors
 1956 listed below are the factors that will be used by CalRecycle to determine penalties
 1957 against Jurisdictions and other regulated entities, rather than Jurisdictions against

1958 generators, and have been included here for example purposes. Jurisdictions may
 1959 consider including these factors, but this is not required. Jurisdictions should
 1960 customize this Section, if including, to list relevant factors or reference other
 1961 sections of their municipal/county code if similar provisions already exist.

1962 The following factors shall be used to determine the amount of the penalty for each
 1963 violation within the appropriate penalty amount range:

- 1964 (1) The nature, circumstances, and severity of the violation(s).
- 1965 (2) The violator’s ability to pay.
- 1966 (3) The willfulness of the violator's misconduct.
- 1967 (4) Whether the violator took measures to avoid or mitigate violations of this
 1968 chapter.
- 1969 (5) Evidence of any economic benefit resulting from the violation(s).
- 1970 (6) The deterrent effect of the penalty on the violator.
- 1971 (7) Whether the violation(s) were due to conditions outside the control of the
 1972 violator.

1973 (g) Compliance Deadline Extension Considerations

1974 The Jurisdiction may extend the compliance deadlines set forth in a Notice of
 1975 Violation issued in accordance with Section 17 if it finds that there are extenuating
 1976 circumstances beyond the control of the respondent that make compliance within
 1977 the deadlines impracticable, including the following:

- 1978 (1) Acts of God such as earthquakes, wildfires, flooding, and other
 1979 emergencies or natural disasters;
- 1980 (2) Delays in obtaining discretionary permits or other government agency
 1981 approvals; or,
- 1982 (3) Deficiencies in Organic Waste recycling infrastructure or Edible Food
 1983 Recovery capacity and the Jurisdiction is under a corrective action plan with
 1984 CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies.

1985 (h) Appeals Process

1986 Persons receiving an administrative citation containing a penalty for an
 1987 uncorrected violation may request a hearing to appeal the citation. A hearing will
 1988 be held only if it is requested within the time prescribed and consistent with
 1989 Jurisdiction’s procedures in the Jurisdiction’s codes for appeals of administrative
 1990 citations. Evidence may be presented at the hearing. The Jurisdiction will appoint

- 1991 a hearing officer who shall conduct the hearing and issue a final written order.
 1992 Guidance: Jurisdiction shall select an employee or Designee to act as hearing
 1993 officer who is different from their enforcement official.
- 1994 (i) Education Period for Non-Compliance
- 1995 Beginning [January 1, 2022 and through December 31, 2023](#), Jurisdiction will
 1996 conduct Inspections, [Remote Monitoring](#), Route Reviews or waste evaluations,
 1997 and Compliance Reviews, depending upon the type of regulated entity, to
 1998 determine compliance, and if Jurisdiction determines that Organic Waste
 1999 Generator, Self-Hauler, hauler, Tier One Commercial Edible Food Generator,
 2000 Food Recovery Organization, Food Recovery Service, or other entity is not in
 2001 compliance, it shall provide educational materials to the entity describing its
 2002 obligations under this ordinance and a notice [that compliance is required by](#)
 2003 [January 1, 2022, and that violations](#) may be subject to administrative civil penalties
 2004 [starting on January 1, 2024](#). Guidance: Jurisdictions may initiate the education
 2005 period prior to January 1, 2022, but no later than that date pursuant to SB 1383
 2006 Regulations (14 CCR Section 18995.1(a)(4)).
- 2007 (j) Civil Penalties for Non-Compliance
- 2008 Beginning January 1, 2024, if the Jurisdiction determines that an Organic Waste
 2009 Generator, Self-Hauler, hauler, Tier One or Tier Two Commercial Edible Food
 2010 Generator, Food Recovery Organization, Food Recovery Service, or other entity
 2011 is not in compliance with this ordinance, it shall document the noncompliance or
 2012 violation, issue a Notice of Violation, and take Enforcement Action pursuant to
 2013 Section 17, as needed. Guidance: 14 CCR Section 18995.4(a)(1) requires that
 2014 Jurisdictions initiate Enforcement Actions no later than January 1, 2024.
 2015 Jurisdiction may consider having penalties start earlier than January 1, 2024. If
 2016 so, it shall amend the dates in Sections 17(i) and 17(j) above to fit its
 2017 commencement date for enforcement.
- 2018 (k) Enforcement Table
- 2019 Guidance: While Jurisdictions are required to take Enforcement Actions against
 2020 regulated entities, Jurisdictions are not required to include an enforcement table in
 2021 their ordinance. The following table is provided as an informational tool to highlight
 2022 the primary requirements that a Jurisdiction may choose to include in an
 2023 enforcement table, based on the Model Ordinance requirements. If a Jurisdiction
 2024 includes such an enforcement table in their ordinance, they may choose to include
 2025 more items or delete items from the table depending upon the specifics of their
 2026 final ordinance and their enforcement program.
- 2027 Items in Table 1 below requiring enforcement by Jurisdictions using Performance-
 2028 Based Compliance Approach are indicated in the table with an asterisk (*).
 2029 Jurisdictions using the Performance-Based Compliance Approach should modify
 2030 the table to include only non-compliance items it plans to enforce.

2031 Jurisdictions using a one-container collection service shall include all items except
 2032 Organic Waste Generator and Commercial Business requirements.

2033 **Table 1. List of Violations (Optional)**

Requirement	Description of Violation
Commercial Business and Commercial Business Owner Responsibility Requirement Sections 6 and 7*	Commercial Business fails to provide or arrange for Organic Waste collection services consistent with Jurisdiction requirements and as outlined in this ordinance, for employees, contractors, tenants, and customers, including supplying and allowing access to adequate numbers, size, and location of containers and sufficient signage and container color.
Organic Waste Generator Requirement Section 4, 5, 6 and 7*	Organic Waste Generator fails to comply with requirements adopted pursuant to this ordinance for the collection and Recovery of Organic Waste.
Hauler Requirement Section, Section 11	A hauler providing residential, Commercial or industrial Organic Waste collection service fails to transport Organic Waste to a facility, operation, activity, or property that recovers Organic Waste, as prescribed by this ordinance.
Hauler Requirement Section 11	A hauler providing residential, Commercial, or industrial Organic Waste collection service fails to obtain applicable approval issued by the Jurisdiction to haul Organic Waste as prescribed by this ordinance.
Hauler Requirement Section 11	A hauler fails to keep a record of the applicable documentation of its approval by the Jurisdiction, as prescribed by this ordinance.
Self-Hauler Requirement Section 12	A generator who is a Self-Hauler fails to comply with the requirements of 14 CCR Section 18988.3(b).
Commercial Edible Food Generator Requirement Section 9*	Tier One Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food Recovery Service and comply with this Section commencing Jan. 1, 2022.
Commercial Edible Food Generator Requirement Section 9*	Tier Two Commercial Edible Food Generator fails to arrange to recover the maximum amount of its Edible Food that would otherwise be disposed by establishing a contract or written agreement with a Food Recovery Organization or Food Recovery

	Service and comply with this Section commencing Jan. 1, 2024.
Commercial Edible Food Generator Requirement Section 9*	Tier One or Tier Two Commercial Edible Food Generator intentionally spoils Edible Food that is capable of being recovered by a Food Recovery Organization or Food Recovery Service.
Organic Waste Generator, Commercial Business Owner, Commercial Edible Food Generator, Food Recovery Organization or Food Recovery Service Sections 6, 7, and 9*	Failure to provide or arrange for access to an entity's premises for any Inspection or investigation.
Recordkeeping Requirements for Commercial Edible Food Generator Section 9*	Tier One or Tier Two Commercial Edible Food Generator fails to keep records, as prescribed by Section 9.
Recordkeeping Requirements for Food Recovery Services and Food Recovery Organizations Section 10*	A Food Recovery Organization or Food Recovery Service that has established a contract or written agreement to collect or receive Edible Food directly from a Commercial Edible Food Generator pursuant to 14 CCR Section 18991.3(b) fails to keep records, as prescribed by Section 10.

2034 * Required for Jurisdictions using a Performance-Based Compliance Approach. Items
 2035 not marked with an * are not required for Jurisdictions using a Performance-Based
 2036 Compliance Approach. All items in the table are applicable to Jurisdictions using a
 2037 Standard Compliance Approach.

2038

2039 **SECTION 18. EFFECTIVE DATE**

2040 This ordinance shall be effective commencing on _____ (Jurisdiction
2041 to insert date of effectiveness.)

2042 Guidance: SB 1383 Regulations (14 CCR Section 18981.2(a)) require that an ordinance
2043 or other enforceable mechanism be in place no later than January 1, 2022. Jurisdiction is
2044 to determine whether to make this ordinance effective prior to January 1, 2022 to allow
2045 entities additional time to come into compliance with SB 1383 Regulations through
2046 outreach and education efforts provided by Jurisdiction, prior to Inspections, etc.
2047 Jurisdiction is required to provide education by February 1, 2022 at the latest, but six
2048 months or a year sooner for both education and effective date would give regulated
2049 entities more time to understand and comply, prior to Inspections beginning.



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: PUBLIC HEARING FOR THE ANNUAL ACTION PLAN FOR PROGRAM YEAR 2022-2023 & TO ADOPT 2022-2023 OBJECTIVES AND POLICIES

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow for the public to comment on the needs of low- and moderate-income residents in Moreno Valley.
2. Approve the proposed CDBG, HOME, and ESG Grant Objectives and Policies for the 2022-2023 Program Year.

SUMMARY

Every year, the Department of Housing and Urban Development (HUD) allocates federal grant monies to the City of Moreno Valley known as the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), and the Emergency Solutions Grants (ESG) Program. These grants are used to provide services to benefit low- and moderate-income persons. (See Attachment 2 for the most recent income levels). Eligible CDBG activities range from social services to capital improvements. HOME funds must be used toward the development of affordable housing programs, and ESG funds are used to assist people with housing stability and homelessness. HUD requires that cities concentrate their programs in areas determined to contain residents of which at least 51% earn low-to moderate-incomes. These areas are referred to as 'CDBG Target Areas'. (See Attachment 3 for a map of Moreno Valley's HUD Low-Mod Census Tracts/Blocks.)

As a condition for receiving Federal funding under the CDBG, HOME, and ESG

Programs, grantee cities must prepare an Annual Action Plan consistent with the 2018-2023 Consolidated Plan as amended July 17, 2019 (Consolidated Plan). The City will conduct two public hearings and a 30-day comment period to allow for public input in the development of these documents. The City Council is asked to open the PUBLIC HEARING to discuss and adopt Objectives/Policies and Collect Community Needs Comments. The Plan will address housing, homeless, and community development needs to be undertaken with federal funds under the CDBG, HOME, and ESG programs.

DISCUSSION

Consolidated Plan

The Consolidated Plan identifies the housing and community development needs of the City's low-and moderate-income community, as defined by HUD, and establishes the City's HUD-funded strategies for addressing these needs for a five-year period. It serves as the official application to HUD for the CDBG, HOME, and ESG Programs. Moreno Valley's existing Consolidated Plan was adopted in FY 2018/19 and is in effect through the end of FY 2022-2023, June 30, 2023. Program Year 2022-2023 will be the final year of our current Consolidated Plan.

The priorities for each category in the 2018-2023 Consolidated Plan are listed below:

- CDBG Housing and Community Development Funding Priorities
 1. Capital Improvement Activities
 2. Economic Development Activities
 3. Health, Safety and Public Welfare
 4. Housing and Neighborhood Improvement Activities
 5. Historic Preservation
 6. Slum or Blight Activities
- CDBG Public Service Funding Priorities
 1. Basic Needs Related to Social Services Programs (such as, but not limited to emergency food, shelter (homelessness), abused children advocacy, and utility assistance)
 2. Community Public Safety Programs
 3. Programs Offering Low-Cost Transportation
 4. Employment Services/Programs and Job (Skills) Training
 5. Free/Low-Cost Programs for School-Aged Youth
 6. Fair Housing Activities
- HOME Investment Partnerships Program (HOME) Funding Priorities
 1. Housing and Neighborhood Improvement Activities
- Emergency Solutions Grants (ESG) Program Funding Priorities
 1. Sheltering Homeless/Homeless Prevention Activities

Annual Action Plan

For each fiscal year represented within the 2018-2023 Consolidated Plan, entitlement cities must adopt a separate planning document called the Annual Action Plan. The Annual Action Plan identifies how the City will allocate CDBG, HOME, and ESG funds for the upcoming year while meeting the goals established in the Consolidated Plan. Each Annual Action Plan must include up-to-date Objectives and Policies for CDBG, HOME, and ESG Programs.

Prior to submittal of the FY 2022-2023 Annual Action Plan, the City will complete a series of sequential activities including three City Council meetings to:

1. Adopt current fiscal year Objectives and Policies,
2. Recommend CDBG, HOME and ESG Project Selections to Council, and
3. Adopt the program year Annual Action Plan.

An eligible use of CDBG monies is 'Public Services'. Public Services can include but not limited to food banks, homeless shelters, specialized counseling, foster youth services, and a variety of other services that benefit the City's low-to moderate-income households. HUD limits the monies that can be used toward Public Services to 15% of the overall annual CDBG allocation, which for Moreno Valley averages approximately \$2,000,000 per year. Because Public Service monies are limited and the demand is so high, staff has established a priority ranking within this objective category that assists in reaching decisions on which programs are best suited for the community within a given fiscal year.

After comprehensive research, including consideration of public input and review of various program reports, including those provided by the City's local non-profits currently serving the City's low-and moderate-income population, staff recommends the following priority ranking under the Public Service Objective:

1. 'Basic Needs' Related Social Services Programs such as, but not limited to, emergency food and shelter (homelessness), abused children advocacy, and utility assistance
2. Community Public Safety Programs
3. Programs offering Low-Cost Transportation
4. Employment Services/Programs and Job (Skills) Training
5. Free/Low-Cost programs for School-Aged Youth
6. Fair Housing Activities

Public Engagement

Citizen participation is one of the most important components of the Annual Action

Plan process. To solicit public input during the development of the plans, two public hearings and a 30-day comment period will be administered. Before the City can begin the project selection process for CDBG, HOME, and ESG, HUD requires the City to complete a mandatory 'Citizen Participation Process' and adopt objectives and policies that reflect the current needs of the community.

Moreno Valley's 'Citizen Participation Process'

The 'Citizen Participation Process' is intended to encourage active and informed participation in the CDBG, HOME, and ESG Programs by the community. Each year as part of this process, Moreno Valley holds community-based Public Meetings and Public Hearings to receive input on the current needs of its low-to moderate-income residents. Attendees are asked to comment on issues and problems affecting low-to moderate-income persons so that the City can make informed funding decisions.

Comments received at these meetings are taken into consideration when forming the Objectives and Policies for the program year.

<u>Preliminary Dates</u>	<u>Event</u>
Tuesday, October 26, 2021	Public Meeting 1: Finance Subcommittee to Review Action Plan Calendar and FY 2022-23 Objectives/Policies
Tuesday, December 7, 2021	Public Hearing 1: Public Hearing to Adopt FY 2022-23 Objectives/Policies & Collect Community Needs Comments
Thursday, December 16, 2021	Notice of Funding Availability (NOFA) Available. APPLICATIONS AVAILABLE FOR DISTRIBUTION.
Thursday, January 6, 2022	Application Workshop
Friday, January 31, 2022	Applications Due from Applicants
Tuesday, March 22, 2022	Public Meeting 2: Open Technical Review Committee during Finance Subcommittee Meeting
Tuesday, April 19, 2022	Public Hearing 2: Public Hearing to Review Project Recommendations as issued by the Finance Subcommittee
Tuesday, May 3, 2022	Public Hearing 3: Approve Annual Action Plan
Friday, May 13, 2022	Submittal of 2022-23 Action Plan to HUD

Purpose of Objectives and Policies

In accordance with HUD's requirements, Moreno Valley's Objectives and Policies must be re-evaluated each year to ensure they adequately reflect the current needs of the community. The updated Objectives and Policies must then be adopted by the City Council for the upcoming CDBG, HOME, and ESG program year. Objectives and Policies primarily focus on: (1) defining the City's funding

priorities, (2) offering project selection criteria, and (3) providing guidance for staff when reviewing and recommending programs and projects for funding. Both are distributed to non-profit agencies who are interested in applying for funding to develop a local social service program in Moreno Valley and convey important information about the eligible categories of programs and the City's priorities for local organizations.

30-Day Public Comment Period

In accordance with the City's Citizen Participation Plan as amended (Attachment 4), the City will release the draft 2022-2023 Annual Action Plan for public comment. The documents will be made available to the public for a 30-day review and comment period beginning on March 31, 2022 and ending on May 3, 2022.

ALTERNATIVES

The City Council has the following alternatives:

1. City Council may conduct a Public Hearing, receive comments, and adopt the proposed CDBG, HOME, and ESG Objectives and Policies as listed on Attachment 1. Staff recommends this alternative as doing so will meet HUD's requirements, as well as provide the public and staff with direction regarding funding proposals for FY 2022-2023.
2. City Council may choose not to adopt the proposed CDBG, ESG, and HOME Objectives and Policies as listed on Attachment 1. Staff does not recommend this alternative because it would delay the necessary measures to meet HUD's established deadline for submission of these documents.

FISCAL IMPACT

The City, as an entitlement city for CDBG, HOME, and ESG funds, receives grant funds every year to carry out eligible housing and community development activities. Further, staffing costs for administering the CDBG, HOME, and ESG programs are covered by an administration cap within each program. No General Fund money is used for the CDBG, HOME, or ESG programs; therefore, there is **NO FISCAL IMPACT TO THE GENERAL FUND.**

NOTIFICATION

Notice of this meeting was published in the local edition of the Press-Enterprise newspaper on November 18, 2021 and in the Spanish-language newspaper, La

Prensa, November 19, 2021.

This item is also scheduled for review by the Finance Subcommittee on November 23, 2021.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Deputy Finance Director

Department Head Approval:
Brian Mohan
Assistant City Manager/Chief Financial
Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Attachment 1_FY 22-23 Objectives and Policies
- 2. Attachment 2_2021 HUD Income Limits Summary
- 3. Attachment 3_CDBG_HUD_Tracts
- 4. Attachment 4_FY 22-23 Citizen Participation Plan

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 8:26 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:22 AM

City of Moreno Valley

Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) & Emergency Service Grant (ESG)

Objectives and Policies FY 2022-2023

The City of Moreno Valley (“City”) has established the following Objectives and Policies in order to give maximum priority to projects and activities that will benefit low-to-moderate income residents. Proposed programs for the upcoming year should fit into one of the categories of Program Objectives.

The Housing and Urban Development (“HUD”) CDBG programs must also fit into one of the listed National Objectives. Staff will abide to the given policies when reviewing proposed programs for potential funding.

CDBG NATIONAL OBJECTIVES

In order for an activity or program to be eligible for CDBG funding, it must qualify as meeting one or more of the following three national objectives as well as one of the general program objectives below:

- 1) Activities Benefiting Low- and Moderate-income Persons and/or Households:
A low-to-moderate income person or household is one having an income equal to or less than the Section 8 lower income limits established by HUD. This objective includes direct services to the low-to-moderate income, services benefitting a low-income area, or ‘limited clientele’, who are designated groups presumed by HUD to automatically qualify as low-to-moderate income.
- 2) Activities Which Aid in the Prevention or Elimination of Slums or Blight:
This objective can be achieved on a spot basis, area basis, or address blight in a designated urban renewal area.
- 3) Activities Designed to Meet Community Development Needs Having a Particular Urgency: This objective is given priority under formally declared state of emergencies and is normally used to alleviate urgent conditions caused by major catastrophes, natural disasters, or other emergencies that presents a serious and immediate threat to the health and welfare of the community.

ESG COMPONENTS

ESG funding must qualify as meeting a component that will assist, protect, and improve living conditions for the homeless.

- 1) Street Outreach: Meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services.
- 2) Emergency Shelter: Increase the quantity and quality of temporary shelters provided to homeless people, through the renovation of existing shelters or conversion of buildings to shelters, paying for the operating costs of shelters, and providing essential services.
- 3) Rapid Re-Housing: Move homeless people quickly to permanent housing through housing relocation and stabilization services and short- and/or medium term rental assistance.
- 4) Homelessness Prevention: Prevent an individual or family from moving into an emergency shelter or living in a public or private place not meant for human habitation through housing relocation and stabilization services and short- and/or medium-term rental assistance
- 5) Homeless Management Information System (HMIS): Fund ESG recipients' and subrecipients' participation in the HMIS collection and analyses of data on individuals and families who are homeless and at-risk of homelessness.

HOME ELIGIBLE ACTIVITIES

HOME funds are to develop and support the supply of affordable rental housing and homeownership affordability through acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing (including manufactured housing).

- Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing.
- Conversion of an existing structure to affordable housing is rehabilitation, unless the conversion entails adding one or more units beyond the existing walls, in which case, the project is new construction for purposes of this part.

GENERAL PROGRAM OBJECTIVES

(listed alphabetically)

Capital Improvement Activities (CDBG)

Acquisition, design, construction, and installation of needed public facilities and improvements located in CDBG income eligible Census Tracts (“Target Areas”) within the City where infrastructure is missing or substandard. Public facilities and improvements may include the Americans with Disabilities Act (ADA) compliant ramps and sidewalk improvements, storm drains, and water and sewer lines. Improvements shall facilitate pedestrian activity, eliminate flooding, and provide for safer streets within the Target Areas.

Economic Development Activities (CDBG)

Expanded economic opportunities through micro-enterprise loan programs and counseling as well as employment and job skills programs to create and retain jobs for low-and-moderate income persons.

Fair Housing Activities (CDBG)

The promotion of housing choice and support of state and federal fair housing laws to ensure that all residents have access to a decent home in a suitable living environment in the City. Fair Housing activities are met by promoting and affirmatively furthering equitable housing opportunities through education, counseling, enforcement, and training.

This objective also includes the prevention of foreclosure through counseling, mediation, and case management for homeowners facing mortgage delinquency, default, or any stage of foreclosure, thereby maintaining safe, stable neighborhoods and community.

Health, Safety, and Public Welfare

Eliminating conditions that are detrimental to health, safety, and public welfare through interim rehabilitation, community policing, abused child advocacy services, etc.

Historic Preservation (CDBG)

Restoring and preserving properties formally designated as historic structures.

Homelessness/Homeless Prevention Activities (ESG)

Improve the quality of life for the city’s homeless and those threatened with homelessness by extending emergency services aimed at assisting, protecting,

and improving the living conditions and ultimately stabilizing the housing situation of those individual(s).

Housing and Neighborhood Improvement Activities (CDBG and HOME)

Conserving and improving housing stock through rehabilitation of units occupied by low-and-moderate income households. Activities are designed to: (1) improve existing substandard or deteriorated housing stock that does not meet building, safety, or fire code and (2) achieve the goals identified in the City's Consolidated Plan.

Public Service Activities (CDBG)

Improving the quantity and quality of public services, principally for low-and-moderate income persons, including the homeless, elderly, and disabled. The following services are identified by order of priority:

- (1) 'Basic Needs' Related Social Services Programs such as, but not limited to, emergency food and shelter (homelessness), abused children advocacy and utility assistance
- (2) Community Public Safety Programs
- (3) Programs offering Low-Cost Transportation
- (4) Employment Services/Programs and Job (Skills) Training
- (5) Free/Low-Cost programs for School-Aged Youth
- (6) Fair Housing Activities

Slum or Blight Activities (CDBG)

Elimination of slums and blight in order to prevent the deterioration of City neighborhoods, principally in the CDBG Target Areas.

POLICIES

In order to meet the objectives and ensure efficient use of CDBG, HOME, and ESG funds, the following policies have been established:

City Projects and Programs

Certain public improvements, such as storm drains, curb, gutter, and sidewalks that provide long-term benefits to improve low-and-moderate income CDBG Target Areas may at the Council's discretion be given priority. Additional examples of these City sponsored programs include Community Policing and Neighborhood Clean-ups.

Provider Collaboration

Providers (local non-profits) that intend to provide similar services and programs to Moreno Valley's low-and-moderate income residents shall be given funding priority for combining resources and efforts into a single program. Providers should complete and submit a single CDBG, ESG and/or HOME application on behalf of the collaborating group. Funding priority would be given at the time of the application review based on critical factors such as goals and service area/persons benefited that align with those of the City's, prior accomplishments with similar grant programs for the City, completeness of the application, organizational and technical competency, etc.

Local Services

Providers that are located in the City will be given funding priority when they are providing services equivalent to those offered by providers located outside the City. The ultimate goal is to have services available and accessible within the City limits to serve all residents, especially those of low-and-moderate income. Prior to final selection of projects, other factors such as record of accomplishments and experience will need to be considered.

Minimum Grant Level

A minimum grant level of \$15,000 for CDBG, \$25,000 for HOME, and \$50,000 for ESG (excluding Homelessness Management Information Systems) has been established for the purpose of ensuring the most efficient use of these funds.

Project and Program Funding

Pre-existing Projects and Programs having other funding sources will be given priority. Grant funding is intended to supplement a project or a program and not be its full and only funding source.

Federal funding varies from year to year, as do the needs of the community. Therefore, it is important for a project or program to sustain itself should City funding not be available. Such an approach will also provide for the maximum leveraging and impact.

Minimal Applicant Requirements

In order to ensure an applicant is adequately qualified to administer an activity per the federal statutes and regulations, a set of minimal applicant requirements shall be established for inclusion in the grant application. The requirements shall be reasonable and comply with HUD regulations and best practice recommendations. It is preferred that an applicant have a minimum of three years of successful grant management experience. This may be supported by written documentation; for example, unqualified audit opinion letter.

Multi-Year Agreements

The City shall execute a standard subrecipient agreement and offer the possibility of multi-year agreements when deemed reasonable. Extensions shall be issued only in instances where funding and time restrictions allow.

ESG Match Requirements

Federal regulations require a 100% match for the ESG program. The City shall require the subrecipient be responsible for the full match. The match may be met with a combination of cash or in-kind services. Additionally, HUD regulations allow for the match to come from other grant sources.

Proof of 100% match is required prior to a notice to proceed and the execution of a contract with the City. Initial documentation of proof of match shall be provided with the application for evaluation. Final verifiable third-party documentation providing proof of award and availability of funds shall be provided before entering into agreement with the City. If proof of award cannot be provided, then any award of ESG funds will be adjusted as necessary based on the available verified match.

Program Costs

The City must ensure that all costs charged to the grants are allowable, allocable and reasonable for the proper performance and administration of the award. Direct and indirect project costs should be reasonable relative to the total costs of the project/program. An approved indirect cost rate must be provided in order to recover indirect costs.

CITY OF MORENO VALLEY
CDBG 2021 INCOME LIMITS
 Revised Annually by the Dept. of Housing & Urban Development (HUD)

Annual Income Level	% of Area Median	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Extremely Low Income	30%	\$ 16,600	\$ 19,000	\$ 21,350	\$ 23,700	\$ 25,600	\$ 27,500	\$ 29,400	\$ 31,300
Very Low Income	50%	\$ 27,650	\$ 31,600	\$ 35,550	\$ 39,500	\$ 42,700	\$ 45,850	\$ 49,000	\$ 52,150
Low/Moderate Income	80%	\$ 44,250	\$ 50,600	\$ 56,900	\$ 63,200	\$ 68,300	\$ 73,350	\$ 78,400	\$ 83,450

Effective: June 1, 2021

<https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

Attachment: Attachment 2_2021 HUD Income Limits Summary (5578 : PUBLIC HEARING FOR THE ANNUAL ACTION PLAN FOR PROGRAM

CITY OF MORENO VALLEY
2021 ADJUSTED HOME INCOME LIMITS
 Revised Annually by the Dept. of Housing & Urban Development (HUD)

Annual Income Level	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Extremely Low Income (30%)	\$ 16,600	\$ 19,000	\$ 21,350	\$ 23,700	\$ 25,600	\$ 27,500	\$ 29,400	\$ 31,300
Very Low Income (50%)	\$ 27,650	\$ 31,600	\$ 35,550	\$ 39,500	\$ 42,700	\$ 45,850	\$ 49,000	\$ 52,150
60% Limits	\$ 33,180	\$ 37,920	\$ 42,660	\$ 47,400	\$ 51,240	\$ 55,020	\$ 58,800	\$ 62,580
Low/Moderate Income (80%)	\$ 44,250	\$ 50,600	\$ 56,900	\$ 63,200	\$ 68,300	\$ 73,350	\$ 78,400	\$ 83,450

Effective: June 1, 2021

https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_CA_2021.pdf

CITY OF MORENO VALLEY

2021 HUD Emergency Grants Solutions Program Income Limits

Revised Annually by the Dept. of Housing & Urban Development (HUD)

ESG 30% Extremely Low Income

Median	Number of Persons in Household							
	1	2	3	4	5	6	7	8
\$ 77,500	\$16,600	\$19,000	\$21,350	\$23,700	\$25,600	\$27,500	\$29,400	\$31,300

Effective Date: April 1, 2021

<https://www.huduser.gov/portal/datasets/il/il21/IncomeLimits-30-FY21.pdf>**ESG-CV 50% Very Low Income**


Median	Number of Persons in Household							
	1	2	3	4	5	6	7	8
\$ 77,500	\$ 27,650	\$ 31,600	\$ 35,550	\$ 39,500	\$ 42,700	\$ 45,850	\$ 49,000	\$ 52,150

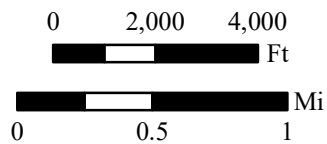
Effective Date: April 1, 2021

<https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>

CITY OF MORENO VALLEY HUD LOW-MOD CENSUS TRACTS/BLOCK 2021

EFFECTIVE DATE: JULY 1, 2021

 HUD Low-Mod Tracts/BlkGrps

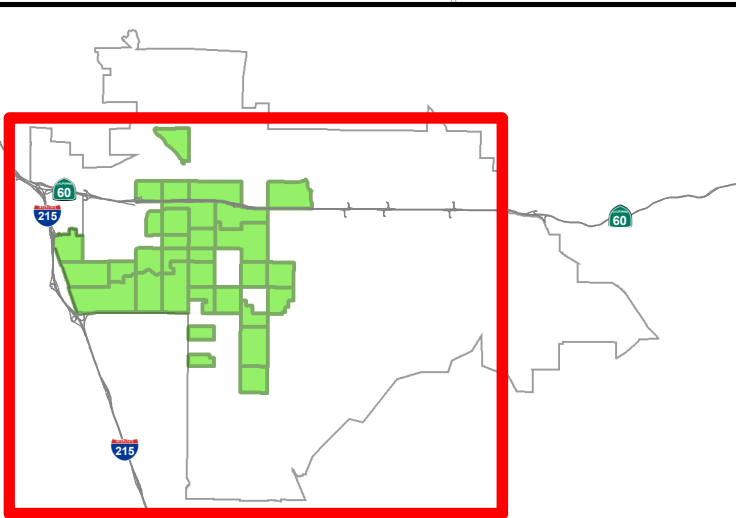
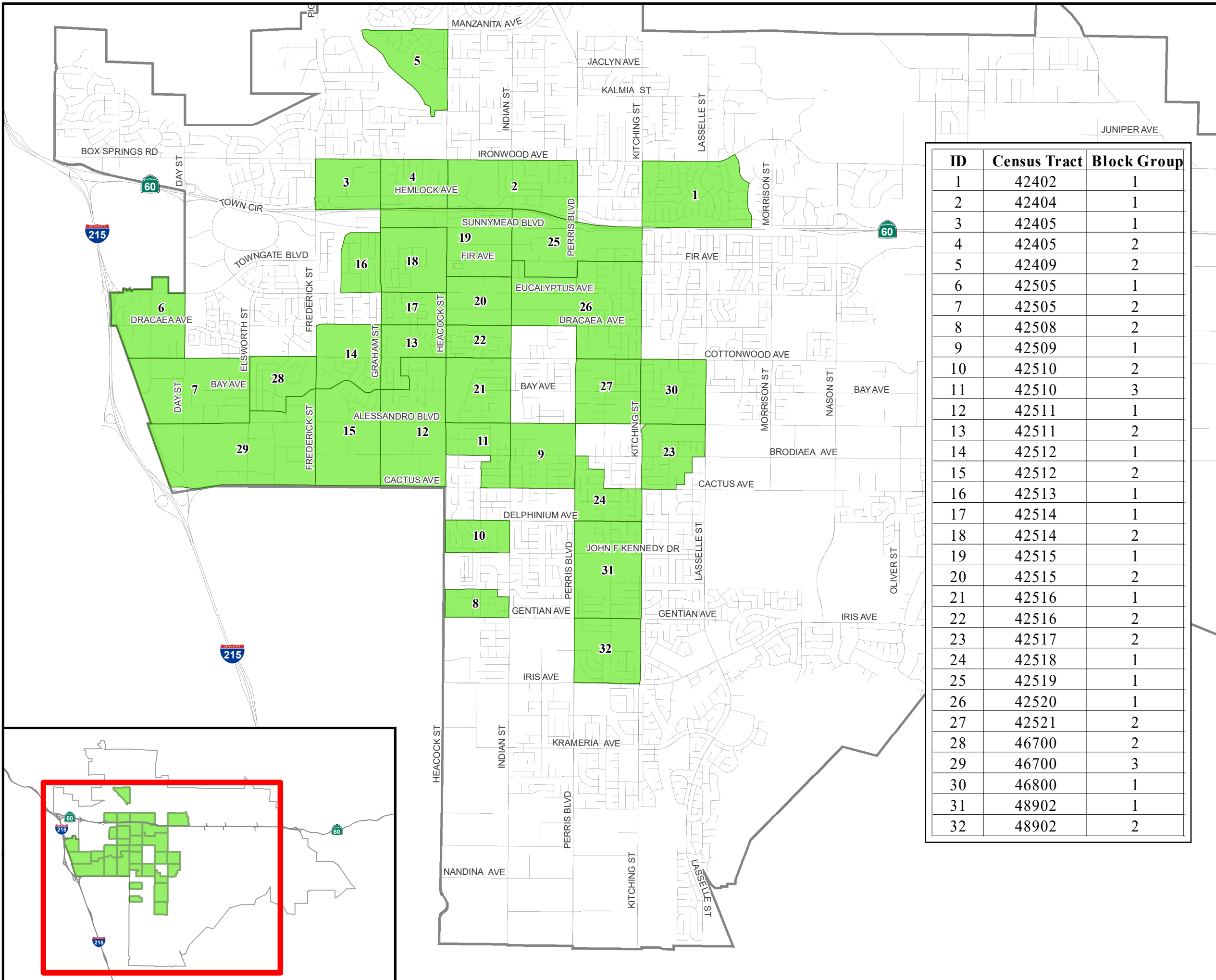


Map Produced by Moreno Valley Geographic Information System
Geographic Information in:
State Plane NAD 83 California Zone 6 Feet
G:\Divisions\Finance\2021\MXD\
CDBG_HUD_Tracts050621B.mxd
06 May 2021

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Riverside County and City of Moreno Valley will not be held responsible for any claim losses or damages resulting from the use of this map.



ID	Census Tract	Block Group
1	42402	1
2	42404	1
3	42405	1
4	42405	2
5	42409	2
6	42505	1
7	42505	2
8	42508	2
9	42509	1
10	42510	2
11	42510	3
12	42511	1
13	42511	2
14	42512	1
15	42512	2
16	42513	1
17	42514	1
18	42514	2
19	42515	1
20	42515	2
21	42516	1
22	42516	2
23	42517	2
24	42518	1
25	42519	1
26	42520	1
27	42521	2
28	46700	2
29	46700	3
30	46800	1
31	48902	1
32	48902	2



Attachment: Attachment 3_CDBG_HUD_Tracts (5578) : PUBLIC HEARING FOR THE ANNUAL ACTION PLAN FOR PROGRAM YEAR 2022-2023 &



FISCAL YEAR 2022/23
CITIZEN PARTICIPATION PLAN

City of Moreno Valley
Financial & Management Services Dept.
Financial Operations Division
14177 Frederick St. PO Box 88005
Moreno Valley, CA 92552-0805

FISCAL YEAR 2022/23 CITIZEN PARTICIPATION

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM
EMERGENCY SOLUTIONS GRANTS (ESG) PROGRAM**

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Attachment: Attachment 4_FY 22-23 Citizen Participation Plan (5578 : PUBLIC HEARING FOR THE ANNUAL ACTION PLAN FOR PROGRAM

**CITY OF MORENO VALLEY
CONSOLIDATED PLAN 2018-2023**

CITIZEN PARTICIPATION PLAN

INTRODUCTION

The City of Moreno Valley is required by law to have a detailed Citizen Participation Plan which contains the City's policies and procedures for public involvement in the Consolidated Plan process and the use of CDBG, HOME, and ESG funds. The Moreno Valley Citizen Participation Plan was developed pursuant to the U.S. Department of Housing and Urban Development (HUD), Consolidated Submission for Community Planning and Development Programs, as required under 24CFR Part 91 and Part 8. The Citizen Participation Plan provides the method and process by which the City of Moreno Valley will encourage citizen participation in the development of its Consolidated Plan. Through this plan, citizens will be afforded the opportunity to provide input regarding housing and community development needs, issues and problems affecting low-and moderate-income persons, the development of strategies, project selections and funding distributions.

CARES Act provisions responding to COVID-19 pandemic

The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act), Public Law 116-136, was signed by President Trump on March 27, 2020 and made available \$5 billion in U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Coronavirus (CDBG-CV) funds and \$1 billion in Emergency Solutions Grants Program Coronavirus funds (ESG-CV) to prevent, prepare for, and respond to the coronavirus (COVID-19). Of this amount, HUD is immediately allocating \$2 billion of CDBG-CV funds and \$1 billion in ESG-CV funds based on the fiscal year 2020 entitlement formula.

In addition, HUD has granted certain waivers regarding public noticing and the public comment period normally required in a recipient agency's Citizen Participation Plan for Substantial Amendments to accelerate the implementation of selected eligible activities for the CDBG-CV and ESG-CV funds and to quickly respond to the growing spread and effects of COVID-19. The City has notified HUD of its election of two of the waivers as further explained below under *D. Amendments to the Annual Action Plan*.

Encouraging Public Participation

The law requires that the City's Citizen Participation Plan both provide for and encourage public participation, emphasizing involvement by low and moderate-income people, especially those living in low-and moderate-income neighborhoods (see page 15, CDBG Target Area Map). Also, HUD expects the City to take whatever actions are appropriate to encourage the participation of minorities, people who do not speak English, and people with disabilities.

The City also maintains a distribution list of persons, agencies, and organizations that have

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

expressed interest in the City’s CDBG, HOME, and ESG programs. Notifications of events, such as the Community Needs Assessment meetings, are e-mailed directly to those on the distribution list to encourage public participation.

The Role of Low Income People

The law declares that the primary purpose of the programs covered by this Citizen Participation Plan is to improve communities by providing: decent housing, a suitable living environment, and growing economic opportunities – all for principally low and moderate-income people.

The City of Moreno Valley will provide the Riverside County Public Housing Authority with a copy of all Public Notices that are published during the Consolidated Plan process. The City encourages input from residents of public housing developments and via the Public Housing Authority; residents are notified of Community Needs Meetings as well as Public Hearings.

Because the amount of federal CDBG, HOME, and ESG money the City receives each year is mostly based upon the severity of both poverty and substandard housing conditions in the City, it is necessary that public participation genuinely involve low- income residents who experience these conditions. Genuine involvement by low- income people must take place at all stages of the process, including:

- Identifying needs
- Setting priorities among these needs, deciding how much money should be allocated to each high-priority need and suggesting the types of programs to meet high-priority needs
- Overseeing the way in which programs are carried out

The Various Stages of the Consolidated Plan Process

The policies and procedures in this Citizen Participation Plan relate to several stages of action mentioned in law or regulation. In general, these stages or events include:

1. Identification of community and housing needs (via Public Hearing(s))
2. Preparation of a draft use of funds for the upcoming year, called the Proposed Annual Action Plan (Public Hearing required)
3. Formal approval by the City Council of the Final Annual Action Plan (via a Public Hearing)
4. In the case where it is necessary to change the use of money already budgeted in an Action Plan or change priorities, a Substantial Amendment will be proposed (completed via Public Hearing)
5. After the program year is complete, a Consolidated Annual Performance and Evaluation Report (CAPER) is drafted for public review and comment and then submitted to HUD.

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

The Program Year

The program year for Moreno Valley coincides with the City’s fiscal year running from July 1st through June 30th.

PUBLIC NOTICES

Items Covered by the Public Notice Requirement

Advance public notice is provided once a federally required document is available for public review and comment, such as the Annual Action Plan or Consolidated Plan. In addition, advance public notice of all Public Hearings and public meetings is provided at least two weeks in advance.

Public Notice Schedule

Advance notice of all available documents, Public Hearings and public meetings is provided at least two weeks in advance. The notices will give residents a clear understanding of the event being announced. The following is a general timeline of when public notices are published:

<i>October</i>	Notice of Community Needs Meetings/Public Hearings
<i>October</i>	Notice of Public Hearing to Identify Community Needs
<i>December</i>	Notice of Funding Availability and Application Process
<i>March</i>	Notice of Public Hearing to Discuss Proposed Action Plan
<i>March</i>	Notice of Action Plan Availability for Public Review
<i>March</i>	Notice of Public Hearing to Adopt Final Action Plan
<i>As Needed</i>	Notice of Availability of Amendment to Consolidated/Action Plan
<i>As Needed</i>	Notice of Public Hearing to Amend Consolidated/Action Plan

Forms of Public Notice

Public notices are published in the Press-Enterprise Newspaper as display advertisements in the non-legal section of the local edition. A copy of the public notice will be sent to any person or organization requesting to be on the mailing list.

PUBLIC ACCESS TO INFORMATION

As required by law, the City will provide the public with reasonable and timely access to information and records relating to the data or content of the Consolidated Plan, as well as the proposed, actual and past use of funds covered by the Citizen Participation Plan. Regarding the past use of funds, the law requires reasonable public access to records about any uses of these funds during the previous five years.

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

Also, the City will provide the public with reasonable and timely access to local meetings relating to the proposed or actual use of funds.

Standard Documents

Standard documents include:

- The proposed and final Annual Action Plans
- The proposed and final Five-Year Consolidated Plan (CONPLAN)
- Proposed and final Substantial Amendments to either an Annual Action Plan or the Five-Year Consolidated Plan
- Consolidated Annual Performance and Evaluation (CAPER) Report
- Citizen Participation Plan

Availability of Standard Documents

All documents are available for immediate public review at City Hall in the Financial & Management Services Department. Copies of standard documents that are not currently posted for public review will be provided to the public within five working days of the request at no cost. Copies of draft documents such as the Action Plan and CAPER are available at several locations for public review. These locations are: The Library, the Community Senior Center, City Hall, and the Conference and Recreation Center, along with the City’s public website. Documents remain at each of the designated locations for the entire required review time that is specified in the applicable public notice. All final documents are available for public review at City Hall during normal business hours.

PUBLIC HEARINGS

Public Hearings are required by law to obtain the public’s views and to provide the public with the City’s responses to public questions and proposals. The law requires a minimum of two public meetings at two different stages of the process. The City will conduct two Public Hearings and additional Public Meetings at the following stages of the process: Identifying Needs, Proposed Annual Action Plan (Project Selection), and the Final Annual Action Plan adoption. Public Hearings are also conducted for amendments to the Annual Action Plan as needed.

Access to Public Hearings

Public Hearings will be held only after there has been adequate notice as described in the “Public Notice” part of this Citizen Participation Plan, including a display advertisement in the non-legal section of the newspaper at least two weeks prior to the Public Hearing. Public Hearings are conducted during the regularly scheduled City Council meetings.

Public Hearings and Populations with Unique Needs

All Public Hearings will be held at locations accessible to people with disabilities and provisions will be made for people with disabilities when requests are made within at least five working days prior to a hearing. Translators will be provided for people who do not speak English when requests are made at least five working days prior to a hearing.

Conduct of Public Hearings

To ensure that Public Hearings are meaningful to residents, each Public Hearing will be conducted in the presence of the City Council. Each resident choosing to speak will be allowed a maximum of three minutes to make a verbal presentation.

The following is a general timeline of when public hearings are conducted during the process:

November	Public Hearing to Identify Community Needs
April	Public Meeting to Discuss Proposed Annual Action Plan
May	Public Hearing to Adopt Final Annual Action Plan As
needed	Public Hearing to Amend Consolidated/Action Plan

STAGES IN THE PROCESS

A. IDENTIFYING NEEDS

Because the housing and community development needs of low and moderate-income people are so great and so diverse, priorities must be set to decide which needs should get more attention and more resources than other needs. This is the basic reason the Consolidated Plan exists.

A Public Hearing is required to obtain resident’s opinions about needs and what priority those needs have. To encourage public involvement, a Public Hearing is conducted to allow residents to express comments regarding the needs of the City’s low and moderate-income populations. The Public Hearing about community needs will be completed at least 15 days before a draft Annual Action Plan is published for comment so that the needs identified can be considered by the City and addressed in the draft Annual Action Plan.

B. THE PROPOSED ANNUAL ACTION PLAN (AND/OR FIVE-YEAR CONPLAN)

The law providing the funds covered by the Citizen Participation Plan calls for improved accountability of jurisdictions to the public. In that spirit, and in compliance with the terms of the law, the City will use the following procedures:

At the beginning of this stage, the City will provide the public with an estimate of the amount of CDBG, HOME, and ESG funds it expects to receive in the upcoming year, along with a description of the range of types of activities that can be funded with these resources. Also,

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

the public will be given an estimate of the amount of these funds that will be used in ways that will benefit low and moderate-income people.

Displacement and Relocation

The City does not have any plans to displace or relocate any residents from their homes using CDBG, HOME, or ESG funds. If a project necessitated displacement or relocation, it would be done in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), which requires preparation of an “anti-displacement plan.” The anti-displacement plan would describe how the City would compensate people who are displaced because of the use of the funds, specifying the type and amount of compensation.

Technical Assistance

City Staff will work with organizations and individual’s representative of low-and moderate-income people who are interested in submitting a proposal to obtain funding for an activity. All potential applicants for funding are encouraged to contact City staff for technical assistance before completing a proposal form.

Availability of a Proposed Annual Action Plan

Within 3 weeks after the Public Hearing about the Proposed Annual Action Plan, the City will make the Proposed Annual Action Plan available to the public. In addition, copies will be available at the locations specified above in the section, “Public Access to Information.” A public notice will be published at least two weeks prior to the document’s availability. The term “notice” described earlier in the section on “Public Notice” will be used.

Also, the date the Proposed Annual Action Plan is available to the public will be at least 30 days prior to the date a Final Annual Action Plan is approved by the City Council so that low and moderate-income people will have a reasonable opportunity to examine it and to submit comments.

Public Hearing and Further Action

A Public Hearing about the Proposed Annual Action Plan will be conducted by the City Council within 30 days before it is available to the public. In addition, this Public Hearing will be held so that there are at least another 30 days before the Final Annual Action Plan is approved by the City Council so that the elected officials can consider the public’s comments from the Public Hearing.

In preparing a Final Annual Action Plan, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the Public Hearing or submitted in writing during the review and comment period. The Final Annual Action Plan

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

will have a section that presents all comments and explains why any comments were not accepted.

C. THE FINAL ANNUAL ACTION PLAN (AND/OR FIVE-YEAR CONPLAN)

Copies of the Final Annual Action Plan will be made available to the public at City Hall for review. Copies can be obtained free of charge and within five business days of the request.

D. AMENDMENTS TO THE ANNUAL ACTION PLAN (AND/OR FIVE-YEAR CONPLAN)

The Final Annual Action Plan will be amended any time there is: a change in one of the Priorities presented on the HUD-required Priority Table, a change in the use of money to an activity not mentioned in the Final Annual Action Plan, or a change in the purpose, location, or scope of beneficiaries of an activity. The public will be notified whenever there is an amendment.

Substantial Amendments

The following will be considered “substantial” amendments:

1. A change in the use of CDBG, HOME, or ESG money from one activity to another.
2. The elimination of an activity originally described in the Annual Action Plan.
3. The addition of an activity not originally described in the Annual Action Plan.
4. A change in the purpose of an activity, such as a change in the type of activity or its ultimate objective – for example, a change in a construction project from housing to commercial.
5. A meaningful change in the location of an activity.
6. A change in the type or characteristics of people benefiting from the activity. Among the “characteristics” are:
 - a. The HUD-recognized income levels of: 0-30 percent of Area Median Income (AMI); between 31 and 50 percent AMI; and between 51 to 80 percent AMI
 - b. Race or ethnicity
 - c. Renter or homeowner
 - d. Single households, small households (two to four persons), large households (five or more persons)
7. A 20% decrease in the number of low and moderate-income people benefiting from an activity.
8. A change in the scope of an activity, such that there is a 20% increase or decrease in the amount of money allocated to the activity.

Public Notice and Public Hearing for Substantial Amendments

There must be reasonable notice of a proposed Substantial Amendment so that residents will have an opportunity to review it and comment on it. Notice will be made according to

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

the procedures described earlier in this Citizen Participation Plan, with the addition of the following procedures specifically for Substantial Amendments:

1. There will be advanced notice of the availability of a proposed Substantial Amendment 30 days before there is a Public Hearing.
2. A detailed written description of the proposed Substantial Amendment will be made available to the public. Also, copies will be available at the locations indicated earlier in this Citizen Participation Plan under “Public Access to Information.”
3. There will be a Public Hearing regarding the proposed Substantial Amendment conducted by the City Council. This Public Hearing will not take place until the public has had 30 days to review the proposed Substantial Amendment.
4. The Public Hearing will be held no sooner than two weeks prior to submission to HUD.
5. In preparing the Final Substantial Amendment, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the Public Hearing or submitted in writing during the review and comment period. The Final Substantial Amendment will have a section that presents all comments and explains why any comments were not accepted.

Public Notice and Public Hearing for Substantial Amendment-CARES Act

The City has notified the LA HUD office of its election of eligible CARES Act waivers to Citizen Participation public noticing and comment period to accelerate the implementation of selected eligible activities for the CDBG-CV and ESG-CV funds and to quickly respond to the growing spread and effects of COVID-19.

Notice of Public Hearing and public comment period for any FY 2019/20 Substantial Amendment for the CARES Act funds (CARES Act Amendment) will be at least five days in advance as allowed by HUD waivers. The notices will give residents a clear understanding of the event being announced.

There must be reasonable notice of a proposed CARES Act Amendment so that residents will have an opportunity to review it and comment on it. Notice will be made according to the procedures described earlier in this Citizen Participation Plan for SA- CARES Act, with the addition of the following procedures specifically for CARES Act Amendment:

1. There will be advanced notice of the availability of a proposed Substantial Amendment at least 5 days before there is a Public Hearing.
2. A detailed written description of the proposed CARES Act Amendment will be made available to the public. Also, copies will be available at the locations indicated earlier in this Citizen Participation Plan under “Public Access to Information.”
3. There will be a Public Hearing regarding the proposed CARES Act Amendment conducted by the City Council. This Public Hearing will not take place until the public has had at least 5 days to review the proposed CARES Act Amendment.
4. The Public Hearing will be held no sooner than two days prior to submission to HUD.

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

5. If social distancing orders relating to the COVID-19 outbreak are still being enforced, the City will provide video/audio access to the public through video conferencing medium such as Zoom.
6. In preparing the Final Substantial Amendment, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the Public Hearing or submitted in writing during the review and comment period. The final CARES Act Amendment will have a section that presents all comments and explains why any comments were not accepted.

E. CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

Every program year the City must submit to the Department of Housing and Urban Development (HUD) a Consolidated Annual Performance and Evaluation Report (CAPER) within 90 days of the close of the program year. In general, the CAPER must describe how funds were used during the program year and the extent to which these funds were used for activities that benefited low and moderate-income people.

Public Notice for the Consolidated Annual Performance and Evaluation Report (CAPER)

There must be reasonable notice that the Consolidated Annual Performance and Evaluation Report (CAPER) is available so that residents will have an opportunity to review it and comment on it. Notice will be made according to the procedures described earlier in this Citizen Participation Plan, with the addition of the following procedures specifically for the CAPER:

1. The City will publish a notice of CAPER availability two weeks in advance of the public review period.
2. A complete copy of the CAPER will be made available to the public at the locations indicated earlier in the Citizen Participation Plan under “Public Access to Information.”
3. The public will have a minimum of 15 days to review and provide comments on the CAPER.
4. In preparing the CAPER for submission to HUD, careful consideration will be given to all comments and views expressed by the public. The CAPER sent to HUD will have a section that presents all comments and explains why any comments were not accepted.

Contents of the CAPER

The CAPER provides details on the actions taken by the City and the accomplishments completed during the previous program year. Accomplishments include the number of low and moderate-income persons served and the ethnicity of those individuals. Also provided are expenditures taken during the year and funds spent undertaking each activity.

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

COMPLAINT PROCEDURES

Comments, suggestions or complaints may be addressed to the Financial & Management Services Department as follows:

City of Moreno Valley
Financial & Management Services Department
Attn: Financial Operations Division
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805
(951) 413-3450

All written complaints from the public will receive a meaningful written response within 15 working days after receipt.

CHANGES TO THE CITIZEN PARTICIPATION PLAN

The Citizen Participation Plan can be changed only after the public has been notified of the intent to modify it, and only after the public has had a reasonable chance to review and comment on proposed substantial changes to it.

Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME),
Emergency Solutions Grants Program (ESG) – FY 2022/23 Citizen Participation Plan

FY 2022/23 Annual Action Plan & Citizen Participation Schedule

Date	Event
Tuesday, October 26, 2021	Public Meeting 1: Public Meeting to Review Action Plan Calendar Schedule and Objectives/Policies
Tuesday, December 7, 2021	Public Hearing 1: Public Hearing to Adopt Objectives/Policies & Collect Community Needs Comments
Thursday, December 16, 2021	Notice of Funding Availability (NOFA) Available. APPLICATIONS AVAILABLE FOR DISTRIBUTION.
Thursday, January 6, 2022	Application Workshop
Friday, January 31, 2022	Applications Due from Applicants
Monday, March 7, 2022	Finance Subcommittee 1:1 Meetings to Review Staff Project Recommendations- If necessary
Tuesday, March 22, 2022	Public Meeting 2: Open Technical Review Committee during Finance Subcommittee Meeting
Thursday, March 31, 2022	Commencement of 30 - Day Action Plan Public Comment/Review Period
Tuesday, April 19, 2022	Public Hearing 2 for Action Plan: Public Hearing to Review Project Recommendations as issued by the Finance Subcommittee
Tuesday, May 3, 2022	Close of 30 – Day Action Plan Public Comment/Review Period
Tuesday, May 3, 2022	Public Hearing 3 for Action Plan: Approve Annual Action Plan
Friday, May 13, 2022	Submittal of 2022/23 Action Plan to HUD



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT NO. 2 TO THE 2019-2020 ANNUAL ACTION PLAN CARES ACT AMENDMENT - REPROGRAMMING ESG-CV FUNDING

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow public comment on the proposed Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment.
2. Review and adopt the proposed Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment.
3. Authorize a budget amendment as set forth in the fiscal impact section and authorize the Chief Financial Officer to allocate grant funds between HUD-approved grant activities.

SUMMARY

This report recommends that the City Council conduct a Public Hearing to Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment to include the following changes to the Emergency Solutions Grants Coronavirus Funds (ESG-CV) Grant:

Due to the success of the MoVal Rental Rescue Program, which is funded by more than \$11 Million of Emergency Rental Assistance Program through the U.S. Department of the Treasury, staff is recommending reprogramming the Housing and Urban Development funding of \$1,000,000, which was awarded to the United Way of the Inland Valleys to

provide assistance for ‘Emergency Shelter/Rapid Rehousing/Street Outreach Program’ to The Salvation Army to operate retroactively from December 1, 2021 to June 30,2022.

This Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment will add The Salvation Army’s program to the ESG-CV funded projects. This program will provide homeless individuals in the City impacted by the Coronavirus pandemic with essential assistance in moving toward permanent housing such as emergency shelter and housing relocation and stabilization services including case management, landlord incentives and medium term rental assistance.

The reprogramming of these funds is possible through cooperative efforts between United Way of the Inland Valleys and The Salvation Army to address the current rental crisis in the City of Moreno Valley. The reallocation of these funds will assist the City in meeting its expenditure and commitment deadlines imposed by the Department of Housing and Urban Development (HUD). There will be no additional impact to projects previously approved by the City Council.

DISCUSSION

As a recipient of federal grant funding, the City of Moreno Valley completes a five-year Consolidated Plan and an Annual Action Plan Update that details the use of the grant funds issued to the City by HUD. Under the City’s Citizen Participation Plan, it is required that in cases where there are substantial changes to an approved Plan that City notify its citizens of the proposed amendment(s) and provide them the opportunity to comment by holding a Public Hearing, then submitting the Council-approved ‘Substantial Amendment(s)’ to HUD for final approval. Tonight’s Public Hearing provides the opportunity for public comment and outlines the proposed Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment.

This staff report requests the City Council approve the Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment and funding allocation as follows:

1. Add The Salvation Army’s Emergency Shelter/Rapid Rehousing/Street Outreach Program: \$1,000,000
2. Decrease funding for United Way of the Inland Valleys MoVal Rental Rescue Program: \$1,000,000

Using available ESG-CV reprogrammed funds, the City proposes to add the Emergency Shelter/Rapid Rehousing/Street Outreach Program to the 2019-2020 Annual Action Plan CARES Act Amendment. An allocation of \$1,000,000.00 will provide the funding necessary to serve approximately 40 homeless households in the city of Moreno Valley, with the goal of quickly moving those households into permanent housing and stabilizing them for long-term housing success.

Stabilizing participants is pivotal to housing efforts as it allows support staff to have direct access to them as they provide the services they need in order to achieve

permanent housing. The emergency shelter/temporary housing component of the project will provide motel shelter for up to 60 days for homeless households while permanent housing is secured.

The housing stabilization component of the project will cover application fees, deposits, utility payments, and last month's rent (average of \$1,500 per household) as participants transition to permanent housing.

The rental assistance component of the project will provide direct financial assistance at an average of \$1,300 monthly per household for an average of five months.

Lastly, the outreach component of the project will provide a designated Outreach Case Manager to conduct street/encampment outreach to homeless households in order to encourage participation in the program.

ALTERNATIVES

Alternative 1. Conduct the Public Hearing, adopt the ESG-CV Substantial Amendment No. 2 to the 2019-2020 Annual Action Plan CARES Act Amendment; authorize the Chief Financial Officer to allocate grant funds between HUD-approved grant activities. *Staff recommends this action because it complies with HUD's substantial amendment requirements, would allow the City to meet the commitment goals established for the ESG-CV programs.*

Alternative 2: Decline to adopt the ESG-CV Substantial Amendment No. 2 to the 2019-2020 Annual Action CARES Act Amendment; do not authorize the Chief Financial Officer to allocate grant funds between HUD-approved grant activities. *Staff DOES NOT recommend this action because it would not allow the City to meet its upcoming commitment goals established for the ESG-CV programs.*

FISCAL IMPACT

The allocation of the ESG-CV funds have been made available from reprogramming awards previously approved by the City Council. The reallocation of the ESG-CV funds will not impact any projects previously approved by the City Council. **This amendment would have no impact on the General Fund.**

The following allocation of grant funds is proposed:

Description	Fund	Section	Type (Rev/Exp.)	FY 21/22 Budget	Proposed Adjustments	FY 21/22 Amended Budget
Project Expenditures	Fund 2514 ESG-CV	CARES Act – ESG-CV Program: MoVal Rental Rescue (United Way)	Exp.	\$ 1,686,045	(\$ 1,000,000)	\$ 686,045

Project Expenditures	Fund 2514 ESG-CV	CARES Act – ESG-CV Program: Emergency Shelter/Rapid Rehousing/Street Outreach (The Salvation Army)	Exp.	\$ 0	\$ 1,000,000	\$ 1,000,000
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NOTIFICATION

Notice of this meeting was published in the Press-Enterprise newspaper on December 2, 2021, and in the Spanish-language newspaper, La Prensa, December 3, 2021. As part of HUD’s issued waivers of standard regulations for CARES Act funds, the official 30-day public review period was reduced to a minimum of 5 days. The 5-day public review period occurred from December 2, 2021 to December 7, 2021. Respondents were given the opportunity to provide comments via email, telephone, and in person. Staff would like to note that at the time of submission of this report there were no comments received from the public in either support or opposition these projects.

This item is also scheduled for review by the Finance Subcommittee on November 23, 2021.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Deputy Finance Director

Department Head Approval:
Brian Mohan
Assistant City Manager
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”



on the left hand side of this document for the necessary attachment.

1. Program Recommendation for 2019-20 CARES-Substantial Amendment No. 2

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 8:29 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:27 AM



City of Moreno Valley

EMERGENCY SOLUTIONS GRANT CORONAVIRUS FUNDS (ESG-C

FISCAL YEAR 2019/20

**CARES ACT APPLICATION REVIEW
AND
FUNDING RECOMMENDATION**

**Public Hearing
December 7, 2021**

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com/financial



Attachment: Program Recommendation for 2019-20 CARES-Substantial Amendment No. 2 (5604 : PUBLIC HEARING TO ADOPT SUBSTANTIAL

City of Moreno Valley
 Fiscal Year 2019/20
 Emergency Solutions Grant Coronavirus (ESG-CV)
 Applicant Program Description

Application Number: N/A
Funding: ESG-CV

Applicant: The Salvation Army
Program: Emergency Shelter/Rapid Rehousing/Street Outreach

FY 19/20 Recommended Funding: \$1,000,000

		ESG Component	Budget
Requested Funding Amount:	\$1,000,000	Emergency Shelter	\$ 240,000
MoVal Households Assisted	40	Rapid Rehousing	\$ 632,371
Funding per MoVal Household	\$25,000	Street Outreach	\$ 36,720
		Admin	\$ 90,909
		Total	\$ 1,000,000

Program Description:

The Salvation Army’s proposed program, for which a HUD Emergency Solutions Grant (ESG) is requested from the City of Moreno Valley, will serve approximately 40 homeless households in the city of Moreno Valley, with the goal of quickly moving those households into permanent housing and stabilizing them for long-term housing success. The proposed program will adhere to Housing First, reflecting an understanding of the importance of safe and stable housing for tackling all other challenges that a household may face (e.g., mental illness, addiction, unemployment, poor life skills, etc.).

Assistance to participants receiving ESG services will consist of the following:

- Emergency shelter/temporary housing: motel stays of up to 60 days for homeless households while a unit is identified for the program participant/household in the rapid rehousing program
- Rapid Rehousing – Rental Assistance: direct financial assistance to homeless households at an average of \$1,300 monthly per household for an average of five months
- Rapid Rehousing – Housing Relocation and Stabilization Services:
 - Staffing as follows: 2 FTE Landlord Engagement Specialists responsible for working with landlords and property management companies to coordinate and incentive the leasing of units to program participants; 2 FTE Rapid Rehousing Case Managers to conduct interviews, initiate financial assistance payments in accordance with program policies, and provide comprehensive case management services to clients who elect to receive them, with the primary goal of housing stability; and 0.5 FTE Finance Manager to handle all financial-related paperwork and procedures under the ESG program
 - Application fees, deposits, utility payments, las month’s rent (average of \$1,500 per household), with an intention to quickly move the household into permanent housing, while planning for long-term stability through continuing income and access to supportive services as needed.
 - Landlord incentives (including up to three times the rent)
- Street Outreach: 1 FTE Outreach Case Manager to conduct street/encampments outreach to homeless households for participation in the rapid rehousing program

Attachment: Program Recommendation for 2019-20 CARES-Substantial Amendment No. 2 (5604 : PUBLIC HEARING TO ADOPT SUBSTANTIAL



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager

AGENDA DATE: December 7, 2021

TITLE: AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO. NO. 2021-__)

RECOMMENDED ACTION

Recommendation: That the City Council:

Adopt Resolution No. 2021-__, a Resolution of the City Council of the City of Moreno Valley, Acting as the Legislative Body of Community Facilities District No. 5 of the City of Moreno Valley, Approving the Issuance of its Special Tax Refunding Bonds, Series 2021 in a Principal Amount Not To Exceed Six Million Dollars (\$6,000,000) and Delivery of Related Documents.

SUMMARY

This report recommends adopting a Resolution (Attachment 1) authorizing the issuance of up to \$6,000,000 in refunding bonds for Community Facilities District (CFD) No. 5 (the "District") and other related actions. With approval of this item, the City can take advantage of favorable interest rates, saving the property owners in the District an estimated \$53,000/year (or \$805,000 in total gross savings) in special taxes. **This action affects only the property owners included in the District, not the general citizens or taxpayers of the City.**

The Finance Subcommittee was scheduled to review this item at its November 23, 2021 meeting.

DISCUSSION

On October 25, 2005, the City Council formed CFD No. 5 at the request of the property owners developing the Stoneridge Center. The Stoneridge Center is located at the northeast corner of Nason St. and Eucalyptus Ave. With the formation of the District, the

City issued tax exempt bonds on May 31, 2007 (the "Prior Bonds") to finance the acquisition of certain public improvements (i.e. construction of certain streets and traffic signals and payment of EMWD's Connection Capacity Fees), which were required to develop the property.

The bonds are secured by a special tax lien recorded against those properties within the District. Those property owners pay a special tax as part of their annual property tax bill to fund the debt service payments on the Prior Bonds. The Prior Bonds are scheduled to mature on September 1, 2037 and can be optionally redeemed as early as March 1, 2022.

Tax exempt interest rates continue to be near historically low levels. Given the current market conditions and favorable interest rates, refinancing the Prior Bonds is advisable to achieve debt service savings for the property owners in the District. **Based on current estimates, the proposed refunding bonds (the "2021 Bonds") are projected to save an average of \$53,000/year or a total of approximately \$805,000.** The maturity date for the 2021 Bonds will be September 1, 2037, the same maturity date as the Prior Bonds. **The net present value savings are estimated at 12.01% as a percentage of the refunded principal amount, exceeding the industry's minimum refunding threshold of 3%-5%.**

Because interest rates will fluctuate up until the day the bonds are sold, a not-to-exceed amount for the 2021 Bonds is recommended at \$6,000,000 with a not-to-exceed interest rate of 5.00% per annum. Setting not-to-exceed amounts will provide the Financing Team, as defined below, flexibility to structure the 2021 Bonds appropriately for the market, achieving the best terms for the property owners in the District. The underwriter's discount is proposed to not-to-exceed 1.50% of the aggregate principal amount of the 2021 Bonds to accommodate any changes in investor structuring preferences and/or bond market conditions.

The 2021 Bonds are special obligations of the District and are payable solely from revenues derived from certain annual special taxes levied against taxable property within District. Additional bonds secured on a parity with the 2021 Bonds may be issued for refunding purposes only upon satisfaction of certain conditions set forth in the Bond Indenture. The 2021 Bonds are expected to price and close in December. After which, the Prior Bonds will be called from the current bondholders and redeemed on March 1, 2022.

Adoption of the Resolution will approve the financing documents, in substantial form as attached hereto (Attachments 2-6). A brief description of the documents is noted below. A boundary map of the District is included as Attachment 7.

Document	Prepared by	Description
Bond Indenture	Bond Counsel Stradling Yocca Carlson & Rauth	A contract between the District and Trustee (Wilmington Trust, National Association) that pledges the net special taxes for payment of the debt service, sets up required accounts, and outlines other terms and provisions relating to the 2021 Bonds.

Bond Purchase Agreement	Underwriter's Counsel Kutak Rock	An agreement between the District and the Underwriter (Stifel Nicolaus & Company) that specifies the terms whereby the City agrees to sell the bonds to the Underwriter and the Underwriter agrees to buy the bonds from the City and resell them to the public.
Continuing Disclosure Agreement	Disclosure Counsel Nixon Peabody	An Agreement (attached as an Appendix to the Preliminary Official Statement) whereby the City commits to provide annual reports and notices of certain events.
Escrow Agreement	Bond Counsel Stradling Yocca Carlson & Rauth	An agreement between the District and the Escrow Agent (Wells Fargo Bank, National Association,) that provides the terms and provisions relating to the refunding and redemption of the Prior Bonds.
Preliminary Official Statement	Disclosure Counsel Nixon Peabody	An offering statement used to inform the marketplace of the terms of the 2021 Bonds and contains all relevant information for the investors to decide whether to purchase the 2021 Bonds.

The Financing Team was selected after a formal Request for Proposal (RFP) process completed in late 2020. Willdan Financial Services was selected as part of a formal RFP process completed in mid-2021.

FINANCING TEAM	
Stradling, Yocca, Carlson & Rauth	Bond Counsel
Stifel, Nicolaus & Co., Inc.	Underwriter
Nixon Peabody	Disclosure Counsel
Wilmington Trust	Fiscal Agent/Trustee
Fieldman Rolapp & Associates	Financial Advisor
Willdan Financial Services	Special Tax Consultant

This action will supersede action taken by the City Council on October 19, 2021 wherein it adopted Resolution No. 2021-70.

ALTERNATIVES

1. Adopt the resolution authorizing the issuance of the 2021 Bonds and related actions. *Staff recommends this alternative because it will decrease the special taxes for property owners in the District.*
2. Do not adopt the resolution. *Staff does not recommend this since it will not reduce expenses for the property owners.*
3. Do not adopt the resolution but continue the item. *Staff does not recommend this alternative as it may delay issuance of bonds, may negatively impact the terms of the financing, and may result in additional costs to update the bond documents.*

FISCAL IMPACT

Property owners in the District are projected to save \$53,000/year in special taxes for a total gross savings projected at \$805,000 through the 2021 Bonds maturity in 2037. The special taxes are annually levied against the property tax roll of those parcels in the District to fund the debt service payments and administrative costs of the District. The debt service payments are projected to average \$420,000/annually with the total debt service projected at \$6,715,338.

Costs of Issuance fees, which includes fees for services provided by the Financing Team and other eligible reimbursements, will be paid from bond proceeds.

NOTIFICATION

The item has been posted as part of the normal agenda posting process.

PREPARATION OF STAFF REPORT

Prepared by:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Brian Mohan
Assistant City Manager
Chief Financial Officer/City Treasurer

Concurred by:
Brooke McKinney
Treasury Operations Division Manager

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”



on the left hand side of this document for the necessary attachment.

- 1. Resolution Authorizing Issuance of Bonds
- 2. Bond Indenture
- 3. Bond Purchase Agreement
- 4. Continuing Disclosure Agreement
- 5. Escrow Agreement
- 6. Preliminary Official Statement
- 7. Boundary Map

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	11/29/21 8:27 AM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	11/29/21 9:02 AM

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY, AUTHORIZING THE ISSUANCE OF ITS SPECIAL TAX REFUNDING BONDS, SERIES 2021 IN A PRINCIPAL AMOUNT NOT TO EXCEED SIX MILLION DOLLARS (\$6,000,000) AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council of the City of Moreno Valley (the “City Council”), located in Riverside County, California (hereinafter sometimes referred to as the “legislative body of the District”), has heretofore undertaken proceedings and declared the necessity of Community Facilities District No. 5 of the City of Moreno Valley (the “District”) to issue bonds pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”) up to the amount of \$10,000,000 for the District; and

WHEREAS, pursuant to Resolution Nos. 2005-104 and 2005-105 adopted by the legislative body of the District on October 25, 2005, certain bond propositions were submitted to the qualified electors within the District, and were approved by more than two-thirds of the votes cast at the elections held within the District on October 25, 2005; and

WHEREAS, pursuant to the Act, the District previously issued its \$5,870,000 2007 Special Tax Bonds (the “2007 Bonds”), on May 31, 2007; and

WHEREAS, the District desires to refund the 2007 Bonds if such refunding results in net present value savings to the District of at least 3%; and

WHEREAS, in order to accomplish the refunding of the 2007 Bonds, the District desires to issue bonds in an aggregate principal amount not to exceed \$6,000,000 designated as the “Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021” (the “Bonds”); and

WHEREAS, in order to effect the issuance of the Bonds, the legislative body of the District desires to approve the form of a Preliminary Official Statement for the Bonds and to approve the forms of and authorize the execution and delivery of a Bond Indenture, a Bond Purchase Agreement, an Escrow Agreement (2007 Bonds), and a Continuing Disclosure Agreement for the Bonds, the forms of which are on file with the City Clerk; and

WHEREAS, to assist in issuing the Bonds, the legislative body of the District desires to retain Stradling Yocca Carlson & Rauth, a Professional Corporation, to act as Bond Counsel to the District, Nixon Peabody LLP to act as Disclosure Counsel to the District, and Fieldman, Rolapp & Associates, Inc., to act as municipal advisor to the District (the “Municipal Advisor”); and

WHEREAS, the legislative body of the District has determined in accordance with Government Code Section 53360.4 that a negotiated sale of the Bonds to Stifel, Nicolaus & Company,

Incorporated (the “Underwriter”), in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (the “Bond Purchase Agreement”) will result in a lower overall cost to the District than a public sale; and

WHEREAS, the legislative body of the District has determined that it is prudent in the management of its fiscal affairs to issue the Bonds; and

WHEREAS, Section 5852.1 of the California Government Code, which became effective on January 1, 2018, enacted pursuant to Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”), requires that the City Council, as legislative body of the District, obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Bonds, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Bonds; (b) the sum of all fees and charges to be paid to third parties with respect to the Bonds; (c) the amount of proceeds of the Bonds that is expected to be received net of the fees and charges to be paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds; and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges to be paid to third parties which are not paid from the proceeds of the Bonds; and

WHEREAS, in compliance with SB 450, the City Council, as legislative body of the District, has obtained from the Municipal Advisor and the Underwriter the required good faith estimates and such estimates are disclosed and set forth on Exhibit A; and

WHEREAS, the aggregate assessed value of the real property in the District that is subject to the special tax to pay debt service on the Bonds is not less than three times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District, which fact is required as a precondition to the issuance of the Bonds; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moreno Valley, acting as the legislative body of Community Facilities District No. 5 of the City of Moreno Valley, as follows:

Section 1. Each of the above recitals is true and correct and is adopted by the legislative body of the District.

Section 2. If the District is able to realize at least 3% net present value savings by refunding the 2007 Bonds, the issuance of the Bonds pursuant to the Act in a principal amount not to exceed \$6,000,000 is hereby authorized, with the exact principal amount of the Bonds to be determined by the official signing the Bond Purchase Agreement in accordance with Section 5 below. The legislative body of the District hereby determines that it is prudent in the management of its fiscal affairs to issue the Bonds. In satisfaction of the requirements contained in Section 53363.2 of the Act, the legislative body of the District hereby determines that:

(a) it is anticipated that the purchase of the Bonds will occur in or about December 2021 and that the refunding of the 2007 Bonds will occur on March 1, 2022, or as soon thereafter as practicable and permitted by the terms of the 2007 Bonds (subject to change at the discretion of any of the Authorized Officers (as such term is defined herein));

(b) the Bonds shall be dated their date of issuance, and be in the denominations, have the maturity dates (which do not exceed the latest maturity date of the 2007 Bonds being refunded), and be payable at the place and be in the form specified in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof;

(c) the aggregate principal amount of Bonds shall not exceed \$6,000,000;

(d) the Bonds shall not have a final maturity date later than September 1, 2037;

(e) the Bonds will bear interest at the minimum rate of 0.01% per annum;

(f) the Underwriter's discount for the Bonds shall not exceed 1.50% of the aggregate principal amount thereof; and

(g) the designated cost of issuing the Bonds being used to refund the 2007 Bonds, as defined by Section 53363.8 of the Act, shall include all of the costs specified in Section 53363.8(a) and (b)(2).

Section 3. The Bonds shall be governed by the terms and conditions of the Bond Indenture, by and between the District and Wilmington Trust, National Association, as trustee, relating to the Bonds. The Bond Indenture shall be prepared by Bond Counsel to the District and executed by any one of the City Manager, the Chief Financial Officer or the Financial and Management Services Director of the City of Moreno Valley, or the written designee of one of the foregoing (collectively the "Authorized Officers"), substantially in the form presented at this meeting, with such additions thereto and changes therein as the officer or officers executing the same deem necessary to cure any ambiguity or defect therein if such addition or change does not materially alter the substance or content thereof, to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 5 hereof, or to conform any provisions therein to the Bond Purchase Agreement and the Official Statement delivered to the purchasers of the Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Bond Indenture by any one of the Authorized Officers. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Bond Indenture.

Section 4. Wilmington Trust, National Association, is hereby appointed to act as trustee for the Bonds.

Section 5. The covenants set forth in the Bond Indenture, to be executed in accordance with Section 3 above, are hereby approved, shall be deemed to be covenants of the legislative body of the District and shall be complied with by the District and its officers.

Section 6. The form of the Bond Purchase Agreement presented at this meeting is hereby approved, and any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein relating to dates and numbers as are necessary to conform the Bond Purchase Agreement to the dates, amounts and interest rates applicable to the Bonds as of the sale date. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that the Bond Purchase Agreement shall be signed only if the Bonds are purchased by the Underwriter at a true interest cost that does not exceed 5.0%, the refunding of the 2007 Bonds results in net present value

savings to the District of at least 3% of the 2007 Bonds to be refunded (including the costs of issuing the Bonds), the interest rate on the Bonds is such that the principal and total interest cost to maturity of the Bonds is less than the principal and total interest cost to maturity of the 2007 Bonds, the last maturity date of the Bonds is not later than the last maturity date of the 2007 Bonds and the discount paid to the Underwriter (exclusive of original issue discount) does not exceed 1.50% of the principal amount of the Bonds. Each of the Authorized Officers is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

Section 7. The form of the Continuing Disclosure Agreement presented at this meeting is hereby approved, and any one of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Agreement in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein if such change does not materially alter the substance or content thereof, with such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 8. The form of the Escrow Agreement (2007 Bonds) presented at this meeting is hereby approved and any one of the Authorized Officers is hereby authorized and directed to execute the Escrow Agreement (2007 Bonds) in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein if such change does not materially alter the substance or content thereof, with such approval to be conclusively evidenced by the execution and delivery of the Escrow Agreement (2007 Bonds).

Section 9. The form of the Preliminary Official Statement presented at this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined to be necessary by any one of the Authorized Officers to make the Preliminary Official Statement final as of its date. Each of the Authorized Officers is hereby authorized and directed to execute and deliver a certificate deeming the Preliminary Official Statement final as of its date in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Each of the Authorized Officers is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Authorized Officer executing the Official Statement to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the District as described above.

Section 10. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the aggregate assessed value of the real property in the District that is subject to the special tax to pay debt service on the Bonds is not less than three times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on property within the District. This determination is based on the assessed value of a portion of the real property within the District as set forth in the fiscal year 2021-22 County Assessor's roll.

Section 11. Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance of the Bonds. Such services shall include, but not be limited to, obtaining legal services, trustee services, special tax consultant services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other Costs of Issuance (as such term is defined in the Bond Indenture) from Bond proceeds.

Section 12. The Authorized Officers are authorized to execute contracts with Stradling Yocca Carlson & Rauth, a Professional Corporation, to act as Bond Counsel, Nixon Peabody LLP to act as Disclosure Counsel to the District, and Fieldman, Rolapp & Associates, Inc., to act as municipal advisor to the District.

Section 13. In accordance with SB 450, good faith estimates of the following have been obtained from the Municipal Advisor and the Underwriter and are set forth on Exhibit A: (a) the true interest cost of the Bonds; (b) the sum of all fees and charges to be paid to third parties with respect to the Bonds; (c) the amount of proceeds of the Bonds that is expected to be received net of the fees and charges to be paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds; and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges to be paid to third parties which are not paid with the proceeds of the Bonds.

Section 14. Each of the Authorized Officers and the other officers and staff of the City of Moreno Valley and the District who are responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and to execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution, and the fulfillment of the purposes of the Bonds as described in the Bond Indenture, including, but not limited to, providing certificates as to the accuracy of any information relating to the District which is included in the Official Statement and amendments to the Bond Indenture. Any document authorized herein to be signed by the City Clerk may be signed by a duly appointed deputy clerk.

Section 15. This Resolution hereby rescinds and supersedes Resolution No. 2021-70, adopted on October 19, 2021 in its entirety and shall take effect from and after its adoption and approval.

APPROVED AND ADOPTED this 7th day of December 2021.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: Resolution Authorizing Issuance of Bonds (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5

**EXHIBIT A
GOOD FAITH ESTIMATES**

The following information was obtained from the District's Municipal Advisor and the Underwriter, and is provided in compliance with Section 5852.1 of the California Government Code with respect to the Bonds:

1. *True Interest Cost of the Bonds.* Assuming the principal amount of the Bonds issued by the District is \$4,755,000 (the "**Estimated Par Amount**"), and based on market interest rates prevailing at the time of preparation of this information, a 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 2.71%.

2. *Finance Charge of the Bonds.* Assuming the Estimated Par Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the District's finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$277,658.

3. *Amount of Proceeds to be Received.* Assuming the Estimated Par Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the District following the sale of the Bonds, less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$4,563,012.

4. *Total Payment Amount.* Assuming the Estimated Par Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of this information, a 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 of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$6,582,453.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from those presently estimated due to variations from these estimates in the timing of the sale of the Bonds, the actual principal amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of sale. The date of sale and the amount of Bonds sold will be determined by the District based on market conditions and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the District's control.

CLERK’S CERTIFICATE

The undersigned, City Clerk of the City of Moreno Valley, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the City Council of the City of Moreno Valley at a regular meeting of said Council duly and regularly and legally held at the Council Chambers of the City Council, City Hall, 14177 Frederick Street, Moreno Valley, California, on December 7, 2021, of which all of such members had due notice, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 14177 Frederick Street, Moreno Valley, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2021

Pat Jacquez-Nares
City Clerk of the City of Moreno Valley

[Seal]

Attachment: Resolution Authorizing Issuance of Bonds (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5

BOND INDENTURE

By and Between

**COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY**

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

Relating to

**\$ _____
COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021**

Dated as of December 1, 2021

Attachment: Bond Indenture (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO.

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Attachment: Bond Indenture (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO.

BOND INDENTURE

THIS BOND INDENTURE, dated as of December 1, 2021 (the “**Indenture**”), by and between COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY (the “**District**”) and WILMINGTON TRUST, NATIONAL ASSOCIATION as trustee (the “**Trustee**”), governs the terms of the Special Tax Refunding Bonds, Series 2021 and any Parity Bonds issued in accordance herewith from time to time.

RECITALS

A. The City Council of the City of Moreno Valley, located in Riverside County, California (the “**legislative body of the District**” or the “**City**”), as the legislative body of the District, has previously undertaken proceedings and declared the necessity for the District to issue bonds pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “**Act**”).

B. Based upon certain resolutions adopted by the legislative body of the District and an election held on October 25, 2005 authorizing the levy of a special tax and the issuance of bonds by the District, the District was authorized to issue bonds for one or more series, pursuant to the Act, in an aggregate principal amount not to exceed \$10,000,000.

C. The District issued the \$5,870,000 Community Facilities District No. 5 of the City of Moreno Valley 2007 Special Tax Bonds (the “**2007 Bonds**”) for the purpose of financing certain public facilities within the District.

D. The legislative body of the District has determined to redeem the outstanding 2007 Bonds through the issuance of the \$_____ Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 (the “**Bonds**”).

E. The District has determined that all requirements of the Act for the issuance of the Bonds have been satisfied.

In order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the promises and the mutual covenants contained herein and the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the Bonds and any Parity Bonds (as such term is defined herein) which may be issued hereunder from time to time, as follows:

ARTICLE I

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings:

“**Account**” means any account created pursuant to this Indenture.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 *et seq.* of the California Government Code.

“**Administrative Expenses**” means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Trustee, any fees and related costs for credit enhancement for the Bonds or any Parity Bonds which are not otherwise paid as Costs of Issuance, any costs related to the District’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds and the District, and any other costs otherwise incurred by the City staff on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District hereunder.

“**Administrative Expenses Account**” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1.

“**Alternative Penalty Account**” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1.

“**Annual Debt Service**” means the principal amount of any Outstanding Bonds or Parity Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds or Parity Bonds in such Bond Year, if the Bonds and any Parity Bonds are retired as scheduled.

“**Authorized Representative of the City**” means the Mayor of the City, the City Manager of the City, the Chief Financial Officer of the City and the Financial and Management Services Director of the City, or any other person or persons designated by the Mayor, the City Manager, the Chief Financial Officer or the Financial and Management Services Director by a written certificate signed by the Mayor, the City Manager, the Chief Financial Officer or the Financial and Management Services Director and containing the specimen signature of each such person.

“**Authorized Representative of the District**” means the Mayor of the City, the City Manager of the City, the Chief Financial Officer of the City and the Financial and Management Services Director of the City, or any other person or persons designated by the Mayor, the City Manager, the Chief Financial Officer or the Financial and Management Services Director by a written certificate signed by the Mayor, the City Manager, the Chief Financial Officer or the Financial and Management Services Director and containing the specimen signature of each such person.

“**Bond Counsel**” means an attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“**Bond Register**” means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds and any Parity Bonds shall be recorded.

“**Bondowner**” or “**Owner**” means the person or persons in whose name or names any Bond or Parity Bond is registered on the Bond Register.

“**Bonds**” means the Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 issued under this Indenture.

“**Bond Year**” means the twelve month period commencing on September 2 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds or an issue of Parity Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

“**Business Day**” means a day which is not a Saturday or Sunday or a day of the year on which banks or trust companies in New York, New York, Los Angeles, California, or the city where the corporate trust office of the Trustee is located are not required or authorized by law, regulation or executive order, to close or to remain closed.

“**Certificate of an Authorized Representative**” means a written certificate executed by an Authorized Representative of the City or an Authorized Representative of the District, as applicable.

“**City**” means the City of Moreno Valley, California.

“**Code**” means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of the date of this Indenture, by and between the District and the Dissemination Agent named therein, as amended.

“**Costs of Issuance**” means the costs and expenses incurred in connection with the issuance and sale of the Bonds or any Parity Bonds, including the acceptance and initial annual fees and expenses of the Trustee, legal fees and expenses, costs of printing the Bonds and Parity Bonds and the preliminary and final official statements for the Bonds and Parity Bonds, fees of financial consultants and all other related fees and expenses, as set forth in a Certificate of an Authorized Representative of the City.

“**Costs of Issuance Fund**” means the fund by that name established pursuant to Section 3.1.

“**Delivery Date**” means, with respect to the Bonds and each issue of Parity Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

“**Depository**” means The Depository Trust Company, New York, New York, and its successors and assigns as securities depository for the Bonds, or any other securities depository acting as Depository under Article II.

“**District**” means Community Facilities District No. 5 of the City of Moreno Valley established pursuant to the Act and the Resolution of Formation.

“**Escrow Agent**” means [Computershare Trust Company, N.A.] as escrow agent under the Escrow Agreement.

“**Escrow Agreement**” means the Escrow Agreement (2007 Bonds), dated as of the date of this Indenture, by and between the Escrow Agent and the District.

“**Escrow Fund**” means the fund by that name established under the Escrow Agreement.

“**Event of Default**” means an event described in Section 8.1.

“**Federal Securities**” means any of the following: (a) non-callable direct obligations of the United States of America (“**Treasuries**”); (b) evidence of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; and (c) pre-refunded municipal obligations rated “AAA” and “Aaa” by Standard & Poor’s and Moody’s, respectively (or any combination thereof).

“**Fiscal Year**” means the period beginning on July 1 of each year and ending on June 30 of the following year.

“**Governmental Authority**” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“**Independent Financial Consultant**” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District, who, or each of whom: (a) is in fact independent and not under the domination of the District; (b) does not have any substantial interest, direct or indirect, in the District; and (c) is not connected with the District as a member, officer or employee of the District, but who may be regularly retained to make annual or other reports to the District.

“**Indenture**” means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article 6.

“**Interest Account**” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1.

“**Interest Payment Date**” means each March 1 and September 1, commencing March 1, 2022; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date will be paid on the following Business Day.

“**Maximum Annual Debt Service**” means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds and any Parity Bonds by adding the following for each Bond Year: (a) the principal amount of all Outstanding Bonds and Parity Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and (b) the interest payable on the aggregate principal amount of all Bonds and Parity Bonds Outstanding in such Bond Year if the Bonds and Parity Bonds are retired as scheduled.

“**Moody’s**” means Moody’s Investors Service, Inc., and its successors and assigns.

“**Net Taxes**” means Special Taxes less amounts set aside to pay Administrative Expenses.

“**Nominee**” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Article II.

“**Ordinance**” means Ordinance No. 701 adopted by the legislative body of the District on November 8, 2005, providing for the levying of the Special Tax.

“**Outstanding**” or “**Outstanding Bonds and Parity Bonds**” means all Bonds and Parity Bonds theretofore issued by the District, except: (a) Bonds and Parity Bonds cancelled or surrendered for cancellation in accordance with Section 10.1; (b) Bonds and Parity Bonds for the payment or redemption of which moneys shall have been deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds or Parity Bonds), provided that, if such Bonds or Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture or any applicable Supplemental Indenture for Parity Bonds; and (c) Bonds and Parity Bonds that have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 or for which a replacement has been issued pursuant to Section 2.10.

“**Parity Bonds**” means all bonds, notes or other similar evidences of indebtedness hereafter issued, payable out of the Net Taxes and which, as provided in this Indenture or any Supplemental Indenture, rank on a parity with the Bonds.

“**Participants**” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds or Parity Bonds as securities depository.

“**Permitted Investments**” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(1) (A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“**United States Treasury Obligations**”); (B) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (D) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)

Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

Senior Debt obligations

- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
- Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financing Corporation (FICO)
Debt obligations
- Resolution Funding Corporation (REFCORP)
Debt obligations

(4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including the Trustee and any affiliate) the short-term obligations of which are rated "A-1" or better by Standard & Poor's.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks (including the Trustee and any affiliate) which have capital and surplus of at least \$5 million.

(6) Commercial paper (having original maturities of not more than 270 days rated at the time of purchase "A-1+" by Standard & Poor's and "Prime-1" by Moody's.

(7) Money market funds rated "AAM" or "AAM-G" by Standard & Poor's, or better (including those for which the Trustee or its affiliates receive and retain a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise).

(8) "State Obligations," which means:

(A) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state

the unsecured general obligation debt of which is rated “A3” by Moody’s and “A” by Standard & Poor’s, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(B) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated “A-1+” by Standard & Poor’s and “Prime-1” by Moody’s.

(C) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated “AA” or better by Standard & Poor’s and “Aa” or better by Moody’s.

(9) Pre-refunded municipal obligations rated “AAA” by Standard & Poor’s and “Aaa” by Moody’s meeting the following requirements:

(A) the municipal obligations are: (1) not subject to redemption prior to maturity; or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(B) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(C) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“**Verification**”);

(D) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(E) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(F) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(10) Repurchase agreements:

(A) With: (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by Standard & Poor’s and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by Standard & Poor’s and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by Standard & Poor’s and Moody’s, provided that:

(a) The market value of the collateral is maintained at levels equal to 104% of the amount of cash transferred by the Trustee to the provider of the repurchase agreement plus accrued interest with the collateral being valued weekly and marked-to-market at one current market price plus accrued interest;

(b) The Trustee or a third party acting solely as agent therefor or for the District (the “**Holder of the Collateral**”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(d) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or Standard & Poor’s is withdrawn or suspended or falls below “A-” by Standard & Poor’s or “A3” by Moody’s, as appropriate, the provider must, at the direction of the District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Trustee.

(B) Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least “A” by Standard & Poor’s and Moody’s, respectively.

(11) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA” by Standard & Poor’s and “Aa” by Moody’s; provided that, by the terms of the investment agreement:

(A) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Acquisition and Construction Fund, construction draws) on the Bonds;

(B) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice; the District and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(C) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof, or, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks pari passu with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors;

(D) the District and the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the District and the Trustee) that such investment agreement is

legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the District;

(E) the investment agreement shall provide that if during its term:

(1) the provider's rating by either Standard & Poor's or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the District, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to Standard & Poor's and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment; and

(2) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the District or the Fiscal Agent, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the District or Trustee;

(F) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(G) the investment agreement must provide that if during its term:

(1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the District or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Trustee, as appropriate, and

(2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Trustee, as appropriate.

(12) The State of California Local Agency Investment Fund; provided that the Trustee may restrict investments in such fund to the extent necessary to keep monies available for the purposes of this Indenture.

"Person" means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

“**Prepayments**” means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method.

“**Principal Account**” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1.

“**Principal Office of the Trustee**” means the office of the Trustee located in Los Angeles, California, or such other office or offices as the Trustee may designate from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

“**Project**” means those public facilities described in the Resolution of Formation which were acquired or constructed within and outside of the District with the proceeds of the 2007 Bonds, including all engineering, planning and design services and other incidental expenses related to such facilities and other facilities, if any, authorized by the qualified electors within the District from time to time.

“**Rate and Method**” means the document by such name attached to the Resolution of Formation.

“**Rating Agency**” means Moody’s and Standard & Poor’s, or both, as the context requires.

“**Rebate Account**” means the account by that name created and established in the Rebate Fund pursuant to Section 3.1.

“**Rebate Fund**” means the fund by that name established pursuant to Section 3.1 in which there are established the Accounts described in Section 3.1.

“**Rebate Regulations**” means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

“**Record Date**” means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

“**Redemption Account**” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1.

“**Regulations**” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

“**Representation Letter**” means the Blanket Representation Letter from the District to the Depository as described in Article II.

“**Reserve Account**” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1.

“**Reserve Requirement**” means, as of the date of calculation, an amount equal to the least of: (a) Maximum Annual Debt Service; (b) 125% of average Annual Debt Service on the

then-Outstanding Bonds and any Parity Bonds; or (c) ten percent (10%) of the initial outstanding principal amount of the Bonds and any Parity Bonds.

“**Resolution of Formation**” means Resolution No. 2005-104 adopted by the City Council of the City on October 25, 2005, pursuant to which the City formed the District.

“**Sinking Fund Payment**” means the annual payment to be deposited in the Redemption Account to redeem a portion of the Term Bonds in accordance with the schedules set forth in Section 4.1(b) and any annual sinking fund payment schedule to retire any Parity Bonds that are designated as Term Bonds.

“**Six-Month Period**” means the period of time beginning on the Delivery Date of each issue of Bonds or Parity Bonds, as applicable, and ending six consecutive months thereafter, and each six-month period thereafter until the latest maturity date of the Bonds and the Parity Bonds (and any obligations that refund an issue of the Bonds or Parity Bonds).

“**Special Tax Fund**” means the fund by that name created and established pursuant to Section 3.1.

“**Special Taxes**” means the taxes authorized to be levied by the District on property within the District in accordance with the Ordinance, the Resolution of Formation, the Act and the voter approval obtained at the October 25, 2005 election in the District, including any scheduled payments and any Prepayments thereof, and the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and penalties and interest thereon.

“**Standard & Poor’s**” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns.

“**Supplemental Indenture**” means any supplemental indenture amending or supplementing this Indenture.

“**Surplus Fund**” means the fund by that name created and established pursuant to Section 3.1.

“**Tax Certificate**” means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“**Tax-Exempt**” means, with reference to a Permitted Investment, a Permitted Investment the interest earnings on which are excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, other than one described in Section 57(a)(5)(C) of the Code.

“**Term Bonds**” means the Bonds maturing on September 1, 20__, and any term maturities of an issue of Parity Bonds as specified in a Supplemental Indenture.

“**Treasuries**” means non-callable direct obligations of the United States of America, including United States Treasury Notes, Certificates and Bonds and State and Local Government Series.

“**Trustee**” means Wilmington Trust, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States, having a principal corporate trust office in Costa Mesa, California, and its successors or assigns, or any other bank, national banking association or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3 and any successor thereto.

“**2007 Bonds**” means the Community Facilities District No. 5 of the City of Moreno Valley 2007 Special Tax Bonds issued on May 31, 2007 in the aggregate principal amount of \$5,870,000.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds. Under and pursuant to the Act, the Bonds in the aggregate principal amount of \$_____ shall be issued for the purpose of refunding the 2007 Bonds, funding a reserve fund for the Bonds and paying Costs of Issuance. The Bonds and any Parity Bonds shall be and are limited obligations of the District and shall be payable as to the principal thereof and interest thereon and any premiums upon the redemption thereof solely from the Net Taxes and the other amounts in the Special Tax Fund (other than amounts in the Administrative Expenses Account of the Special Tax Fund). The aggregate principal amount of the Bonds and any Parity Bonds shall not exceed the total indebtedness presently authorized or subsequently authorized by the qualified electors of the District in accordance with the Act.

Section 2.2. Type and Nature of Bonds and Parity Bonds. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the Bonds or any Parity Bonds. Except for the Net Taxes, no other taxes are pledged to the payment of the Bonds or any Parity Bonds. The Bonds and any Parity Bonds are neither general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund (exclusive of the Administrative Expenses Account), as more fully described herein. The District’s limited obligation to pay the principal of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in the Special Tax Fund (exclusive of the Administrative Expenses Account) is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien or encumbrance upon any of the District’s property, or upon any of its income, receipts or revenues except the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expenses Account) which are, under the terms of this Indenture and the Act, set aside for the payment of the Bonds, any Parity Bonds and interest thereon. Neither the members of the legislative body of the District or the City Council of the City nor any persons executing the Bonds or any Parity Bonds are liable personally on the Bonds or any Parity Bonds by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Taxes for the payment of the interest on or the principal of the Bonds and any Parity Bonds, or for the performance of any covenants contained herein. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3. Equality of Bonds and Parity Bonds and Pledge of Net Taxes. Pursuant to the Act and this Indenture, the Bonds and any Parity Bonds shall be equally payable from and secured by a pledge and lien upon the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expenses Account), without priority for number, date of the Bonds or Parity Bonds, date of sale, date of execution or date of delivery, and the payment of the interest on and principal of the Bonds and any Parity Bonds and any premiums upon the redemption thereof shall be exclusively paid from the Net Taxes and other amounts in the Special Tax Fund (exclusive of the Administrative Expenses Account), which are hereby set aside for the payment of the Bonds and any Parity Bonds. Amounts in the Special Tax Fund (other than the Administrative Expenses Account therein) shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and any Parity Bonds; and, so long as any of the Bonds and any Parity Bonds or interest thereon remains Outstanding, amounts in the Special Tax Fund shall not be used for any other purpose, except as permitted by this Indenture or any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Taxes deposited in the Rebate Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds or any Parity Bonds, and none of the Rebate Fund, the Surplus Fund, the Costs of Issuance Fund or the Administrative Expenses Account of the Special Tax Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in this Indenture or any Supplemental Indenture shall preclude: (a) subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption, and the payment of said Bonds or Parity Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (b) the issuance, subject to the limitations contained herein, of Parity Bonds which shall be payable from Net Taxes.

Section 2.4. Description of Bonds; Interest Rates. The Bonds and any Parity Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds and any Parity Bonds shall be initially issued in the form of a single certificated fully registered bond for each maturity.

The Bonds shall be designated “Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021.” The Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on each Interest Payment Date:

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
2022		
2023		
2024		
2025		
2026		
2027		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		

* Term Bond.

The District and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a certificated Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Indenture.

Interest shall be payable on each Bond and Parity Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of such Bond or Parity Bond has been paid; provided, however, that if at the maturity date of any Bond or Parity Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof in full, in accordance with the terms of this Indenture, such Bonds and Parity Bonds shall then cease to bear interest. Interest due on the Bonds and Parity Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5. Place and Form of Payment. The Bonds and Parity Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and Parity Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. Interest on

any Bond or Parity Bond shall be payable from the Interest Payment Date next preceding the date of authentication of such Bond or Parity Bond, unless: (a) such date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (b) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (c) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond or Parity Bond, in which event interest shall be payable from the dated date of such Bond or Parity Bond, as applicable; provided, however, that if at the time of authentication of such Bond or Parity Bond, interest is in default, interest on such Bond or Parity Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond or Parity Bond, interest on such Bond or Parity Bond shall be payable from its dated date. Interest on any Bond or Parity Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond or Parity Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds or of any issue of Parity Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account designated in writing by such Owner.

Section 2.6. Form of Bonds and Parity Bonds. The definitive Bonds may be printed from steel engraved or lithographic plates or may be typewritten. The Bonds and the certificate of authentication shall be substantially in the form set forth in Exhibit A, which form is hereby approved and adopted as the form of such Bonds and of the certificate of authentication. Each issue of Parity Bonds and the certificate of authentication therefor shall be in the form provided in the Supplemental Indenture for such issue of Parity Bonds.

Until definitive Bonds or Parity Bonds, as applicable, are prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds or Parity Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds or Parity Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds or Parity Bonds, as applicable, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds and Parity Bonds. If the District issues temporary Bonds or Parity Bonds, it shall execute and furnish definitive Bonds or Parity Bonds, as applicable, without unnecessary delay and thereupon any temporary Bond or Parity Bond may be surrendered to the Trustee at its office, without expense to the Owner, in exchange for a definitive Bond or Parity Bond of the same issue, maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds or Parity Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Section 2.7. Execution and Authentication. The Bonds and Parity Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, or any duly appointed deputy City Clerk, in their capacity as officers of the District, and the seal of the District (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced thereon, and attested by the signature of the City Clerk of the City Council. In case any one or more of the

officers who shall have signed or sealed any of the Bonds or Parity Bonds shall cease to be such officer before the Bonds or Parity Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds or Parity Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or Parity Bonds or to lost, stolen, destroyed or mutilated Bonds or Parity Bonds), such Bonds and Parity Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds or Parity Bonds had not ceased to hold such office.

Only the Bonds that bear a certificate of authentication in the form set forth in Exhibit A shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8. Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds and any Parity Bonds which shall upon reasonable prior notice be open to inspection by the District during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register, transfer or cause to be transferred on said Bond Register, Bonds and any Parity Bonds as herein provided.

The District and the Trustee may treat the Owner of any Bond or Parity Bond whose name appears on the Bond Register as the absolute Owner thereof for any and all purposes, and the District and the Trustee shall not be affected by any notice to the contrary. The District and the Trustee may rely on the address of the Bondowner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Trustee of any change in the Bondowner's address so that the Bond Register may be revised accordingly.

Section 2.9. Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond or Parity Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond or Parity Bond for cancellation at the Principal Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds or Parity Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds or Parity Bonds for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Parity Bond issued upon any exchange or transfer, but shall require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds or Parity Bonds shall be surrendered for registration of transfer or exchange, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Parity Bond or Parity Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of: (a) Bonds or Parity Bonds for a period of 15 days next preceding any selection of the Bonds or Parity Bonds to be redeemed; or (b) any Bonds or Parity Bonds chosen for redemption.

Section 2.10. Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds. If any Bond or Parity Bond shall become mutilated, the District shall execute, and the Trustee shall authenticate

and deliver, a new Bond or Parity Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Parity Bond so mutilated, but only upon surrender to the Trustee of the Bond or Parity Bond so mutilated. Every mutilated Bond or Parity Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1. If any Bond or Parity Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Parity Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Parity Bond so lost, destroyed or stolen. Any Bond or Parity Bond issued in lieu of any Bond or Parity Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all other Bonds and Parity Bonds issued hereunder. The Trustee shall not treat both the original Bond or Parity Bond and any replacement Bond or Parity Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Parity Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Parity Bonds Outstanding hereunder, but both the original and replacement Bond or Parity Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Parity Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Parity Bonds.

Section 2.11. Validity of Bonds and Parity Bonds. The validity of the authorization and issuance of the Bonds and any Parity Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the refunding of the 2007 Bonds, or by the invalidity, in whole or in part, of any contracts made by the District in connection therewith, and shall not be dependent upon the completion of the refunding of the 2007 Bonds or upon the performance by any Person of such Person's obligation with respect to the Project, and the recital contained in the Bonds or any Parity Bonds that the same are issued pursuant to the Act and other applicable laws of the State of California shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.12. Book Entry System.

(a) Election of Book Entry System. Prior to the issuance of the Bonds and any Parity Bonds, the District may provide that such Bonds and Parity Bonds shall be initially issued as book entry bonds. If the District shall elect to deliver any Bonds or Parity Bonds in book entry form, then the District shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such Bonds or Parity Bonds in an authorized denomination corresponding to that total principal amount of the Bonds or Parity Bonds designated to mature on such date. Upon initial issuance, the ownership of each such Bond or Parity Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Depository, and ownership of the Bonds or Parity Bonds, or any portion thereof may not thereafter be transferred except as provided in subsection (e).

With respect to book entry Bonds or Parity Bonds, the District and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book entry bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book entry bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book entry bonds, including any notice of

redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book entry bonds to be redeemed in the event that the District redeems the Bonds or Parity in part; or (iv) the payment by the Depository or any Participant or any other person, of any amount of principal of, premium, if any, or interest on book entry bonds. The District and the Trustee may treat and consider the person in whose name each book entry bond is registered in the Bond Register as the absolute Owner of such book entry bond for the purpose of payment of principal of, premium and interest on such Bond or Parity Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond or Parity Bond, for the purpose of registering transfers with respect to such Bond or Parity Bonds, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds or Parity Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or such Owner's respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds or Parity Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a Bond or Parity Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the Bonds or Parity Bonds. Upon delivery by the Depository to the District and the Trustee, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Depository.

(b) Delivery of Representation Letter. In order to qualify the book entry bonds for the Depository's book entry system, the District and the Trustee (if required by the Depository) shall execute and deliver to the Depository a Representation Letter. The execution and delivery of a Representation Letter shall not in any way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in such book entry bonds other than the Owners, as shown on the Bond Register. By executing a Representation Letter, the Trustee shall agree to take all action necessary at all times so that the Trustee will be in compliance with all representations of the Trustee in such Representation Letter. In addition to the execution and delivery of a Representation Letter, the District and the Trustee shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify book entry bonds for the Depository's book entry program.

(c) Selection of Depository. In the event that: (i) the Depository determines not to continue to act as securities depository for book entry bonds; or (ii) the District determines that continuation of the book entry system is not in the best interest of the beneficial owners of the Bonds, the Parity Bonds or the District, then the District will discontinue the book entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each of the maturity dates of such book entry bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e). If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds or Parity Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds or Parity Bonds shall designate, in accordance with the provisions of this Indenture.

(d) Payments To Depository. Notwithstanding any other provision of the Indenture to the contrary, so long as all Outstanding Bonds or Parity Bonds are held in book entry form and

registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and interest on such Bonds or Parity Bonds and all notices with respect thereto shall be made and given, respectively to the Nominee, as provided in the Representation Letter or as otherwise instructed by the Depository and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of Bonds to Substitute Depository.

(1) The Bonds shall be initially issued as provided in Section 2.1. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of the Depository or its nominee, or of any substitute depository designated pursuant to clause (ii) below (a “**Substitute Depository**”); provided that any successor of the Depository or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository, upon: (I) the resignation of the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository; or (II) a determination by the District that the Depository (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon: (I) the resignation of the Depository or its successor (or any Substitute Depository or its successor) from its functions as depository; or (II) a determination by the District that the Depository or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(2) In the case of any transfer pursuant to clauses (i) or (ii) of subsection (1), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the District to the Trustee designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be issued for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (1), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the District to the Trustee, new Bonds, which the District shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such written request of the District, subject to the limitations of Section 2.1; provided that the Trustee shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(3) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, the Depository or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Representation Letter. The Trustee shall not be liable for such Depository’s failure to make such notations or errors in making such notations and the records of the Trustee as to the Outstanding principal amount of such Bonds shall be controlling.

(4) The District and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the District; and the District and the Trustee shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including the Depository or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Trustee may rely conclusively on its records as to the identity of the Owners of the Bonds.

Section 2.13. Initial Depository and Nominee. The initial Depository under this Article shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1. Creation of Funds; Application of Proceeds.

(a) There are hereby created and established and shall be maintained by the Trustee the following funds and accounts:

(1) The Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 Special Tax Fund (the “**Special Tax Fund**”) (in which there shall be established and created an Interest Account, a Principal Account, a Redemption Account, a Reserve Account and an Administrative Expenses Account).

(2) The Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 Rebate Fund (the “**Rebate Fund**”) (in which there shall be established a Rebate Account and an Alternative Penalty Account).

(3) The Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 Costs of Issuance Fund (the “**Costs of Issuance Fund**”).

(4) Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 Surplus Fund (the “**Surplus Fund**”).

The amounts on deposit in the foregoing funds, accounts and subaccounts shall be held by the Trustee and the Trustee shall invest and disburse the amounts in such funds, accounts and subaccounts in accordance with the provisions of this Article 3 and shall disburse investment earnings thereon in accordance with the provisions of Section 3.10 hereof. The Trustee may, in its discretion, establish temporary funds or accounts in its books and records to facilitate such transfers.

In connection with the issuance of any Parity Bonds, the Trustee, at the direction of an Authorized Representative of the District, may create new funds, accounts or subaccounts, or may create additional accounts and subaccounts within any of the foregoing funds and accounts for the purpose of separately accounting for the proceeds of the Bonds and any Parity Bonds.

(b) The proceeds of the sale of the Bonds in the amount of \$ _____ shall be received by the Trustee on behalf of the District. Such amount equals the original principal amount of the Bonds in the amount of \$ _____, plus original issue premium of \$ _____, less underwriter’s discount of \$ _____ which has been paid to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), and less an amount of \$ _____ wired to the Escrow Agent on the Closing Date for deposit in the Escrow Fund established under the Escrow Agreement. On behalf of the District, there shall be deposited the amounts as follows:

(1) \$ _____ in the Costs of Issuance Fund to pay the Costs of Issuance of the Bonds; and

(2) \$ _____ in the Reserve Account of the Special Tax Fund to fund the Reserve Requirement.

The Trustee may, in its discretion, establish temporary funds or accounts in its books and records to facilitate such transfers.

Section 3.2. Deposits to and Disbursements from Special Tax Fund.

(a) Except for the portion of any Prepayment to be deposited in the Redemption Account as specified in a Certificate of an Authorized Representative, the Trustee shall, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

- (1) the Administrative Expenses Account of the Special Tax Fund;
- (2) the Interest Account of the Special Tax Fund;
- (3) the Principal Account of the Special Tax Fund;
- (4) the Redemption Account of the Special Tax Fund;
- (5) the Reserve Account of the Special Tax Fund;
- (6) the Rebate Fund; and
- (7) the Surplus Fund.

(b) Upon the maturity of all of the Bonds and Parity Bonds and, after all principal and interest then due on the Bonds and Parity Bonds then Outstanding has been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Section 3.3. Administrative Expenses Account of the Special Tax Fund. The Trustee shall transfer from the Special Tax Fund and deposit in the Administrative Expenses Account of the Special Tax Fund from time to time amounts necessary to make timely payment of Administrative Expenses as set forth in a Certificate of an Authorized Representative of the District. Moneys in the Administrative Expenses Account of the Special Tax Fund may be invested in any Permitted

Investments as directed in writing by an Authorized Representative of the District and shall be disbursed as directed in a Certificate of an Authorized Representative.

Section 3.4. Interest Account and Principal Account of the Special Tax Fund. The principal of (including any Sinking Fund Payment) and interest due on the Bonds and any Parity Bonds until maturity, other than principal due upon redemption under Sections 4.1(a) and (c), shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively. For the purpose of assuring that the payment of principal of (including any Sinking Fund Payment) and interest on the Bonds and any Parity Bonds will be made when due, after making the transfer required by Section 3.3, at least one Business Day prior to each March 1 and September 1, the Trustee shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds, any Parity Bonds, or otherwise, the transfer from the Special Tax Fund need not be made; and provided, further, that, if amounts in the Special Tax Fund (exclusive of the Reserve Account) are inadequate to make the foregoing transfers, then any deficiency shall be made up by an immediate transfer from the Reserve Account:

(a) To the Interest Account, an amount such that the balance in the Interest Account one Business Day prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on a previous Interest Payment Date that remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.

(b) To the Principal Account, an amount such that the balance in the Principal Account one Business Day prior to September 1 of each year shall equal the principal payment (including any Sinking Fund Payment) due on the Bonds and any Parity Bonds maturing on such September 1 and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal (including any Sinking Fund Payment) of such Bonds and any Parity Bonds as the same become due at maturity.

Section 3.5. Redemption Account of the Special Tax Fund.

(a) After making the deposits to the Administrative Expenses Account, the Interest Account and the Principal Account of the Special Tax Fund pursuant to Sections 3.3 and 3.4, or to call Parity Bonds for optional redemption as set forth in any Supplemental Indenture for Parity Bonds, the Trustee shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the principal and the premiums, if any, payable on the Bonds or Parity Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund (other than the Administrative Expenses Account therein) may be applied to optionally redeem Bonds and Parity Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement, as determined by the District.

(b) Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(c) for the use of such Prepayments to the payment of the principal of, premium, and interest on the Bonds and Parity Bonds to be redeemed with such Prepayments.

(c) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and Parity Bonds, shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds or Parity Bonds to be redeemed upon presentation and surrender (if required) of such Bonds or Parity Bonds and, in the case of an optional redemption or an extraordinary redemption from Prepayments, to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds or Parity Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds or Parity Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine, but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption or an extraordinary redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Sections 4.1(a) or 4.1(d), as applicable, or in the case of Parity Bonds the premium established in any Supplemental Indenture. Any accrued interest payable upon the purchase of Bonds or Parity Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6. Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement. If funded, the amounts in the Reserve Account shall be applied as follows:

(a) Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds and any Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due, and for the purpose of making any required transfer to the Rebate Fund pursuant to Section 3.7 upon written direction from the District. If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Bonds and Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account for deposit in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

(b) Whenever moneys are withdrawn from the Reserve Account, after making the required transfers referred to in Sections 3.3, 3.4 and 3.5, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds that the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Administrative Expenses Account, the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund on or before the next September 1. If amounts in the Special Tax Fund, together with any other amounts transferred to replenish the Reserve Account, are inadequate to restore the Reserve Account to the Reserve Requirement, then the District shall include the amount necessary fully to restore the Reserve Account to the Reserve Requirement in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

(c) In connection with a redemption of Bonds pursuant to Section 4.1(a) or (c) or Parity Bonds in accordance with any Supplemental Indenture, or a partial defeasance of Bonds or Parity Bonds in accordance with Section 9.1, amounts in the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Representative the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to Section 9.1(c) to partially defease Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

(d) To the extent that the Reserve Account is at the Reserve Requirement as of the first day of the final Bond Year for the Bonds or an issue of Parity Bonds, amounts in the Reserve Account may be applied to pay the principal of and interest due on the Bonds and Parity Bonds, as applicable, in the final Bond Year for such issue. Moneys in the Reserve Account in excess of the Reserve Requirement that are not transferred in accordance with the preceding provisions of this section shall be withdrawn from the Reserve Account on the Business Day before each March 1 and September 1 and shall be transferred to the Interest Account of the Special Tax Fund.

(e) The Reserve Requirement may be satisfied in whole or part by the deposit of a reserve fund surety policy or similar instrument therein.

Section 3.7. Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund and shall establish a separate Rebate Account and Alternative Penalty Account therein. All money at any time deposited in the Rebate Account or the Alternative Penalty Account of the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. A separate subaccount of the Rebate Account and the Alternative Penalty Account shall be established for the Bonds and each issue of Parity Bonds the interest on which is excluded from gross income for federal income tax purposes. All amounts on deposit in the Rebate Fund with respect to the Bonds or an issue of Parity Bonds shall be governed by this Section 3.7 and the Tax Certificate for such issue, unless the District obtains an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest payments on the Bonds and Parity Bonds will not be adversely affected if such requirements are not satisfied.

(1) Rebate Account. The following requirements shall be satisfied with respect to each subaccount of the Rebate Account:

(i) Annual Computation. Within 55 days of the end of each Bond Year, the District shall calculate or cause to be calculated the amount of rebatable arbitrage for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage described in the Tax Certificate for each issue (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “**1½% Penalty**”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate

Regulations (the “**Rebatable Arbitrage**”). The District shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year for which Rebatable Arbitrage must be calculated as required by the Tax Certificate for each issue, upon the written direction of an Authorized Representative of the District, an amount shall be deposited to each subaccount of the Rebate Account by the Trustee from any funds so designated by the District if and to the extent required, so that the balance in the Rebate Account shall equal the amount of Rebatable Arbitrage so calculated by or on behalf of the District in accordance with subsection (a)(1)(i) with respect to the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable. In the event that immediately following any transfer required by the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit to the credit of the applicable subaccount of the Rebate Account exceeds the amount required to be on deposit therein, upon written instructions from an Authorized Representative of the District, the Trustee shall withdraw the excess from the appropriate subaccount of the Rebate Account and then credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in each subaccount of the Rebate Account: (X) not later than 60 days after the end of: (A) the fifth Bond Year for the Bonds and each issue of Parity Bonds to which this Section 3.7 is applicable; and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year for the Bonds and each issue of Parity Bonds, as applicable; and (Y) not later than 60 days after the payment or redemption of all of the Bonds or an issue of Parity Bonds, as applicable, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time that any payment is required to be made from the Rebate Account, the amount in the Rebate Account is not sufficient to make such payment when such payment is due, the District shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(1) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code. The Trustee may rely conclusively upon the District’s determinations, calculations and certifications required by this Section. The Trustee shall have no responsibility to independently make any calculation or determination or to review the District’s calculations hereunder.

(2) Alternative Penalty Account.

(i) Six-Month Computation. If the 1½% Penalty has been elected for the Bonds or an issue of Parity Bonds, within 85 days of each particular Six-Month Period, the District shall determine or cause to be determined whether the 1½% Penalty is payable (and the amount of such penalty) as of the close of the applicable Six-Month Period. The District shall obtain expert advice in making such determinations.

(ii) Six-Month Transfer. Within 85 days of the close of each Six-Month Period, the Trustee, at the written direction of an Authorized Representative of the District, shall deposit an amount in the appropriate subaccounts of the Alternative Penalty Account from any source of funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions or provided to it by the District, if and to the extent required, so that the balance in each subaccount of the Alternative Penalty Account equals the amount of 1½% Penalty due and payable to the United States Treasury determined as provided in subsection (a)(2)(i). In the event that immediately following any transfer provided for in the previous sentence, or the date on which the District determines that no transfer is required for such Bond Year, the amount then on deposit in a subaccount of the Alternative Penalty Account exceeds the amount required to be on deposit therein to make the payments required by subsection (a)(2)(iii), the Trustee, at the written direction of an Authorized Representative of the District, may withdraw the excess from the applicable subaccount of the Alternative Penalty Account and credit the excess to the Special Tax Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the District, to the United States Treasury, out of amounts in a subaccount of the Alternative Penalty Account, not later than 90 days after the close of each Six-Month Period the 1½% Penalty, if applicable and payable, computed with respect to the Bonds and any issue of Parity Bonds in accordance with Section 148(f)(4) of the Code. In the event that, prior to the time that any payment is required to be made from a subaccount of the Alternative Penalty Account, the amount in such subaccount is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and direct the Trustee, in writing, to deposit an amount equal to such deficiency into such subaccount of the Alternative Penalty Account from any funds held by the Trustee pursuant to this Indenture and designated by the District in such written directions prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a)(2) shall be made to the Internal Revenue Service, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to the Bonds or an issue of Parity Bonds after redemption and payment of such issue and after making the payments described in subsections (a)(1)(iii) or (a)(2)(iii) (whichever is applicable), may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds and any Parity Bonds with respect to which an Account has been created in the Rebate Fund.

(d) Amendment Without Consent of Owners. This Section 3.7 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any issue of Parity Bonds issued on a tax-exempt basis.

Section 3.8. Surplus Fund. After making the transfers required by Sections 3.3, 3.4, 3.5, 3.6 and 3.7, as soon as practicable after each September 1, and in any event prior to each October 1,

the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, unless on or prior to such date, it has received a Certificate of an Authorized Representative of the District directing that certain amounts be retained in the Special Tax Fund because the District has included such amounts as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to Section 5.2(b). Moneys deposited in the Surplus Fund will be transferred by the Trustee at the direction of an Authorized Representative of the District: (a) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor; (b) to the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement; (c) to the Administrative Expenses Account of the Special Tax Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expenses Account of the Special Tax Fund are insufficient to pay Administrative Expenses; or (d) for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or the Parity Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds or Parity Bonds, the District will notify the Trustee in a Certificate of an Authorized Representative and the Trustee will segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested at the written direction of the District in Permitted Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Permitted Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds to which such amounts are to be applied, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes.

Section 3.9. Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be disbursed by the Trustee pursuant to a Certificate of an Authorized Representative of the District, and any balance therein shall be transferred by the Trustee to the Interest Account as directed in writing by an Authorized Representative of the District or 90 days following the issuance of the Bonds, whichever is earlier. The Costs of Issuance Fund shall thereafter be closed.

Section 3.10. Investments. Moneys held in any of the funds, Accounts and subaccounts under this Indenture shall be invested at the written direction of the District in accordance with the limitations set forth below only in Permitted Investments which shall be deemed at all times to be a part of such funds, Accounts and subaccounts. Any loss resulting from such Permitted Investments shall be credited or charged to the fund, Account or subaccount from which such investment was made, and any investment earnings on a fund, Account or subaccount shall be applied as follows: (i) investment earnings on all amounts deposited in the Costs of Issuance Fund, the Special Tax Fund, the Surplus Fund and the Rebate Fund and each Account therein (other than the Reserve Account of the Special Tax Fund) shall be deposited in those respective funds and Accounts; and (ii) investment earnings on all amounts deposited in the Reserve Account shall be deposited therein to be applied as set forth in Section 3.6. Moneys in the funds, Accounts and subaccounts held under this Indenture may be invested by the Trustee as directed in writing (filed by the District with the

Trustee two (2) Business Days in advance of the making of the investment), from time to time, in Permitted Investments subject to the following restrictions:

(a) Moneys in the Costs of Issuance Fund and the Interest Account, the Principal Account and the Redemption Account of the Special Tax Fund shall be invested only in Permitted Investments which will by their terms mature, or in the case of an investment agreement are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds and any Parity Bonds as the same become due.

(b) Moneys in the Reserve Account of the Special Tax Fund may be invested only in Permitted Investments which, taken together, have a weighted average maturity not in excess of five years; provided that such amounts may be invested in an investment agreement to the later of the final maturity of the Bonds or any Parity Bonds so long as such amounts may be withdrawn at any time, without penalty, for application in accordance with Section 3.6; and provided that no such Permitted Investment of amounts in the Reserve Account allocable to the Bonds or an issue of Parity Bonds shall mature later than the respective final maturity date of the Bonds or the issue of Parity Bonds, as applicable.

(c) Moneys in the Rebate Fund shall be invested only in Permitted Investments of the type described in clause (a) of the definition thereof which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to Section 3.7, or in Permitted Investments of the type described in clause (g) of the definition thereof.

(d) In the absence of written investment directions from the District, the Trustee shall hold such moneys uninvested.

The Trustee shall sell, or present for redemption, any Permitted Investment as directed in writing by the District whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such funds and Accounts or from such funds and Accounts. For the purpose of determining at any given time the balance in any such funds and Accounts, any such investments constituting a part of such funds and Accounts shall be valued at their cost, except that amounts in the Reserve Account shall be valued at the market value thereof at least semiannually on or before each Interest Payment Date. In making any valuations hereunder, the Trustee may utilize such computerized securities pricing services as may be available to it, including, without limitation, those available through its regular accounting system, and conclusively rely thereon. Notwithstanding anything in this Indenture to the contrary, the Trustee shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of this Indenture.

The Trustee or an affiliate may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for such investment. The Trustee may sell, or present for redemption, any Permitted Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and, subject to the provisions of Section 7.4, the Trustee shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately. The parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

The District acknowledges that, to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

ARTICLE IV

REDEMPTION OF BONDS AND PARITY BONDS

Section 4.1. Redemption of Bonds.

(a) Optional Redemption. The Bonds are subject to redemption, at the option of the District, from any source of funds in whole, or in part by lot, on any Interest Payment Date beginning on September 1, 20__ at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District shall, at least 45 days prior to the redemption date, give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds, among maturities, to be redeemed. In the event of redemption pursuant to Section 4.1(a) or (c), or purchase pursuant to Section 4.1(b), the District shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

(b) Mandatory Sinking Fund Redemption. The Term Bonds shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

TERM BONDS MATURING SEPTEMBER 1, 20__

<i>Redemption Date</i> <i>(September 1)</i>	<i>Principal Amount</i>
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(maturity)

If, during the Fiscal Year immediately preceding one of the redemption dates specified above, the District purchases Bonds, at least 45 days prior to the redemption date the District shall notify the Trustee as to the principal amount purchased and the amount of Bonds so purchased shall be credited at the time of purchase, to the extent of the full principal amount thereof, to reduce such upcoming Sinking Fund Payment for the Bonds so purchased. All Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1.

In the event of a partial optional redemption or extraordinary redemption of the Bonds, each of the remaining Sinking Fund Payments for such Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis, in integral multiples of \$5,000, as directed by the District.

(c) Extraordinary Redemption.

The Bonds are subject to extraordinary redemption as a whole, or in part by lot, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.5(b), plus amounts transferred from the Reserve Account pursuant to Section 3.6(c), among maturities as directed in writing by the District, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from (and including) September 1, 20__ through (and including) March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

The District shall notify the Trustee of any extraordinary prepayment at least 45 days prior to the Interest Payment Date on which such prepayment shall occur.

(d) The redemption provisions for Parity Bonds shall be set forth in a Supplemental Indenture.

Section 4.2. Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds or Parity Bonds Outstanding are to be redeemed, the portion of any Bond or Parity Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. The Trustee shall promptly notify the District in writing of the Bonds or Parity Bonds, or portions thereof, selected for redemption.

Section 4.3. Notice of Redemption. When Bonds or Parity Bonds are due for redemption under Section 4.1 or the terms of a Supplemental Indenture, respectively, the Trustee shall give notice, in the name of the District, of the redemption of such Bonds or Parity Bonds; provided, however, that a notice of a redemption to be made from other than from Sinking Fund Payments shall be conditioned on there being on deposit on the redemption date sufficient money to pay the redemption price of the Bonds or Parity Bonds to be redeemed. Such notice of redemption shall: (a) specify the CUSIP numbers (if any) and the maturity date or dates of the Bonds or Parity Bonds selected for redemption; (b) state the date fixed for redemption and surrender of the Bonds or Parity Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds or Parity Bonds are to be redeemed; (e) in the case of Bonds or Parity Bonds to be redeemed only in

part, state the portion of such Bond or Parity Bond that is to be redeemed; (f) state the date of issue of the Bonds or Parity Bonds as originally issued; (g) state the rate of interest borne by each Bond or Parity Bond being redeemed; and (h) state any other descriptive information needed to identify accurately the Bonds or Parity Bonds being redeemed as shall be specified by the Trustee. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond, Parity Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee shall mail a copy of such notice, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Bond or Parity Bond or the original purchaser of any Bond or Parity Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds or Parity Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties, and the Owner shall not be entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. In addition to providing any notice of redemption to the Bondowners, if the Bonds are held in book-entry form, each further notice of redemption shall be sent not later than the date that notice of redemption is mailed to the Bondowners by electronic, registered or certified mail or overnight delivery service to the Depository and by electronic notice to the Municipal Securities Rulemaking Board.

Upon the payment of the redemption price of any Bonds and Parity Bonds being redeemed, each check or other transfer of funds issued for such purpose shall to the extent practicable bear the CUSIP number (if any) identifying, by issue and maturity, the Bonds and Parity Bonds being redeemed with the proceeds of such check or other transfer.

With respect to any notice of optional redemption or extraordinary redemption of Bonds or Parity Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds or Parity Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds or Parity Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 4.4. Partial Redemption of Bonds or Parity Bonds. Upon surrender by the Owner of a Bond, at the option of such Owner, for mandatory redemption at the Principal Office of the Trustee, payment of such mandatory redemption of the principal amount of a Bond will be paid to such Owner. Upon surrender of any Bond or Parity Bond to be redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Bondowner, at the expense of the District, a new Bond or Bonds or a new Parity Bond or Parity Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the

same interest rate and the same maturity or, in the case of surrender of a Parity Bond, a new Parity Bond or Parity Bonds subject to the foregoing limitations. Such mandatory redemption shall be valid upon payment of the amount thereby required to be paid to such Owner, and the District and the Trustee shall be released and discharged from all liability to the extent of such payment.

Section 4.5. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds and Parity Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture or in any Supplemental Indenture with respect to any Parity Bonds, anything in this Indenture or in the Bonds or the Parity Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the Principal Office of the Trustee, the redemption price of such Bonds and Parity Bonds shall be paid to the Owners thereof;

(c) as of the redemption date, the Bonds or the Parity Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or Parity Bonds, or portions thereof, shall cease to bear further interest; and

(d) as of the date fixed for redemption, no Owner of any of the Bonds, Parity Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1. Security. The District shall preserve and protect the security pledged hereunder to the Bonds and any Parity Bonds against all claims and demands of all persons.

Section 5.2. Covenants. So long as any of the Bonds or Parity Bonds issued hereunder are Outstanding and unpaid, the District makes the following covenants with the Bondowners under the provisions of the Act and this Indenture (to be performed by the District or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and Parity Bonds and tend to make them more marketable; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(a) Punctual Payment; Against Encumbrances. The District covenants that it will receive all Special Taxes in trust for the Owners and will instruct the City Treasurer to deposit all Special Taxes with the Trustee immediately upon their apportionment to the District, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Parity Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with this Indenture to the extent that Net Taxes and other amounts pledged hereunder are available therefor, and that the payments into the funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, this Indenture and any Supplemental Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Taxes except as provided in this Indenture, and will not issue any obligation or security having a lien or charge upon the Net Taxes superior to or on a parity with the Bonds, other than Parity Bonds. Nothing herein shall prevent the District from issuing or incurring indebtedness that is payable from a pledge of Net Taxes which is subordinate in all respects to the pledge of Net Taxes to repay the Bonds and the Parity Bonds.

(b) Levy of Special Tax. Beginning in Fiscal Year 2021-22 and continuing so long as any Bonds or Parity Bonds issued under this Indenture are Outstanding, the legislative body of the District covenants to levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay: (i) the principal of and interest on the Bonds and any Parity Bonds when due; (ii) the Administrative Expenses; and (iii) any amounts required to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

(c) Commence Foreclosure Proceedings. The District covenants for the benefit of the Owners of the Bonds and any Parity Bonds that it will (i) commence judicial foreclosure proceedings against: (a) parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due, and (b) all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and the amount on deposit in the Reserve Account is at less than the Reserve Requirement; and (ii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid.

The District covenants that it will deposit the net proceeds of any foreclosure to the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal of and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

(d) Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Taxes or other funds in the Special Tax Fund (other than the Administrative Expenses Account therein), or which might impair the security of the Bonds or any Parity Bonds then Outstanding; provided, however, that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the Project, the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee, the Owners of not less than 10% of the principal amount of the Bonds or the Owners of not less than 10% of any issue of Parity Bonds then Outstanding or their representatives authorized in writing.

(f) Federal Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis for federal income tax purposes will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or any Parity Bonds or of any other moneys or property which would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “private activity bonds” within the meaning of Section 141 of the Code;

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or any Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or any Parity Bonds or take or omit to take any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code;

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds and any applicable Parity Bonds;

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and any issue of Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein;

(7) Other Tax-Exempt Issues. The District will not use proceeds of other tax-exempt securities to redeem any Bonds or Parity Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis; and

(8) Subsequent Opinions. If the District obtains a subsequent opinion of Bond Counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation (“SYCR”), where such opinion is required in connection with a change or amendment to this Indenture or the procedures set forth in the Tax Certificate, it will obtain an opinion substantially to the effect originally delivered by SYCR that interest on the Bonds and Parity Bonds which are the subject of such change or amendment is excluded from gross income for federal income tax purposes.

(g) Reduction of Maximum Special Taxes. The District hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels that required the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the District below the levels provided in this Section 5.2(g) would interfere with the timely retirement of the Bonds and Parity Bonds. The District determines it to be necessary in order to preserve the security for the Bonds and Parity Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the District.

(h) Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the maximum Special Tax below the levels specified in Section 5.2(g) above or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(i) Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53341.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds and Parity Bonds when due.

(j) Continuing Disclosures. The District covenants to comply with the terms of the Continuing Disclosure Agreement and with the terms of any continuing disclosure agreement executed by the District with respect to any Parity Bonds in order to assist the underwriter thereof in complying with Rule 15(c)2-12 adopted by the Securities and Exchange Commission.

(k) Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds and any Parity Bonds of the rights and benefits provided in this Indenture.

ARTICLE VI

AMENDMENTS TO INDENTURE**Section 6.1. Supplemental Indentures or Orders Not Requiring Bondowner Consent.**

The District may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Bondowners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Indenture, other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond or Parity Bond payments;

(c) to provide for the issuance of any Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of this Indenture;

(d) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Parity Bonds then Outstanding;

(e) subject to the provisions of Section 5.2(g), to modify, alter or amend the Rate and Method in any manner with respect to the Bonds and Parity Bonds Outstanding as of the date of such amendment; or

(f) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondowners.

Section 6.2. Supplemental Indentures or Orders Requiring Bondowner Consent.

Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting: (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond or Parity Bond; (b) a reduction in the principal amount of, or redemption premium on, any Bond or Parity Bond or the rate of interest thereon; (c) a preference or priority of any Bond or Parity Bond over any other Bond or Parity Bond; or (d) a reduction in the aggregate principal amount of the Bonds and Parity Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds and Parity Bonds then Outstanding.

If at any time the District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowners, the District shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee shall, at the expense of the District, cause notice of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Bondowners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the Principal Office of the Trustee for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the District, shall thereafter become a part of the proceedings for the issuance of the Bonds and any Parity Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds and Parity Bonds have consented to the adoption of any Supplemental Indenture, Bonds or Parity Bonds that are owned by the District, or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplemental Indenture and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds in instances where such consent is required pursuant to the provisions of this Section, this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District and all Owners of Outstanding Bonds and Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3. Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds or any Parity Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date and presentation of such Owner's Bond or Parity Bond for the purpose at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds or Parity Bonds. If the District shall so determine, new Bonds or Parity Bonds so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date such new Bonds or Parity Bonds shall be exchanged at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds or Parity Bonds, upon surrender of such Outstanding Bonds or Parity Bonds.

In executing, or accepting the additional trusts created by any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the

Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE VII

TRUSTEE

Section 7.1. Trustee. Wilmington Trust, National Association shall be the Trustee for the Bonds and any Parity Bonds unless and until another Trustee is appointed by the District hereunder. The District may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 for the purpose of receiving all money that the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5, interest payments to the Bondowners, to select Bonds and Parity Bonds for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds and Parity Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds and Parity Bonds presented to it for such purposes, to provide for the cancellation of Bonds and Parity Bonds and to provide for the authentication of Bonds and Parity Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds and Parity Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to redeem the Bonds and Parity Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds and Parity Bonds upon payment thereof in accordance with the provisions of Section 10.1.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all of its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities, including, without limitation, fees and expenses of its attorneys, not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder. The foregoing obligation of the District to indemnify the Trustee shall survive the removal or resignation of the Trustee or the discharge of the Bonds.

Section 7.2. Removal of Trustee. The District may at any time at its sole discretion, and shall at the direction of a majority of the Owners, remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a 30-day written notice of its decision to remove the Trustee. The District shall appoint a successor or successors thereto, provided that any such successor shall be a bank, national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. If any bank, national banking association or trust company

appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice being sent by the successor Trustee to the Bondowners of the successor Trustee's identity and address.

Section 7.3. Resignation of Trustee. The Trustee may at any time resign and be discharged from its duties and obligations hereunder by giving written notice to the District and by giving to the Owners notice of such resignation, which notice shall be mailed to the Owners at their addresses appearing in the registration books at the Principal Office of the Trustee. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within thirty (30) calendar days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, at the sole expense of the District, or any Bondowner (on behalf of itself and all other Bondowners) may petition any court of competent jurisdiction for the appointment of a successor Trustee and other appropriate relief, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee or grant such other relief.

Section 7.4. Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any Parity Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Indenture, the Bonds or any Parity Bonds, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations specifically set forth herein, in the Bonds and any Parity Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds or any Parity Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Trustee shall be entitled to request and receive written instructions from the District and/or Owners and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of any such party. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of an Owner and/or the District, pursuant to the provisions of this Indenture, unless such party shall have offered to the Trustee security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction. The immunities extended to the Trustee also extend to its directors, officers, employees and agents (including its counsel).

Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the District or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person. The Trustee shall be conclusively protected in acting upon any notice, resolution, request, consent, order, judgment, decree, certificate, report, Bond, Parity Bond, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Trustee in accordance with the advice of counsel or other professionals retained or consulted by the Trustee. The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care. The Trustee may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond or Parity Bond unless and until such Bond or Parity Bond is submitted for inspection, if required, and title thereto is satisfactorily established, if disputed.

Whenever in the administration of its duties under this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, the Trustee may, at the expense of the District, request, rely on and act in accordance with officer's certificates and/or opinions of counsel (unless other evidence in respect thereof be herein specifically prescribed), and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer's certificates and opinions of counsel, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. No provision in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be deemed to have knowledge of any events or other information, or default or Event of Default, until an officer at the Principal Office of the Trustee who is responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Principal Office of the Trustee.

The Trustee shall not be considered in breach of or in default in its obligations hereunder and will not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder, or progress in respect thereto in the event of enforced delay (“**unavoidable delay**”) in the performance of such obligations caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or

military disturbances; sabotage; epidemics; quarantine restrictions; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility. In no event shall the Trustee be liable for incidental, indirect, punitive, special or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), in connection with or arising out of the Project or this Indenture for the existence, furnishing, functioning or use and possession of the Project, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action

The Trustee shall be entitled to request and receive written instructions from the District or other parties and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of the District or such other parties. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means. (“**Electronic Means**” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder). The District shall provide to the Trustee a Certificate of an Authorized Representative of the District listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

All immunities, indemnifications and releases from liability granted herein to the Trustee will extend to the directors, employees, officers and agents thereof.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Owners pursuant to the provisions of this Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents, shall not be liable for the acts or omissions of such attorneys or agents appointed with due care, and shall be entitled to rely on advice of counsel concerning all matters of trust and its duty hereunder.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

The Trustee shall not be required to determine the legality of any investments.

Section 7.5. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default. Any one or more of the following events shall constitute an “Event of Default”:

(a) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond or Parity Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) default in the due and punctual payment of the interest on any Bond or Parity Bond when and as the same shall become due and payable; or

(c) except as described in subsections (a) or (b), default by the District in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bonds or any Parity Bonds, and such default shall have continued for a period of 30 days after the District shall have been given notice in writing of such default by the Trustee or the Owners of 25% in aggregate principal amount of the Outstanding Bonds and Parity Bonds; provided, however, that such default shall not constitute an Event of Default hereunder if the District shall commence to cure such default within said 30-day period and thereafter diligently and in good faith proceed to cure such default within a reasonable period of time not to exceed 90 days after such notice.

The Trustee agrees to give notice to the Owners as soon as practicable upon the occurrence of an Event of Default under subsections (a) or (b) above and within 30 days of the Trustee’s knowledge of an event of default under subsection (c) above.

Section 8.2. Remedies of Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds and Parity Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) by mandamus or other suit or proceeding at law or in equity to enforce the Trustee’s rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) by suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) by a suit in equity to require the District and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and Parity Bonds and if indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds and Parity Bonds.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Section 8.3. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture relating to the Bonds and Parity Bonds shall be applied by the Trustee in the following order upon presentation of the several Bonds and Parity Bonds:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount of interest on and principal of the Bonds and Parity Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds and Parity Bonds; provided, however, that in the event that such amounts shall be insufficient to pay the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(a) first to the payment of all installments of interest on the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing,

(b) second, to the payment of all installments of principal, including Sinking Fund Payments, of the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing; and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bonds and Parity Bonds on a pro rata basis based on the total amount then due and owing.

Section 8.4. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds and Parity Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds and Parity Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding that any Owner of Bonds or Parity Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds and Parity Bonds similarly situated and the Trustee is hereby appointed (and the

successive respective Owners of the Bonds and Parity Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds and Parity Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds and Parity Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Section 8.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bonds and Parity Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Net Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds or the Parity Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds and Parity Bonds to the respective Owners of the Bonds and Parity Bonds at the respective dates of maturity, as herein provided, out of the Net Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds or Parity Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or the Owners by the Act or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7. Limitations on Rights and Remedies of Owners. No Owner of any Bond or Parity Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds and Parity Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds and Parity Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds and Parity Bonds shall have any right in any manner whatever by their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds and Parity Bonds.

The right of any Owner of any Bond and Parity Bond to receive payment of the principal of and interest and premium (if any) on such Bond and Parity Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.8. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the District, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

DEFEASANCE AND PARITY BONDS

Section 9.1. Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond or Parity Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond or Parity Bond shall cease to be entitled to the pledge of Net Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond or Parity Bond under this Indenture and any Supplemental Indenture relating to such Parity Bond shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds and Parity Bonds pursuant to this Section, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds and Parity Bonds.

Any Outstanding Bond or Parity Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond or Parity Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund (exclusive of the Administrative Expenses Account) and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the District, in trust, Federal Securities, in which the District may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund (exclusive of the Administrative Expenses Account) and available for such purpose,

together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable.

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds and Parity Bonds shall not have been surrendered for payment, all obligations of the District under this Indenture and any Supplemental Indenture with respect to such Bond or Parity Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond or Parity Bond not so surrendered and paid, all sums due thereon and except for the covenants of the District contained in Section 5.2(f) or any covenants in a Supplemental Indenture relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under clauses (b) or (c) above, there shall be provided to the District a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds and Parity Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds or Parity Bonds being defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds and Parity Bonds that have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds and Parity Bonds, the Trustee shall pay over or deliver to the District any funds held by the Trustee at the time of a defeasance that are not required for the purpose of paying and discharging the principal of or interest on the Bonds and Parity Bonds when due. The Trustee shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds or Parity Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

Section 9.2. Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the Bonds hereunder issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund (other than in the Administrative Expenses Account therein) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. Parity Bonds may be issued subject to the following additional specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

(a) The District shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indenture then in effect, and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding the fact that the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

(b) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly adopted by the District which shall specify the following:

(1) the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited, including a provision requiring the proceeds of such Parity Bonds to be applied solely for the purpose of refunding any Outstanding Bonds or Parity Bonds, including payment of all costs and the funding of all reserves incidental to or connected with such refunding;

(2) the authorized principal amount of such Parity Bonds;

(3) the date and the maturity date or dates of such Parity Bonds; provided that: (i) each maturity date shall fall on a September 1; (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number; and (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates;

(4) the description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

(5) the denominations and method of numbering of such Parity Bonds;

(6) the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds;

(7) the amount, if any, to be deposited from the proceeds of such Parity Bonds in the Reserve Account of the Special Tax Fund to increase the amount therein to the Reserve Requirement;

(8) the form of such Parity Bonds; and

(9) such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) The Trustee shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the Delivery Date of such Parity Bonds by the Trustee (unless the Trustee shall accept any of such documents bearing a prior date):

(1) a certified copy of the Supplemental Indenture authorizing the issuance of such Parity Bonds;

(2) a written request of the District as to the delivery of such Parity Bonds;

(3) an opinion of Bond Counsel to the effect that: (i) the District has the right and power under the Act to adopt this Indenture and the Supplemental Indentures relating to such Parity Bonds, and this Indenture and all such Supplemental Indentures have been duly and lawfully adopted by the District, are in full force and effect and are valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (ii) this Indenture creates the valid pledge which it purports to create of the Net Taxes and other amounts as provided in this Indenture, subject to the application thereof to the purposes and on the conditions

permitted by this Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of this Indenture and all Supplemental Indentures thereto and entitled to the benefits of this Indenture and all such Supplemental Indentures, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and this Indenture and all such Supplemental Indentures; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax-exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

(4) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of this Indenture; and

(5) such further documents, money and securities as are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of such Parity Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1. Cancellation of Bonds and Parity Bonds. All Bonds and Parity Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Parity Bond purchased by the District as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds and Parity Bonds, as provided by law, and, upon request of the District, furnish to the District a certificate of such destruction.

Section 10.2. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Parity Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond or Parity Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Parity Bond, and the

interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Parity Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters herein stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or Parity Bond shall bind every future Owner of the same Bond or Parity Bond in respect of anything done or suffered to be done by the Trustee or the District in pursuance of such request or consent.

Section 10.3. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds and Parity Bonds that remains unclaimed for two years after the date when such Outstanding Bonds or Parity Bonds have become due and payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Outstanding Bonds or Parity Bonds become due and payable, shall be repaid by the Trustee to the District, as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Outstanding Bonds or Parity Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee, at the expense of the District, shall cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds or Parity Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Section 10.4. Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Bondowners or the Trustee, then the District, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds, this Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

Section 10.5. Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or creating bonded or other indebtedness payable from a pledge of the Net Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the District or from taxes or any source other than the Net Taxes and other amounts pledged hereunder.

Section 10.6. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds or any Parity Bonds the rights and benefits provided in this Indenture.

Section 10.7. Entire Agreement; Severability. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bonds and any Parity Bonds issued pursuant hereto shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8. Notices. Any notices required to be given to the District with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the Chief Financial Officer of the City of Moreno Valley, 14177 Frederick Street, Moreno Valley, California 92552, and all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, or personally delivered to Wilmington Trust, National Association, 650 Town Center Drive, Suite 800, Costa Mesa, California 92626, Attention: Corporate Trust, Ref: Community Facilities District No. 5 of the City of Moreno Valley, Phone: (714) 384-4153.

Section 10.9. Governing Law; Jurisdiction. This Indenture shall be governed by and construed in accordance with the laws of the State of California. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in the State of California, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

IN WITNESS WHEREOF, the District has caused this Indenture to be signed by the Mayor of the City, acting as the legislative body of the District and attested thereto by the City Clerk of the City, and the Trustee, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY

By: _____
Chief Financial Officer of the City of Moreno Valley, California, acting as the legislative body of Community Facilities District No. 5 of the City of Moreno Valley

ATTEST:

City Clerk of the City of Moreno Valley, California, acting as the legislative body of Community Facilities District No. 5 of the City of Moreno Valley

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

Attachment: Bond Indenture (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO.

EXHIBIT A

FORM OF SPECIAL TAX REFUNDING BOND SERIES 2021

R- _____ \$ _____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS SUCH TERM IS DEFINED IN THE INDENTURE) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS, SERIES 2021

INTEREST RATE MATURITY DATE DATED DATE CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS AND NO/100 DOLLARS

COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY (the "District") which was formed by the City of Moreno Valley (the "City") and is situated in the County of Riverside, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as such term is defined herein), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as such term is defined herein) next preceding the date of authentication hereof, unless: (i) the date of authentication is an Interest Payment Date, in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date (as such term is defined herein) but prior to the immediately

succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date in which event interest shall be payable from the Dated Date set forth above. Notwithstanding the foregoing, if at the time of authentication of this Bond interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually each March 1 and September 1, commencing March 1, 2022, at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee, initially Wilmington Trust, National Association, (the "Trustee"). Interest on this Bond shall be paid on each Interest Payment Date by check of the Trustee mailed by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Registered Owner hereof appearing on the registration books maintained by the Trustee as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Registered Owner's address as it appears on the registration books maintained by the Trustee.

Capitalized terms used herein and not defined shall have the meanings given them in the Indenture.

This Bond is one of a duly authorized issue of "Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021" (the "Bonds") issued in the aggregate principal amount of \$ _____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, *et seq.*, of the California Government Code (the "Act") for the purpose of refunding the District's 2007 Special Tax Bonds, funding a reserve account and paying certain costs related to the issuance of the Bonds. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District (the "Legislative Body") on October 19, 2021 and a Bond Indenture dated as of December 1, 2021, by and between the District and the Trustee executed in connection therewith (the "Indenture"), and this reference incorporates the Indenture herein, and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Indenture is executed under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District (the "Special Taxes") and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Special Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund (other than the Administrative Expenses Account therein) established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion

foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

The Bonds are subject to redemption, at the option of the District, from any source of funds in whole, or in part by lot, on any Interest Payment Date beginning on September 1, 20__, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

In the event that the District elects to redeem Bonds as provided above, the District shall, at least 45 days prior to the redemption date, give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds, among maturities, to be redeemed. In the event of optional or extraordinary redemption pursuant to the Indenture, the District shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

The Term Bonds shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

TERM BONDS MATURING SEPTEMBER 1, 20__

<i>Redemption Date</i> <i>(September 1)</i>	<i>Principal Amount</i>
--	-------------------------

(maturity)

If, during the Fiscal Year immediately preceding one of the redemption dates specified above, the District purchases Bonds, at least 45 days prior to the redemption date the District shall notify the Trustee as to the principal amount purchased and the amount of Bonds so purchased shall be credited at the time of purchase, to the extent of the full principal amount thereof, to reduce such upcoming Sinking Fund Payment for the Bonds so purchased. All Bonds purchased pursuant to the Indenture will shall be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or extraordinary redemption of the Bonds, each of the remaining Sinking Fund Payments for such Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis, in integral multiples of \$5,000, as directed by the District.

The Bonds are subject to extraordinary redemption as a whole, or in part by lot, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to the Indenture, plus amounts transferred from the Reserve Account pursuant to the Indenture, among maturities as directed in writing by the District, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from (and including) September 1, 20__ through (and including) March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

The District shall notify the Trustee of any extraordinary prepayment at least 45 days prior to the Interest Payment Date on which such prepayment shall occur.

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 45 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books. Neither a failure of the Registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date, provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor. Notwithstanding the foregoing, an Owner may only transfer the Bonds so long as all Outstanding Bonds are transferred together to a new Owner who has delivered an Investor Letter to the District.

The Trustee shall not be required to register transfers or make exchanges of: (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF MORENO VALLEY OR OF THE DISTRICT FOR WHICH THE CITY OF MORENO VALLEY OR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY OF MORENO VALLEY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the District has caused this Bond to be dated as of the Dated Date, to be signed on behalf of the District by the Mayor of the City by his facsimile signature and attested by the facsimile signature of the City Clerk of the City.

Mayor of the City of Moreno Valley, California,
acting as the legislative body of Community
Facilities District No. 5 of the City of Moreno
Valley

ATTEST:

City Clerk of the City of Moreno Valley,
California, acting as the legislative body of
Community Facilities District No. 5 of the
City of Moreno Valley

[FORM OF TRUSTEE’S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Indenture.

Dated: _____

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

City Clerk of the City of Moreno Valley,
California, acting as the legislative body of
Community Facilities District No. 5 of the
City of Moreno Valley

Attachment: Bond Indenture (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO.

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s)

_____ attorney,
to transfer the same on the Registration Books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Attachment: Bond Indenture (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO.

§ _____
**COMMUNITY FACILITIES DISTRICT NO. 5
 OF THE CITY OF MORENO VALLEY
 SPECIAL TAX REFUNDING BONDS
 SERIES 2021**

BOND PURCHASE AGREEMENT

_____, 2021

City of Moreno Valley
 Community Facilities District No. 5
 14177 Frederick Street
 P.O. Box 88005
 Moreno Valley, CA 92552-0805

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, as Underwriter (the “**Underwriter**”), offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with Community Facilities District No. 5 of the City of Moreno Valley (the “**Community Facilities District**”), which upon acceptance will be binding upon the Underwriter and the Community Facilities District. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Community Facilities District satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Community Facilities District’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 P.M., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Community Facilities District at any time prior to the acceptance hereof by the Community Facilities District. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Bond Indenture, dated as of December 1, 2021 (the “**Indenture**”), by and between the Community Facilities District and Wilmington Trust, National Association, as trustee (the “**Trustee**”).

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein: (i) the Underwriter hereby agrees to purchase from the Community Facilities District and the Community Facilities District hereby agrees to sell to the Underwriter all (but not less than all) of the \$_____ aggregate principal amount of the Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 (the “**Bonds**”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof, plus an original issue premium of \$_____ and less an Underwriter’s discount of \$_____).

The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds subject to Section 2 hereof, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Net Taxes as provided in the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “**Community Facilities District Act**”). The issuance of the Bonds has been duly authorized by the City Council of the City of Moreno Valley (the “**City**”), as the legislative body for the Community Facilities District, pursuant to Resolution No. _____ (the “**Community Facilities District Resolution of Issuance**”) adopted on October 19, 2021.

The proceeds of the Bonds will be used to: (i) to refund all of the Community Facilities District No. 5 of the City of Moreno Valley 2007 Special Tax Bonds (the “**Refunded Bonds**”); (ii) fund a deposit to the Reserve Account; and (iii) pay costs of issuance for the Bonds.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from special taxes as provided in the Indenture (the “**Special Taxes**”).

A. The Community Facilities District hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the Community Facilities District herein, and the Community Facilities District shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation, warranty or agreement made by the Community Facilities District herein is incorrect in any material respect.

The Community Facilities District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the Community Facilities District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as the agent or fiduciary of the Community Facilities District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Community Facilities District with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Community Facilities District on other matters) or (b) any other obligations to the Community Facilities District with respect to the offering contemplated hereby, except the obligations expressly set forth in this Purchase Agreement or otherwise imposed by law, (iv) the Underwriter has financial interests that differ from those of the Community Facilities District and (v) the Community Facilities District has consulted with their own legal, financial and other advisors to the extent they have deemed appropriate in connection with this transaction. The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”). The Community Facilities District

acknowledges and represents that it has engaged Fieldman, Rolapp & Associates, Inc. as its municipal advisor (the “**Municipal Advisor**”) (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on the financial advice of Fieldman, Rolapp & Associates, Inc. with respect to the Bonds.

B. Pursuant to the authorization of the Community Facilities District, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2021, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the “Preliminary Official Statement.” By its acceptance of this Purchase Agreement, the Community Facilities District hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Community Facilities District agrees to execute a final official statement relating to the Bonds (including any supplements and/or amendments thereto, the “**Official Statement**”) which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel (“**Bond Counsel**”), Nixon Peabody, LLP, Disclosure Counsel (“**Disclosure Counsel**”), and the Underwriter, and to provide copies thereof to the Underwriter as set forth herein. The Community Facilities District hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Community Facilities District further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Continuing Disclosure Agreement executed by the Community Facilities District in connection with the Bonds and the dissemination agent named therein (the “**Continuing Disclosure Agreement**”), the Escrow Agreement, dated as of December 1, 2021 with regard to the Refunded Bonds (the “**Escrow Agreement**”), between the Community Facilities District and Computershare Trust Company, N.A., as escrow agent (the “**Escrow Agent**”), this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”), the Community Facilities District will undertake pursuant to the Continuing Disclosure Agreement, in the form attached as an appendix to the Official Statement, to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Community Facilities District may otherwise agree, the Community Facilities District will deliver to the Underwriter, at the offices of Bond Counsel in Los Angeles, California, or at such other location as may be mutually agreed upon by the Underwriter and the Community Facilities District, the documents hereinafter mentioned; and the Community Facilities District will deliver to the Underwriter through the facilities of The Depository Trust Company (“**DTC**”), the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Community Facilities District and authenticated by the Trustee in the manner provided for in the Indenture and the Community Facilities District Act at 8:30 a.m. California time, on _____, 2021 (the “**Closing Date**”), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the “**Closing**”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. Establishment of Issue Price.

A. The Underwriter agrees to assist the Community Facilities District in establishing the issue price of the Bonds and shall execute and deliver to the Community Facilities District at or before the Closing Date an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Community Facilities District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

B. With respect to Bonds of those maturities as to which at least 10% of the Bonds of the maturity has been sold to the public (defined in paragraph F below) at a single price (the “**10% test**”), based on reporting by the Underwriter to the Community Facilities District on the date hereof and prior to the execution of this Purchase Agreement, which maturities are indicated in Exhibit A attached hereto as having satisfied the 10% test (the “**10% Test Maturities**”), the Community Facilities District will treat the first price at which 10% of each such maturity of the Bonds was sold to the public as the issue price of that maturity. With respect to Bonds of those maturities as to which the 10% test has not been satisfied, based on reporting by the Underwriter to the Community Facilities District on the date hereof and prior to the execution of this Bond Purchase Agreement, which maturities are indicated in Exhibit A attached hereto as being subject to the “hold-the-offering-price rule,” defined below (the “**Hold-the-Offering-Price Maturities**”), the Underwriter and the Community Facilities District agree that the rules in paragraph C below shall apply. For purposes of this section, for Bonds maturing on the same date but having different interest rates, each separate group of Bonds having a different interest rate is subject to the 10% test or paragraph C below, as the case may be, as if such separate group of Bonds were a separate maturity.

C. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement), and (ii) the 10% test has not been satisfied and for which the Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or
2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Community Facilities District, after the close of the fifth (5th) business day after the sale date, whether it has sold at least 10% of each Hold-the-

Offering-Price maturity to the public at a price that is no higher than the initial offering price to the public of that maturity, if such sale has occurred prior to the close of the fifth (5th) business day after the sale date.

D. The Underwriter confirms that:

(i) any selling group agreement and any retail or other third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail or other third-party distribution agreement, as applicable:

(A) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a retail or other third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail or other third-party distribution agreement to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

E. The Community Facilities District acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail or other third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the retail or other third-party distribution agreement and the related pricing wires.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. “public” means any person other than an underwriter or a related party;

2. “underwriter” means (A) any person that agrees pursuant to a written contract with the Community Facilities District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. “sale date” means the date of execution of this Purchase Agreement by all parties.

3. Representations, Warranties and Covenants of the Community Facilities District. The Community Facilities District represents, warrants and covenants to the Underwriter on behalf of itself and the City that:

A. The City is duly organized and validly existing as a municipal corporation under the Constitution and laws of the State of California and has duly authorized the formation of the Community Facilities District pursuant to resolutions duly adopted by the City Council (the “**Community Facilities District Formation Resolution**” and, together with the Community Facilities District Resolution of Issuance, the “**Community Facilities District Resolutions**”) and the Community Facilities District Act. The City Council, as the legislative body of the City and the Community Facilities District, has duly adopted the Community Facilities District Formation Resolution, and has caused to be recorded in the real property records of the County of Riverside, notice of special tax lien, and any required amendments thereof (collectively, the “**Notice of Special Tax Lien**”) (the Community Facilities District Formation Resolution and Notice of Special Tax Lien being collectively referred to herein as the “**Formation Documents**”), and has duly adopted a Community Facilities District Resolution of Issuance. Each of its Formation Documents remains in full force and effect as of the date hereof and has not been amended. The Community Facilities District is duly organized and validly existing as a Community Facilities District under the laws of the State of California. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement and the Indenture, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver the Bonds as provided herein; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Indenture,

the Bonds, the Escrow Agreement, the Continuing Disclosure Agreement, this Purchase Agreement and the Official Statement.

This Purchase Agreement, the Indenture, the Escrow Agreement, the Bonds and the Continuing Disclosure Agreement are collectively referred to herein as the “**Community Facilities District Documents.**”

B. The Community Facilities District and the City, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the Community Facilities District Documents, and any immaterial noncompliance by the Community Facilities District and the City, if any, will not impair the ability of the Community Facilities District and the City, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Community Facilities District and the Bonds (other than information under the caption “LEGAL MATTERS - Underwriting,” Appendix E and statements pertaining to the book entry system, as to which no view is expressed), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term “End of the Underwriting Period” means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Community Facilities District at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the “End of the Underwriting Period.”

E. Except as described in the Preliminary Official Statement and Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or

other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the Community Facilities District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement.

F. Except as may be required under the “blue sky” or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the Community Facilities District Documents, and the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

H. The Bonds are payable from the Special Tax, as set forth in the Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Community Facilities District will covenant in the Indenture to levy the Special Taxes within the Community Facilities District in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Bonds when due and payable, all as provided in the Indenture.

I. The Indenture creates a valid pledge of, first lien upon and security interest in, the Net Taxes, and in the moneys in the Special Tax Fund (other than the Administrative Expense Account) established pursuant to the Indenture, on the terms and conditions set forth in the Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District’s knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Taxes of the Community Facilities District referred to in paragraph (I) hereof.

K. The Preliminary Official Statement was deemed final by a duly authorized officer of the Community Facilities District prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Community Facilities District hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Community Facilities District shall cause a final electronic form of the Official Statement to be

delivered to the Underwriter to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

L. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an “**Action**”) pending (notice of which has been served on the Community Facilities District) or to the best knowledge of the Community Facilities District or the City threatened, in which any such Action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Community Facilities District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State income taxation or contests the powers of the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

M. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the Community Facilities District authorized to do so shall be deemed a representation and warranty by the Community Facilities District to the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

N. At or prior to the Closing the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Agreement in substantially the form attached as Appendix C to the Official Statement. Based upon a review of its previous undertakings, and except as disclosed in the Preliminary Official Statement, the Community Facilities District has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events in the last five years.

O. The Community Facilities District will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Official Statement.

P. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Community Facilities District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

Q. Between the date of this Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

The Community Facilities District hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The execution and delivery of this Purchase Agreement by the Community Facilities District shall constitute a representation by the Community Facilities District to the Underwriter that the representations and warranties contained in this Section 3 with respect to the Community Facilities District are true as of the date hereof.

4. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the Community Facilities District contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Community Facilities District of their obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions and the Community Facilities District Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as described in the Official Statement, the City shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, and the performance of the conditions precedent to be performed hereunder will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance of the conditions precedent to be performed by the City hereunder.

C. At the Closing Date, except as described in the Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Bonds, the

Attachment: Bond Purchase Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

Community Facilities District Resolutions, the Indenture, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Indenture, the Bonds or the performance of the conditions precedent to be performed by the Community Facilities District hereunder.

D. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

E. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the inside cover page of the Official Statement, of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Community Facilities District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof; or

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all

underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect; or

3. A general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

4. The introduction, proposal or enactment of any amendment to the Federal or California Constitution or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Community Facilities District, its property, income, securities (or interest thereon), the validity or enforceability of Special Taxes, or the ability of the Community Facilities District to issue the Bonds as contemplated by the Indenture and the Official Statement; or

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

7. There shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

8. Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or Community Facilities District shall have occurred; or

9. Any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Community Facilities District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

10. A general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

11. A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

12. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

13. A decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Securities, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Securities, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act; or

14. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Community Facilities District; or

15. The commencement of any Action.

F. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Community Facilities District by an authorized officer;

2. The Indenture, duly executed and delivered by the Community Facilities District and the Trustee;

3. The Community Facilities District Resolutions, the Community Facilities District Documents and the Formation Documents, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the Community Facilities District Resolutions are true, correct and complete copies of the ones duly adopted by the City Council;

4. The Continuing Disclosure Agreement executed and delivered by an authorized officer the Community Facilities District;

5. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Community Facilities District, of Bond Counsel, to the effect that the Bonds are the valid, legal and binding obligations of the Community Facilities District and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State of California, in substantially the form included as Appendix D to

the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion addressed to the Community Facilities District may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it;

6. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, in substantially the form attached hereto as Exhibit C;

7. The letter of Disclosure Counsel, dated the Closing Date and addressed to the Community Facilities District and to the Underwriter, in substantially the form attached hereto as Exhibit D;

8. An opinion of Bond Counsel, addressed to the Community Facilities District, the Escrow Agent, and the Underwriter, dated the date of Closing, as to the effective defeasance of the Refunded Bonds in form and substance acceptable to the Underwriter;

9. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations and warranties made by the Community Facilities District contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under this Purchase Agreement, the Community Facilities District Resolutions, and the Community Facilities District Documents at or prior to the Closing Date;

10. An opinion of the City Attorney dated the date of Closing and addressed to the Underwriter and the City in substantially the form attached hereto as Exhibit E;

11. A certificate dated the Closing Date from Willdan Financial Services to the effect that: (i) that the Special Taxes, if levied in accordance with the Rate and Method and collected will annually yield sufficient revenue to make timely payments of the Annual Debt Service on the Bonds, and annual Administrative Expenses related to the levy and collection of the Special Taxes and the expenses of the Trustee for the Bonds (no representation is made as to the actual amounts that will be collected in future years); (ii) that the Special Tax, if collected in the maximum amounts permitted pursuant to the Rate and Method on the Closing Date, after payment of annual Administrative Expenses related to the levy and collection of the Special Taxes and the expenses of the Trustee for the Bonds, would annually generate at least 110% of the Annual Debt Service payable with respect to the Bonds payable from such Special Taxes assuming the debt service schedule shown in the Official Statement is true and correct; and (iii) the statements in the Official Statement provided by Willdan Financial Services concerning Special Taxes in the Community Facilities District and all information supplied by it for use in the Official Statement were as of the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

12. Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution of the Indenture and the authentication of the Bonds;

13. A certificate of the Trustee, dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and have full power and authority to perform its duties under the Indenture; (ii) the Trustee is duly authorized to execute and deliver the Indenture, to accept the obligations created by the Indenture and to authenticate the Bonds pursuant to the terms of the Indenture; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties;

14. An opinion of counsel to the Trustee dated the Closing Date, addressed to the Underwriter, and the Community Facilities District to the effect that the Trustee is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Indenture, and that such documents has been duly authorized, executed and delivered by the Trustee, and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Trustee, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

15. A certificate or certificates of the Escrow Agent, dated the Closing Date, in form and substance acceptable to the Underwriter and Bond Counsel;

16. A certificate of the Community Facilities District dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

17. An opinion of Kutak Rock LLP, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter; and

18. The report of Causey Demgen & Moore P.C., (the "**Verification Agent**"), on the mathematical accuracy of certain computations, contained in schedules provided to them which were prepared for the Community Facilities District, relating to the sufficiency of cash deposited into the Escrow Fund to redeem the Refunded Bonds on March 1, 2022.

19. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations and warranties of the

Community Facilities District contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District in connection with the transactions contemplated hereby and by the Indenture and the Official Statement.

If the Community Facilities District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Community Facilities District nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Community Facilities District set forth in Section 5 hereof shall continue in full force and effect.

5. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Community Facilities District shall pay only from the proceeds of the Bonds, or any other legally available funds of the City, or the Community Facilities District, but only as the Community Facilities District and such other party providing such services may agree, all expenses and costs of the Community Facilities District incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee and Escrow Agent, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the City, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the City's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees and disbursements of Underwriter's Counsel.

6. Notices. Any notice of other communication to be given to the Community Facilities District under this Purchase Agreement may be given by delivering the same in writing to such entity, at the addresses set forth on the cover page hereof; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa Street, Suite 1800, Los Angeles, California 90071, Attention: Public Finance.

7. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Community Facilities District and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations and Warranties. The representations and warranties of the Community Facilities District under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such

investigations) concerning such representations and statements of the Community Facilities District and regardless of delivery of and payment for the Bonds.

9. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

10. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

11. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Community Facilities District.

12. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

13. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Its: Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

**COMMUNITY FACILITIES DISTRICT
NO. 5 OF THE CITY OF MORENO
VALLEY**

By: _____
Authorized Officer

Time of Execution: _____ p.m. California time

Attachment: Bond Purchase Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

EXHIBIT A

**COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021**

MATURITY SCHEDULE

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule (marked if used)</u>
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
20__ ⁽¹⁾							

⁽¹⁾ Term Bond.

*At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

Attachment: Bond Purchase Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

EXHIBIT B

§ _____
**COMMUNITY FACILITIES DISTRICT NO. 5
 OF THE CITY OF MORENO VALLEY
 SPECIAL TAX REFUNDING BONDS
 SERIES 2021**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each General Rule Maturity of the Bonds the first price at which at least 10% of each such Maturity was sold to the Public is the initial offering price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date.

(b) As set forth in the Bond Purchase Agreement, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. Attached as Schedule B is the final pricing wire.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price

Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Community Facilities District No. 5 of the City of Moreno Valley.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2021.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

4. *Arbitrage Yield.*

We have provided the attached schedules to the Issuer with respect to the yield on the Bonds being _____%. Bond Counsel (as defined in the attached Tax Certificate) has advised that the issue price is determined based on the prices of each Maturity of the Bonds listed in Schedule A as described in paragraphs 1 and 2 above. To the extent that we provided the Issuer and Bond Counsel with certain computations that show a bond yield, issue price, weighted average maturity and certain other information with respect to the Bonds, these computations are based on our understanding of directions that we have received from Bond Counsel regarding interpretation of the applicable law. We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

5. *Reserve Account.*

The establishment of the Reserve Account of the Special Tax Fund in the amount of the Reserve Requirement was vital to the marketing of the Bonds and reasonably required to assure the payment of debt service on the Bonds.

Stifel understands that Bond Counsel will rely upon the representations and certifications in this certificate, among other things, in reaching its conclusion that the Bonds do not constitute “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), provided, however, that nothing herein represents our interpretation of any laws, and, in particular, the Treasury Regulations issued under Section 148 of the Code.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and

148 of the Code and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the attached Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2021

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Officer

By: _____
Authorized Officer

Attachment: Bond Purchase Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

(Attached)

Attachment: Bond Purchase Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

[SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

Attachment: Bond Purchase Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

EXHIBIT C

**COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021**

FORM OF SUPPLEMENTAL OPINION

December __, 2021

Stifel, Nicolaus, & Company, Incorporated
Los Angeles, California

*Re: \$ _____ Community Facilities District No. 5 of the City of Moreno Valley
Special Tax Refunding Bonds, Series 2021*

Ladies and Gentlemen:

Acting in our capacity as Bond Counsel for Community Facilities District No. 5 of the City of Moreno Valley (the “District”), we have examined certified copies of proceedings taken in connection with the sale and issuance of the above-referenced bonds (the “Bonds”) in the aggregate principal amount of \$ _____, and we have rendered our opinion to the legislative body of the District this day regarding the validity and enforceability of the Bonds (the “Approving Opinion”). The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 *et seq.* of the Government Code of the State of California (the “Act”). You may rely upon our Approving Opinion as if it were addressed to you.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Purchase Agreement dated December __, 2021 (the “Purchase Agreement”), by and between the District and Stifel, Nicolaus, & Company, Incorporated, as Underwriter.

In connection with the preparation of this opinion, we have examined originals or copies certified or otherwise identified to our satisfaction of (i) the Purchase Agreement, (ii) the Bond Indenture dated as of December 1, 2021 (the “Bond Indenture”), by and between Wilmington Trust, National Association, as Trustee, and the District, (iii) the Official Statement dated December __, 2021 relating to the Bonds (the “Official Statement”), (iv) the Continuing Disclosure Agreement dated as of December 1, 2021, by and between the District and _____, as Dissemination Agent, (v) the letters, certificates and opinions delivered to you pursuant to the provisions of Section 4(F) of the Purchase Agreement, and (vi) such other documents, certificates, instructions and records as we have considered necessary or appropriate as a basis for our opinion.

We have assumed the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as copies and the genuineness of all signatures. As to questions of fact material to our opinion, we have relied upon the representations of

each party made in the aforesaid documents, and we have made no independent investigation of such matters.

Based upon the foregoing and such other information and documents as we consider necessary to render this opinion, we are of the opinion that:

1. The Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery of the Underwriter, constitutes the legally valid and binding agreement of the District enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or other laws relating to or affecting generally the enforcement of creditors' rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on remedies against public agencies in the State of California.

2. The statements contained in the Official Statement on the cover page and under the captions "INTRODUCTION," "THE BONDS" (except under the subcaption "Book-Entry Only System"), "SOURCES OF PAYMENT FOR THE BONDS," "TAX EXEMPTION" and Appendices B and D thereto, insofar as such information purports to summarize certain provisions of the Bonds, the Bond Indenture and our Approving Opinion presents a fair and accurate summary of such provisions; provided that no opinion is expressed with respect to any financial or statistical data contained therein, or any information relating to the Depository Trust Company and its book-entry only system.

3. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

The foregoing opinions are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. In rendering these opinions, we have relied upon certain representations of fact and certifications made by the District, the City of Moreno Valley and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us. The foregoing opinions are limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

Except as expressly set forth in the Approving Opinion, we express no opinion regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any "blue sky" laws of any state as they relate to the offer or sale of the Bonds.

This letter is furnished by us as Bond Counsel to the District. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. This letter is delivered to you as the Underwriter of the Bonds, is solely for your benefit as the Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to be relied upon by holders of Bonds or the owners of any beneficial ownership interest in the Bonds nor is it intended to be relied upon by the District or its representatives as a basis for making the representations made by the District in any documents executed by the District in connection with the delivery of the Bonds.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or occur (or do not occur). Our engagement with respect to the Bonds terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed herein or in the Official Statement.

Respectfully submitted,

EXHIBIT D

**COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021**

FORM OF DISCLOSURE COUNSEL LETTER

[TO COME FROM DISCLOSURE COUNSEL]

Attachment: Bond Purchase Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

EXHIBIT E

**COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021**

**FORM OF CITY ATTORNEY OPINION WITH REGARD TO
THE COMMUNITY FACILITIES DISTRICT**

[Closing Date]

Community Facilities District No. 5
of the City of Moreno Valley
Moreno Valley, California

Stifel, Nicolaus & Company, Incorporated,
Los Angeles, California

*Re: \$_____ Community Facilities District No. 5 of the City of Moreno Valley Special
Tax Refunding Bonds, Series 2021*

Ladies and Gentlemen:

The Office of the City Attorney has served as counsel to the City of Moreno Valley, California (the “City”) and Community Facilities District No. 5 of the City of Moreno Valley (the “District”), in connection with the issuance of the District’s Special Tax Refunding Bonds, Series 2021, in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are secured by a Bond Indenture, dated as of December 1, 2021 (the “Indenture”), by and between Wilmington Trust, National Association, as trustee (the “Trustee”) and the District, executed in connection with the issuance of the Bonds. All capitalized terms not defined herein shall have the meaning set forth in the Indenture and if not defined therein, in the Bond Purchase Agreement (as defined herein).

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”), pursuant to a Bond Purchase Agreement, dated _____, 2021 (the “Bond Purchase Agreement”), by and between the Underwriter and the District. The Indenture, the Continuing Disclosure Agreement, the Escrow Agreement and the Bond Purchase Agreement are hereafter referred to as the “Community Facilities District Documents.” The execution and delivery of the District Documents are authorized by Resolution No. _____ of the City Council of the City, acting in its capacity as the legislative body of the District, adopted on October 19, 2021 (the “Resolution of Issuance”).

The Bonds are issued under the authority of Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “Act”), and all laws supplementary thereto and

amendatory thereof. The Official Statement dated ____, 2021 for the Bonds is hereinafter referred to as the “Official Statement.”

In rendering this Opinion, we have examined copies of proceedings for the issuance of the Bonds, including the (i) Resolution of Issuance, (ii) Continuing Disclosure Agreement, (iii) Indenture, (iv) Bond Purchase Agreement, (v) the Escrow Agreement, and (vi) the form of Bonds and such other records, documents, certificates, opinions and other matters as are in our judgment are necessary or appropriate to enable us to render the opinions expressed herein. We have assumed and relied upon the accuracy of the factual matters represented or warranted; by the District in the Formation Documents and the Community Facilities District Documents; by the City in the Resolution of Issuance; in the closing certificates and documents that the respective officers of the District and the City each executed and delivered in connection with the sale and closing of the Bonds; and on the Official Statement. Furthermore, we have assumed compliance with the covenants and agreements contained in the Indenture. The Resolution of Issuance is referred to as the “City Action.”

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies. To the extent the District’s obligations depend on the enforceability of the Community Facilities District Documents against the other parties thereto, we have assumed that the Community Facilities District Documents are enforceable against such other parties.

From such examination, on the basis of our reliance upon the assumptions in this Opinion and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this Opinion, we are of the opinion that:

1. The City is a general law city, duly organized and existing under the Constitution and laws of the State of California.
2. The District is duly organized and validly existing under the Constitution and laws of the State as a community facilities district under the Act.
3. The District has full legal right, power, and authority to execute and deliver the Community Facilities District Documents.
4. The Community Facilities District Documents and the Official Statement have been duly authorized, executed, and delivered by the District and, assuming due authorization and execution by any other applicable parties thereto, the Community Facilities District Documents constitute the valid and binding obligations of the District, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency, or other laws relating to or affecting the enforcement of creditors’ rights generally, to the limitations on legal remedies against municipal corporations in the State of California, and to the application of equitable principles if equitable remedies are sought.
5. The City Council adopted the resolutions and ordinances forming the District and confirming the Special Taxes at meetings of the City Council which were called, held and conducted pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the City Council adopted the resolutions approving the Community Facilities District Documents and authorizing the sale and issuance of the Bonds at meetings of the City

Council which were called, held and conducted pursuant to law and with all public notice required by law at which a quorum was present and acting throughout, and such resolutions and ordinances are now in full force and effect and have not been amended, modified or rescinded.

6. To the best of our current, actual knowledge, after due inquiry, there are no actions, suits, proceedings, inquiries, or investigations, at law or in equity, before or by any court, governmental agency, public board, or body, pending or threatened against the District or the City, acting on behalf of the District, for which the District or the City has been served, to restrain or enjoin the issuance of the Bonds, the collection or application of the Special Taxes, or the payment of principal of and interest on the Bonds, or in any way contesting the validity of the formation of the District, the Bonds, or the Community Facilities District Documents.

7. The execution and delivery of the Community Facilities District Documents, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District or the City, acting on behalf of the District, a breach of or default under any agreement or other instrument to which either is a party or by which either is bound, or by any existing law, regulation, court order or consent decree to which either is subject that we have, in the exercise of customary professional diligence, recognized as applicable to the District and the transactions contemplated by the Community Facilities District Documents and the Formation Documents, and with respect to such conflict, breach or default, would materially adversely affect the ability of the District to pay the principal or interest on the Bonds; and if any such agreement or instrument to which the City acting on behalf of the District or the District is a party is governed by the laws of a jurisdiction other than California, the City Attorney has assumed that such agreement or instrument is governed by the laws of California and the City Attorney expresses no opinion as to the effect of the District's performance of its obligations under the Community Facilities District Documents and the Formation Documents on the District's compliance with financial covenants in such other agreements or instruments.

8. The Special Taxes constituting the security for the Bonds have been duly and lawfully levied under and pursuant to the Act and constitute valid and legally binding liens on the properties on which they have been levied, subject to the effect of bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights generally, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipalities in the State of California.

The matters set forth in paragraphs 6 and 7 (other than with respect to conflicts) are factual confirmations and not legal opinions. For purposes of the matters set forth in paragraph 7, we have assumed that the District will not in the future take any discretionary action (including a decision not to act) permitted by the Community Facilities District Documents or Formation Documents that would cause the adoption by the Council of the City Action or the execution and delivery by the District of the Community Facilities District Documents or Formation Documents to violate any California constitutional provision, existing State law, charter, ordinance, regulation, decree, order or resolution, or conflict in any material respect with, or constitute a violation or breach of or default under any agreement, indenture, mortgage, lease or other instrument to which the District or the City is subject to or by which they are bound, or require an approval, consent or authorization to be obtained from a California governmental authority.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, severability or waiver provisions contained in the Community Facilities District Documents. Also, we express no opinion with respect to the interest in any of the revenue described in, or as subject to, the lien of the Indenture or the sufficiency of the descriptions contained therein.

We express no opinion as to any provision requiring written amendments or waivers insofar as it suggests that oral or other modifications, amendments or waivers could not be effectively agreed upon by the parties or that the doctrine of promissory estoppel might not apply.

A court may refuse to enforce a provision of the Community Facilities District Documents or the Formation Documents if it deems that such provision is in violation of public policy. No opinion is being given as to the availability of any particular remedy.

The law covered by this opinion is limited to the present laws of the State of California and we express no opinion as to the laws of any other jurisdiction.

The opinions expressed herein are matters of professional judgment and are not a guaranty or warranty of any result whatsoever.

This Opinion may be relied on by you only in connection with the issuance of the Bonds. It may not be used or relied upon for any other purpose or by any other person, nor may copies be delivered to any other person, without in each instance our prior written consent, provided however, that it may be included in the transcript of record of proceedings relating to the issuance of the Bonds. This Opinion is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters. This letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that arise after the date of this opinion and come to our attention, or any future changes in laws, rules or regulations.

This Opinion is given in an official capacity only, and not personally, and no personal liability shall derive or result from this opinion.

Sincerely yours,

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of December 1, 2021 (the “**Disclosure Agreement**”) is executed and delivered by Community Facilities District No. 5 of the City of Moreno Valley (the “**Issuer**”) and Willdan Financial Services as dissemination agent (the “**Dissemination Agent**”), in connection with the issuance of the Issuer’s \$ _____ Special Tax Refunding Bonds, Series 2021 (the “**Bonds**”). The Bonds are being issued pursuant to a Bond Indenture, dated as of December 1, 2021 (the “**Bond Indenture**”), by and between the Issuer and the Wilmington Trust, National Association. The Issuer and the Dissemination Agent covenant as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Beneficial Owner**” shall mean any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**City**” shall mean the City of Moreno Valley, California.

“**Disclosure Representative**” shall mean the City Manager of the City, the Chief Financial Officer of the City, the Special Districts Division Manager of the City, or the designee thereof, or such other officer or employee as the Issuer shall designate in writing to the Dissemination Agent from time to time.

“**Dissemination Agent**” shall mean, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the then current Dissemination Agent a written acceptance of such designation.

“**Fiscal Year**” shall mean the period from July 1 to June 30, or any other period selected by the Issuer as its fiscal year.

“**Listed Events**” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“**Official Statement**” shall mean the Official Statement relating to the Bonds, dated _____, 2021.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of California.

“**Underwriter**” shall mean the original underwriters of the Bonds that are required to comply with the Rule in connection with the offering of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, upon delivery of the Annual Report to the Dissemination Agent (if other than the Issuer), not later than April 1 of each year, commencing April 1, 2022, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement (provided that the first Annual Report may consist solely of the Official Statement). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change to the Dissemination Agent and the Issuer shall, or shall cause the Dissemination Agent, by written direction to such Dissemination Agent, to give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) business days prior to each April 1, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report. If: (i) the Issuer is acting as Dissemination Agent and an Annual Report has not been provided to the MSRB by the date required in subsection (a); or (ii) if the Dissemination Agent is other than the Issuer and is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), then the Issuer or the Dissemination Agent (if other than the Issuer), as applicable, shall send a notice to the MSRB in a timely manner in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to April 1 the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Issuer, promptly after receipt of the Annual Report, file a report with the Issuer certifying that the Annual Report has been filed with the MSRB pursuant to this Disclosure Agreement, and stating, to the extent that it can confirm such filing of the Annual Report, the date that it was filed.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) The Issuer does not currently prepare audited financial statements and it is not anticipated that the Issuer will prepare audited financial statements in the future. If the Issuer does prepare audited financial statements in the future, the Issuer’s Annual Report shall contain or incorporate by reference such audited financial statements, if any, for the most recently completed Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If audited financial statements of the Issuer are to be prepared in the future, but are not available at the time required for filing as set forth in Section 3(a), unaudited financial statements of the Issuer shall be submitted with the Annual Report and the audited financial statements shall be submitted once available. The financial statements of the City shall not be deemed to be the financial statements of the Issuer, unless such audited financial statements contain specific information as to the Issuer, its revenues, expenses and account balances. If the City’s audited financial statements contain

specific information as to the Issuer, its revenues, expenses and account balances, the Issuer's Annual Report shall contain or incorporate by reference the City's audited financial statements. If the City's audited financial statements contain specific information as to the Issuer, its revenues, expenses and account balances, but are not available at the time required for filing, unaudited financial statements of the City that contain specific information as to the Issuer, its revenues, expenses and account balances shall be submitted with the Annual Report and the City's audited financial statements shall be submitted once available.

(b) To the extent not contained in the audited financial statements filed pursuant to subsection (a):

(i) the principal amount of Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Bond Indenture as of the September 2 preceding the filing of the Annual Report;

(iii) any changes to the Rate and Method approved or submitted to the qualified electors for approval prior to the filing of the Annual Report and a description of any parcels for which the Special Taxes have been prepaid, including the amount prepaid, since the date of the last Annual Report;

(iv) an update in substantially the form of Table 1 in the Official Statement based on development status as of January 1 of the Fiscal Year prior to the Fiscal Year in which the Annual Report is disseminated;

(v) an update in substantially the form of Table 2 in the Official Statement;

(vi) a table setting forth for the five most recent fiscal years in which Special Taxes were levied, the amount of Special Taxes levied in each fiscal year and the percentage delinquent as of June 30 of such fiscal year and as of the date of the Annual Report, and a description of the status of any foreclosure actions being pursued by the Issuer with respect to delinquent Special Taxes;

(vii) a statement or table identifying any owner of property within the Issuer that is responsible for more than 5% of the Special Tax levy and delinquent in the payment of Special Taxes; and

(viii) any information not already included under (i) through (vii) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

(ix) In addition to any of the information expressly required to be provided under paragraphs (i) through (viii) of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements for debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar proceedings.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not more than ten (10) Business Days after occurrence:

- (i) Unless described in Section 5(a)(v), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds.
- (ii) Modifications to the rights of Bondholders.
- (iii) Optional, unscheduled or contingent Bond calls.
- (iv) Release, substitution or sale of property securing repayment of the Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional trustee or the change of the name of a trustee.

(viii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(ix) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event under subsection (b) would be material under applicable federal securities laws, and if the Dissemination Agent is other than the Issuer, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB in a timely manner not more than ten (10) Business Days after the event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(vii) and (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Bond Indenture. In each case of the Listed Event, the Dissemination Agent shall not be obligated to file a notice as required in this subsection (c) prior to the occurrence of such Listed Event.

(d) If the Issuer determines that a Listed Event under subsection (b) would not be material under applicable federal securities laws and if the Dissemination Agent is other than the Issuer, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Issuer and, if the Dissemination Agent is other than the Issuer, the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty days' written notice to the Issuer and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the Issuer and shall have no duty to review any information provided to it by the Issuer. The Dissemination Agent shall have no duty to prepare any information report, nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Issuer in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule, and provided further that the Dissemination Agent shall have first consented

to any amendment that modifies or increases its duties or obligations hereunder. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (a) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a); and (b) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or to include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure by the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

No Owner or Beneficial Owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Issuer satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Issuer shall have refused to comply therewith within a reasonable time.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. In performing its duties hereunder, the Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Owners, or any other party. The Dissemination Agent shall be entitled to the protections and limitations afforded to the Trustee under the Indenture. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given to the Dissemination Agent (if other than the Issuer) and to the Issuer as follows:

Disclosure Representative: City Manager
City of Moreno Valley
14177 Fredrick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Dissemination Agent: Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, CA 92590

SECTION 13. Beneficiaries. This Disclosure Agreement inures solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Signature. This Disclosure Agreement has been executed by the undersigned on the date hereof, and such signature binds the Issuer to the undertaking herein provided.

CITY OF MORENO VALLEY, for and on behalf
of COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY,
COUNTY OF RIVERSIDE, STATE OF
CALIFORNIA

By: _____

WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

By: _____
Its: Authorized Officer

Attachment: Continuing Disclosure Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Community Facilities District No. 5 of the City of Moreno Valley
 Name of Issue: Special Tax Refunding, Bonds Series 2021
 Date of Issuance: December __, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of December 1, 2021, by and between the District and Willdan Financial Services, as Dissemination Agent. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

WILLDAN FINANCIAL SERVICES,
 as Dissemination Agent

Attachment: Continuing Disclosure Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL

ESCROW AGREEMENT (2007 BONDS)

THIS ESCROW AGREEMENT (2007 BONDS), dated as of December 1, 2021 (the “**Agreement**”), by and between Community Facilities District No. 5 of the City of Moreno Valley (the “**District**”) and Computershare Trust Company, N.A., as escrow agent (the “**Escrow Agent**”) and as 2007 Fiscal Agent (as such term is defined herein), is entered into in accordance with Resolution No. _____ of the District adopted on October 19, 2021 and a Fiscal Agent Agreement, dated as of May 1, 2007 (the “**2007 Fiscal Agent Agreement**”), by and between the District and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association), as fiscal agent (the “**2007 Fiscal Agent**”), to refund the outstanding 2007 Special Tax Bonds (the “**2007 Bonds**”).

RECITALS

A. Pursuant to the 2007 Fiscal Agent Agreement, the District has previously caused the 2007 Bonds to be issued in the aggregate principal amount of \$5,870,000, of which \$4,985,000 is currently outstanding.

B. The District has determined that a portion of the proceeds of the \$ _____ aggregate principal amount of the Special Tax Refunding Bonds, Series 2021 (the “**Bonds**”) issued pursuant to a Bond Indenture, dated as of December 1, 2021, by and between the District and Wilmington Trust, National Association, as trustee, will be used to provide a portion of the funds to pay the regularly scheduled payment of interest on the 2007 Bonds on March 1, 2022 (the “**Redemption Date**”), and to pay on the Redemption Date the principal of the 2007 Bonds maturing on and after September 1, 2022, without premium (the “**Redemption Price**”).

C. The District will irrevocably deposit moneys with the Escrow Agent (as permitted by, in the manner prescribed by and all in accordance with the 2007 Fiscal Agent Agreement), which moneys will be used to purchase the securities that are described on Schedule A (the “**Defeasance Securities**”). Such Defeasance Securities satisfy the criteria set forth in Section 9.03(C) of the 2007 Fiscal Agent Agreement, and the principal of and interest on such Defeasance Securities when paid will provide money which, together with the moneys deposited with the Escrow Agent at the same time pursuant to this Agreement, will be fully sufficient to pay and discharge the 2007 Bonds.

AGREEMENT

SECTION 1. Deposit of Moneys. The District hereby instructs the Escrow Agent to deposit \$ _____ received from Stifel, Nicolaus & Company, Incorporated, from the net proceeds of the Bonds in the Escrow Fund established hereunder. The District hereby further instructs the 2007 Fiscal Agent to transfer to the Escrow Agent \$ _____, consisting of \$ _____ from the Reserve Fund established under the 2007 Fiscal Agent Agreement and \$ _____ from the Special Tax Fund established under the 2007 Fiscal Agent Agreement, which amount the District instructs the Escrow Agent to deposit in the Escrow Fund.

The Escrow Agent shall hold all such amounts in irrevocable escrow separate and apart from other funds of the District and the Escrow Agent in a fund hereby created and established to be known as the “**Escrow Fund**” and to be applied solely as provided in this Agreement. The District

represents that the moneys set forth above are at least equal to an amount sufficient to purchase the Defeasance Securities listed on Schedule A, and to hold \$ ___ uninvested as cash.

SECTION 2. Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees immediately to invest such moneys in the Defeasance Securities listed on Schedule A and to deposit such Defeasance Securities in the Escrow Fund. The Escrow Agent shall be entitled to rely upon the conclusion of Causey Demgen & Moore P.C., Denver, Colorado (the “**Verification Agent**”), that the Defeasance Securities listed on Schedule A mature and bear interest payable in such amounts and at such times as, together with cash on deposit in the Escrow Fund, will be sufficient to pay the regularly scheduled payment of interest on the 2007 Bonds on the Redemption Date, and to pay on the Redemption Date the Redemption Price of the 2007 Bonds.

SECTION 3. Investment of Any Remaining Moneys. At the written direction of the District, the Escrow Agent shall reinvest any other amount of principal and interest, or any portion thereof, received from the Defeasance Securities prior to the date on which such payment is required for the purposes set forth herein, in noncallable Defeasance Securities maturing not later than the date on which such payment or portion thereof is required for the purposes set forth in Section 5, at the written direction of the District, as verified in a report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of obligations of political subdivisions to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay the regularly scheduled payment of interest on the 2007 Bonds on the Redemption Date, and to pay on the Redemption Date the Redemption Price of the 2007 Bonds, and provided that the District has obtained and delivered to the Escrow Agent an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2007 Bonds or the Bonds. Any interest income resulting from investment or reinvestment of moneys pursuant to this Section 3 which are not required for the purposes set forth in Section 5, as verified in the letter of the Verification Agent originally obtained by the District with respect to the refunding of the 2007 Bonds or in any other report prepared by an independent certified public accountant or firm of certified public accountants of favorable national reputation experienced in the refunding of tax-exempt obligations of political subdivisions, shall be paid to the District promptly upon the receipt of such interest income by the Escrow Agent. The determination of the District as to whether an accountant qualifies under this Escrow Agreement shall be conclusive.

SECTION 4. Substitution of Securities. Upon the written request of the District, and subject to the conditions and limitations herein set forth and applicable governmental rules and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of the Defeasance Securities, provided that there are substituted therefor from the proceeds of the Defeasance Securities other Defeasance Securities, but only after the District has obtained and delivered to the Escrow Agent: (i) an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, to the effect that the substitution of securities is permitted under the legal documents in effect with respect to the 2007 Bonds and that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2007 Bonds or the Bonds; and (ii) a report by a firm of independent certified public accountants to the effect that the reinvestment described in said report will not adversely affect the sufficiency of the amounts of securities, investments and money in the Escrow Fund to pay the regularly scheduled payment of interest on the 2007 Bonds on the Redemption Date, and to pay on the Redemption Date the Redemption Price of the 2007 Bonds.

The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

SECTION 5. Payment of 2007 Bonds.

(a) Payment. From the maturing principal of the Defeasance Securities and the investment income and other earnings thereon and other moneys on deposit in the Escrow Fund, the Escrow Agent shall, apply the amounts on deposit in the Escrow Fund to pay: (i) the regularly scheduled payment of interest on the 2007 Bonds on the Redemption Date; and (ii) the Redemption Price of the 2007 Bonds maturing after the Redemption Date.

(b) Irrevocable Instructions to Provide Notice. The forms of the notices required to be mailed pursuant to Sections 2.03(F) and 9.03 of the 2007 Fiscal Agent Agreement are substantially in the forms attached hereto as Exhibits A and B. The District hereby irrevocably instructs the Escrow Agent to mail a notice of redemption and a notice of defeasance of the 2007 Bonds in accordance with Sections 2.03(F) and 9.03, respectively, of the 2007 Fiscal Agent Agreement, as required to provide for the redemption of the 2007 Bonds in accordance with this Section 5, and to file such notices with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, maintained on the Internet at <http://emma.msrb.org/> at such times that such notices are provided pursuant to the 2007 Fiscal Agent Agreement.

(c) Unclaimed Moneys. Any moneys in the Escrow Fund which remain unclaimed for two years after the Redemption Date shall be repaid by the Escrow Agent to the District.

(d) Priority of Payments. The owners of the 2007 Bonds shall have a first and exclusive lien on all moneys and securities in the Escrow Fund until such moneys and such securities are used and applied as provided in this Agreement.

(e) Termination of Obligation. As provided in the 2007 Fiscal Agent Agreement, upon the deposit of moneys with the Escrow Agent in the Escrow Fund as set forth in Section 1 and the purchase of the various Defeasance Securities as provided in Section 2, the pledge of the Special Tax Revenues (as such term is defined in the 2007 Fiscal Agent Agreement) and other funds provided for in the 2007 Fiscal Agent Agreement and all other obligations of the City of Moreno Valley and the District under the 2007 Fiscal Agent Agreement with respect to the 2007 Bonds shall cease and terminate, except as set forth in the 2007 Fiscal Agent Agreement.

SECTION 6. Application of Certain Terms of the 2007 Fiscal Agent Agreement. All of the terms of the 2007 Fiscal Agent Agreement relating to the making of payments of principal and interest with respect to the 2007 Bonds and relating to the exchange or transfer of the 2007 Bonds are incorporated in this Agreement as if set forth in full herein. The procedures set forth in Article VII of the 2007 Fiscal Agent Agreement relating to the resignation, removal and merger of the 2007 Fiscal Agent under the 2007 Fiscal Agent Agreement are also incorporated in this Agreement as if set forth in full herein and shall be the procedures to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

SECTION 7. Performance of Duties. The Escrow Agent agrees to perform only the duties set forth herein and shall have no responsibility to take any action or omit to take any action not set forth herein.

SECTION 8. Escrow Agent's Authority to Make Investments. Except as provided in Section 2 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of the moneys or Defeasance Securities held hereunder.

SECTION 9. Indemnity. The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature that may be imposed on, incurred by or asserted against the Escrow Agent at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the retention of the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the District shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct, the negligence or willful misconduct of the Escrow Agent's respective employees or the willful breach by the Escrow Agent of the terms of this Agreement. In no event shall the District or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent.

SECTION 10. Responsibilities of Escrow Agent. The Escrow Agent and its agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the retention of the Defeasance Securities or the proceeds thereof, the sufficiency of the Defeasance Securities to pay the 2007 Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained herein shall be taken as the statements of the District, and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the proceeds to accomplish the refunding of the 2007 Bonds or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability in respect thereof. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence or willful misconduct and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an officer of the District.

The District acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the District with periodic transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder; provided that the Escrow Agent is not obligated to provide an accounting for any fund or account that: (a) has a balance of \$0.00; and (b) has not had any activity since the last reporting date.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Defeasance Securities that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the District with respect to escrowed funds which were to be invested in Defeasance Securities. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the District's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Agreement and delivered using Electronic Means. ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder). The District shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("**Authorized Officers**") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent

written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

No provision of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

SECTION 11. Amendments. This Agreement is made for the benefit of the District and the owners from time to time of the 2007 Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, the Escrow Agent and the District; provided, however, that the District and the Escrow Agent may, without the consent of, or notice to, such owners, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, the Act (as such term is defined in the 2007 Fiscal Agent Agreement), or the 2007 Fiscal Agent Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the owners of the 2007 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such owners or the Escrow Agent; and (iii) to include under this Agreement additional funds. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the various 2007 Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Notice to Rating Agencies. In the event that this agreement or any provision thereof is severed, amended or revoked, the Escrow Agent shall provide written notice of such severance, amendment or revocation to the rating agencies then rating the 2007 Bonds.

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either: (i) the date upon which the 2007 Bonds have been paid in accordance with this Agreement; or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 5(c) of this Agreement.

SECTION 14. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to by the Escrow Agent and the District and any other reasonable fees and expenses of the Escrow Agent approved by the District; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien or assert any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Agent under this Agreement.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 18. Insufficient Funds. If at any time the Escrow Agent has actual knowledge that the moneys and investments in the Escrow Fund, including the anticipated proceeds thereof and earnings thereon, will not be sufficient to make all payments required by this Agreement, the Escrow Agent shall notify the District in writing, of the amount thereof and the reason therefor to the extent known to it. The Escrow Agent shall have no responsibility regarding any such deficiency.

SECTION 19. Notice to District and Escrow Agent. Any notice to or demand upon the Escrow Agent may be served or presented, and such demand may be made, at the principal corporate trust office of the Escrow Agent at 600 South 4th Street, 7th Floor, MAC N9300-070, Minneapolis, Minnesota 55415, Attention: Corporate Trust, Reference: Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Chief Financial Officer of the City of Moreno Valley at City of Moreno Valley, 14177 Frederick Street, Moreno Valley, California 92552, (or such other address as may have been filed in writing by the District with the Escrow Agent).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

COMMUNITY FACILITIES DISTRICT NO. 5 OF
THE CITY OF MORENO VALLEY

By: _____
Chief Financial Officer of the City of Moreno
Valley

COMPUTERSHARE TRUST COMPANY, N.A., as
Escrow Agent and as 2007 Fiscal Agent

By: _____
Authorized Officer

Attachment: Escrow Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS

SCHEDULE A
DEFEASANCE SECURITIES

<i>Security</i>	<i>Maturity</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
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Attachment: Escrow Agreement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS

EXHIBIT A

NOTICE OF REDEMPTION

COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
2007 SPECIAL TAX BONDS

BASE CUSIP 616865

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (the "Bonds") of Community Facilities District No. 5 of the City of Moreno Valley (the "District") pursuant to the Fiscal Agent Agreement, dated as of May 1, 2007 (the "2007 Fiscal Agent Agreement"), by and between the District and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association), as fiscal agent (the "2007 Fiscal Agent"), that the Bonds in the amount of \$4,985,000 have been called for redemption on March 1, 2022 (the "Redemption Date"). The Bonds were originally issued on May 31, 2007.

<i>CUSIP</i>	<i>Maturity (September 1)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
DJ7	2022	4.75%	\$ 150,000	100%
DK4	2027	5.00	1,010,000	100
DL2	2037	5.00	3,825,000	100

The Bonds will be payable on the Redemption Date at a Redemption Price of 100% (the "Redemption Price"). The Redemption Price of the Bonds will become due and payable on the Redemption Date. Interest on the Bonds to be redeemed will cease to accrue and be payable from and after the Redemption Date, and such Bonds will be surrendered to the 2007 Fiscal Agent.

All Bonds are required to be surrendered to the below-listed corporate trust offices of the 2007 Fiscal Agent, for redemption at the Redemption Price on the Redemption Date. If the Bonds are mailed, the use of registered, insured mail is recommended:

To receive payment on the Redemption Date, owners of the Bonds should present and to surrender said 2016 on the Redemption Date at the address of the 2007 Fiscal Agent set forth below:

Registered/Certified Mail:	Air Courier:
Computershare Trust Company, N.A.	Computershare Trust Company, N.A.
Corporate Trust Operations	Corporate Trust Operations
MAC N9300-070	MAC N9300-070
P. O. Box 1517	600 Fourth Street South, Seventh Floor
Minneapolis, MN 55480-1517	Minneapolis, MN 55415

If the Owner of any Bond subject to optional redemption fails to deliver such Bond to the 2007 Fiscal Agent on the Redemption Date, such Bond shall nevertheless be deemed redeemed on the Redemption Date and the Owner of such Bond shall have no rights in respect thereof except to receive payment of the Redemption Price from funds held by the 2007 Fiscal Agent for such payment.

Attachment: Escrow Agreement (5590) : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS

Pursuant to U.S. federal tax laws, you have a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue Service (“IRS”) to Computershare Trust Company, N.A. to ensure payments are reported accurately to you and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by Computershare Trust Company, N.A. before payment of the redemption proceeds is made to you. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to you.

Note: The District and the 2007 Fiscal Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness in the notice or as printed on any Bond. They are included solely for the convenience of the holders.

COMPUTERSHARE TRUST COMPANY, N.A., as
2007 Fiscal Agent

DATED this 3rd day of January, 2022.

EXHIBIT B

NOTICE OF DEFEASANCE

**COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
2007 SPECIAL TAX BONDS**

BASE CUSIP 616865

NOTICE IS HEREBY GIVEN to the owners of the above-captioned bonds (as further defined below, the “2007 Bonds”), of Community Facilities District No. 5 of the City of Moreno Valley (the “District”), that the District has deposited with Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association), as fiscal agent (the “2007 Fiscal Agent”) under the Fiscal Agent Agreement, dated as of May 1, 2007 (the “2007 Fiscal Agent Agreement”), by and between the District, and the 2007 Fiscal Agent, cash and Defeasance Securities, the principal of and interest on which when paid will provide moneys sufficient to pay the regularly scheduled payment of interest on the 2007 Bonds on March 1, 2022, and to pay on March 1, 2022 the principal of the 2007 Bonds maturing on and after September 1, 2022, without premium.

The 2007 Bonds to be defeased are as follows:

<i>CUSIP</i>	<i>Maturity (September 1)</i>	<i>Rate</i>	<i>Amount</i>	<i>Price</i>
DJ7	2022	4.75%	\$ 150,000	100%
DK4	2027	5.00	1,010,000	100
DL2	2037	5.00	3,825,000	100

In accordance with the 2007 Fiscal Agent Agreement, and notwithstanding the fact that any 2007 Bonds are not surrendered for payment: (i) the 2007 Bonds are deemed to have been paid in accordance with Section 9.03 thereof; (ii) the pledge of the Special Tax Revenues (as such term is defined in the 2007 Fiscal Agent Agreement) and other funds provided for in the 2007 Fiscal Agent Agreement and all other obligations of the City of Moreno Valley and the District under the 2007 Fiscal Agent Agreement with respect to the 2007 Bonds have ceased and terminated, except as set forth in the 2007 Fiscal Agent Agreement; and (iii) the obligations of the District under the Continuing Disclosure Agreement, dated as of May 1, 2007, by and between the District and the 2007A Fiscal Agent, as dissemination agent, have terminated.

No representation is made as to the correctness of the CUSIP number either as printed on any 2007 Bond or as contained herein and any error in the CUSIP number shall not affect the validity of the proceedings for prepayment of the 2007 Bonds.

COMPUTERSHARE TRUST COMPANY, N.A., as
2007 Fiscal Agent

DATED this [1st day of December], 2021.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2021

NEW ISSUE - BOOK-ENTRY ONLY

UNRATED

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption "TAX EXEMPTION."

\$4,755,000*

**COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021**

Dated: Date of Delivery**Due: September 1, as shown on the inside front cover page**

The Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds Series, 2021 (the "Bonds") are being issued: (i) to refund all of the Community Facilities District No. 5 of the City of Moreno Valley 2007 Special Tax Bonds, which are currently outstanding in the aggregate principal amount of \$4,985,000; (ii) to fund a deposit to the Reserve Account; and (iii) to pay the costs of issuance of the Bonds. Community Facilities District No. 5 of the City of Moreno Valley has been formed by and is located in the City of Moreno Valley, California (the "City").

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California), and pursuant to a Bond Indenture, dated as of December 1, 2021, by and between the District and Wilmington Trust, National Association, as trustee. The Bonds are special obligations of the District and are payable solely from revenues derived from certain annual Special Taxes to be levied on and collected from the owners of certain taxable land within the District and from certain other funds pledged under the Indenture, all as further described in this Official Statement. The Special Taxes are to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District. See the caption "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes." The City Council of the City is the legislative body of the District.

The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases may be made in integral multiples of \$5,000 and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership in the Bonds but will receive credit balances on the books of their respective nominees. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described in this Official Statement. Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing on March 1, 2022. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, who are obligated to remit such payments to the Beneficial Owners of the Bonds. See the captions "THE BONDS—General Provisions" and "THE BONDS—Book-Entry Only System."

Neither the faith and credit nor the taxing power of the City, the County of Riverside, the State of California or any political subdivision of the State is pledged to the payment of the Bonds. Except for the Net Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are limited obligations of the District payable solely from Net Taxes and certain other amounts held under the Indenture, as more fully described in this Official Statement.

The Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary redemption from Special Tax prepayments prior to maturity. See the caption "THE BONDS—Redemption."

CERTAIN EVENTS COULD AFFECT THE ABILITY OF THE DISTRICT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE. THE PURCHASE OF THE BONDS INVOLVES SIGNIFICANT INVESTMENT RISKS, AND THE BONDS ARE NOT SUITABLE INVESTMENTS FOR MANY INVESTORS. SEE THE CAPTION "SPECIAL RISK FACTORS" FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH IN THIS OFFICIAL STATEMENT, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Maturity Schedule
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Nixon Peabody LLP, is serving as Disclosure Counsel with respect to the Bonds. Certain legal matters will be passed on for the District by the City Attorney, for the Underwriter by Kutak Rock LLP, Irvine, California, and for the Trustee by its counsel. It is anticipated that the Bonds in book-entry form will be available for delivery in book-entry form through the facilities of DTC on or about December __, 2021.

STIFEL

Dated: November __, 2021

* Preliminary; subject to change.

\$4,755,000*
COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021

MATURITY SCHEDULE

Base CUSIP[†] [_____]

<i>Maturity Date</i> <i>(September 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†]</i>
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\$ _____ % Term Bond due September 1, 20__ – Yield _____ %, Price: _____, CUSIP[†]: _____

* Preliminary; subject to change.

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**CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

CITY COUNCIL

Yxstian A. Gutierrez, *Mayor*
[Vacant], *Mayor Pro Tem*
[Vacant], *Council Member*
David Marquez, *Council Member*
Ulises Cabrera, *Council Member*

CITY OFFICIALS

Mike Lee, *City Manager*
Steve Quintanilla, *Interim City Attorney*
Brian Mohan, *Assistant City Manager/Chief Financial Officer/City Treasurer*
Brooke McKinney, *Treasury Operations Division Manager*
Candace Cassel, *Special Districts Division Manager*
Pat Jacquez-Nares, *City Clerk*

SPECIAL SERVICES

Bond Counsel

Stradling Yocca Carlson & Rauth, a Professional
Corporation
Newport Beach, California

Disclosure Counsel

Nixon Peabody, LLP
Los Angeles, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Special Tax Consultant

Willdan Financial Services
Temecula, California

Trustee

Wilmington Trust, National Association
Costa Mesa, California

Escrow Agent

Computershare Trust Company, N.A.
Los Angeles, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

Except where otherwise indicated, all information contained in this Official Statement has been provided by the District and the City. No dealer, broker, salesperson or other person has been authorized by the District or the City to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of this information.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “believe,” “anticipate” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “THE DISTRICT.”

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described in this Official Statement to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to the forward-looking statements set forth in this Official Statement. In evaluating such statements, potential investors should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

In connection with the offering of the Bonds, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agent and others at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and the Underwriter may change those public offering prices from time to time.

The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon an exemption contained in such act, and have not been registered or qualified under the securities laws of any state.

The City maintains a website. However, the information presented on such website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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[AERIAL PHOTO]

Attachment: Preliminary Official Statement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

\$4,755,000*
COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY
SPECIAL TAX REFUNDING BONDS
SERIES 2021

INTRODUCTION

General

The purpose of this Official Statement, which includes the front cover page, the inside front cover page, the table of contents and the attached appendices (collectively, the “**Official Statement**”), is to provide certain information concerning the issuance of the \$4,755,000* Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021 (the “**Bonds**”). The proceeds of the Bonds will be used: (i) to refund all of the Community Facilities District No. 5 of the City of Moreno Valley 2007 Special Tax Bonds (the “**2007 Bonds**”), which are currently outstanding in the aggregate principal amount of \$4,985,000; (ii) to fund a deposit to the Reserve Account; and (iii) to pay the costs of issuance of the Bonds. See the captions “THE REFUNDING PLAN,” “ESTIMATED SOURCES AND USES OF FUNDS” and “SOURCES OF PAYMENT FOR THE BONDS—Reserve Account of the Special Tax Fund.”

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined have the meanings set forth in Appendix B.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “**Act**”), and a Bond Indenture dated as of December 1, 2021 (the “**Indenture**”) by and between Community Facilities District No. 5 of the City of Moreno Valley (the “**District**”) and Wilmington Trust, National Association, as trustee (the “**Trustee**”).

The Bonds are secured under the Indenture by a pledge of and lien upon certain Net Taxes (as such term is defined in this Official Statement) and all moneys in the Special Tax Fund (other than the Administrative Expenses Account) as described under the Indenture.

The District

Formation Proceedings. The District was formed on October 25, 2005 by the City of Moreno Valley (the “**City**”) pursuant to the Act.

The Act was enacted by the State of California (the “**State**”) Legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as such term is defined in the Act) may establish a district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency that forms a district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an

* Preliminary; subject to change.

election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, the City Council adopted the necessary resolutions stating its intent to establish the District, to authorize the levy of Special Taxes (as such term is defined in this Official Statement) on taxable property within the boundaries of the District, and to have the District incur bonded indebtedness. Following public hearings conducted pursuant to the provisions of the Act, the City Council adopted resolutions establishing the District and calling a special election to submit the levy of the Special Taxes and the incurring of bonded indebtedness to the qualified voters of the District.

On October 25, 2005, at an election held pursuant to the Act, the Stoneridge Centre Partners, L.P., a California limited partnership (the “Developer”) who was the sole landowner and qualified voter within the District, authorized the District to incur bonded indebtedness in the aggregate principal amount not to exceed \$10,000,000 and approved the rate and method of apportionment of the Special Taxes for the District (the “Rate and Method”) to pay the principal of and interest on the bonds of the District. See the caption “THE BONDS—Authority for Issuance.” The City Council of the City acts as the legislative body of the District.

The District consists of approximately 64.4 gross acres of which approximately 32.99 are net taxable acres and is located at the southeast corner of the intersection of State Route 60 and Nason Street in the City, and consists of the Stoneridge Towne Centre. **The portion of the Stoneridge Towne Centre owned and occupied by Target and Kohl’s is approximately 23.28 acres and is not subject to the Special Tax (as defined herein) lien of the District.** Accordingly, of the projected approximately 560,000 square feet of commercial retail space within the District, only approximately 288,000 square feet is projected to be subject to the levy of Special Taxes of the District.

As of September 1, 2021: (i) there are 25 commercial parcels that are taxed by acre, consisting of a total of approximately 32.99 acres and approximately 204,535 building square feet; and (ii) there are 6 undeveloped parcels, consisting of approximately 5.54 acres. The property owners within the District are referred to in this Official Statement as the “**Property Owners.**” See the caption “THE DISTRICT—General Description.”

Sources of Payment for the Bonds

Special Taxes. As used in this Official Statement, the term “**Special Taxes**” means the taxes authorized to be levied by the District on property within the District pursuant to the Act and in accordance with the Ordinance, the Resolution of Formation, the Act and the voter approval obtained at the October 25, 2005 election in the District, including any scheduled payments and any Prepayments (as such term is defined in the Indenture) of Special Taxes, and the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and penalties and interest on such Special Taxes. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes” and Appendix A.

Under the Indenture, the District has pledged to repay the Bonds from: (i) the “**Net Taxes,**” which consist of the Special Taxes less amounts set aside to pay Administrative Expenses; and (ii) amounts in the Special Tax Fund (other than the Administrative Expenses Account) established under the Indenture.

The Net Taxes are the primary security for the repayment of the Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds that are available to pay the debt service on the Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Reserve Account of the Special Tax Fund.”

Foreclosure Proceedings. The District has covenanted for the benefit of the Owners of the Bonds that it will: (i) commence judicial foreclosure proceedings against (a) parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each fiscal year of the District ending June 30 (each, a “**Fiscal Year**”) in which such Special Taxes were due; (b) all parcels with delinquent Special Taxes by the October 1

following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and the amount on deposit in the Reserve Account is at less than the Reserve Requirement; and (ii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Proceeds of Foreclosure Sales.” There is no assurance that the property within the District can be sold for the assessed values described in this Official Statement, or for a price sufficient to pay the delinquent Special Taxes (plus related penalties and interest) in the event of a default in payment of Special Taxes by the current or future landowners within the District. See the caption “SPECIAL RISK FACTORS—Land Values.”

Neither the faith and credit nor the taxing power of the City, the State or any political subdivision of the State is pledged to the payment of the Bonds or any Parity Bonds (as such term is defined in this Official Statement). Except for the Net Taxes, no other taxes are pledged to the payment of the Bonds or any Parity Bonds. The Bonds and any Parity Bonds are neither general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund (exclusive of the Administrative Expenses Account), as more fully described in this Official Statement.

No Issuance of Parity Bonds Except for Refunding. The District may, without the consent of the Owners of the Bonds, issue additional indebtedness secured by the Net Taxes on a parity with the Bonds (“**Parity Bonds**”), but only for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Issuance of Parity Bonds for Refunding.”

Other taxes and/or special assessments with liens that are equal in priority to the continuing lien of the Special Taxes have been levied as described under the caption “THE DISTRICT—Estimated Direct and Overlapping Indebtedness.” Additional other taxes and/or special assessments may also be levied in the future on the property within the District, which could adversely affect the willingness of the Property Owners to pay the Special Taxes when due. See the caption “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments.”

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”), and will be available to actual purchasers of the Bonds (the “**Beneficial Owners**”) in the integral multiples of \$5,000, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described in this Official Statement. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described in this Official Statement is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See Appendix B.

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as described in this Official Statement. See Appendix E.

The Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary redemption from Special Tax Prepayments as described under the caption “THE BONDS—Redemption.” For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see the caption “THE BONDS” and Appendix B.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“**Bond Counsel**”), based on existing statutes, regulations, rulings and judicial decisions and assuming compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. It is the further opinion of Bond Counsel that interest (and original issue discount) on the Bonds is exempt from State personal income tax. See the caption “TAX EXEMPTION.”

Professionals Involved in the Offering

Wilmington Trust, National Association will act as Trustee under the Indenture. Willdan Financial Services has acted as Special Tax Consultant to the District. Stifel, Nicolaus & Company, Incorporated is the Underwriter of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Bond Counsel. Fieldman, Rolapp & Associates, Inc. is acting as Municipal Advisor to the District in connection with the Bonds. Certain legal matters will be passed on for the District by the City Attorney, for the Underwriter by Kutak Rock LLP, Irvine, California, and for the Trustee by its counsel. Other professional services have been performed by Nixon Peabody LLP, Los Angeles, California, as Disclosure Counsel.

For information concerning the respects in which certain of the above-mentioned professionals, advisors, counsel and agents may have a financial or other interest in the offering of the Bonds, see the caption “FINANCIAL INTERESTS.”

Continuing Disclosure

The District has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board certain annual financial information and operating data and notice of certain enumerated events. The District’s covenants have been made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12 (“**Rule 15c2-12**”). See the caption “CONTINUING DISCLOSURE” and Appendix C for a description of the specific nature of the annual reports and notices of enumerated events to be filed by the District.

Bond Owners’ Risks

Certain events could affect the timely repayment of the principal of and interest on the Bonds when due. See the caption “SPECIAL RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth in this Official Statement, in evaluating an investment in the Bonds. *The purchase of the Bonds involves significant investment risks, and the Bonds are not suitable investments for many investors.*

Other Information

This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Indenture, the Bonds and the Constitution and laws of the State as well as the proceedings of the City Council, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture.

Copies of the Indenture, the Continuing Disclosure Agreement, the Escrow Agreement and other documents and information referred to in this Official Statement are available for inspection and (upon request and payment to the City of a charge for copying, mailing and handling) for delivery from the City at 14177 Frederick Street, Moreno Valley, California 92553, Attention: City Clerk.

THE REFUNDING PLAN

General

The 2007 Bonds were issued pursuant to a Fiscal Agent Agreement, dated as of May 1, 2007 (the “**2007 Fiscal Agent Agreement**”), by and between the District and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association), as fiscal agent (the “**2007 Fiscal Agent**”). Concurrently with the issuance of the Bonds, the District will cause a portion of the proceeds of the sale of the Bonds to be deposited into an escrow fund (the “**Escrow Fund**”) established under the Escrow Agreement (2007 Bonds), dated as of December 1, 2021 (the “**Escrow Agreement**”), by and between the District and Computershare Trust Company, N.A., as escrow agent and as 2007 Fiscal Agent (the “**Escrow Agent**”), to be applied, together with moneys that are held in the funds and accounts established in connection with the 2007 Bonds, to the redemption of the 2007 Bonds on March 1, 2022. A portion of the amounts in the Escrow Fund will be invested in Defeasance Securities (as such term is defined in the 2007 Fiscal Agent Agreement).

Sufficiency of the deposits in the Escrow Fund for such purposes will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the “**Verification Agent**”). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the 2007 Bonds will be defeased pursuant to the provisions of the 2007 Fiscal Agent Agreement as of the date of issuance of the Bonds.

The amounts held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the 2007 Bonds and will not be available for the payments on the Bonds.

Verification of Mathematical Computations

Upon the issuance of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriter relating to: (a) the adequacy of the moneys deposited in the Escrow Fund to pay the redemption price of the 2007 Bonds; and (b) the computations of yield of the Bonds which support Bond Counsel’s opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes.

Estimated Sources and Uses of Funds

The following table sets forth the expected sources and uses of Bond proceeds:

Sources of Funds⁽¹⁾

Principal Amount of Bonds	\$
[Plus/Less] Net Original Issue [Premium/Discount]	
Plus Available Funds ⁽²⁾	_____
TOTAL SOURCES	\$ _____

Uses of Funds⁽¹⁾

Transfer to Escrow Agent for Deposit in Escrow Fund	\$
Deposit in Reserve Account	
Costs of Issuance ⁽³⁾	_____
TOTAL USES	\$ _____

- (1) Amounts rounded to the nearest dollar. Totals may not add.
- (2) Reflects moneys held in funds and accounts established for the 2007 Bonds.
- (3) Includes fees and expenses for the Municipal Advisor, Bond Counsel, Disclosure Counsel, the Trustee, the Escrow Agent and the Verification Agent, printing costs, Underwriter’s discount and other costs of delivery.

THE BONDS

General Provisions

The Bonds will be dated their date of delivery and will bear interest at the rates per annum set forth on the inside front cover page of this Official Statement, payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022 (each, an “**Interest Payment Date**”), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Bonds will be issued in fully registered form in integral multiples of \$5,000.

Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of such Bond, unless: (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date, in which event interest will be payable from the dated date of the Bonds; provided, however, that if at the time of authentication of a Bond, interest is in default, interest on such Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Bond, interest on such Bond will be payable from its dated date. The term “**Record Date**” is defined to mean the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

Interest on any Bond will be paid to the person whose name appears as its owner in the registration books held by the Trustee on the close of business on the Record Date. Interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, to the Owner at its address on the registration books. Pursuant to a written request prior to the Record Date of an Owner of at least \$1,000,000 in aggregate principal amount of Bonds, payment will be made by wire transfer in immediately available funds to a designated account in the United States.

Principal of the Bonds and any premium due upon redemption is payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee in Los Angeles, California.

Book-Entry Only System

The Bonds are issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in integral multiples of \$5,000. The Trustee will make payments due with respect to the Bonds to DTC but assumes no responsibility for DTC's disbursement of funds to its principals. See Appendix E.

Authority for Issuance

The Bonds are issued pursuant to the Act and the Indenture. As required by the Act, the City Council of the City has taken the following actions with respect to establishing the District and the Bonds:

Resolutions of Intention: On September 13, 2005, the City Council of the City adopted a resolution stating its intention to establish the District and to authorize the levy of special taxes.

Resolutions of Formation: On October 25, 2005 the City Council of the City, adopted resolutions which established the District, authorized the submittal of levy of special taxes within the District to qualified electors, and determined the necessity to incur bonded indebtedness within the District, in the amount not to exceed \$10,000,000.

Resolution Calling Election: The resolutions adopted by the City Council of the City on October 25, 2005 also called for an election by the landowners in the District for the same date on the issues of the levy of the Special Tax, the incurring of bonded indebtedness in the District, and the establishment of an appropriations limit.

Landowner Election and Declaration of Results: On October 25, 2005, an election was held at which the Developer, as the sole landowner and qualified voter within the District approved a ballot proposition authorizing the issuance of up to \$10,000,000 of bonds to finance the acquisition and construction of various public facilities, the levy of the Special Tax and the establishment of an appropriations limit for the District. On October 25, 2005, the City Council adopted a resolution approving the canvass of the votes and declaring the District to be fully formed with the authority to levy the Special Taxes, to incur the bonded indebtedness, and to have the established appropriations limit.

Special Tax Lien and Levy: A Notice of Special Tax Lien for the District was recorded in the real property records of the County on November 8, 2005, as a continuing lien against the property in the District. On November 8, 2005, the City Council of the City, acting as the legislative body of the District, enacted Ordinance No. 701 authorizing the levy of the Special Tax within the District. On June 26, 2006 a Notice of Cessation of Special Tax Lien with respect to the Target and Kohl's parcels was recorded in the real property records of the County.

Resolution Authorizing Issuance of the Bonds: On October 19, 2021, the City Council of the City, acting as legislative body of the District, adopted a resolution authorizing the issuance of the Bonds for the purpose of refunding the 2007 Bonds.

Redemption*

Optional Redemption. The Bonds are subject to redemption, at the option of the District, from any source of funds in whole, or in part by lot, on any Interest Payment Date beginning on September 1, 20__ at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ and March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the “**Term Bonds**”) will be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Term Bonds so called for redemption will be selected by the Trustee by lot and will be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

TERM BONDS MATURING SEPTEMBER 1, 20__

<i>Redemption Date (September 1)</i>	<i>Principal Amount</i>
	\$

If, during the Fiscal Year immediately preceding one of the redemption dates specified above, the District purchases Bonds, at least 45 days prior to the redemption date the District will notify the Trustee as to the principal amount purchased and the amount of Bonds so purchased will be credited at the time of purchase, to the extent of the full principal amount thereof, to reduce such upcoming Sinking Fund Payment for the Bonds so purchased. All Bonds purchased pursuant to the foregoing sentence will be cancelled pursuant to the Indenture.

In the event of a partial optional redemption or extraordinary redemption of the Bonds, each of the remaining Sinking Fund Payments for such Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis, in integral multiples of \$5,000, as directed by the District.

* Preliminary; subject to change.

Extraordinary Redemption. The Bonds are subject to extraordinary redemption as a whole, or in part by lot, on any Interest Payment Date, and will be redeemed by the Trustee, from amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the Rate and Method (“Prepayments”) deposited to the Redemption Account, plus amounts transferred from the Reserve Account, among maturities as directed in writing by the District, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Any Interest Payment Date from (and including) September 1, 20__ through (and including) March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and any Interest Payment Date thereafter	100

Notice of Redemption. So long as the Bonds are held in book-entry form, notice of redemption will be mailed by the Trustee to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry only system. Neither the District nor the Trustee is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system. See Appendix E.

The Trustee shall give notice, in the name of the District, of the redemption of Bonds; provided, however, that a notice of a redemption to be made from other than from Sinking Fund Payments will be conditioned on there being on deposit on the redemption date sufficient money to pay the redemption price of the Bonds to be redeemed. Such notice of redemption will: (a) specify the CUSIP numbers (if any) and the maturity date or dates of the Bonds selected for redemption; (b) state the date fixed for redemption and surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be redeemed; (e) in the case of Bonds to be redeemed only in part, state the portion of such Bond that is to be redeemed; (f) state the date of issue of the Bonds as originally issued; (g) state the rate of interest borne by each Bond being redeemed; and (h) state any other descriptive information needed to identify accurately the Bonds being redeemed as specified by the Trustee. Such notice will further state that on the date fixed for redemption, there will become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable. At least 30 days but no more than 45 days prior to the redemption date, the Trustee will mail a copy of such notice, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register. The actual receipt by the Owner of any Bond or the original purchaser of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the failure to receive nor any defect in such notice will affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as provided in the Indenture will be conclusive as against all parties, and the Owner will not be entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice will be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. In addition to providing any notice of redemption to the Owners, if the Bonds are held in book-entry form, each further notice of redemption will be sent not later than the date that notice of redemption is mailed to the Owners by electronic, registered or certified mail or overnight delivery service to the Depository and by electronic notice to the Municipal Securities Rulemaking Board.

Upon the payment of the redemption price of any Bonds being redeemed, each check or other transfer of funds issued for such purpose will to the extent practicable bear the CUSIP number (if any) identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

With respect to any notice of optional redemption or extraordinary redemption of Bonds, such notice will state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys have not been so received, said notice will be of no force and effect and the Trustee will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Registration, Transfer and Exchange

Registration. The Trustee will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the Bond registration books held by the Trustee.

Transfer or Exchange. The registration of any Bond may, in accordance with its terms, be transferred upon the Bond registration books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee and duly executed by the Owner or his or her duly authorized attorney.

Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds for other authorized denominations of the same maturity and issue. The Trustee will not collect from the Owner any charge for any new Bond issued upon any exchange or transfer, but will require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds are surrendered for registration of transfer or exchange, the District will execute and the Trustee will authenticate and deliver a new Bond or Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee is not required to register transfers or make exchanges of: (a) Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed; or (b) any Bonds chosen for redemption.

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Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemptions), assuming that there are no optional or extraordinary redemptions. See the caption “—Redemption.”

<i>Date (September 1)</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2022	\$	\$	\$
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
Total	<u>\$</u>	<u>\$</u>	<u>\$</u>

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are special, limited obligations of the District payable only from amounts pledged under the Indenture and from no other sources.

The Net Taxes are the primary security for the repayment of the Bonds. Under the Indenture, the District has pledged to repay the Bonds and any Parity Bonds from the Net Taxes (which are Special Taxes less amounts set aside to pay Administrative Expenses (as such term is defined in Appendix B)). Special Tax revenues include the proceeds of the taxes authorized to be levied by the District on property within the District in accordance with the Ordinance, the Resolution of Formation, the Act and the voter approval obtained at the October 25, 2005 election in the District, including any scheduled payments and any Prepayments of Special Taxes, and the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and penalties and interest on such Special Taxes.

In the event that the Special Tax revenues are not received when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund (other than the Administrative Expenses Account), including amounts held in the Reserve Account, for the exclusive benefit of the Owners of the Bonds and any Parity Bonds.

Neither the faith and credit nor the taxing power of the City, the State or any political subdivision of the State is pledged to the payment of the Bonds or any Parity Bonds. Except for the Net Taxes, no other taxes are pledged to the payment of the Bonds or any Parity Bonds. The Bonds and any Parity Bonds are neither general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the

Special Tax Fund (exclusive of the Administrative Expenses Account), as more fully described in this Official Statement.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the City Council established the District on October 25, 2005 for the purpose of financing the acquisition, construction and installation of various public improvements required in connection with the proposed development within the District. At a special election held on October 25, 2005, the owners of the property within the District authorized the District to incur indebtedness in an amount not to exceed \$10 million, and approved the Rate and Method, which authorized the Special Tax to be levied to repay District indebtedness, including the Bonds.

The District has covenanted in the Indenture that, so long as any Bonds or Parity Bonds issued under the Indenture are Outstanding, the legislative body of the District will levy the Special Tax in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay: (i) the principal of and interest on the Bonds and any Parity Bonds when due; (ii) the Administrative Expenses; and (iii) any amounts required to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement. The District has further covenanted in the Indenture that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding. See the caption “—Special Taxes—Collection and Application of Special Taxes.”

The Special Taxes levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. See Appendix A. There is no assurance that the Net Taxes will, in all circumstances, be sufficient to pay the principal of and interest on the Bonds and any Parity Bonds when due. See the caption “SPECIAL RISK FACTORS—Insufficiency of Special Taxes.”

Rate and Method of Apportionment of Special Taxes. The Special Taxes will be levied in accordance with the terms of the Rate and Method, the text of which is set forth in Appendix A. All capitalized terms used in this section shall have the meaning set forth in Appendix A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method.

The Rate and Method provides that for each Fiscal Year all parcels in the District not otherwise exempt are to be classified as either Developed Property or Undeveloped Property. “Developed Property” is defined as all Assessor’s Parcels of Taxable Property for which a building permit for new construction was issued prior to March 1 of the prior Fiscal Year. “Undeveloped Property” is defined to include all Taxable Property not classified as Developed Property.

Under the Rate and Method, the Maximum Special Tax to be levied on each taxable parcel in the District classified as Developed Property or Undeveloped Property will be \$14,336.11 per acre for Fiscal Year 2021-22, and shall increase thereafter, on July 1 of each Fiscal Year thereafter, by an amount equal to two percent (2%) of the Maximum Annual Special Tax in effect in the previous Fiscal Year.

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the City Council shall levy the Special Tax until the amount of Special Taxes levied equals the Annual Special Tax Requirement. The Special Tax shall be levied for each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor’s Parcels of Developed Property up to 100% of the Maximum Annual Special Tax; and

Second: If additional Special Taxes are needed to satisfy the Annual Special Tax Requirement, the Special Tax shall be levied Proportionately on each Assessor's Parcels of Undeveloped Property up to 100% of the applicable Maximum Annual Special Tax.

Prepayment of Special Taxes. The Special Tax obligation applicable to an Assessor's Parcel may be prepaid at any time and the obligation of such Assessor's Parcel to pay any Special Tax may be fully or partially satisfied as described herein. See APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES" herein for a discussion of how the prepayment amount is calculated. No Special Tax prepayment shall be allowed unless the amount of Special Taxes, net of Administrative Expenses, that may be levied on Taxable Property within the District both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding Bonds. Tenders of Bonds in prepayment of Special Taxes may be accepted upon the terms and conditions established by the City Council pursuant to the Act. The Rate and Method provides that a property owner may prepay and satisfy the Special Tax obligation of an Assessor's Parcel in whole only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment.

In the event that a prepayment of Special Taxes occurs in the future, the net proceeds of such prepayment will be applied to effect a mandatory redemption of the Bonds. See "THE BONDS—Redemption" herein.

Collection and Application of Special Taxes. The Special Taxes are levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes. The District may, however, collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

The District has made certain covenants in the Indenture for the purpose of ensuring that the current Maximum Special Tax rate and method of collection of the Special Taxes are not altered in a manner that would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds, any Parity Bonds and Administrative Expenses when due. First, the City has covenanted that, to the extent it is legally permitted to do so, it will not reduce the Maximum Special Tax rates on then existing Developed Property in the District below the amounts which are necessary to provide Special Tax Revenues. Second, the City has covenanted that in the event that any initiative is adopted by the qualified electors in the District which purports to reduce or otherwise alter the Maximum Special Taxes, it will commence and pursue legal action seeking to preserve its ability to comply with its covenant contained in the preceding sentence.

See the captions "SPECIAL RISK FACTORS—Proposition 218" and "SPECIAL RISK FACTORS—Non-Cash Payments of Special Taxes."

Although the Special Taxes constitute liens on taxable parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. Moreover, other liens for taxes and assessments already exist on the property located within the District and others could come into existence in the future in certain situations without the consent or knowledge of the City, the District or the Property Owners. See the captions "SPECIAL RISK FACTORS—Parity Taxes and Special Assessments."

Under the terms of the Indenture, all Special Tax revenues received by the District are to be deposited in the Special Tax Fund. Special Tax revenues deposited in the Special Tax Fund each Fiscal Year are to be applied by the Trustee under the Indenture in the following order of priority: (i) to deposit an amount in the Administrative Expense Fund to pay Administrative Expenses (although a greater amount may be deposited in the Administrative Expense Fund if necessary to collect Delinquent Special Taxes); (ii) to deposit an amount in the Interest Account; (iii) to deposit an amount in the Principal Account; (iv) to deposit an amount in the Redemption Account; (v) to deposit an amount in the Reserve Account; (vi) to deposit an amount in the Rebate Fund; (vii) to deposit an amount in the Surplus Fund; and (viii) for any other lawful purpose of the District. See Appendix B.

Debt Service Coverage from Net Special Taxes. The table below shows the estimated debt service coverage on the Bonds.

**TABLE 1
ESTIMATED DEBT SERVICE COVERAGE
COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY**

<i>Bond Year Ending September 1</i>	<i>Maximum Special Tax Revenues</i>	<i>Annual Administrative Expenses</i>	<i>Net Maximum Annual Special Tax Revenues</i>	<i>Bond Debt Service</i>	<i>Debt Service Coverage</i>
	\$	\$	\$	\$	%
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					

Sources: Willdan Financial Services (Special Tax information); Stifel, Nicolaus & Company, Incorporated (debt service information).

Covenant to Foreclose; Proceeds of Foreclosure Sales. The net proceeds received following a judicial foreclosure sale of land within the District resulting from a Property Owner’s failure to pay the Special Taxes when due are included within the Net Taxes pledged to the payment of principal of and interest on the Bonds under the Indenture.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Tax levied, the City Council, as the legislative body of the District, may order that Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District has covenanted for the benefit of the Owners of the Bonds and any Parity Bonds that it will: (i) commence judicial foreclosure proceedings against (a) parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; (b) all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and the amount on deposit in the Reserve Account is at less than the Reserve Requirement; and (ii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid.

The District covenants that it will deposit the net proceeds of any foreclosure to the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal of and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

If foreclosure is necessary and other funds (including amounts in the Reserve Account) have been exhausted, debt service payments on the Bonds could be delayed until the foreclosure proceedings have ended with the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the City and the District. See the captions “SPECIAL RISK FACTORS—Bankruptcy and Foreclosure” and “SPECIAL RISK FACTORS—FDIC/Federal Government Interests in Properties.”

Moreover, no assurances can be given that the real property that is subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See the caption “SPECIAL RISK FACTORS—Land Values.” Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the City any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. Moreover, if the District chooses to purchase the property sold at foreclosure using a “credit bid” (where the District submits a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax), as permitted under Section 53356.5 of the Act, the District must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes. See the caption “SPECIAL RISK FACTORS—Parity Taxes and Special Assessments.”

Because the County has not elected to follow the procedures of the “Teeter Plan” (which is the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds, as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State of California) with respect to special taxes, collections of Special Taxes will reflect actual delinquencies.

Reserve Account of the Special Tax Fund

In order to secure further the payment of principal of and interest on the Bonds and any Parity Bonds, the District will maintain in the Reserve Account an amount equal to the least of: (a) Maximum Annual Debt Service (as such term is defined in Appendix B) on the Bonds and any Parity Bonds; (b) 125% of average Annual Debt Service (as such term is defined in Appendix B) on the then-Outstanding Bonds and any Parity Bonds; or (c) 10% of the initial outstanding principal amount of the Bonds and any Parity Bonds (the “**Reserve Requirement**”). The initial Reserve Requirement is \$ _____. The Reserve Account shall not exceed the initial Reserve Requirement.

Moneys in the Reserve Account will be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds and any Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient or moneys in the Redemption Account of the Special Tax Fund are insufficient to make a Sinking Fund Payment when due, and for the purpose of making any required transfer to the Rebate Fund pursuant to the Indenture upon written direction from the District. If the amounts in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on any Bonds and Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee will withdraw from the Reserve Account for deposit in the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

Whenever moneys are withdrawn from the Reserve Account, after making the required transfers to the Administrative Expenses Account, the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund, the Trustee will transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds that the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund will be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Administrative Expenses Account, the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund on or before the next September 1. If amounts in the Special Tax Fund, together with any other amounts transferred to replenish the Reserve Account, are inadequate to restore the Reserve Account to the Reserve Requirement, then the District will include the amount necessary fully to restore the Reserve Account to the Reserve Requirement in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates.

In connection with an optional redemption of Bonds or Parity Bonds, an extraordinary redemption of Bonds or Parity Bonds from Prepayments or a partial defeasance of Bonds or Parity Bonds, amounts in the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement. The District will set forth in a Certificate of an Authorized Representative the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred to partially defease Bonds, and the Trustee will make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

To the extent that the Reserve Account is at the Reserve Requirement as of the first day of the final Bond Year for the Bonds or an issue of Parity Bonds, amounts in the Reserve Account may be applied to pay the principal of and interest due on the Bonds and Parity Bonds, as applicable, in the final Bond Year for such issue. Moneys in the Reserve Account in excess of the Reserve Requirement that are not transferred in accordance with the preceding provisions will be withdrawn from the Reserve Account on the Business Day before each March 1 and September 1 and transferred to the Interest Account of the Special Tax Fund.

The Reserve Requirement may be satisfied in whole or part by the deposit of a reserve fund surety policy or similar instrument therein.

No Issuance of Parity Bonds Except for Refunding

Subject to the limitations set forth in the Indenture, the District may, at any time after the issuance and delivery of the Bonds, and without the consent of the Owners of the Bonds, issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund (other than in the Administrative Expenses Account therein) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued pursuant to the Indenture or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. See Appendix B under the caption “DEFEASANCE AND PARITY BONDS—Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness” for the conditions that must be met in order for the District to issue Parity Bonds.

No Acceleration

The principal of and interest on the Bonds are not subject to acceleration under the Indenture in the event of a default relating to the Bonds. See Appendix B under the caption “EVENTS OF DEFAULT—Remedies of Owners” for a description of remedies that are available to the Bond Owner if the District defaults under the Indenture.

THE DISTRICT

General Description

The City encompasses approximately 49 square miles of land area in western Riverside County. The City is immediately east of the City of Riverside, 66 miles east of the City of Los Angeles, 48 miles northeast of the City of Irvine and 100 miles north of the City of San Diego. Geographically, the City is bordered by three low-lying mountain ranges, March Air Reserve Base and Lake Perris State Park. The City is situated at the junction of two major highways, California State Highway 60 (the Moreno Valley Freeway) and Interstate 215.

The District consists of approximately 64.4 gross acres of which approximately 32.99 are net taxable acres and is located at the southeast corner of the intersection of State Route 60 and Nason Street in the City, and consists of the Stoneridge Towne Centre. **The portion of the Stoneridge Towne Centre owned and occupied by Target and Kohl's is approximately 23.28 acres and is not subject to the Special Tax (as defined herein) lien of the District.** Accordingly, of the projected approximately 560,000 square feet of commercial retail space within the District, only approximately 288,000 square feet is projected to be subject to the levy of Special Taxes of the District.

As of September 1, 2021 there are 25 commercial parcels that are taxed by acre, consisting of a total of approximately 32.99 acres and approximately 207,311 building square feet and 6 undeveloped parcels, consisting of approximately 5.54 acres.

Development Status and Estimated Value-to-Lien Ratio

Under the Rate and Method, all Taxable Property in the District will be classified as Developed Property (property for which a building permit has been issued) or Undeveloped Property (property for which a building permit has not been issued) and will be subject to a Special Tax levy at the maximum rates described in Section C of the Rate and Method. As shown below, based on development status as of September 1, 2021, approximately 87.15% of the Fiscal Year 2021-22 Special levy was on Developed Property.

The assessed value net of exemptions of the land within the District for Fiscal Year 2021-22 is \$60,457,800. Dividing this assessed value by the \$4,755,000* principal amount of the Bonds results in an assessed value-to-lien ratio of approximately 12.71 to 1*. When the \$1,201,906 amount of additional overlapping debt that is payable from taxes levied on the property within the District (as set forth under the caption “—Estimated Direct and Overlapping Indebtedness”) is included in the calculation, the value-to-lien ratio is approximately 10.15 to 1*. The table below summarizes the development status of the property and the value-to-lien ratio for each of the parcels.

[Remainder of page intentionally left blank.]

* Preliminary, subject to change.

**TABLE 2
ESTIMATED FISCAL YEAR 2021-22 ASSESSED VALUE-TO-LIEN RATIO
COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY**

<i>Assessor's Parcel Number</i>	<i>Property Owner</i>	<i>Development Status</i>	<i>Total Assessed Value</i>	<i>FY 2021/22 Maximum Special Tax</i>	<i>FY 2021/22 Actual Levied Special Tax ⁽¹⁾</i>	<i>Bonded Indebtedness ⁽²⁾⁽³⁾</i>	<i>Value-to-Lien Ratio</i>
488-400-002	LEDGER WILLIAM DEAN TRUST DTD 9/25/87	Developed	\$ 998,618.00	\$ 9,461.82	\$ 9,461.82	\$ 95,128.75	10.50:1
488-400-008	MCA STONERIDGE LLC	Undeveloped ⁽⁴⁾	330,811.00	8,458.30	6,185.50	85,039.40	3.89:1
488-400-009	MCA STONERIDGE	Developed	4,153,184.00	27,381.96	27,381.96	275,297.09	15.09:1
488-400-010	MCA STONERIDGE	Developed	3,562,670.00	21,934.24	21,934.24	220,525.94	16.16:1
488-400-011	JP MORGAN CHASE BANK	Developed	430,981.00	5,304.36	5,304.36	53,329.82	8.08:1
488-400-012	KALMS	Developed	446,749.00	10,321.98	10,321.98	103,776.76	4.30:1
488-400-014	JP MORGAN CHASE BANK	Developed	2,522,827.00	4,444.18	4,444.18	44,681.60	56.46:1
488-400-015	KALMS	Developed	2,312,591.00	3,727.38	3,727.38	37,474.92	61.71:1
488-400-016	CTI INV	Developed	3,400,000.00	19,497.10	19,497.10	196,023.04	17.34:1
488-400-017	J&R HOCK ENTERPRISES INC	Developed	1,832,020.00	11,325.52	11,325.52	113,866.31	16.09:1
488-400-018	TASH GEORGE	Developed	2,766,700.00	8,314.94	8,314.94	83,598.06	33.10:1
488-400-019	YOUNG SUPATTRA LIVING TRUST DATED 6/19/2001	Developed	2,325,000.00	15,196.26	15,196.26	152,782.57	15.22:1
488-400-020	LIANG TEH SHAN	Developed	998,619.00	13,189.22	13,189.22	132,603.87	7.53:1
488-400-021	MCA STONERIDGE	Developed	6,562,650.00	76,124.74	76,124.74	765,354.98	8.57:1
488-400-022	MCA STONERIDGE	Undeveloped ⁽⁵⁾	455,510.00	11,182.16	8,177.44	112,424.97	4.05:1
488-400-023	CALIFORNIA GOLD MORENO VALLEY	Developed	7,022,431.00	34,980.10	34,980.10	351,688.48	19.97:1
488-400-024	MCA STONERIDGE	Undeveloped ⁽⁶⁾	833,728.00	20,500.62	14,992.00	206,112.38	4.05:1
488-400-025	27150 EUCALYPTUS AVE	Developed	1,156,295.00	7,454.76	7,454.76	74,949.85	15.43:1
488-400-026	MCA STONERIDGE	Developed	4,570,969.00	27,095.24	27,095.24	272,414.42	16.78:1
488-400-027	MCA STONERIDGE LLC	Developed	37,098.00	860.16	860.16	8,648.01	4.29:1
488-400-028	MCA STONERIDGE	Developed	3,318,425.00	26,808.52	26,808.52	269,531.75	12.31:1
488-400-040	BOYLAND PROP MORENO VALLEY	Developed	10,128,104.00	70,103.56	70,103.56	704,818.29	14.37:1
488-400-041	STONERIDGE PHASE II LAND	Undeveloped ⁽⁷⁾	111,120.00	12,615.76	9,225.84	126,838.33	0.88:1
488-400-042	STONERIDGE PHASE II LAND	Undeveloped ⁽⁷⁾	62,706.00	13,332.58	9,750.04	134,045.21	0.47:1
488-400-043	STONERIDGE PHASE II LAND	Undeveloped ⁽⁷⁾	117,994.00	13,332.58	9,750.04	134,045.21	0.88:1
TOTAL			\$60,457,800.00	\$472,948.04	\$451,606.90	\$4,755,000.00	12.71:1

(1) Developed parcels are levied up to 100% of the Maximum Special Tax then, if additional monies are needed, Undeveloped parcels are levied proportionally up to the Maximum Special Tax.
 (2) Allocated based on Fiscal Year 2021-22 Maximum Special Tax amounts.
 (3) Preliminary; subject to change.
 (4) MCA currently in escrow with a developer for a Popeye's franchise on this parcel. Closing is expected in October 2021.
 (5) MCA currently in escrow with a developer for a Jiffy Lube on this parcel. Closing is expected in December 2021.
 (6) MCA currently in escrow with a developer for a Super Star Car Wash on this parcel. Closing is expected in November 2021.
 (7) The property owners of these parcels were the original landowners at District formation.

Source: FY 2021/22 Riverside County Secured Property Tax Roll as compiled by Willdan Financial Services.

Current Lease Status

The table below provides information regarding the current tenants and lease status for each of the parcels.

**TABLE 3
LEASE STATUS
COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY**

<i>Assessor's Parcel Number</i>	<i>Tenant</i>	<i>Size (In Square Feet)</i>	<i>Initial Lease Term (In Years)/ Leased Information</i>
488-400-002	Hot Tubs	7,361	Not available.
488-400-008 ⁽¹⁾	Undeveloped	4,000	Not available.
488-400-009	Verizon	2,500	1-year lease, beginning August 2007. Option of (3x) 5 years.
	China One Restaurant	1,600	5-year lease, beginning November 2012.
	Supercuts	1,102	5-year lease, beginning April 2008.
	See's Candies	1,211	5-year lease, beginning April 2008.
	Massage Envy	3,690	10-year lease, beginning April 2016. Option of (2x) 5 years.
	Hear USA	1,280	5-year lease, beginning February 2014. Option of (1x) 2 years. Recently renewed for 5 years.
	UPS	1,492	10-year lease, beginning November 2019. Option of (1x) 5 years.
	Focus Vision	1,131	15-year lease, beginning May 2021. Option of (2x) 5 years.
488-400-010	Albertos Taco Shop	2,257	10-year lease, beginning April 2013. Option of (1x) 5 years.
	Pacific Dental Services	3,500	10-year lease, beginning November 2007. Option of (2x) 5 years.
	Available	1,267	Not available.
	Elegant Nail Spa	1,900	5-year lease, beginning December 2013. Option of (1x) 5 years.
488-400-011	Parking lot	N/A	Not available.
	Parking lot	N/A	Not available.
488-400-012	Parking lot	N/A	Not available.
488-400-014	Chase Bank	4,127	Not available.
488-400-015	Chili's	5,924	20-year lease, beginning December 2007. Option of (4x) 5 years.
488-400-016	Chevron	3,000	25-year lease, beginning December 2007. Option of (3x) 5 years.
488-400-017	Taco Bell	5,200	Not available.
488-400-018	US Bank	3,600	Not available.
488-400-019	Jack in the Box	3,500	20-year lease, beginning December 2007. Option of (2x) 5 years.
488-400-020	Kirkland's	7,000	Not available.
488-400-021	BestBuy Outlet	45,622	Original tenant vacated 5/12/12; current tenant signed a lease amendment effective through 6/30/23.
488-400-022 ⁽²⁾	William Sonoma/West Elm Outlet	17,964	1 Year, lease extended in December 2020 through January 2022.
	Undeveloped	5,000	Not available.

⁽¹⁾ MCA currently in escrow with a developer for a Popeye's franchise on this parcel. Closing is expected in October 2021.

<i>Assessor's Parcel Number</i>	<i>Tenant</i>	<i>Size (In Square Feet)</i>	<i>Initial Lease Term (In Years)/ Leased Information</i>
488-400-023	Tractor Supply	25,000	MCA sold parcel to California Gold on March 27, 2020. The planned Tractor Supply store is anticipated to open in _____.
488-400-024 ⁽³⁾	Undeveloped	6,000	Not available.
488-400-025	H&R Block	1,100	Not available.
488-400-026	Audeo Charter School	2,674	5-year lease, beginning June 2012.
	Burgerim	1,300	10-year lease, beginning October 2019. Option of (2x) 5 years.
	Audeo Charter School	2,143	5-year lease, beginning May 2019.
	Visterra Credit Union	3,995	10-year lease, beginning December 2007. Option of (3x) 5 years. Recently renewed for 10 years.
488-400-027	T-Mobile	2,002	5-year lease, beginning December 2007. Option of (2x) 5 years. Recently renewed for 5 years
	Menchies	1,689	5- year lease, beginning December 2015. Option of (1x) 5 years.
	Parking lot		Not available.
488-400-028	Round Table Pizza	3,807	10 year lease, beginning November 2007.
	Available	5,710	Not available.
	Available	4,441	Not available.
488-400-040	Hyundai	22,466	Not available.
488-400-041	Undeveloped	N/A	Not available.
488-400-042	Undeveloped	N/A	Not available.
488-400-043	Undeveloped	N/A	Not available.

⁽²⁾ MCA currently in escrow with a developer for a Jiffy Lube on this parcel. Closing is expected in December 2021.

⁽³⁾ MCA currently in escrow with a developer for a Super Star Car Wash on this parcel. Closing is expected in November 2021.

Source: MCA's Continuing Disclosure Developer Semiannual Report, September 1, 2021 and the City.

Estimated Direct and Overlapping Indebtedness

Numerous local agencies provide public services within the District's boundaries. Some of these local agencies have outstanding general obligation bonds that are secured by taxes on the parcels within the District and others have authorized but unissued general obligation bonds that, if issued, will be secured by taxes levied on parcels within the District. The approximate amount of the direct and overlapping debt secured by such taxes and assessments on the parcels within the District for Fiscal Year 2021-22 is shown in the table below. Increases in assessed valuations in the District relative to assessed valuations in the overlapping jurisdiction can increase the *ad valorem* tax levy on District parcels; similarly, a decrease in assessed valuations in the District relative to assessed valuations in the overlapping jurisdiction can decrease the *ad valorem* tax levy on District parcels.

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**TABLE 4
DIRECT AND OVERLAPPING DEBT
COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY**

2021-22 Local Secured Assessed Valuation: \$60,457,800

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 9/1/21</u>
Metropolitan Water District	0.002%	\$ 475
Riverside County Flood Control and Water Conservation District Zone No. 4	0.094	7,390 ⁽¹⁾
Riverside City Community College District	0.170	511,017
Moreno Valley Unified School District	0.324	683,024
City of Moreno Valley Community Facilities District No. 5	100.	<u>4,755,000</u>⁽²⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$5,956,906
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Riverside County General Fund Obligations	0.018%	\$129,637
Riverside County Pension Obligation Bonds	0.018	159,296
Moreno Valley Unified School District Certificates of Participation	0.324	22,779
City of Moreno Valley General Fund Obligations	0.311	232,664
TOTAL OVERLAPPING GENERAL FUND DEBT		\$544,376
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$552,281
 COMBINED TOTAL DEBT		\$7,053,563 ⁽³⁾

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$4,755,000)	7.86%
Total Direct and Overlapping Tax and Assessment Debt	9.85%
Combined Total Debt.....	11.67%

⁽¹⁾ 2015 Negotiable Promissory Notes secured by the District's share of 1% Ad Valorem property tax revenues collected on properties within Zone 4. The Notes are not secured by a direct property tax lien.
⁽²⁾ Issue to be sold.
⁽³⁾ Excludes tax and revenue anticipation notes, enterprises revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Historical Assessed Values

The table below sets forth a summary of historical assessed values in the District. In the event of successful property tax appeals in the future, reduced assessed values would not affect the amount of Special Taxes that can be levied under the Rate and Method but may alter the amount of overlapping general obligation bond tax levies. The District is not aware of any other pending or successful property tax appeals within the District.

**TABLE 5
SUMMARY OF HISTORICAL ASSESSED VALUES
COMMUNITY FACILITIES DISTRICT NO. 5 OF THE CITY OF MORENO VALLEY**

<i>Fiscal Year</i>	<i>Land Assessed Value</i>	<i>Assessed Structure Value</i>	<i>Total Assessed Value</i>
2017-18	\$10,460,651	\$32,429,284	\$ 42,889,935
2018-19	10,882,851	37,744,861	48,627,712
2019-20	18,134,518	34,918,209	53,052,727
2020-21	18,645,002	35,702,522	54,347,524
2021-22	18,590,765 ⁽¹⁾	41,867,035	60,457,800

⁽¹⁾ Two parcels within the District were sold in 2020 at a purchase price below their assessed value as of the date of purchase. Source: Riverside County Secured Property Tax Roll as compiled by Willdan Financial Services.

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Delinquency History

Under the provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the Property Owners on their regular property tax bills. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Special Tax installment payments cannot generally be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Tax installment payments in the future. See the caption “SPECIAL RISK FACTORS—Special Tax Delinquencies.”

There have been no delinquencies within the District within the past five fiscal years.

See the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Covenant to Foreclose; Proceeds of Foreclosure Sales” for a discussion of the provisions that apply, and procedures that the District is obligated to follow, in the event of delinquency in the payment of Special Tax installments.

SPECIAL RISK FACTORS

The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth in this Official Statement, in evaluating the investment quality of the Bonds. This discussion does not purport to be comprehensive or definitive. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. The occurrence of one or more events discussed below could adversely affect the value of the property in the District. Moreover, the occurrence of one or more of the events discussed below could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such a failure to pay Special Taxes could result in the inability of the District to make full and punctual payments on the Bonds.

Concentration of Ownership

The District has a significant concentration of ownership. As of September 1, 2021, there were 25 parcels in the District, a majority which are owned by a single Property Owner, MCA Stoneridge, LLC (“MCA”). MCA is responsible for approximately 46.41% of the estimated Fiscal Year 2021-22 Special Tax, and the other Property Owners are collectively responsible for approximately 53.59% of the estimated Fiscal Year 2021-22 Special Tax levy. See the caption “THE DISTRICT—Property Ownership.” Failure of the Property Owners, or any successor, to pay the annual Special Taxes when due could result in a default in payments of the principal of, and interest on, the Bonds, when due.

None of the Property Owners is obligated in any manner to continue to own, or to develop, any of such property. The Special Taxes are not a personal obligation of the owners of the property on which such Special Taxes are levied, and no assurances can be given that the current Property Owners within the District will be financially able to pay the Special Taxes levied on such property or that they will choose to pay even if financially able to do so. See the caption “—Payment of the Special Tax is Not a Personal Obligation of the Owners.” Such risk is greater and its consequence more severe when ownership is concentrated and may be expected to decrease when ownership is diversified.

Limited Obligations

The Bonds are revenue bonds, payable exclusively from Net Taxes and other funds provided in the Indenture. The Bonds are not payable from the general fund or other moneys of the City or moneys derived from the District. Except with respect to the Net Taxes from the District, neither the credit nor the taxing power of the District or the City is pledged for the payment of the Bonds or the interest on the Bonds, and, except as provided in the Indenture, no Owner of the Bonds may compel the exercise of any taxing power by the District

or the City or force the forfeiture of any City or District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City's or the District's property or upon any of the City's or the District's income, receipts or revenues, except the Net Taxes and other amounts pledged under the Indenture. See the caption "SOURCES OF PAYMENT FOR THE BONDS—Limited Obligations."

Insufficiency of Special Taxes

Based on current projections, the Maximum Special Taxes that may be levied within the District exceed Maximum Annual Debt Service on the Bonds plus the Fiscal Year 2021-22 Administrative Expenses amount. See the caption "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Debt Service Coverage from Net Special Taxes." Notwithstanding the fact that the Maximum Special Taxes that may be levied in the District exceed debt service on the Bonds, the Special Taxes that are actually collected could be inadequate to make timely payment of debt service either because of nonpayment or, as described under the caption "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Rate and Method of Apportionment of Special Taxes," because property becomes exempt from taxation.

The Special Taxes will be billed to the properties within the District on the *ad valorem* property tax bills sent to owners of such properties. The Act provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments. Significant delinquencies in the payment of Special Tax installments, or delays in the prosecution of foreclosure proceedings to collect such Special Taxes, could result in depletion of the Reserve Account and a default in the payment of the Bonds. See the caption "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Covenant to Foreclose; Proceeds of Foreclosure Sales" for a discussion of the provisions that apply, and the procedures that the District has covenanted to follow, in the event of delinquencies in the payment of Special Taxes. See the captions "—FDIC/Federal Government Interests in Properties" and "—Bankruptcy and Foreclosure" for a discussion of the policy of the Federal Deposit Insurance Corporation (the "FDIC") regarding the payment of special taxes and assessments and limitations on the District's ability to foreclose on the lien of the Special Taxes in certain circumstances.

The annual levy of the Special Tax is subject to the maximum authorized tax rates. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds. Other funds that might be available include moneys and reserve fund surety policies or similar instruments deposited in the Reserve Account, funds derived from the payment of penalties on delinquent Special Taxes and funds derived from the tax sale or foreclosure and sale of parcels on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular property and the amount of the levy of the Special Tax against such property. Thus, there will rarely, if ever, be a uniform relationship between the value of such property and the proportionate share of debt service on the Bonds, and certainly not a direct relationship.

The Act provides that if any property within the District that is not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Taxes will continue to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that if property that is subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to such property is to be treated as if it were a special assessment and paid from the eminent domain award. The constitutionality and operative effect of these provisions has not been tested in the courts.

If for any reason property that is subject to the Special Tax becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government, or another public agency that asserts immunity

from the Special Tax, subject to the limitation of the Maximum Special Tax rates, the Special Taxes will be reallocated to the remaining properties within the District. This would cause the owners or tenants of such properties to pay a greater amount of the Special Tax and could have an adverse effect on the timely payment of the Special Tax. Because of the problems that are associated with collecting taxes from public agencies, if a substantial portion of land within the District were to become owned by public agencies, collection of the Special Tax might become more difficult and could result in collections of the Special Tax that might not be sufficient to pay principal of and interest on the Bonds when due, and a default could occur with respect to the payment of such principal and interest.

Failure to Develop Properties

Approximately 12.86% of the Fiscal Year 2021-22 Special Tax levy within the District has been levied on Undeveloped Property. Unimproved or partially improved land is inherently less valuable than land with improvements on it, especially if there are restrictions on development, and provides less security to the Owners should it be necessary for the District to foreclose on the property because of the nonpayment of Special Taxes. Any delays in developing unimproved property, or the decision not to construct improvements on such property, may affect the willingness and ability of the owners of property within the District to pay the Special Taxes when due.

Land development is subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. There is always the possibility that such approvals will not be obtained or, if obtained, will not be obtained on a timely basis. Failure to obtain any such agency approval or to satisfy such governmental requirements could adversely affect planned land development. In addition, there is a risk that future governmental restrictions, including, but not limited to, governmental policies restricting or controlling development within the District, will be enacted, and a risk that future voter approved land use initiatives could add more restrictions and requirements on development within the District.

Moreover, there can be no assurance that the means and incentive to conduct land development operations within the District will not be adversely affected by a deterioration of the real estate market and economic conditions or future local, State and federal governmental policies relating to real estate development, the income tax treatment of real property ownership or the national economy.

The Property Owners who own unimproved property are likely to need continued financing to complete the development of the property within the District. No assurance can be given that the required funding will be secured or that the proposed development will be partially or fully completed, and it is possible that cost overruns will be incurred that will require additional funding beyond what the Property Owners have projected, which may or may not be available.

Owners of the Bonds should assume that any event that significantly impacts the ability to complete the development of the land in the District would cause the property values within the District to decrease substantially and could affect the willingness and ability of the Property Owners to pay the Special Taxes when due.

COVID-19 Pandemic

The global outbreak of the novel coronavirus COVID-19 (“COVID-19”), a respiratory disease declared to be a pandemic (the “Pandemic”) by the World Health Organization, significantly affected the national capital markets and national, state and local economies in various ways. Unemployment in the United States dramatically increased as a result of the Pandemic and triggered a nationwide recession in February 2020. On May 6, 2020, Governor Newsom issued Executive Order N-61-20 (the “Executive Order”), waiving penalties and interest on taxes on property on the secured or unsecured roll through May 6, 2021 under certain conditions,

including: (i) the property is a residential property occupied by the taxpayer or the property is used for a small business, (ii) the taxes owed were not delinquent as of March 4, 2020, (iii) the taxpayer files for relief in a form prescribed by the tax collector, and (iv) the taxpayer demonstrates economic hardship to the satisfaction of the tax collector. The Executive Order ceased as of May 6, 2021. California fully reopened the economy on June 15, 2021. Businesses and activities returned to normal, subject to certain risk reduction and safety measures, except for certain “mega events” (1,000 people indoors or 10,000 outdoors).

There can be no assurance that more additional State or federal measures or more restrictive safety protocols (including business closures) will not be imposed or reimposed in the future, depending on the course of the Pandemic, variants, a significant increase in the number of COVID-19 cases, updated guidance by the Centers for Disease Control and Prevention, or other factors. The actual impact of COVID-19 on the District will depend on future events, including future events outside of the control of the District, and actions by the federal government and the State. The District cannot predict the extent or duration of the outbreak or what overall impact it may have on the District. Any adverse impact of COVID-19 on the District, landowners, operations, finances and ability to complete development within the District as planned, Property Owners’ willingness and ability to pay Special Taxes when due, and the real estate market in general cannot be predicted.

Natural Disasters

The District, like all California communities, may be subject to unpredictable seismic activity, fires, drought, floods or other natural disasters. The District is not situated within any currently designated State of California Earthquake Fault zones. However, the District, like most of Southern California is located in a seismically active area. Seismic activity from faults represents potential risk for damage to buildings, roads, bridges and property within the District in the event of an earthquake. There is significant potential for destructive ground-shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, the Developer or future property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

The District is located outside the 500-year floodplain.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. Additionally, wildfires increase the risk of mudslides in areas like those in the City that are surrounded by hillsides. In general, property damage due to wildfire or mudslides could result in a significant decrease in property tax and other revenues received by the District. However, the District is not located in a wildfire risk zone.

In the event of a natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the Property Owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel that

relate to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the taxed parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The District has not independently verified, but is not aware, that any owner (or operator) of any of the parcels within the District has a liability related to hazardous substances with respect to any such parcel. However, it is possible that such liabilities do currently exist and that the District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels within the District resulting from the existence, currently, on the parcel of a substance that is presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance that is not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. Any of these possibilities could significantly affect the willingness or ability of the owner of any parcel to pay the Special Taxes or the value of a parcel that is realizable upon a delinquency.

Cybersecurity Risk

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the City is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage. No assurance can be given that the City’s efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the City. The City is also reliant on other entities and service providers, such as the Fiscal Agent or the Dissemination Agent in connection with compliance by the City with its continuing disclosure undertakings. No assurance can be given that the City may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Owners of the Bonds, e.g., systems related to the timeliness of payments on their respective Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Agreement.

The City employs a multi-layer cyber protection scheme that includes weekly vulnerability scans by the Cybersecurity Infrastructure and Security Agency (part of the U.S. Department of Homeland Security), next-generation firewalls, anti-virus, anti-spam/malware software, intrusion detection/prevention, domain name system filtering services by Multi-State Information Sharing and Analysis Center, duplicate systems in a disaster recovery site, and multiple copies of everything that is backed up. The City implements recommended strategies suggested by security vendors and makes internal system changes as needed. To date, the City has not experienced a significant attack on its computer operating systems. However, there is no assurance that a future attack or attempted attack would not result in disruption of City operations. The City expects that any such disruptions would be temporary.

Shapiro Decision

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, Division One (the “Court”), issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997). The case involved a

Convention Center Facilities District (the “CCFD”) established by the City of San Diego. The CCFD was a financing district established under the City of San Diego’s charter (the “Charter”) and was intended to function much like a community facilities district established under the provisions of the Act. The CCFD was comprised of all of the real property in the entire City of San Diego. However, the special tax to be levied within the CCFD was to be levied only on properties improved with a hotel located within the CCFD.

At the election to authorize such special tax, the Charter proceeding limited the electorate to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was an election limited to owners and lessees of properties on which the special tax would be levied, and not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was based on Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote will be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election did not comply with applicable requirements of Article XIII A, Section 4, and Article XIII C, Section 2, of the State Constitution, or with applicable provisions of the City of San Diego’s Charter, because the electors in such an election were not the registered voters residing within the district.

In the case of the CCFD, at the time of the election there were several hundred thousand registered voters within the CCFD (*viz.*, all of the registered voters in the City of San Diego). In the case of the District, there were no registered voters within the District at the time of the elections to authorize the special tax levy for the District. In *Shapiro*, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court’s holding does not apply to the special tax election in the District. Moreover, Section 53341 of the Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax ... shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act or the levy of special taxes authorized pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds or the special tax. Voters approved the Special Tax and the issuance of bonds for the District in compliance with all applicable requirements of the Act at the time of formation of the District in 2005. Therefore, under the provisions of Sections 53341 and 53359 of the Act, the statute of limitations period to challenge the validity of the Special Tax for the District has expired.

Parity Taxes and Special Assessments

[Property within the District is subject to taxes and assessments imposed by other public agencies that have jurisdiction over the land within the District. See the caption “THE DISTRICT—Estimated Direct and Overlapping Indebtedness.”]

The Special Taxes and any penalties thereon constitute a lien against the lots and parcels of land on which they have been levied. Such lien is on a parity with all special taxes and special assessments levied by the City and other agencies and is co-equal to and independent of the lien for general property taxes, regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation and other federal government entities. See the captions “—Bankruptcy and Foreclosure” and “—FDIC/Federal Government Interests in Properties” below.

Neither the City nor the District has control over the ability of other entities and districts to issue indebtedness that is secured by special taxes, *ad valorem* taxes or assessments that are payable from all or a portion of the property within the District. In addition, the Property Owners within the District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes, *ad valorem* taxes or assessments. Any such special taxes, *ad valorem* taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce

the estimated value-to-lien ratios for property within the District or the willingness of property owners to pay the Special Tax.

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax even if the value of the parcel is sufficient to do so may be affected by whether or not the owner was given due notice of the Special Tax authorization when the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy, and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The District has caused a notice of the Special Tax lien to be recorded in the Office of the Recorder for the County against each parcel. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a property within the District or lending of money secured by such property.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit that is subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code § 1102.6b requires that in the case of transfers other than those that are covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format that is prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of and interest on the Bonds and any Parity Bonds are derived, are customarily billed to the properties within the District on the *ad valorem* property tax bills sent to owners of such properties. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

Significant delinquencies in the payment of annual Special Tax installments, or delays in the prosecution of foreclosure proceedings to collect such Special Taxes, could result in default in depletion of the Reserve Account and default in payment of debt service on the Bonds. See the caption “THE DISTRICT—Delinquency History” for historical Special Tax delinquency information in the District. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Covenant to Foreclose; Proceeds of Foreclosure Sales” for a discussion of the provisions that apply, and the procedures that the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See the captions “—FDIC/Federal Government Interests in Properties” and “—Bankruptcy and Foreclosure” for a discussion of the policy of the FDIC and the rights of federal government entities regarding the payment of special taxes and assessments and limitations on the District’s ability to foreclose on the lien of the Special Taxes in certain circumstances.

The Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (known as the Teeter Plan), as provided for in Section 4701 *et seq.* of the State Revenue and Taxation Code, is not available in the County for community facilities districts such as the District. The collection of Special Taxes is therefore subject to the risk of delinquency, while the District is also entitled to collect penalties and interest on delinquent Special Taxes.

Non-Cash Payments of Special Taxes

Under the Act, the City Council, as the legislative body of the District, may reserve to itself the right and authority to allow the owner of any taxable parcel to tender a Bond or Parity Bond in full or partial payment

of any installment of the Special Taxes or the interest or penalties thereon. A Bond or Parity Bond so tendered is to be accepted at par and credit is to be given for any interest accrued thereon to the date of the tender. Thus, if Bonds or Parity Bonds can be purchased in the secondary market at a discount, it may be to the advantage of an owner of a taxable parcel to pay the Special Taxes applicable thereto by tendering a Bond or Parity Bond. Such a practice would decrease the cash flow available to the District to make payments with respect to other Bonds or Parity Bonds then outstanding; and, unless the practice was limited by the District, the Special Taxes paid in cash could be insufficient to pay the debt service due with respect to such other Bonds or Parity Bonds.

In order to provide some protection against the potential adverse impact on cash flows that might be caused by the tender of Bonds or Parity Bonds in payment of Special Taxes, the Indenture includes a covenant pursuant to which the District will not adopt any policy pursuant to Section 53341.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District has first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds and Parity Bonds when due.

Payment of the Special Tax is Not a Personal Obligation of the Owners

The obligation to pay Special Taxes levied within the District does not constitute a personal obligation of the current or subsequent owners of the property in the District. Enforcement of Special Tax payment obligations by the District is limited to judicial foreclosure in the County Superior Court. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Covenant to Foreclose; Proceeds of Foreclosure Sales.” There is no assurance that any current or subsequent owner of a parcel that is subject to Special Taxes will be able to pay the Special Taxes, or that such owner will choose to pay such installments even though such owner is financially able to do so.

Land Values

The value of the property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the District’s only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, natural disasters, stricter land use regulations, delays in development or other events could adversely impact the security that underlies the Special Taxes. See the caption “THE DISTRICT—Estimated Value-to-Lien Ratio” herein.

The assessed values that are set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when such parcel was acquired by its current owner, adjusted annually by an amount that is determined by the County Assessor, generally not to exceed an increase of more than 2% per Fiscal Year, and value increases attributable to new construction. In the last several years such upward adjustment has been less than 2% annually and in certain years, the assessed value for specific parcels within the District may have been revised downwards. In recent years, many counties in the State, including the County, have reassessed certain properties that were acquired at the peak of the real estate market. The District cannot predict whether the County will reduce assessed values within the District in future years. If the County did decide to broadly reassess assessed valuations in the County, it is possible that in future years the assessed values that shown in this Official Statement could be adjusted downward. Prospective purchasers of the Bonds should not assume that the property within the District could be sold for the assessed values that are described in this Official Statement at a foreclosure sale for delinquent Special Taxes or for an amount that is adequate to pay delinquent Special Taxes.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Tax—Covenant to Foreclose; Proceeds of Foreclosure Sales.”

No assurance can be given that any of unimproved parcels in the District could be sold for their assessed value if such parcels should become delinquent in the payment of Special Taxes and be foreclosed upon.

Potential Early Redemption of Bonds from Prepayments

Property owners within the District are permitted to prepay their Special Taxes at any time. Such prepayments will result in a redemption of Bonds. See the caption “THE BONDS—Redemption—Extraordinary Redemption.”

Billing of Special Taxes

A special tax formula can result in a substantially heavier property tax burden being imposed upon properties within a community facilities district than elsewhere in a city or county, and this in turn can lead to problems in the collection of the special tax. In some community facilities districts (although not in the District), taxpayers have refused to pay the special tax and have commenced litigation to challenge the special tax, the community facilities district and bonds issued by the community facilities district.

Under provisions of the Act, the Special Taxes are to be billed to the properties within the District that were entered on the Assessment Roll of the County Assessor by January 1 of the previous Fiscal Year. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. These Special Tax installment payments cannot be made separately from property tax payments. Therefore, the unwillingness or inability of a property owner to pay regular property tax bills may also indicate an unwillingness or inability to make regular property tax payments and installment payments of Special Taxes in the future. See the caption “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Covenant to Foreclose; Proceeds of Foreclosure Sales” for a discussion of the provisions that apply, and that procedures that the District is obligated to follow, in the event of delinquency in the payment of installments of Special Taxes.

Value-to-Lien Ratios

The estimated value-to-lien ratios set forth under the caption “THE DISTRICT—Estimated Value-to-Lien Ratio” are based on the assessed values of property in the District and the direct and overlapping debt that is currently allocable to such property, as of September 1, 2021. No assurance can be given that such value-to-lien ratios will be maintained over time. As discussed herein, many factors that are beyond the control of the City and the District could adversely affect the property values within the District. Neither the City nor the District has any control over the amount of additional indebtedness that may be issued by other public agencies, the payment of which, through the levy of a tax or an assessment, is on a parity with the Special Taxes. See the captions “—Parity Taxes and Special Assessments” and “THE DISTRICT—Estimated Direct and Overlapping Indebtedness.” A decrease in the property values in the District or an increase in the parity liens on property in the District, or both, could result in a reduction of the value-to-lien ratios of the property in District.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit (or by an audit of similar bonds or securities).

FDIC/Federal Government Interests in Properties

General. The ability of the District to collect the Special Taxes and interest and penalties as specified by State law, and to foreclose the lien of delinquent Special Taxes, may be limited in certain respects with regard

to properties in which the FDIC, the Federal National Mortgage Association (“FNMA”), the IRS, the Drug Enforcement Administration or other similar federal governmental agencies has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government’s interest. This means that, unless the United States Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes (including Special Taxes) and assessments levied on the parcel, the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless the United States Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount that is sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. In *Rust v. Johnson*, 597 F.2d 174 (9th Cir. 1979), the United States Court of Appeal, Ninth Circuit (the “**Ninth Circuit**”), held that FNMA is a federal instrumentality for purposes of this doctrine rather than a private entity, and that, as a result, an exercise of state power over a mortgage interest that is held by FNMA constitutes an exercise of state power over property of the United States. For a discussion of risks that are associated with taxable parcels within the District becoming owned by the federal government, federal government entities or federal government sponsored entities, see the caption “—Insufficiency of Special Taxes.”

The District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes, and therefore expresses no view concerning the likelihood that the risks that are described above will materialize while the Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. On June 4, 1991, the FDIC issued a Statement of Policy Regarding the Payment of State and Local Property Taxes (the “**1991 Policy Statement**”). The 1991 Policy Statement was revised and superseded by new Policy Statement effective January 9, 1997 (the “**Policy Statement**”). The Policy Statement provides that real property that is owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes at the rate provided under state law, to the extent that the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC’s consent. In addition, the FDIC will not permit a lien or security interest that is held by the FDIC to be eliminated by foreclosure without the FDIC’s consent.

The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent that such lien purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula that determines the special tax due each year are specifically identified in the Policy Statement as being

imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes under the Act. With respect to property in the State that is owned by the FDIC on January 9, 1997 and that was owned by the Resolution Trust Company (the "RTC") on December 31, 1995, or that became the property of the FDIC through foreclosure of a security interest that was held by the RTC on that date, the FDIC will continue the RTC's prior practice of paying special taxes that are imposed pursuant to the Act if the taxes were imposed prior to the RTC's acquisition of an interest in the property. All other special taxes may be challenged by the FDIC.

The City and the District are unable to predict what effect the FDIC's application of the Policy Statement would have in the event of a delinquency on a parcel within the District in which the FDIC has an interest, although prohibiting the lien of the FDIC from being foreclosed at a judicial foreclosure sale would reduce or eliminate the number of persons who would purchase a parcel at a foreclosure sale. Owners of the Bonds should assume that the District will be unable to foreclose on any parcel owned by the FDIC. Such an outcome could cause a draw on the Reserve Account and perhaps, ultimately, a default in payment on the Bonds.

Bankruptcy and Foreclosure

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally.

The payment of Special Taxes and the ability of the District to foreclose the lien of a delinquent Special Tax may be limited by bankruptcy, insolvency or other laws that generally affect creditors' rights or by the laws of the State that relate to judicial foreclosure.

Bankruptcy, insolvency and other laws that affect creditors' rights could adversely impact the interests of owners of the Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the District to foreclose the lien of delinquent unpaid Special Taxes pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws (such as the Soldiers' and Sailors' Relief Act of 1940 discussed below) or by the laws of the State that relate to judicial foreclosure. See the caption "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—Covenant to Foreclose; Proceeds of Foreclosure Sales." In addition, the prosecution of a foreclosure could be delayed for many reasons, including crowded local court calendars or lengthy procedural delays.

Second, the United States Bankruptcy Code might prevent moneys that are deposited in the Special Tax Fund from being applied to pay interest on the Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner in the District and if the court found that any of such landowners had an interest in such moneys within the meaning of Section 541(a)(1) of the United States Bankruptcy Code.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, the amount and priority of any lien on property that secures the payment of delinquent Special Taxes could be reduced or modified if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien would then be treated as an unsecured claim by the court. Further, bankruptcy of a property owner could result in an unwillingness to pay Special Taxes, a stay or other delay in prosecuting Superior Court foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent Special Tax installments not being paid in full.

On July 30, 1992, the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries* ("Glasply"). In that case, the court held that *ad valorem* property taxes that were levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed *before* the bankruptcy petition, unpaid taxes imposed after the filing of the bankruptcy

petition were declared to be “administrative expenses” of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 included a provision which excepts from the United States Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state if such tax comes due after the filing of the petition [by a debtor in bankruptcy court].” This amendment effectively makes the *Glasply* holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the *Glasply* ruling could still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings.

According to the court’s ruling, as administrative expenses, post-petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy. *Glasply* is controlling precedent on bankruptcy courts in the State. If the *Glasply* precedent was applied to the levy of the Special Taxes, the amount of Special Taxes received from parcels whose owners declare bankruptcy could be reduced.

Other laws generally affecting creditors’ rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if a court concludes that the ability to pay such taxes or assessments is materially affected by reason of such service.

No Acceleration Provision

The Bonds do not contain a provision that authorizes the acceleration of the Bonds in the event of a payment default or other default under the Bonds or the Indenture. See Appendix B under the caption “EVENTS OF DEFAULT—Remedies of Owners” for a description of remedies that are available to the Bond Owner if the District defaults under the Indenture.

Loss of Tax Exemption

As discussed under the caption “TAX EXEMPTION,” the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the District to comply with certain provisions of the Internal Revenue Code of 1986, as amended, or certain legislative changes that occur subsequent to the issuance of the Bonds. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the redemption provisions of the Indenture.

Limitations on Remedies

Remedies that are available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the District has committed to provide certain financial and operating information on an annual basis, there can be no assurance that such information will be available to Owners of the Bonds on a timely basis. See the caption "CONTINUING DISCLOSURE." The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure, Proposition 218, which is commonly referred to as the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Articles XIIC and XIID to the State Constitution. According to the "Title and Summary" of the Initiative prepared by the State Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The Initiative could potentially impact the Special Taxes available to the District to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIIC states that "... the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or to terminate the levy of any special tax that is pledged to repay any debt that is incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states that:

"Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Accordingly, although the matter is not free from doubt, it is likely that the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Bonds. The provisions of the Initiative relating to the exercise of the initiative power have not been interpreted by the courts, and no assurance can be given as to the outcome of any such litigation.

It may be possible, however, for voters or the City Council, acting as the legislative body of the District, to reduce the Special Taxes in a manner that does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts

greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses.

It may be possible, however, for voters or the District or the City acting as the legislative body of the District to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, the District has covenanted that it will not initiate proceedings under the Act to reduce the Maximum Special Tax rates on parcels of Developed Property within the District below the amounts which are necessary to provide the Special Tax Revenues in an amount equal to the estimated Administrative Expense on the then current Fiscal Year plus an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Outstanding Bonds. The District also has covenanted that, in the event an initiative is adopted which purports to reduce or otherwise alter the Maximum Rates, it will commence and pursue legal action in seeking to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

The interpretation and application of Articles XIII C and XIII D will ultimately be determined by the courts with respect to a number of the matters that are discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See the caption “—Limitations on Remedies.”

Ballot Initiatives

Article XIII C was adopted pursuant to a measure that qualified for the ballot pursuant to the State’s Constitutional initiative process, and the State Legislature has in the past enacted legislation that has altered the spending limitation or established minimum funding provisions for particular activities. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to an initiative. From time to time, other initiative measures could be adopted by State voters or legislation enacted by the State Legislature. The adoption of any such initiative or enactment of legislation might place limitations on the ability of the State, the County or local districts to increase revenues or appropriations or on the ability of a property owner to complete the development of property within the District.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement, dated as of December 1, 2021 (the “**District Disclosure Agreement**”), the City, for and on behalf of the District, has agreed to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system certain annual financial information and operating data concerning the District and notice of certain enumerated events (the “**District Annual Report**”). The District Annual Report is to be filed not later than April 1 of each year, beginning April 1, 2022.

Within the last five years, the City has not failed to file in a timely manner certain information required by the District’s existing continuing disclosure undertakings.

The proposed form of the District Disclosure Agreement is set forth in Appendix C.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel. The

form of Bond Counsel’s opinion with respect to the Bonds is set forth in Appendix D. In addition, certain legal matters will be passed upon for the City and the District by the City Attorney and for the District by Nixon Peabody LLP, as disclosure counsel (“**Disclosure Counsel**”). Certain other legal matters will be passed on for the District by the City Attorney, for the Underwriter by Kutak Rock LLP, and for the Trustee by its counsel.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner’s basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of a Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District will covenant to comply with all such requirements.

The amount by which a Bond Owner’s original basis for determining loss on sale or exchange of a Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner’s basis in the applicable Bond (and the amount of tax exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds). It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that, in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the delivery date of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District complies with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

NO LITIGATION

At the time of delivery of and payment for the Bonds, the District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the District, threatened against the District affecting the existence of the District or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, or any action of the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents, nor to the knowledge of the District, is there any basis therefor.

NO RATING

The Bonds have not been rated by any credit rating agency.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (reflecting the \$_____ aggregate principal amount of the Bonds, less Underwriter’s discount of \$_____ and plus a net original issue premium of \$_____). The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in such purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial offering prices that are stated on the inside front cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agent and others at prices lower than said public offering prices.

MUNICIPAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as municipal advisor (the “**Municipal Advisor**”) in connection with the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

FINANCIAL INTERESTS

The fees being paid to the Municipal Advisor, the Underwriter, Underwriter’s Counsel, Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel and Disclosure Counsel represent the Underwriter on matters unrelated to the Bonds.

PENDING LEGISLATION

The District is not aware of any significant pending legislation that would have material adverse consequences on the Bonds or the ability of the District to pay the principal of and interest on the Bonds when due.

[Remainder of page intentionally left blank.]

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds by the District. This Official Statement does not constitute a contract with the purchasers of the Bonds.

The execution and delivery of this Official Statement by the City Manager of the City has been duly authorized by the City Council, acting in its capacity as the legislative body of the District.

CITY OF MORENO VALLEY FOR AND ON
BEHALF OF COMMUNITY FACILITIES DISTRICT
NO. 5 OF THE CITY OF MORENO VALLEY

By: _____
City Manager

Attachment: Preliminary Official Statement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

APPENDIX A
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
(RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY)

Attachment: Preliminary Official Statement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

APPENDIX B
SUMMARY OF BOND INDENTURE

The following is a summary of certain provisions of the Indenture that are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of the provisions thereof.

[To be provided by Bond Counsel.]

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of December 1, 2021 (the “**Disclosure Agreement**”) is executed and delivered by Community Facilities District No. 5 of the City of Moreno Valley (the “**Issuer**”) and Willdan Financial Services as dissemination agent (the “**Dissemination Agent**”), in connection with the issuance of the Issuer’s \$ _____ Special Tax Refunding Bonds, Series 2021 (the “**Bonds**”). The Bonds are being issued pursuant to a Bond Indenture, dated as of December 1, 2021 (the “**Bond Indenture**”), by and between the Issuer and the Wilmington Trust, National Association. The Issuer and the Dissemination Agent covenant as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent, for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Beneficial Owner**” shall mean any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**City**” shall mean the City of Moreno Valley, California.

“**Disclosure Representative**” shall mean the City Manager of the City, the Chief Financial Officer of the City, the Special Districts Division Manager of the City, or the designee thereof, or such other officer or employee as the Issuer shall designate in writing to the Dissemination Agent from time to time.

“**Dissemination Agent**” shall mean, initially, Willdan Financial Services, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the then current Dissemination Agent a written acceptance of such designation.

“**Fiscal Year**” shall mean the period from July 1 to June 30, or any other period selected by the Issuer as its fiscal year.

“**Listed Events**” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“**Official Statement**” shall mean the Official Statement relating to the Bonds, dated _____, 2021.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

“Underwriter” shall mean the original underwriters of the Bonds that are required to comply with the Rule in connection with the offering of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, upon delivery of the Annual Report to the Dissemination Agent (if other than the Issuer), not later than April 1 of each year, commencing April 1, 2022, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement (provided that the first Annual Report may consist solely of the Official Statement). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change to the Dissemination Agent and the Issuer shall, or shall cause the Dissemination Agent, by written direction to such Dissemination Agent, to give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) business days prior to each April 1, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report. If: (i) the Issuer is acting as Dissemination Agent and an Annual Report has not been provided to the MSRB by the date required in subsection (a); or (ii) if the Dissemination Agent is other than the Issuer and is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), then the Issuer or the Dissemination Agent (if other than the Issuer), as applicable, shall send a notice to the MSRB in a timely manner in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to April 1 the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Issuer, promptly after receipt of the Annual Report, file a report with the Issuer certifying that the Annual Report has been filed with the MSRB pursuant to this Disclosure Agreement, and stating, to the extent that it can confirm such filing of the Annual Report, the date that it was filed.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) The Issuer does not currently prepare audited financial statements and it is not anticipated that the Issuer will prepare audited financial statements in the future. If the Issuer does prepare audited financial statements in the future, the Issuer’s Annual Report shall contain or incorporate by reference such audited financial statements, if any, for the most recently completed Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If audited financial statements of the Issuer are to be prepared in the future, but are not available at the time required for filing as set forth in Section 3(a), unaudited financial statements of the Issuer shall be submitted with the Annual Report and the audited financial statements shall be submitted once available. The financial statements of the City shall not be deemed to be the financial

statements of the Issuer, unless such audited financial statements contain specific information as to the Issuer, its revenues, expenses and account balances. If the City's audited financial statements contain specific information as to the Issuer, its revenues, expenses and account balances, the Issuer's Annual Report shall contain or incorporate by reference the City's audited financial statements. If the City's audited financial statements contain specific information as to the Issuer, its revenues, expenses and account balances, but are not available at the time required for filing, unaudited financial statements of the City that contain specific information as to the Issuer, its revenues, expenses and account balances shall be submitted with the Annual Report and the City's audited financial statements shall be submitted once available.

(b) To the extent not contained in the audited financial statements filed pursuant to subsection (a):

(i) the principal amount of Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Bond Indenture as of the September 2 preceding the filing of the Annual Report;

(iii) any changes to the Rate and Method approved or submitted to the qualified electors for approval prior to the filing of the Annual Report and a description of any parcels for which the Special Taxes have been prepaid, including the amount prepaid, since the date of the last Annual Report;

(iv) an update in substantially the form of Table 1 in the Official Statement based on development status as of January 1 of the Fiscal Year prior to the Fiscal Year in which the Annual Report is disseminated;

(v) an update in substantially the form of Table 2 in the Official Statement;

(vi) a table setting forth for the five most recent fiscal years in which Special Taxes were levied, the amount of Special Taxes levied in each fiscal year and the percentage delinquent as of June 30 of such fiscal year and as of the date of the Annual Report, and a description of the status of any foreclosure actions being pursued by the Issuer with respect to delinquent Special Taxes;

(vii) a statement or table identifying any owner of property within the Issuer that is responsible for more than 5% of the Special Tax levy and delinquent in the payment of Special Taxes; and

(viii) any information not already included under (i) through (vii) above that the Issuer is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended.

(ix) In addition to any of the information expressly required to be provided under paragraphs (i) through (viii) of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements for debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar proceedings.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not more than ten (10) Business Days after occurrence:

- (i) Unless described in Section 5(a)(v), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds.
- (ii) Modifications to the rights of Bondholders.
- (iii) Optional, unscheduled or contingent Bond calls.
- (iv) Release, substitution or sale of property securing repayment of the Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vii) Appointment of a successor or additional trustee or the change of the name of a trustee.

(viii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(ix) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event under subsection (b) would be material under applicable federal securities laws, and if the Dissemination Agent is other than the Issuer, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB in a timely manner not more than ten (10) Business Days after the event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(vii) and (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Bond Indenture. In each case of the Listed Event, the Dissemination Agent shall not be obligated to file a notice as required in this subsection (c) prior to the occurrence of such Listed Event.

(d) If the Issuer determines that a Listed Event under subsection (b) would not be material under applicable federal securities laws and if the Dissemination Agent is other than the Issuer, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence.

(e) The Issuer hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Issuer and, if the Dissemination Agent is other than the Issuer, the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent may resign by providing thirty days' written notice to the Issuer and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the Issuer and shall have no duty to review any information provided to it by the Issuer. The Dissemination Agent shall have no duty to prepare any information report, nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Issuer in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule, and provided further that the Dissemination Agent shall have first consented to any amendment that modifies or increases its duties or obligations hereunder. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual

Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (a) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a); and (b) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or to include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure by the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

No Owner or Beneficial Owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Issuer satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Issuer shall have refused to comply therewith within a reasonable time.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. In performing its duties hereunder, the Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Owners, or any other party. The Dissemination Agent shall be entitled to the protections and limitations afforded to the Trustee under the Indenture. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given to the Dissemination Agent (if other than the Issuer) and to the Issuer as follows:

Disclosure Representative: City Manager
City of Moreno Valley
14177 Fredrick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Dissemination Agent: Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, CA 92590

SECTION 13. Beneficiaries. This Disclosure Agreement inures solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Signature. This Disclosure Agreement has been executed by the undersigned on the date hereof, and such signature binds the Issuer to the undertaking herein provided.

CITY OF MORENO VALLEY, for and on behalf
of COMMUNITY FACILITIES DISTRICT NO. 5
OF THE CITY OF MORENO VALLEY,
COUNTY OF RIVERSIDE, STATE OF
CALIFORNIA

By: _____

WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

By: _____
Its: Authorized Officer

Attachment: Preliminary Official Statement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Community Facilities District No. 5 of the City of Moreno Valley

Name of Issue: Special Tax Refunding, Bonds Series 2021

Date of Issuance: December __, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of December 1, 2021, by and between the District and Willdan Financial Services, as Dissemination Agent. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

Attachment: Preliminary Official Statement (5590 : AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinions with respect to the Bonds in substantially the following form:

December __, 2021

Community Facilities District No. 5 of the City of Moreno Valley

Re: \$_____ Community Facilities District No. 5 of the City of Moreno Valley Special Tax Refunding Bonds, Series 2021

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California (the "State"), a certified record of the proceedings of the City of Moreno Valley (the "City") taken in connection with the formation Community Facilities District No. 5 of the City of Moreno Valley (the "District") and the authorization and issuance of the District's Special Tax Refunding Bonds, Series 2021 in the aggregate principal amount of \$_____ (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the City, the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued 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), and a Bond Indenture dated as of December 1, 2021 (the "Indenture"), by and between the District and Wilmington Trust, National Association, as trustee (the "Trustee"). All capitalized terms not defined herein have the meanings set forth in the Indenture.

The Bonds are dated their date of delivery and mature on the dates and in the amounts set forth in the Indenture. The Bonds bear interest payable semiannually on March 1, 2022 and each March 1 and September 1 thereafter, at the rates per annum set forth in the Indenture. The Bonds are registered Bonds in the form set forth in the Indenture, redeemable in the amounts, at the times and in the manner provided for in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the District but are not a debt of the City, the State or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Special Taxes, neither the faith and credit nor the taxing power of the City, the State or any of its political subdivisions is pledged for the payment thereof.

(2) The execution and delivery of the Indenture has been duly authorized by the District, and the Indenture is valid and binding upon the District and is enforceable in accordance with its terms, provided, however, that we express no opinion as to the enforceability of the covenant of the District contained in the

Indenture to levy Special Taxes for the payment of Administrative Expenses or as to any indemnification, penalty, choice of law, choice of forum or waiver provisions contained therein.

(3) The Indenture creates a valid pledge of that which the Indenture purports to pledge, subject to the provisions of the Indenture.

(4) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest (and original issue discount) may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

(5) Interest (and original issue discount) on the Bonds is exempt from State personal income tax.

(6) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals or corporations and is exempt from State personal income tax.

(7) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions expressed in paragraphs (4) and (6) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and are subject to the condition that the District comply with certain covenants and all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such covenants and requirements of the Code may cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (4), (5), (6) and (7) above, we express no opinion as to any tax consequences related to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations of the District under the Indenture and the Bonds are subject to and may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement.

Certain requirements and procedures contained or referred to in the Indenture and Tax Certificate may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in the Indenture and Tax Certificate relating to the Bonds, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Bonds if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

Respectfully submitted,

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the District and the Underwriter believe to be reliable, but neither the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or

such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

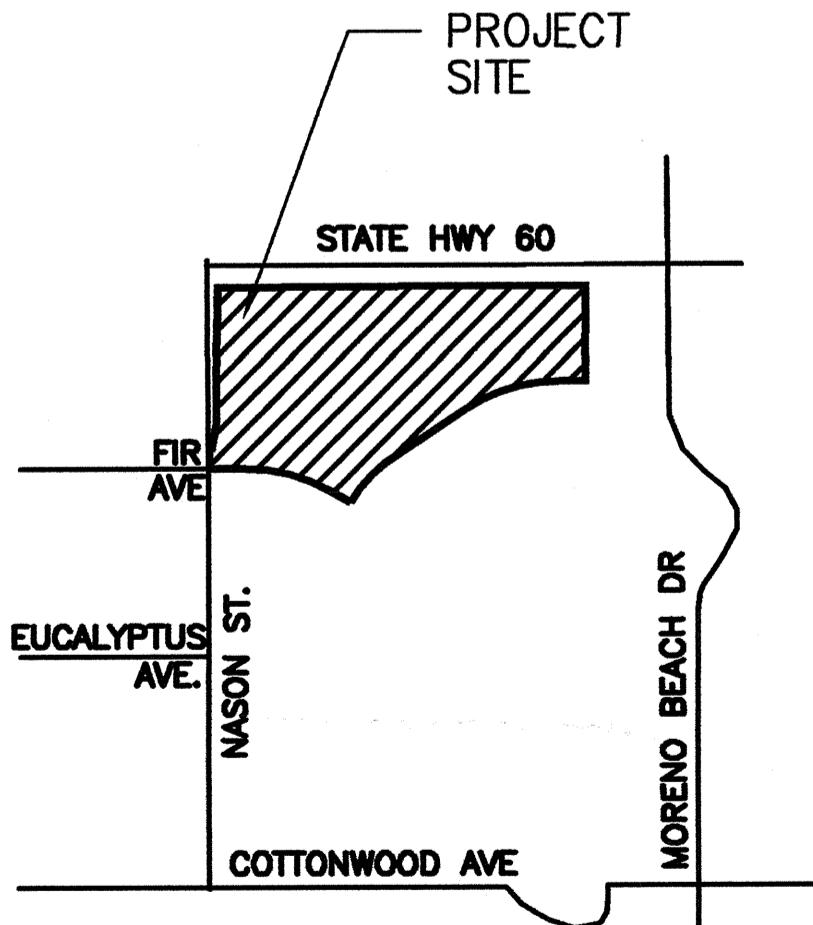
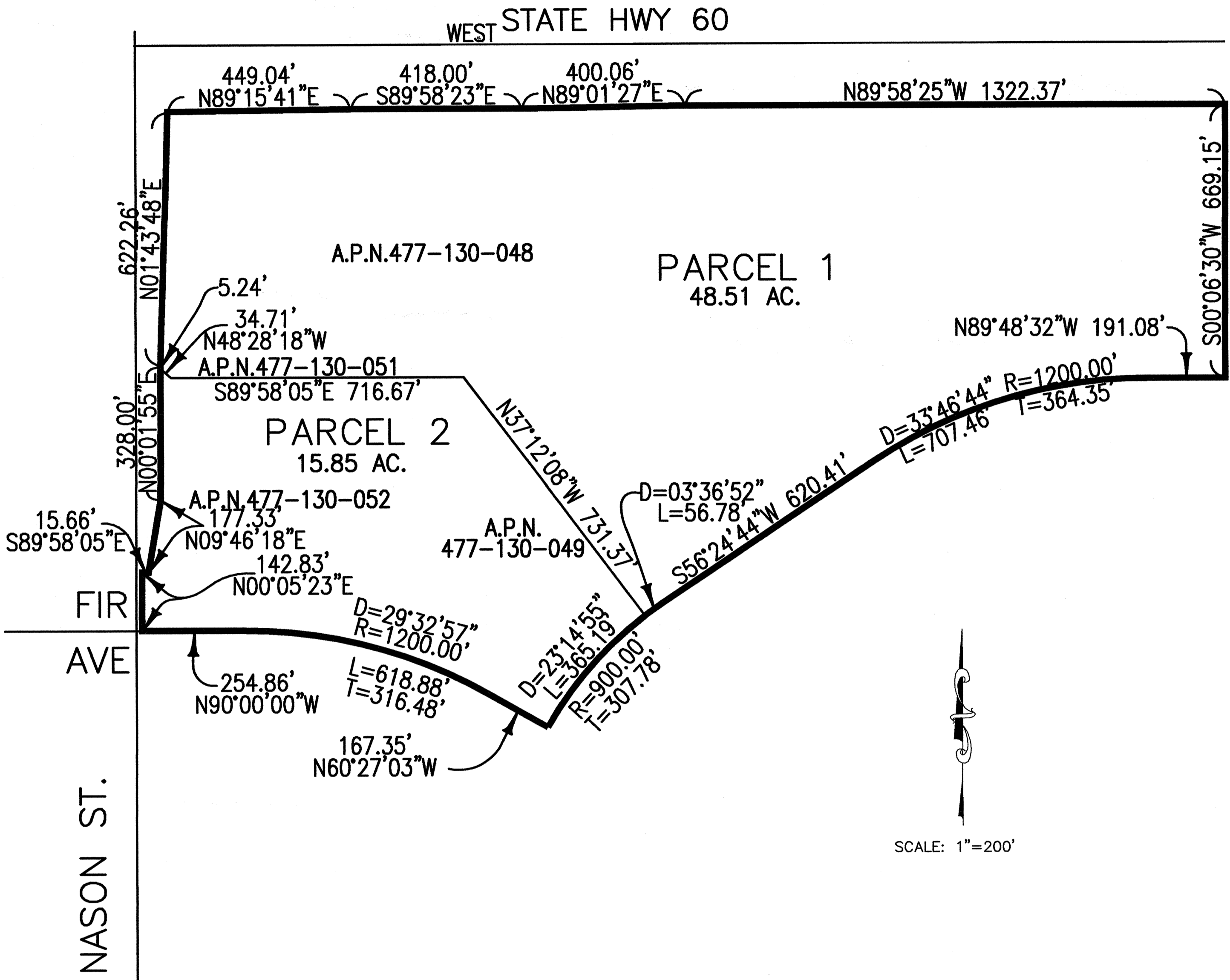
The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY

FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

64/20
CITY

PROPOSED BOUNDARY OF COMMUNITY FACILITIES DISTRICT No. 5 OF THE CITY OF MORENO VALLEY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS 20th DAY OF April 2005.
Wanda Gray
 CITY CLERK OF THE CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 5 CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY: AT A REGULARLY SCHEDULED MEETING THEREOF, HELD ON THE 13th DAY OF September 2005. BY ITS RESOLUTION No. 2005-78.
Wanda Gray
 CITY CLERK OF THE CITY OF MORENO VALLEY

FILED THIS 22nd DAY OF September 2005. AT THE HOUR OF 8 O'CLOCK A.M. IN BOOK 64 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS PAGE NOS. 20 THROUGH — AS INSTRUMENT NO. 2005-078528 IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.
John A. Deane
 COUNTY RECORDER OF THE COUNTY OF RIVERSIDE FEE \$ 7

REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR A DETAILED DESCRIPTION OF PARCEL LINES AND DIMENSIONS

LEGEND
 ——— DISTRICT BOUNDARY

HARRIS & ASSOCIATES
 34 Executive Park, Suite 150
 Irvine, CA 92614
 (949) 655-3900 • FAX (949) 655-3995

PROPOSED BOUNDARY MAP

Community Facilities District No. 5
 of the City of Moreno Valley
 County of Riverside, California

Sheet 1 OF 1

Attachment: Boundary Map (5590 - AUTHORIZE THE REFINANCE OF COMMUNITY FACILITIES DISTRICT NO. 5 SPECIAL TAX BONDS (RESO. NO. 2021-))



Report to City Council

TO: Mayor and City Council

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: December 7, 2021

TITLE: ADOPTION OF RESOLUTIONS CALLING AND GIVING NOTICE OF A SPECIAL MUNICIPAL ELECTION FOR APRIL 12, 2022 TO FILL THE DISTRICT 1 CITY COUNCIL VACANCY, REQUESTING CONSOLIDATION AND ESTABLISHING REGULATIONS AND COSTS FOR CANDIDATE STATEMENTS

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Adopt Resolution No. 2021-XX, a Resolution of the City Council of the City of Moreno Valley, California, calling and giving notice of a Special Municipal Election to be held in the City of Moreno Valley on Tuesday, April 12, 2022, to fill the District 1 City Council vacancy, and requesting that the Board of Supervisors of the County of Riverside consolidate the Special Municipal Election with any other election to be held on that same date.
2. Adopt Resolution No. 2021-XX, a Resolution of the City Council of the City of Moreno Valley, California, establishing regulations pertaining to materials for candidates and costs pertaining to candidate statements submitted to the voters.

SUMMARY

This report recommends the adoption of Resolutions calling, giving notice of a Consolidated Special Municipal Election, and requesting the Board of Supervisors of the County of Riverside consolidate the Special Municipal Election with any other elections held on Tuesday, April 12, 2022, and establishing regulations and costs for candidate statements.

DISCUSSION

Mayor Pro Tem Baca's passing created a vacancy in the District 1 Council seat for the remainder of her four-year term which ends in 2024. This vacancy must be filled by a qualified candidate residing within the boundaries of District 1.

Pursuant to Government Code Section 36512(b), Council has 60 days to either fill the vacancy by appointment or call for a special election. Since the City Council did not appoint someone to fill the subject vacancy by December 5, 2021 (60 days after vacancy occurred), a special election will have to be held to fill the vacancy. The election must take place at the next regularly established election date (Gov. Code Section 36512(b) (1), not less than 114 days from the date the Council calls for such election.

The Special Election must be held on the "next regularly established election date" not less than 114 days from the call of the special election. A person elected at a Special Election will fill the vacancy for the full unexpired term of the vacated seat, which in this case would be until December 2024. Pursuant Section 1000 of the California Elections Code, the "Regular Election Dates" are as follows:

- (a) The first Tuesday after the first Monday in March of each even-numbered year that is evenly divisible by four.
- (b) The first Tuesday after the first Monday in March of each odd-numbered year.
- (c) The second Tuesday of April in each even-numbered year.**
- (d) The first Tuesday after the first Monday in June in each even-numbered year that is not evenly divisible by four.
- (e) The first Tuesday after the first Monday in November of each year.

In light of the foregoing, it appears that the Special Election would have to be held on **Tuesday, April 12, 2022**. Again, the person elected at a Special Election called to fill the vacancy would serve out the remaining term of the vacated seat.

Conclusion

In conclusion, the City Council did not appoint someone to fill the subject vacancy by December 5, 2021 (60 days after vacancy occurred), a special election will have to be held to fill the vacancy, and the next regularly established election date available for the special election would be April 12, 2022.

FISCAL IMPACT

The County Registrar's office provided an estimate via email of approximately \$70,000 to include the District 1 Council seat in the April 12, 2022 consolidated election. If the Resolution is approved, this additional amount will be added to the two-year budget for Council approval.

NOTIFICATION

The agenda was posted in compliance with the Brown Act.

PREPARATION OF STAFF REPORT

Prepared By:
Pat Jacquez-Nares
City Clerk

Concurred by:
Steve Quintanilla
Interim City Attorney

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

- 1. Resolution No. 2021-XX Calling Special Election
- 2. Resolution No. 2021-XX Candidate Statements

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	12/02/21 2:50 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	12/02/21 2:59 PM

RESOLUTION NO. 2021-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CALLING AND GIVING NOTICE OF A SPECIAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF MORENO VALLEY ON TUESDAY, APRIL 12, 2022, FOR THE ELECTION OF A COUNCIL MEMBER TO FILL A VACANCY, AS REQUIRED BY THE PROVISIONS OF THE LAW OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES, AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE TO CONSOLIDATE THE SPECIAL MUNICIPAL ELECTION WITH ANY ELECTION HELD ON THAT SAME DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE

WHEREAS, the office of City Council Member for District 1 became vacant as a result of the passing of Victoria Baca on October 6, 2021; and

WHEREAS, the remaining term of the late Council Member Baca expires and ends with the November 2024 General Municipal Election; and

WHEREAS, Government Code Section 36512(b) provides that if a vacancy occurs in an elective office provided, the council shall, within 60 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy for the unexpired term of the former incumbent; and

WHEREAS, Government Code Section 36512(b) further provides that the special election shall be held on the next regularly established election date not less than 114 days from the call of the special election; and

WHEREAS, Elections Code Section 1000 provides that the "Regular Election Dates" include: (a) The first Tuesday after the first Monday in March of each even-numbered year that is evenly divisible by four. (b) The first Tuesday after the first Monday in March of each odd-numbered year. (c) The second Tuesday of April in each even-numbered year. (d) The first Tuesday after the first Monday in June in each even-numbered year that is not evenly divisible by four. (e) The first Tuesday after the first Monday in November of each year; and

WHEREAS, since the special election to fill the vacancy must be held on the "next regularly established election date" that falls on or after the 114th day from the date the special election is called, the special election will have to take place on the second Tuesday in April, which is April 12, 2022; and

WHEREAS, pursuant to the requirements of the laws of the State of California relating to general law cities, the City Council of the City of Moreno Valley wishes to call and order to be held in the City of Moreno Valley, California, on Tuesday, April 12, 2022, a Special Municipal Election to consider the election of a municipal officer; and

WHEREAS, since the Special Municipal Election will be consolidated with other elections held on the same date, the precincts, polling places and election officers of the consolidate elections shall be the same, and that the Registrar of Voters of the County of Riverside shall canvass the returns of the Special Municipal Election, and that the elections be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, including without limitation Government Code Section 36512, there is called and ordered to be held in the City of Moreno Valley, California, on Tuesday, April 12, 2022, a Special Municipal Election for the purpose of electing one (1) member of the City Council in District 1, for the balance of the term of office in which a vacancy was created as a result of the passing of Victoria Baca, which term shall expire with the November 2024 General Municipal Election.

SECTION 2. That pursuant to the requirements of Section 10403 of the California Elections Code, the Board of Supervisors of the County of Riverside is hereby requested to consent and agree to the consolidation of the City of Moreno Valley's Special Municipal Election with any other elections , which may be held on said day in whole or in part of the territory of the City, as provided in Elections Code Section 10400, for the purpose of electing one (1) member of the City Council in District 1, for the balance of the term of office in which a vacancy was created as a result of the passing of the late Victoria Baca, which term shall expire with the November 2024 General Municipal Election.

SECTION 3. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 4. That the City Clerk is authorized, instructed and directed to coordinate with the County of Riverside Registrar of Voters to procure and furnish any and all ballots, notices, printed matter and supplies, services, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 5. That the polls for the election shall be open at seven o'clock a.m. on the day of the election, and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to California Elections Code Section 10242, except as provided in Elections Code Section 14401.

SECTION 6. That in all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for the holding of municipal elections in the City.

SECTION 7. That the County of Riverside Registrar of Voters Office is authorized to canvass the returns of the City of Moreno Valley’s Special Municipal Election, that the elections shall be held in all respects as if there were only one election, and only one form of ballot shall be used, and that the City of Moreno Valley’s Special Municipal Election shall be held and conducted in accordance with the provisions of law regulating the consolidated elections, including without limitation, Section 10418 of the Elections Code.

SECTION 8. That the Board of Supervisors is hereby requested to issue instructions to the Registrar of Voters to take any and all steps necessary for the holding of the consolidated election.

SECTION 9. That the City of Moreno Valley recognizes that additional costs will be incurred by the County of Riverside by reason of this consolidation and agrees to reimburse the County for any such costs upon presentation of a properly submitted invoice.

SECTION 10. That the notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election in time, form and manner as required by law.

SECTION 11. That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the Registrar of Voters of the County of Riverside.

SECTION 12. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

SECTION 13. That all the provisions of any existing resolution as heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

APPROVED AND ADOPTED this 7th day of December, 2021.

Dr. Yxstian A. Gutierrez
Mayor
City of Moreno Valley

APPROVED AS TO FORM:

ATTEST:

Steve Quintanilla
Interim City Attorney

Pat Jacquez-Nares
City Clerk

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-__ was duly and regularly adopted by the City Council of the City of Moreno Valley at a special meeting thereof held on the 7th day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Member, Mayor Pro Tem, Mayor)

PAT JACQUEZ-NARES, CITY CLERK

(SEAL)

Attachment: Resolution No. 2021-XX Calling Special Election (5614 : SPECIAL MUNICIPAL ELECTION FOR APRIL 12, 2022 AND ADOPT

RESOLUTION NO. 2021-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ESTABLISHING REGULATIONS PERTAINING TO MATERIALS FOR CANDIDATES AND COSTS PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT A CONSOLIDATED SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, APRIL 12, 2022

WHEREAS, California Elections Code Section 13307 provides that the governing body of any local agency may adopt regulations pertaining to materials prepared by any candidate for a Municipal Election, including the costs thereof;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. General Provisions. That pursuant to California Elections Code Section 13307, each candidate for elective office to be voted for at the Special Municipal Election to be held in the City of Moreno Valley on Tuesday, April 12, 2022, may prepare a candidate statement on an appropriate form provided by the City Clerk. Such statements may include the name, age and occupation of the candidate and a brief description of no more than two hundred (200) words of the candidate's education and qualifications expressed by the candidate himself or herself. Since City Council offices are non-partisan, such statements shall not include party affiliation of the candidate, nor membership activity in any partisan political organizations. Pursuant to Elections Code Section 13307, such statements may not include a reference to any other candidate. Such statements shall be filed in the Office of the City Clerk at the time the candidate's nomination papers are filed. Such statements may be withdrawn, but not changed, during the period for filing nomination papers up until 5:00 p.m. of the next working day after the close of the nomination period.

Section 2. Foreign Language Policy. That pursuant to the Federal Voting Rights Act, the County shall translate candidate statements into Spanish, and a translation of the candidate's statement shall be included in the voter's pamphlet and mailed with the sample ballot to each registered voter in the City, who has requested a sample ballot in Spanish.

Section 3. Payment. That the candidate shall be required to pay for his or her pro rata cost of translating and printing the candidate statement as specified in Section 2 above. As determined by the County Registrar of Voters, the City Clerk shall require a candidate filing a statement to pay a deposit in advance to have his or her statement included in the voter's pamphlet or to have his or her statement posted electronically only on the Riverside County Registrar Recorder's website. The City Clerk shall bill

each candidate for any cost in excess of the deposit and shall refund any unused portion of any deposit.

Section 4. Formatting. That the City Clerk shall allow italics, underlining, bullets, and capitalized words in candidate statements. Bold type is prohibited in candidate statements.

Section 5. State Standards. That the City Clerk shall comply with all recommendations and standards set forth by the California Secretary of State regarding occupational designations and other matters relating to elections.

Section 6. Additional Materials. That no candidate will be permitted to include additional materials to the sample ballot package.

Section 7. Copies. That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nomination petitions are issued.

Section 8. Repeal. That all previous resolutions establishing council policy on payment for candidate statements are repealed.

Section 9. Application. That this Resolution shall apply to the election to be held on November 2, 2021, and shall thereafter be repealed without any further action by the City Council

Section 10. Certification. That the City Clerk shall certify to the passage and adoption of this Resolution and shall enter the same into the book of original resolutions of the City of Moreno Valley.

APPROVED AND ADOPTED this 7th day of December, 2021.

Dr. Yxstian A. Gutierrez
Mayor
City of Moreno Valley

APPROVED AS TO FORM:

ATTEST:

Steve Quintanilla
Interim City Attorney

Pat Jacquez-Nares
City Clerk

2
Resolution No. 2021-____
Date Adopted: December 7, 2021

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Pat Jacquez-Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2021-__ was duly and regularly adopted by the City Council of the City of Moreno Valley at a special meeting thereof held on the 16th day of March, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

PAT JACQUEZ-NARES, CITY CLERK

(SEAL)

Attachment: Resolution No. 2021-XX Candidate Statements (5614 : SPECIAL MUNICIPAL ELECTION FOR APRIL 12, 2022 AND ADOPT



Report to City Council

TO: Mayor and City Council

FROM: Steve Quintanilla, Interim City Attorney

AGENDA DATE: December 7, 2021

TITLE: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CURING AND CORRECTING, PURSUANT TO SECTIONS 54960, 54960.1 AND 54960.2 OF THE CALIFORNIA GOVERNMENT CODE, THE ALLEGED BROWN ACT VIOLATIONS DESCRIBED IN THE LETTER, RECEIVED ON NOVEMBER 18, 2021, FROM THE RIVERSIDE COUNTY DISTRICT ATTORNEY'S OFFICE

RECOMMENDED ACTION

Recommendations: That the City Council:

Approve and Adopt a Resolution of the City Council of the City of Moreno Valley, California, Curing and Correcting, pursuant to Sections 54960, 54960.1 and 54960.2 of the California Government Code, the alleged Brown Act violations described in the letter, dated November 18, 2021, received from Riverside County District Attorney.

DISCUSSION

The City received a demand to cure and correct the alleged Brown Act violations related to the appointment of La Donna Jempson.

Basically, Section 54960.1 of the *California Government Code* provides that if the City Council does not "cure or correct" the alleged Brown Act violation, within the requisite 30-day period, the person/entity which sent the demand to cure or correct, has 15 days to file a Brown Act violation lawsuit against the City.

In light of the foregoing, the City Council has until December 18, 2021, which is the 30th day following the receipt of the District Attorney's letter on November 18, 2021.

ALTERNATIVES

1. Adopt the proposed Cure and Correct Resolution which should preclude the District Attorney's Office from filing a civil action against the City regarding the alleged Brown Act violations; or
2. Do not adopt the proposed Cure and Correct Resolution which will expose the City to a legal action filed against the City by District Attorney's Office related to the alleged Brown Act violations.

FISCAL IMPACT

There could be a significant fiscal impact to the City of Moreno Valley if the proposed Cure and Correct Resolution is not adopted as-is, since it would expose the City to payment of its own attorneys' fees, The District Attorney's fees (if they are deemed to be the prevailing party), court costs and other costs associated with defending a lawsuit filed against the City for the alleged Brown Act violations.

PREPARATION OF STAFF REPORT

Prepared By:
Name: Steven B. Quintanilla
Title: Interim City Attorney


CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

To view large attachments, please click your "bookmarks"  on the left hand side of this document for the necessary attachment.

1. RESOLUTION - CURE CORRECT - RIVERSIDE COUNTY DISTRICT ATTORNEY

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>
City Attorney Approval	<u>✓ Approved</u>
City Manager Approval	<u>✓ Approved</u>

RESOLUTION NO. 2021- [REDACTED]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CURING AND CORRECTING, PURSUANT TO SECTIONS 54960, 54960.1 AND 54960.2 OF THE CALIFORNIA GOVERNMENT CODE, THE ALLEGED BROWN ACT VIOLATIONS DESCRIBED IN THE LETTER, RECEIVED ON NOVEMBER 18, 2021, FROM THE RIVERSIDE COUNTY DISTRICT ATTORNEY’S OFFICE

WHEREAS, On November 18, 2021, the City received a letter from the Riverside County District Attorney’s Office purporting that the City Council violated the Brown Act in relation to the appointment of LaDonna Jempson to the Moreno Valley City Council; and

WHEREAS, Section 54960.1(a) of the *California Government Code* provides as follows: *“The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 is null and void under this section. Nothing in this chapter shall be construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.”*; and

WHEREAS, Section 54960.1(c)(3) of the *California Government Code* provides, in relevant part, as follows: *“If the legislative body takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the challenged action, and the 15-day period to commence the action described in subdivision (a) shall commence to run the day after the 30-day period to cure or correct expires.”*

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, HEREBY FINDS, DETERMINES, CONCLUDES AND RESOLVES AS FOLLOWS:

Section 1. RECITALS AND EXHIBITS

That the foregoing Recitals are true and correct and are hereby incorporated by this reference.

Section 2. RECISSION OF APPOINTMENT AND SWEARING IN OF COUNCIL MEMBER DOLORES JEMPSON

That pursuant to California Government Code sections 54960 and 54960.1, the City Council hereby rescinds the October 19, 2021 appointment of Dolores Jempson as the District 1 City Council Member of the Moreno Valley City Council, effective immediately, as demanded in a letter received from the Riverside County District Attorney’s Office on November 18, 2021, attached hereto.

Section 3. COMMITMENT TO REFRAIN FROM TAKING ACTIONS OF ITEMS NOT LISTED ON THE POSTED AGENDA, UNLESS OTHERWISE PERMITTED BY THE BROWN ACT

That pursuant to California Government Code sections 54960 and 54960.1, the City Council hereby confirms its commitment to refrain from taking action on items not listed on the posted agenda in the future, unless one of the stated exceptions as listed in the Brown Act applies.

Section 4. REPEAL OF CONFLICTING PROVISIONS.

That all the provisions heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed.

Section 5. SEVERABILITY

That if any provision, section, paragraph, sentence or word of Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words as hereby adopted shall remain in full force and effect.

Section 6. EFFECTIVE DATE

That this Resolution shall take effect immediately upon its adoption.

Section 7. CERTIFICATION

That the City Clerk shall certify to the passage of this Resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 7th day of December 2021.

Dr. Yxstian A. Gutierrez
Mayor
City of Moreno Valley

ATTEST:

APPROVED AS TO FORM:

Pat Jacquez-Nares, City Clerk

Steven B. Quintanilla, Interim City Attorney

Attachment: RESOLUTION - CURE CORRECT - RIVERSIDE COUNTY DISTRICT ATTORNEY (5618 : BROWN ACT CURE & CORRECT -

RESOLUTION JURAT

STATE OF CALIFORNIA)

COUNTY OF)
RIVERSIDE)ss.

CITY OF MORENO)
VALLEY)

I, Pat Jacquez Nares, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. **NEXT** was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the December 7, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

PAT JACQUEZ-NARES, CITY CLERK

(SEAL)

Attachment: RESOLUTION - CURE CORRECT - RIVERSIDE COUNTY DISTRICT ATTORNEY (5618 : BROWN ACT CURE & CORRECT -

ATTACHMENT

**Brown Act Demand for Cure and Correction
Dated October 22, 2021
Received from Californians Aware**

Attachment: RESOLUTION - CURE CORRECT - RIVERSIDE COUNTY DISTRICT ATTORNEY (5618 : BROWN ACT CURE & CORRECT -



Report to City Council

TO: Mayor and City Council

FROM: Pat Jacquez-Nares, City Clerk

AGENDA DATE: December 7, 2021

TITLE: CITY COUNCIL REORGANIZATION - SELECTION OF MAYOR PRO TEM

RECOMMENDED ACTION

Recommendation: That the City Council:

1. Conduct the reorganization of the City Council by selecting one Council Member to serve as Mayor Pro Tem until December 31, 2022.

SUMMARY

The untimely passing of Mayor Pro Tem Baca has created a vacancy in that Council position. The City Council would like to appointment a new Mayor Pro Tem. The Mayor Pro Tem shall be installed, sworn, and shall assume the office at that City Council meeting.

DISCUSSION

Section 4.1.3 of the Rules of Procedure provides that nominations for the office Mayor Pro Tem may be made by any member of the City Council and need not be seconded in order to be effective. Appointment shall be made by three or more affirmative votes on a motion to appoint. In the event that no person receives three or more votes in the selection process, the selection process shall be repeated immediately; provided, however, that the two persons receiving the highest number of votes in the preceding selection process shall be the only nominees. If, upon repeating the selection process Mayor Pro Tem, no person has yet received three affirmative votes for such office, the City Council may either repeat the selection process until the officer has been duly selected or may continue the selection to the next regular meeting of the City Council.

The new Mayor Pro Tem, shall serve until December 31 2022.

ALTERNATIVES

1. Conduct the reorganization of the City Council by selecting a Mayor Pro Tem.
2. Continue the selection to the next regular meeting of the City Council if upon repeating the selection process, no person receives three affirmative votes for Mayor Pro Tem.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action

NOTIFICATION

Publication of the Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Pat Jacquez-Nares
City Clerk

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

None

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

To view large attachments, please click your “bookmarks”  on the left hand side of this document for the necessary attachment.

None

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	10/14/21 4:41 PM
City Attorney Approval	<u>✓ Approved</u>	
City Manager Approval	<u>✓ Approved</u>	10/14/21 4:54 PM

HISTORY:

10/19/21	City Council	REMOVED FROM AGENDA
Next: 12/07/21		