

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 14

To be held at the ANTELOPE VALLEY TRANSIT AUTHORITY  
42210 6<sup>th</sup> Street West, Lancaster, California

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

THURSDAY September 14, 2023 At 11:30 A.M.

Governing Body	Director	Alternate
LANCASTER	PARRIS (Chairperson)	CRIST (Chair pro tem)
PALMDALE	BETTENCOURT	ALARCON
LOS ANGELES COUNTY	HAHN	BARGER

- Public Comment
- Approve Minutes of Regular Meeting Held June 8, 2023
- Approve April, May, and June 2023 Expenses in Amount of \$7,311,175

Summary: Local District expenses represent costs that are the sole responsibility of the individual District. Allocated expenses represent the District’s proportionate share of expenses made by District No. 2, the Administrative District, on its behalf pursuant to the Joint Administration Agreement. This Agreement provides for the joint administration and technical support for all of the signatory Districts along with the methodology for determining the proportionate costs for each District. A listing of Districts’ payments and previously approved budgets can be found on the Districts’ website at [lacs.org/financial-documents](http://lacs.org/financial-documents). This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

Local District Expenses:	
Operations & Maintenance	\$3,701,645
Capital	2,457,546
Legal	18,805
Allocated Expenses:	
Joint Administration	576,439
Technical Support	536,225
Legal	<u>20,515</u>
Total Expenses	<u>\$7,311,175</u>

- Authorize Issuance of Purchase Order to Midwest Industrial Supply, Inc., (Midwest) in Amount of Approximately \$162,515 to Perform Soil Stabilization Measures and Repairs on Lancaster Water Reclamation Plant (WRP) Recycled Water Storage Reservoir Embankments

Summary: In late 2015, it was determined that earthen embankments for the Lancaster WRP’s Recycled Water Storage Reservoirs are vulnerable to erosion and possible failure due to dispersive soil conditions. In 2015, Midwest applied soil stabilizers on a significant portion of slopes and crest areas of the reservoirs that showed signs of concerning erosion. A maintenance re-application of the soil stabilization product was administered in 2018. Due to heavy rainfall this past winter, additional repairs and erosion control measures are necessary to prevent future damage at the plant reservoirs. Midwest is the producer and sole proprietor of their soil stabilization product and is recommended due to their experience and familiarity with the Lancaster Reservoir site, and to ensure the applied product is compatible with the previous treatment. This item is consistent with the Districts’ Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

- Confirm Issuance of Purchase Order to Southwest Pipeline and Trenchless Corporation (Southwest) in Amount of \$1,550,000 for Emergency Repair of *Trunk A Sewer between MH 14 0253 and MH 14 0049* (Project)

Summary: During routine inspection, Districts’ staff discovered that the Trunk A Sewer had severe corrosion visible throughout 2,100 feet of the 24-inch-diameter reinforced concrete pipe sewer, with some areas of missing pipe that have since gotten worse. These reaches of sewer are included in the District’s capital improvement plan for repair next year but need to be repaired now on an emergency basis. Southwest was selected to perform this emergency repair work due to their qualifications, immediate availability, and their familiarity with this type of sewer repair work. Staff has determined that the activities described herein are exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080(b)(4)

## 5. Contd.

and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15301. This item is consistent with the Districts’ Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

6. Approve and Order Executed [Groundwater Purchase and Sale Agreement](#) (Agreement) with City of Lancaster (City) for District’s Surplus Groundwater Production Rights

Summary: The District holds 3,060 acre-feet per year (AFY) of groundwater production rights in the Antelope Valley Groundwater Basin, and 2,861 AFY are currently utilized by the District. The remaining 199 AFY are surplus and 157 AFY of this surplus are available for purchase by the City, based on the proportion of District sewage units that are within the jurisdictional boundaries of the City. The City desires to purchase 50 of the 157 AFY to support the Lancaster National Soccer Center. Under the proposed Agreement, the District will sell 50 AFY of production rights to the City for \$375,000, which is the fair market value of the water rights based on a third-party appraisal commissioned by the District. Making this groundwater available to the City is a benefit to the community. Staff has determined that approval of the Agreement does not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15378. This item is consistent with the Districts’ Guiding Principle to maximize use of our assets and resources (recycled water, recyclables, and energy).

7. Adopt Resolution Approving [Joint Community Facilities Agreement](#) (Agreement) with California Municipal Finance Authority (Authority) and Pacific Communities Builder, Inc., a California Corporation (Developer)

Summary: In order to fund obligations to District No. 14 associated with the Pacific Topaz development, the Developer has proposed establishing a Community Facilities District (CFD) through the Authority pursuant to the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act). In accordance with the Mello-Roos Act, the Authority is the agency forming the CFD. In order to receive bond proceeds, the District must be party to the Agreement. The District will have no obligations for issuing any CFD bonds or for repaying any bonds that might be issued. The proposed Resolution, a copy of which is attached, authorizes the Chief Engineer and General Manager to execute the Agreement. Staff has determined that Resolution and Agreement do not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15378. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

## Adjourn

**Status Report:** Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

**Public Comment:** Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board’s authority. A “Request to Address Board of Directors” form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards’ Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

**Document Requests:** Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts’ Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY  
SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY  
APPROVING A JOINT COMMUNITY FACILITIES  
AGREEMENT WITH CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY FOR CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY COMMUNITY FACILITIES DISTRICT NO.  
2023-8 (CITY OF LANCASTER – PACIFIC TOPAZ)**

**WHEREAS**, the California Municipal Finance Authority (the “Authority”) is initiating proceedings to establish a community facilities district to be designated as the “California Municipal Finance Authority Community Facilities District No. 2023-8 (City of Lancaster – Pacific Topaz)” (the “Community Facilities District”), pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982” (the “Act”), for the formation of the Community Facilities District, for the purpose, among others, of financing through the sale of bonds or the levy of special taxes to pay for the design, construction, and acquisition of certain public facilities which are necessary to meet increased demands placed upon the City of Lancaster and County Sanitation District No. 14 of Los Angeles County (the “Sanitation District”) as a result of the development of the property within the Community Facilities District; and

**WHEREAS**, the Community Facilities District is proposed to encompass the property in approved Tentative Tract Map No. 53642, consisting of Assessor Parcel Numbers 3204-009-026, 3204-009-079, and 3204-009-081, which are located with the boundaries of the Sanitation District and are being developed into single family residences by Pacific Communities Builder, Inc. (the “Developer”); and

**WHEREAS**, pursuant to Sections 53316.2 through 53316.6 of the Act, a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the district pursuant to a joint community facilities agreement if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

**WHEREAS**, there has been presented to the Board of Directors of the Sanitation District (the “Board”) a form of joint community facilities agreement to now be entered into by the Sanitation District; and

**WHEREAS**, the Board has determined that the proposed joint community facilities agreement will be beneficial to the residents of the Sanitation District.

**NOW, THEREFORE**, the Board of Directors of County Sanitation District No. 14 of Los Angeles County does hereby resolve, determine, and order as follows:

**SECTION 1.** The Board hereby determines that the joint community facilities agreement, attached hereto as Exhibit A and incorporated hereby, by and between the Authority, the Sanitation District, and Developer (the “Agreement”) will be beneficial to the residents of the Sanitation District.

**SECTION 2.** The Agreement is approved in the form submitted to the Board at the meeting at which this Resolution is adopted and the Chief Engineer and General Manager (the “Authorized Officer”) is authorized to execute and deliver the Agreement on behalf of the Sanitation District. The Authorized Officer is authorized to consent to any such modifications of the Agreement as may be necessary to effectuate its purposes.

**SECTION 3.** The Secretary to the Board shall deliver an executed copy of the Agreement to the Authority.

**APPROVED AND ADOPTED** by the Board of Directors of County Sanitation District No. 14 of Los Angeles County this \_\_\_\_ day of \_\_\_\_\_, 2023 by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Chairperson, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary to the Board of Directors

**EXHIBIT A**  
**JOINT COMMUNITY FACILITIES AGREEMENT**

(ATTACHED)

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**JOINT COMMUNITY FACILITIES AGREEMENT**

**by and among**

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

**and**

**COUNTY SANITATION DISTRICT NO. 14  
OF LOS ANGELES COUNTY**

**and**

**PACIFIC COMMUNITIES BUILDER, INC.**

**Dated as of \_\_\_\_\_ 1, 2023**

**California Municipal Finance Authority  
Community Facilities District No. 2023-8  
(City of Lancaster – Pacific Topaz)**

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**THIS JOINT COMMUNITY FACILITIES AGREEMENT** (this “Facilities Agreement”), dated as of \_\_\_\_\_ 1, 2023, is by and among the CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the “Authority”), the COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY, a county sanitation district organized and existing under the laws of the State of California (the “Sanitation District”), and PACIFIC COMMUNITIES BUILDER, INC., a corporation organized and existing under the laws of the State of California (the “Developer”).

**WITNESSETH:**

**WHEREAS**, Redwood Equity, LLC, a California limited liability company which is an affiliate of the Developer, owns property which consists of approved Tentative Tract Map No. 53642, consisting of Assessor Parcel Numbers 3204-009-029, 3204-009-079, and 3204-009-081 planned for 208 lots (together, the “Property”); and

**WHEREAS**, Redwood Equity, LLC has submitted applications requesting that the Board of the Authority institute proceedings under the Mello-Roos Community Facilities Act of 1982 (the “Act”) to establish a community facilities district encompassing the Property, as depicted on the boundary map attached hereto as Exhibit C and incorporated herein; and

**WHEREAS**, pursuant to the Act, the Board of the Authority has instituted proceedings to establish California Municipal Finance Authority Community Facilities District No. 2023-8 (City of Lancaster – Pacific Topaz) (the “Community Facilities District”) within the boundaries of the Property, to authorize the levy of special taxes (the “Special Taxes”) therein, and the issuance of bonds (the “Bonds”) secured by the Special Taxes, the proceeds of which are to be used to finance certain public facilities; and

**WHEREAS**, the facilities proposed to be financed by the Community Facilities District include certain facilities to be owned and operated by the Sanitation District (the “Sanitation District Facilities”) and certain facilities to be owned and operated by the City of Lancaster and certain other public agencies (the “Other Agency Facilities”); and

**WHEREAS**, Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by a public agency other than the agency that created the community facilities district only pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to said Section; and

**WHEREAS**, Section 53316.2 of the Act further provides that at any time prior to the adoption of the resolution of formation creating a community facilities district or a resolution of change to alter a district, or a resolution or resolutions authorizing issuance of bonds pursuant to Section 53356 of the Act, the legislative bodies of two or more local agencies may enter into a joint community facilities agreement pursuant to said Section and Sections 53316.4 and 53316.6 of the Act to exercise any power authorized by the Act with respect to the community facilities district being created if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

**WHEREAS**, the Board of the Authority and the Board of Directors of the Sanitation District have each adopted such a resolution; and

**WHEREAS**, development of the Property will require the payment to the Sanitation District of certain sewerage system connection fees (the “Connection Fees”); and

**WHEREAS**, the Authority, the Sanitation District, and the Developer desire to enter into this Facilities Agreement in accordance with Sections 53316.2, 53316.4 and 53316.6 of the Act in order to provide for the financing of the Sanitation District Facilities through the issuance of Bonds by the Community Facilities District.

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

**Section 1. Issuance of Bonds.** It is anticipated that the Community Facilities District will issue Bonds to finance the acquisition, construction, and installation of the Sanitation District Facilities and the Other Agency Facilities. The Board of the Authority, acting as the legislative body of the Community Facilities District, shall, in its sole discretion, determine whether, when, under what conditions, and to what extent Bonds shall be issued to finance the acquisition, construction, and installation of the Sanitation District Facilities or the Other Agency Facilities, or any combination thereof. In no event shall the Sanitation District have any right to compel the Community Facilities District to issue Bonds to finance the acquisition, construction, and installation of Sanitation District Facilities or to disburse Bond proceeds to pay the costs of the acquisition, construction, and installation of Sanitation District Facilities.

The Authority shall consult the Sanitation District prior to the issuance of Bonds to determine if the Sanitation District can comply with federal tax requirements for the Bonds if issued on a tax-exempt basis. If the Sanitation District does not believe it can meet such expectations, the Sanitation District’s portion of the Bonds shall be issued on a taxable basis and Sanitation District shall not be required to comply with Section 5 herein.

**Section 2. Sanitation District Facilities.**

(a) The Sanitation District Facilities, including any real or tangible property which is to be purchased, constructed, expanded, or rehabilitated, are described in Exhibit A attached hereto.

(b) It is anticipated that the Community Facilities District will provide Bond proceeds to finance the acquisition, construction, and installation of the Sanitation District Facilities. If the Community Facilities District issues Bonds, a portion of the proceeds of which are to be available to finance the acquisition, construction, and installation of the Sanitation District Facilities, the Authority shall, or shall cause the Community Facilities District to, notify the Sanitation District of the amount of such proceeds available for such purpose within fifteen (15) days of such proceeds becoming so available. The Authority makes no representation that, if proceeds of Bonds are made available to finance the acquisition, construction, and installation of the Sanitation District Facilities, such proceeds will be sufficient to finance the acquisition, construction, and installation of all of the Sanitation District Facilities, and neither the Authority nor the Community Facilities District shall have any liability to the Sanitation District if such proceeds are insufficient for such purpose. If the Community Facilities District does not issue Bonds to finance the acquisition, construction, and installation of the Sanitation District Facilities, neither the Authority nor the Community Facilities District shall have any obligation to provide any amounts to finance or pay



the costs of the acquisition, construction, and installation of the Sanitation District Facilities. Notwithstanding the foregoing, if Bonds are not issued, or are issued in an amount which is insufficient to finance the acquisition, construction, and installation of all of the Sanitation District Facilities, Developer shall remain responsible for the payment of all Connection Fees up to the amount of the Sanitation District Facilities not funded from proceeds of Bonds.

(c) The Sanitation District shall apply proceeds of the Bonds to the payment of costs of construction of any portion of the Sanitation District Facilities only if such portion of the Sanitation District Facilities is constructed under the direction and supervision, or under the authority of, the Sanitation District or is constructed as if it had been constructed under the direction and supervision, or under the authority of, the Sanitation District.

### **Section 3. Disbursements.**

(a) Bond proceeds available for the acquisition, construction, and installation of the Sanitation District Facilities shall be deposited in a special fund or account (howsoever the same may be denominated, the “Sanitation District Facilities Account”) to be established under the fiscal agent agreement, indenture, or other instrument pursuant to which the Bonds are issued (howsoever the same may be denominated). Moneys on deposit in the Sanitation District Facilities Account shall be invested and disbursed at the direction of the Community Facilities District; provided, however, that such moneys can also be disbursed upon receipt of a written request from the Sanitation District in substantially the form attached hereto as Exhibit B.

(b) To the extent that moneys are available in the Sanitation District Facilities Account, such fiscal agent agreement, indenture, or other instrument pursuant to which the Bonds are issued shall allow for disbursements to be made therefrom from time to time to pay the costs of the acquisition, construction, and installation of the Sanitation District Facilities upon direction of the Community Facilities District or submission of a written request of the Sanitation District in substantially the form attached hereto as Exhibit B.

(c) The Community Facilities District shall assist Sanitation District in processing written requests for disbursements from the Sanitation District that conform to the requirements hereof in a timely manner.

### **Section 4. Construction, Ownership and Maintenance of Sanitation District Facilities.**

(a) The Authority shall have no responsibility for the acquisition, construction, and installation of the Sanitation District Facilities. The Sanitation District Facilities shall be and remain the sole and separate property of the Sanitation District and shall be operated, maintained, and utilized by the Sanitation District. The Authority shall not have any ownership interest in the Sanitation District Facilities, and the Authority shall have no responsibility for the operation, maintenance, or utilization of the Sanitation District Facilities.

(b) The Sanitation District shall have no responsibility for the acquisition, construction, and installation of the Other Agency Facilities. The Other Agency Facilities financed by the Community Facilities District for a public agency shall be and remain the sole and separate property of such public agency and shall be operated, maintained, and utilized by such public agency. The Sanitation District shall not have any ownership interest in the Other Agency Facilities, and the

Sanitation District shall have no responsibility for the operation, maintenance, or utilization of the Other Agency Facilities.

**Section 5. Tax Matters.**

(a) In connection with the issuance of any Bonds which are federally tax-exempt, a portion of the proceeds of which are to be made available to finance the acquisition, construction, and installation of the Sanitation District Facilities, the Sanitation District agrees to execute and deliver such certifications and agreements as may be reasonably required in order for bond counsel to conclude that interest on such Bonds will be excluded from gross income under Section 103 of the Internal Revenue Code of 1986.

(b) If the Sanitation District's portion of the Bonds are issued on a tax-exempt basis, after consultation with the Sanitation District as set forth in Section 1 above, the Sanitation District shall assist the Authority in complying with the arbitrage rebate requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations which relate thereto, by keeping accurate records of the investment earnings on any and all investments which the Sanitation District may make with amounts drawn on the Sanitation District Facilities Account.

**Section 6. Connection Fee Returns and Credits.**

(a) Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

“Available Return Amount” means an amount equal to the remainder of (i) the amount of Bond proceeds deposited in the Sanitation District Facilities Account, less (ii) the amount of \$35,000.

“Connection Fee Payor” means an entity that has, prior to the date that proceeds of the Bonds are deposited in the Sanitation District Facilities Account, paid the Connection Fees for a Subject Unit.

“Credit Amount” means an amount equal to the remainder of (i) the Available Return Amount, less (ii) the amount required to be returned by the Sanitation District to Connection Fee Payors pursuant to subsection (b) of this Section.

“Subject Unit Fee Amount” means, as of any date, the amount of Connection Fees applicable to a Subject Unit as of such date.

“Subject Units” means the approximately 208 residential units, consisting of single-family homes, to be constructed on the Property within the boundaries of the Community Facilities District, for which entitlements have been obtained by the Developer or an affiliate thereof.

(b) If, upon the issuance of Bonds, proceeds thereof are deposited in the Sanitation District Facilities Account as provided in Section 3 hereof, the Sanitation District shall, within forty five (45) days of such deposit, return to each Connection Fee Payor an amount which is equal to the lesser of (i) the total amount of Connection Fees paid by such Connection Fee Payor, and (ii) the Available Return Amount; provided, however, that, if the Available Return Amount is less than the

total amount of Connection Fees paid by all such Connection Fee Payors, the amount to be returned to each such Connection Fee Payor shall be determined by allocating the Available Return Amount to such Connection Fees in the order of the dates on which such Connection Fees were paid until the amount so allocated is equal to the Available Return Amount.

(c) If, upon the deposit of proceeds of Bonds in the Sanitation District Facilities Account as provided in Section 3 hereof, the Available Return Amount is greater than the amount required to be returned by the Sanitation District to Connection Fee Payors pursuant to subsection (b) of this Section, the Developer shall be deemed to have paid Connection Fees that would otherwise subsequently become payable for the number of Subject Units equal to the largest whole number that is not greater than the quotient of (i) the Credit Amount, divided by (ii) the Subject Unit Fee Amount as of the date such proceeds of the Bonds were so deposited.

(d) If proceeds of the Bonds are insufficient to finance the full amount of Sanitation District Facilities, the Developer and affiliates shall have no claim for reimbursement from the Sanitation District in excess of the Available Return Amount, regardless of whether the Developer or affiliates remain responsible to pay such Connection Fees in full. If the amount derived from Bond proceeds, including investment earnings thereon, if any, are not sufficient to fund the total cost of the Sanitation District Facilities for the Project, the parties hereto agree that all responsibility and liability for the amount of such shortfall(s) shall be and remain with the Developer.

**Section 7. Indemnification.** The Developer agrees to indemnify, defend, and hold the Sanitation District, and its officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees and court costs that the Sanitation District, or its officers, employees and agents, or any combination thereof, may suffer or that may be sought against or recovered or obtained from the Sanitation District, or its officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of, in consequence of or with respect to this Facilities Agreement, the formation of the Community Facilities District, the issuance of the Bonds, or the financing of the Sanitation District Facilities or the Other Agency Facilities. If the Developer fails to do so, the Sanitation District shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the Developer.

No indemnification is required to be paid by the Developer for any claim, loss or expense arising from the willful misconduct of the Sanitation District (if indemnification is sought by the Sanitation District), or its officers, employees or agents (if indemnification is sought thereby).

**Section 8. Costs and Expenses.** The Developer shall, upon demand therefor, pay, or reimburse the Sanitation District for the payment of (a) the fees and expenses of the Sanitation District's attorneys incurred in connection with the discussion, negotiation, structuring and implementation of the matters covered hereby and the drafting, review, and revision of this Facilities Agreement, and (b) the fees and expenses of the Sanitation District's attorneys incurred in connection with the issuance of the Bonds.

**Section 9. Nature of Agreement; Allocation of Special Taxes.** This Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2,

53316.4 and 53316.6 of the Act. The entire amount of the proceeds of the Special Taxes shall be allocated and distributed to the Authority.

**Section 10. Third-Party Beneficiary.** The Community Facilities District shall be a third-party beneficiary of this Facilities Agreement.

**Section 11. Limitation of Rights to Parties.** Nothing in this Facilities Agreement expressed or implied is intended or shall be construed to give to any person or entity other than the Authority, the Sanitation District, the Developer, and the Community Facilities District any legal or equitable right, remedy, or claim under or in respect of this Facilities Agreement or any covenant, condition, or provision herein contained, and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Sanitation District, the Developer, and the Community Facilities District.

**Section 12. Notices.** All written notices to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority:

California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, California 92011  
Attention: BOLD Program

If to the Sanitation District:

County Sanitation District No. 14  
of Los Angeles County  
1955 Workman Mill Road  
Whittier, California 90601  
Attention: Secretary to the Board

With a copy to:

Best Best & Krieger LLP  
3390 University Avenue, 5<sup>th</sup> Floor  
Riverside, California 92501  
Attention: Mrunal Shah

If to the Developer:

Pacific Communities Builder, Inc.  
1000 Dove Street, Suite 300  
Newport Beach, CA 92660  
Attention: Nelson Chung, President

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (c) if given by any other means, upon delivery at the address specified in this Section.

**Section 13. Governing Law; Venue.** This Facilities Agreement and any dispute arising hereunder shall be governed and construed in accordance with the laws of the State of California. Venue of any action brought hereunder will be in the Superior Court of the State within Los Angeles County, California, and the parties consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding. The parties expressly waive any right to transfer venue, including, but not limited to, any right to transfer venue pursuant to California Civil Code Section 394.

**Section 14. Waiver.** Failure by a party to insist upon the strict performance of any of the provisions of this Facilities Agreement by any other party hereto, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Facilities Agreement thereafter.

**Section 15. Severability.** If any part of this Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Facilities Agreement shall be given effect to the fullest extent reasonably possible.

**Section 16. Successors.** This Facilities Agreement shall be binding upon and inure to the benefit of the successors of the parties hereto.

**Section 17. Entire Agreement.** This Facilities Agreement contains the entire agreement between the parties hereto with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter herein.

**Section 18. Amendment and Assignment.** This Facilities Agreement may be amended at any time but only in writing signed by each party hereto. This Facilities Agreement may be assigned, in whole or in part, by Developer or its affiliates which own the Property to the purchaser of any parcel of land within the Property, provided, however, such assignment shall not be effective unless and until the Authority and Sanitation District have been notified, in writing, of such assignment and the assignment specifies whether the Developer or such assignee is authorized to execute disbursement requests and whether the Developer or such assignee is to be reimbursed for Connection Fees which have not been reimbursed at the time of such notice.

**Section 19. Termination.** This Facilities Agreement shall terminate upon the earliest occurrence of the following events: (a) the dissolution of the Community Facilities District pursuant to Section 53338.5 of the Act; or (b) the written agreement of the parties to terminate this Facilities Agreement. Notwithstanding the foregoing, this Facilities Agreement shall remain in full force and effect for as long as any Bonds are outstanding.

**Section 20. Counterparts.** This Facilities Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

*(Signature pages follow)*

**IN WITNESS WHEREOF**, the parties hereto have executed this Facilities Agreement as of the date first written above.

**CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**COUNTY SANITATION DISTRICT OF  
LOS ANGELES COUNTY**

By: \_\_\_\_\_

Name: Robert Ferrante

Title: Chief Engineer and General Manager



**PACIFIC COMMUNITIES BUILDER,  
INC.**

By: \_\_\_\_\_

Name: Nelson Chung

Title: President

## **EXHIBIT A**

### **DESCRIPTOIN OF SANITATION DISTRICT FACILITIES**

The types of facilities to be owned and operated by the Sanitation District and financed by the Community Facilities District are sewer treatment, collection, transmission, and reclamation facilities, including sewer collection lines, wastewater treatment facilities, reclaimed water facilities, treated wastewater facilities, and related and appurtenant facilities, and land, rights-of-way, and easements necessary for any of such facilities.

**EXHIBIT B**

**FORM OF SANITATION DISTRICT WRITTEN REQUEST**

**WRITTEN REQUEST FOR DISBURSEMENTS FROM  
SANITATION DISTRICT FACILITIES ACCOUNT**

County Sanitation District No. 14 of Los Angeles County (the “Sanitation District”), hereby states and certifies:

(a) that \_\_\_\_\_, as fiscal agent (the “Fiscal Agent”) under that certain Fiscal Agent Agreement, dated as of \_\_\_\_\_, 20\_\_ (the “Fiscal Agent Agreement”), by and between [the California Municipal Finance Authority] [California Municipal Finance Authority Community Facilities District No. 2023-8 (City of Lancaster – Pacific Topaz)] and the Fiscal Agent, the Fiscal Agent is hereby requested to disburse from the Sanitation District Facilities Account established pursuant to the Fiscal Agent Agreement, to the payees set forth on Attachment 1 attached hereto and by this reference incorporated herein, the amount set forth on Attachment 1 opposite each such payee, for payment of such costs incurred for the purposes identified on said Attachment 1;

(b) that each such payment constitutes a cost of the Sanitation District Facilities (as defined in the Fiscal Agent Agreement) and is a proper charge against the Sanitation District Facilities Account;

(c) that each such amount has not been the subject of a prior disbursement from the Sanitation District Facilities Account; and

(d) that each portion of the Sanitation District Facilities for which payment is requested was constructed under the direction and supervision, or under the authority of, the Sanitation District or was constructed as if it had been constructed under the direction and supervision, or under the authority of, the Sanitation District.

**COUNTY SANITATION DISTRICT NO.  
14 OF LOS ANGELES COUNTY**

By: \_\_\_\_\_  
Authorized Representative

**ATTACHMENT 1**

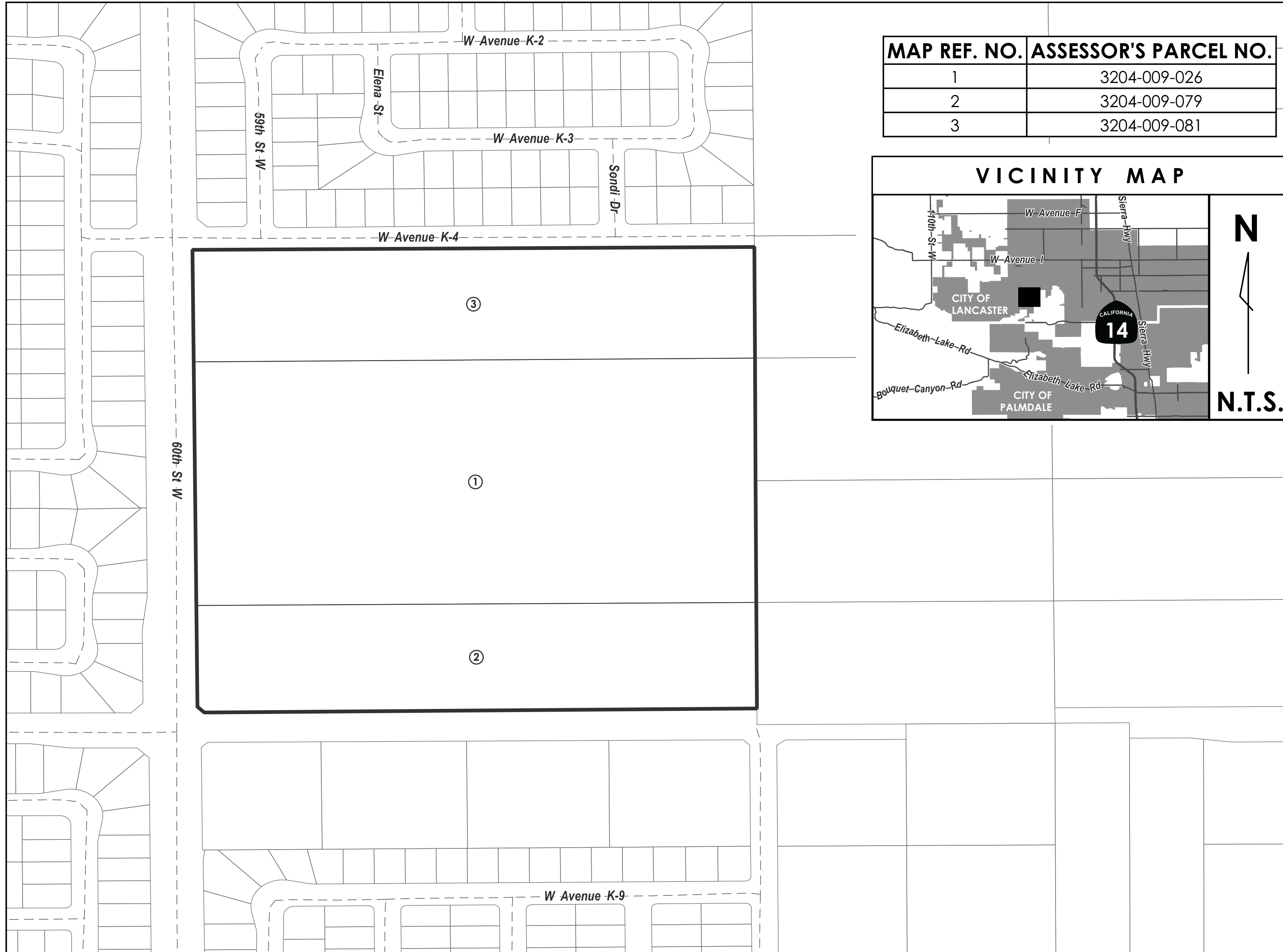
<b><u>Payee Name and Address</u></b>	<b><u>Purpose of Obligation</u></b>	<b><u>Amount</u></b>
		\$
		\$
	Total:	\$

**EXHIBIT C**  
**BOUNDARY MAP OF PROPERTY**

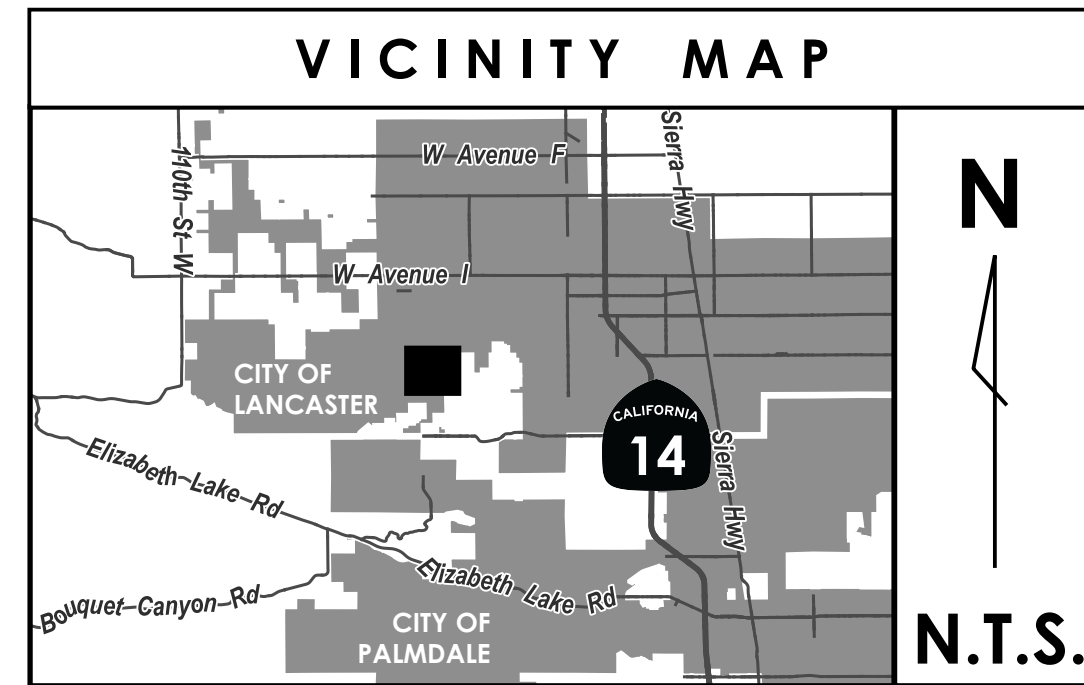
[attached]

# PROPOSED BOUNDARIES OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2023-8 (CITY OF LANCASTER – PACIFIC TOPAZ)

LOS ANGELES COUNTY  
STATE OF CALIFORNIA



MAP REF. NO.	ASSESSOR'S PARCEL NO.
1	3204-009-026
2	3204-009-079
3	3204-009-081



**CLERK'S MAP FILING STATEMENT**

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF DIRECTORS OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023.

ED BECKER  
ASST SECRETARY OF THE BOARD OF DIRECTORS  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY

**CLERK'S MAP CERTIFICATE**

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2023-8 (CITY OF LANCASTER – PACIFIC TOPAZ) COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023, BY IT'S RESOLUTION NO. \_\_\_\_\_.

ED BECKER  
ASST SECRETARY OF THE BOARD OF DIRECTORS  
CALIFORNIA MUNICIPAL FINANCE AUTHORITY

**RECORDER'S STATEMENT**


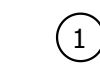
FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M, IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ AND AS INSTRUMENT NO. \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

\_\_\_\_\_ FEE: \$ \_\_\_\_\_  
COUNTY RECORDER  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

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

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

**LEGEND**

-  PROPOSED BOUNDARY
-  MAP NUMBER REFERENCE



334 Via Vera Cruz  
Suite 256  
San Marcos, California 92078  
Phone (760) 510-0290 Fax (760) 510-0288

DATE PREPARED: JUNE 2023