

RANCHO SAHUARITA CFD MEETING AGENDA



Monday, February 23, 2026

6:00 PM

Sahuarita Town Hall

375 W. Sahuarita Center Way, Sahuarita, AZ 85629

In accordance with A.R.S. § 38-431.02, notice is hereby given to the public that the District Board of the Rancho Sahuarita Community Facilities District will hold a meeting on the date, time, and location specified above. Members of the District Board will attend either in person or virtually.

To better serve our community, the Sahuarita Council Chambers is wheelchair accessible. Individuals with disabilities may request reasonable accommodations, such as a sign language interpreter, by contacting the District Clerk's Office at 520-822-8801. Requests should be made no later than three working days prior to the meeting to allow for proper arrangements.

All attendees are expected to observe rules of propriety, decorum, and good conduct. Unauthorized comments from the audience, signs, and disruptive behavior will not be tolerated in the Sahuarita Council Chambers. Violations may result in being banned from this and future meetings. Please remember to turn off or silence all electronic devices during the meeting.

1. **Call to Order**

2. **Roll Call**

3. **Call to the Public**

The public is invited to address the District Board on any issue listed on the Consent Agenda or any topic that the Board can legally discuss at a future meeting. Each speaker will have a maximum of three minutes to speak. For groups of ten or more attendees, a designated spokesperson may be appointed, and that person will be allowed ten minutes to speak. Written comments on agenda items may be submitted before the meeting for distribution. According to Arizona Open Meeting Laws, Board Members cannot discuss these items during the meeting, but they can respond to public criticism, request staff review, or suggest future agenda items.

4. **Consent Agenda**

4.a **Approval of Minutes**

Approval of the June 23, 2025 Rancho Sahuarita Community Facilities District meeting minutes.

4.b **Resolution No. 2026-0035 Letter of Credit Reductions**

Adoption of Resolution No. 2026-0035, approving reductions of the face amounts of the letters of credit held pursuant to depository agreements with respect to bonds (Series 2020 and 2022) issued by the District.

5. **Adjournment**

The District Board may take action on any item listed on this agenda. The District Board may vote to enter an executive session under A.R.S. § 38-431.03 (A) (3) for discussion or consultation with the District Counsel regarding any matters on the agenda. Notice to Parents: The District Board meetings are recorded in audio and video. If you allow your child to participate in the Board Meeting, a recording will be made. You have the right to decline consent by not permitting your child to participate. You and your child may also leave the Board Meeting at any time.



Rancho Sahuarita Community Facilities District Board Staff Report

DATE: February 23, 2026

TITLE: Approval of Minutes

SUBJECT: Approval of the June 23, 2025 Rancho Sahuarita Community Facilities District meeting minutes.

FROM: Lisa Clerk, MMC, District Clerk

FINANCIAL / BUDGET SUMMARY:

None

EXECUTIVE SUMMARY:

State law (A.R.S. § 38-431.01) requires public bodies to provide and publish meeting minutes to document discussions and legal action taken by the District Board. The Board can make the corrections needed to the meeting minutes before approval.

STAFF RECOMMENDATION:

Staff recommends approval of the June 23, 2026 RSCFD meeting minutes.

SUGGESTED MOTION :

I move to approve the June 23, 2026 RSCFD meeting minutes, as presented.

DISCUSSION:

Draft minutes submitted for District Board approval.

ATTACHMENTS:

1. Draft — June 23, 2025 RSCFD Meeting Minutes



RANCHO SAHUARITA CFD MEETING MINUTES

June 23, 2025

6:00 PM

Sahuarita Town Hall

375 W. Sahuarita Center Way, Sahuarita, AZ 85629

Members Present: Chairperson Tom Murphy, Vice Chairperson Kara Egbert, Board Member Kimberly Lisk, Board Member Edgar Lytle, Board Member Deborah Morales, Board Member Diane Priolo

Members Absent: Board Member Steven Gillespie

Also in Attendance: District Manager Shane Dille, District Counsel Jon Paladini, District Clerk Lisa Cole

1. Call to Order

The meeting was called to order by Chairperson Murphy at 6:03 PM.

2. Roll Call

Board Clerk Lisa Cole called the roll and confirmed that a quorum was present.

3. Call to the Public

There were no speakers.

4. Consent Agenda

MOTION was made to approve the Consent Agenda.

MOVER: Vice Chairperson Kara Egbert

SECONDER: Board Member Kimberly Lisk

AYES: (6): Chairperson Tom Murphy, Vice Chairperson Kara Egbert, Board Member Kimberly Lisk, Board Member Edgar Lytle, Board Member Deborah Morales, and Board Member Diane Priolo
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ABSENT: (1): Board Member Steven Gillespie
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RESULT: APPROVED (6 to 0)

4.a Approval Minutes

5. Discussion and Possible Action

5.a Resolution No. 2025-0034 RSCFD FY26 Final Budget Adoption

A.C. Marriotti, District Treasurer, presented the public hearing, discussion, and possible adoption of Resolution No. 2025-0034 of the District Board of the Rancho Sahuarita Community Facilities District, a community facilities district of Arizona. The resolution approves the Final Budget for Fiscal Year 2026 of \$9,233,410, pursuant to Section 48-716, Arizona Revised Statutes, as amended.

MOTION was made to adopt Resolution No. 2025-0034.

MOVER: Board Member Kimberly Lisk

SECONDER: Board Member Edgar Lytle

AYES: (6): Chairperson Tom Murphy, Vice Chairperson Kara Egbert, Board Member Kimberly Lisk, Board Member Edgar Lytle, Board Member Deborah Morales, and Board Member Diane Priolo
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ABSENT: (1): Board Member Steven Gillespie
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RESULT: APPROVED (6 to 0)

6. Adjournment

Chairperson Murphy adjourned the meeting at 6:09 PM.



Rancho Sahuarita Community Facilities District Board Staff Report

DATE: February 23, 2026

TITLE: Resolution No. 2026-0035 Letter of Credit Reductions

SUBJECT: Adoption of Resolution No. 2026-0035, approving reductions of the face amounts of the letters of credit held pursuant to depository agreements with respect to bonds (Series 2020 and 2022) issued by the District.

FROM: A.C. Marriotti, District Treasurer

FINANCIAL / BUDGET SUMMARY:

This item only affects the underlying security of the District's bonds. There is no impact to the District's revenues and expenditures.

EXECUTIVE SUMMARY:

The *Series 2020 & Series 2022 Depository Agreements* state that the letters of credit (LOC) used to secure bonds for the District are reviewed each February and, based on a formula, are subject to reduction. As the District develops, property valuations and anticipated property tax collections increase, lowering the amount of LOC security required. The bond documents anticipate and provide for a reduction to the LOC amounts as the district builds out. The proposed resolution provides the necessary authorization for the District Treasurer to notify the bank holding the LOCs to make such reductions.

STAFF RECOMMENDATION:

Staff recommends approval of the resolution.

SUGGESTED MOTION :

I move to adopt Resolution No. 2026-0035.

DISCUSSION: See attachment for more information.

ATTACHMENTS:

1. RSCFD Resolution No. 2026-0035
2. LOC Reduction Certification Letter

564RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 2026-0035

A RESOLUTION OF THE BOARD OF DIRECTORS OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT APPROVING REDUCTIONS OF THE FACE AMOUNTS OF THE LETTERS OF CREDIT HELD PURSUANT TO DEPOSITORY AGREEMENTS WITH RESPECT TO BONDS (SERIES 2020 AND 2022) ISSUED BY THE DISTRICT.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, as follows:

1. Findings.

a. Pursuant to a Resolution of the board of directors of Rancho Sahuarita Community Facilities District (hereinafter called the “*District*”) adopted on February 24, 2020 (hereinafter referred to as the “*2020 Bond Resolution*”), the board of directors of the District (hereinafter called the “*Board*”) (1) authorized the sale and issuance of its General Obligation Bonds, Series 2020, in the aggregate principal amount of \$3,475,000 (hereinafter referred to as the “*2020 Bonds*”) to provide funds for any and all of the public infrastructure purposes described in the feasibility report presented to and approved by the Board on February 24, 2020, and (2) entered in its minutes a record of the 2020 Bonds sold and their numbers and dates and levied and will levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described therein to pay debt service with respect to the 2020 Bonds when due.

b. The Board, by the 2020 Bond Resolution, duly authorized the issuance of the 2020 Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the 2020 Bonds, duly authorized the execution and delivery of a Series 2020 Indenture of Trust and Security Agreement, dated as of April 1, 2020 (hereinafter referred to as the “*2020 Indenture*”), from the District.

c. In consideration for the issuance of the 2020 Bonds, and the actions taken in the 2020 Indenture, by the District, Interchange Opportunity Fund L.L.P., as investor, guarantor and indemnitor, but not as developer (hereinafter called the “*LLL*”), and Rancho Sahuarita Management Company L.L.C., as developer, guarantor and indemnitor (hereinafter called the “*LLC*”), had established by Western Alliance Bank (hereinafter called the “*Bank*”) in favor of Zions Bancorporation, National Association, as depository (hereinafter called the

“*Depository*”), an irrevocable standby letter of credit in the face amount of \$1,037,075.00 (hereinafter referred to as the “*2020 Letter of Credit*”) to be held under the terms of the Series 2020 Depository Agreement, dated as of April 1, 2020 (hereinafter referred to as the “*2020 Depository Agreement*”), by and between the District and the Depository.

d. Pursuant to a Resolution of the Board adopted on March 28, 2022 (hereinafter referred to as the “*2022 Bond Resolution*”), the Board (1) authorized the sale and issuance of its General Obligation and General Obligation Refunding Bonds, Series 2022, in the aggregate principal amount of \$25,004,000 (hereinafter referred to as the “*2022 Bonds*”), to provide funds for any and all of the public infrastructure purposes described in the feasibility report presented to and approved by the Board on February 24, 2022 and to refund certain of the District’s then-outstanding indebtedness, and (2) entered in its minutes a record of the 2022 Bonds sold and their numbers and dates and levied and will levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described therein to pay debt service with respect to the 2022 Bonds when due.

e. The Board, by the 2022 Bond Resolution, duly authorized the sale and issuance of the 2022 Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the 2022 Bonds, duly authorized the execution and delivery of a Series 2022 Indenture of Trust and Security Agreement, dated as of May 1, 2022 (hereinafter referred to, with the 2020 Indenture, as the “*Indentures*”), from the District.

f. In consideration for the issuance of the 2022 Bonds, and the actions taken and to be taken in the 2022 Indenture, by the District, the LLLP and the LLC had established by the Bank, in favor of the Depository, an irrevocable standby letter of credit in the face amount of \$7,317,839.00 (hereinafter referred to as the “*2022 Letter of Credit*”, and with the 2020 Letter of Credit, the “*Letters of Credit*”) to be held under the terms of the Series 2022 Depository Agreement, dated as of May 1, 2022 (hereinafter referred to, with the 2020 Depository Agreement, as the “*Depository Agreements*”), by and between the District and the Depository.

g. Section 2.01(F) of (The Depository Agreements state that on February 15 of each year if the net limited assessed valuation of property within the boundaries of the District used to levy taxes during the preceding August exceeded that used in the prior August, the difference between the Maximum Annual Debt Service and the Discounted Tax Revenues is to be calculated. The District is to direct the Depository to cause the face amounts of the Letters of Credits to be reduced such that the face amounts of the Letters of Credit are equal to five (5) times such difference.) (The foregoing reductions are to be based on the total amount of the Letters of Credit and *pro rata* allocation based on the 2020 Bonds and the 2022 Bonds outstanding.) After receipt of proof of satisfaction of each of the foregoing to the District Treasurer, the Board is to approve in writing by affirmative action the applicable reductions, and the Depository is to be notified as such by the District Treasurer and directed to take such action as is necessary to reduce appropriately the Letters of Credit.

h. It has been proven to the satisfaction of the District Treasurer that, for purposes of the foregoing, the 2020 Letter of Credit should be reduced by \$757,038.00 to \$280,037.00, and the 2022 Letter of Credit should be reduced by \$5,186,225.00 to \$2,131,614.00.

2. Approval of Reductions. The Board approves the reduction of the 2020 Letter of Credit and the 2022 Letter of Credit as indicated in the recitals hereto. (The District Treasurer shall notify the Depository of such reductions and shall take such action as is necessary to reduce appropriately the Letters of Credit.)

3. Other Actions Necessary; Severability; Amendment; Effective Date.

a. The District Manager, the District Treasurer, the District Clerk, and the other officers of the District shall take all action necessary or reasonably required to carry out, give effect to, and consummate the actions contemplated by this Resolution.

b. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

c. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

d. This Resolution shall be effective immediately.

PASSED by the District Board of the Rancho Sahuarita Community Facilities District this 23rd day of February 2026.

Approved:

Tom Murphy
Chairperson
Rancho Sahuarita Community Facilities
District

CERTIFICATION OF RECORDING OFFICER

State of Arizona)
County of Pima) ss.

I, the undersigned, Lisa Cole, being the duly appointed, qualified District Clerk of the Rancho Sahuarita Community Facilities District, Pima County, Arizona, certify that the foregoing Resolution is a true, correct, and accurate copy of Resolution No. 2026-0035, passed and adopted at a Voting Meeting of the Rancho Sahuarita Community Facilities District, Pima County, Arizona, held on the 23rd day of February 2026, at which a quorum was present and by a _____ vote, _____ voted in favor of said resolution.

Given under my hand this 23rd day of February 2026.

Lisa Cole
District Clerk
Rancho Sahuarita Community Facilities
District

APPROVED AS TO FORM:

Jon Paladini
District Counsel
Rancho Sahuarita Community Facilities
District



375 W. Sahuarita Center Way
Sahuarita, AZ 85629
sahuaritaAZ.gov

February 9, 2026

Grace Kwak
Public Finance Client Liaison
Western Alliance Bank
601 West 5th Street, Suite 102
Los Angeles, CA 90071
(sent via email)

Ms. Kwak,

Pursuant to the Rancho Sahuarita Community Facilities District *Series 2020 & Series 2022 Depository Agreement* Section 2.01(F), the face amount of the initial letters of credit, in the amounts of \$1,037,075 and \$7,317,839, respectively, shall be subject to automatic reduction in the face amount to an amount calculated as follows:

<u>Net Taxable Assessed Valuation (NTAV) Test</u>	
NTAV from preceding August (fiscal year 2025/26):	\$31,701,537
NTAV from prior August (fiscal year 2024/25):	\$24,362,396
Does LOC reduction apply?	Yes
 <u>LOC Reduction Calculation</u>	
Maximum Annual Debt Service, Series 2020 Bonds (FY2031/32):	\$ 206,978
Maximum Annual Debt Service, Series 2022 Bonds (FY2039/40):	\$1,687,815
Less: Discounted Tax Revenues:	<u>(\$1,412,462)</u>
Difference:	\$ 482,330
 5x Difference:	 \$2,411,651
 <u>Revised LOC Balances</u>	
GO Bonds, Series 2020 LOC	\$ 280,037
GO Bonds, Series 2022 LOC	<u>\$2,131,614</u>
Total LOC Amount	\$2,411,651

On February 23, 2026, the District Board will act on a resolution to formalize this reduction. I will provide you with a copy of the resolution once it's completed.

Thank you,

A.C. Marriotti Digitally signed by A.C. Marriotti
Date: 2026.02.09 11:39:07 -07'00'

District Treasurer
Rancho Sahuarita Community Facilities District