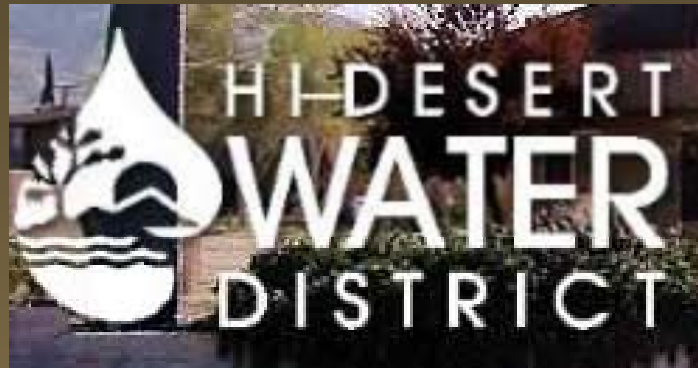


Summary List of Milestones

- Sewer Master Plan complete 2009.
- Pre-design Report complete with Phase Map 2009.
- Project is on the State Revolving Fund Project Priority list 2009.
- California Environmental Quality Act (CEQA) complete – Board adopted the Mitigated Negative Declaration and Mitigation and Monitoring Program for the project 2009
 - The Mitigation Monitoring Program is a detailed list of measures the District must taking before, during and after construction to protect the environment.

Future Activities

- Stakeholder Outreach
- Assessment District Formation and Financing
- NEPA (National Environmental Policy Act)
- USGS Studies (ongoing)
- Continue grant acquisition activities and legislative advocacy
- Phase 1 & 2 – Survey & Mapping
- Site Development
- Treatment Plant Final Design & Construction
- Collection System Final Design & Construction



Wastewater Treatment & Water Reclamation Project

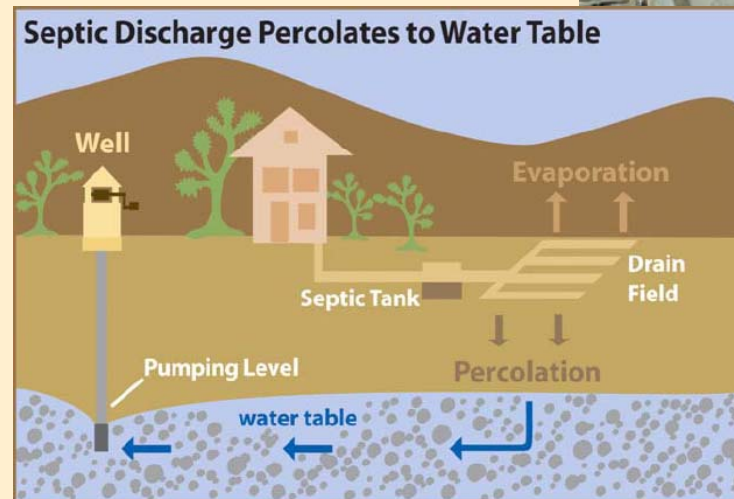
Assessment District Formation Presentation

Prepared by

ALBERT A. **WEBB** ASSOCIATES

Wastewater Treatment & Water Reclamation Project

- Water Quality
- Regional Quality Control Board
- Master Sewer Plan
- Type of Facilities

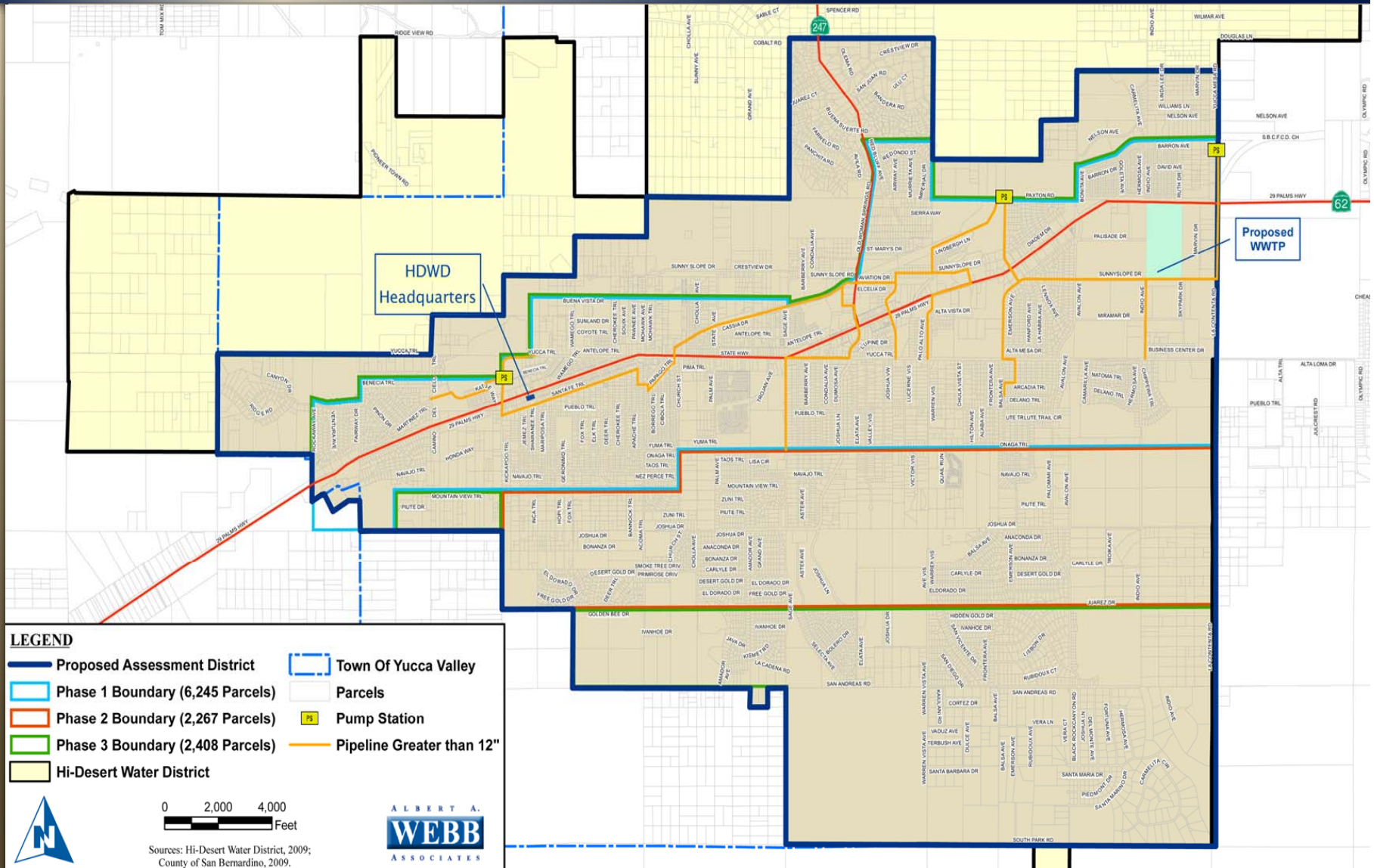


Project Phase Boundaries

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Common Items for All Phases

Collection System

- Kickapoo & Paradise Pump Station
- Paxton Pump Station
- Trunk Sewer

Water Treatment Facility

- Operations Building
- Power Supply
- SCADA System
- Site Development
- Headworks
- Sludge Dewatering
- Design & Soft Costs

Design & Soft Costs

- Survey & Mapping
- Geotechnical
- Sewer System Design
- Treatment Plant Design
- CM & Inspection

Phase 1 Facilities Only

Collection System

- Local Sewer

Water Reclamation Facility

- Bioreactors
- Clarifiers
- RAS Pumping
- Filters
- UV Disinfection
- Utility Water P.S.
- Percolation Ponds
- Plant Drain P.S.
- Odor Control

Why an Assessment District?

- Assessment District Definition
- Well established track record for funding public infrastructure
- The legislation is specific in it's language regarding benefits
- Very specific regarding what will be financed
- Voting is based on financial obligation (benefit) and requires a simple majority.
- Voting is by the Property Owners only

Assessment District Requirements

A L B E R T A .

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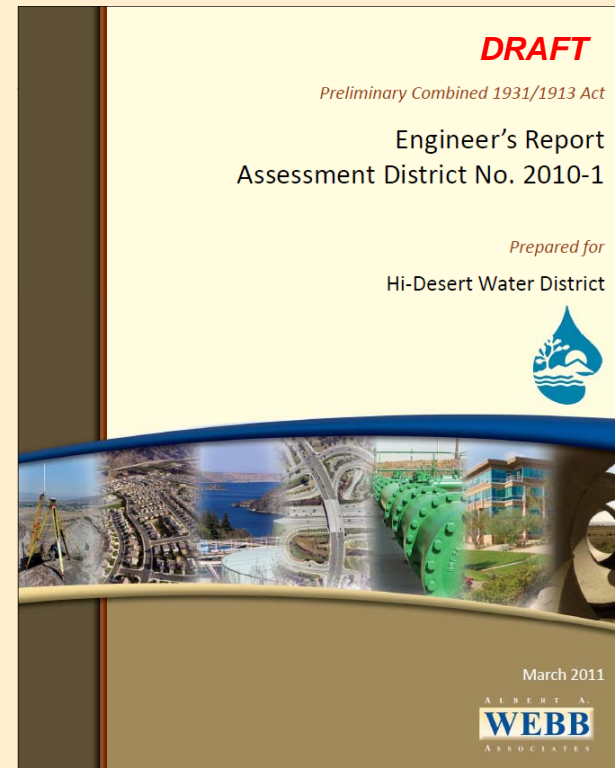
A S S O C I A T E S

Boundary Map

Assessment Diagram

Engineer's Report

- Description of Work
- Plans and Specifications
- Estimate of Costs
- Method of Apportionment
- Preliminary and Confirmed Assessments

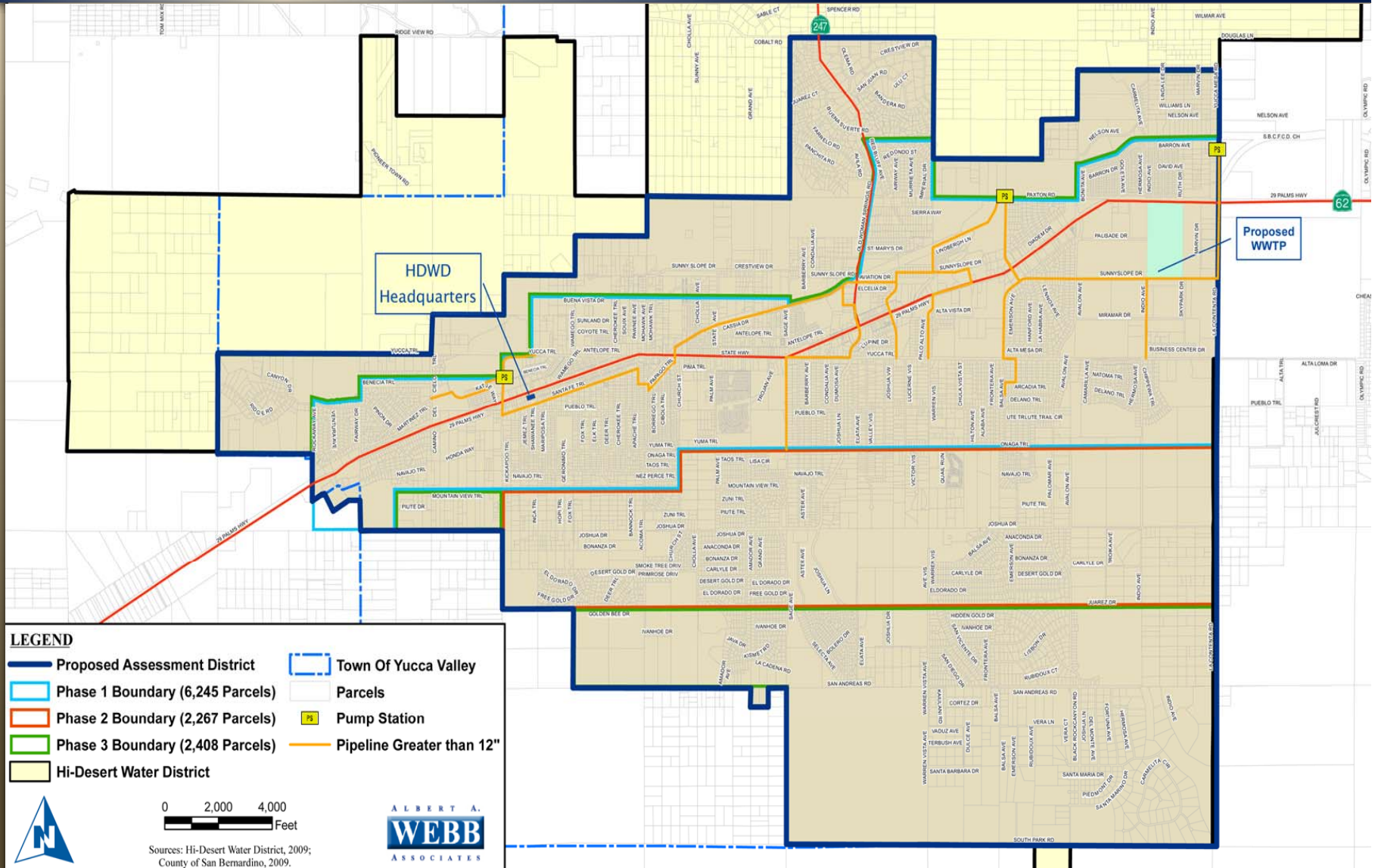


Project Phase Boundaries

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LEGEND

- Proposed Assessment District
- Town Of Yucca Valley
- Phase 1 Boundary (6,245 Parcels)
- Phase 2 Boundary (2,267 Parcels)
- Phase 3 Boundary (2,408 Parcels)
- Hi-Desert Water District
- Parcels
- Pump Station
- Pipeline Greater than 12"



0 2,000 4,000
Feet

Sources: Hi-Desert Water District, 2009;
County of San Bernardino, 2009.

ALBERT A.
WEBB
ASSOCIATES

Proposed Boundary Map

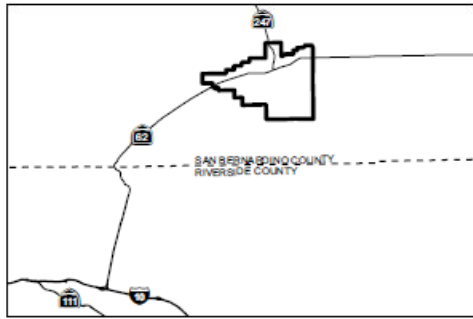
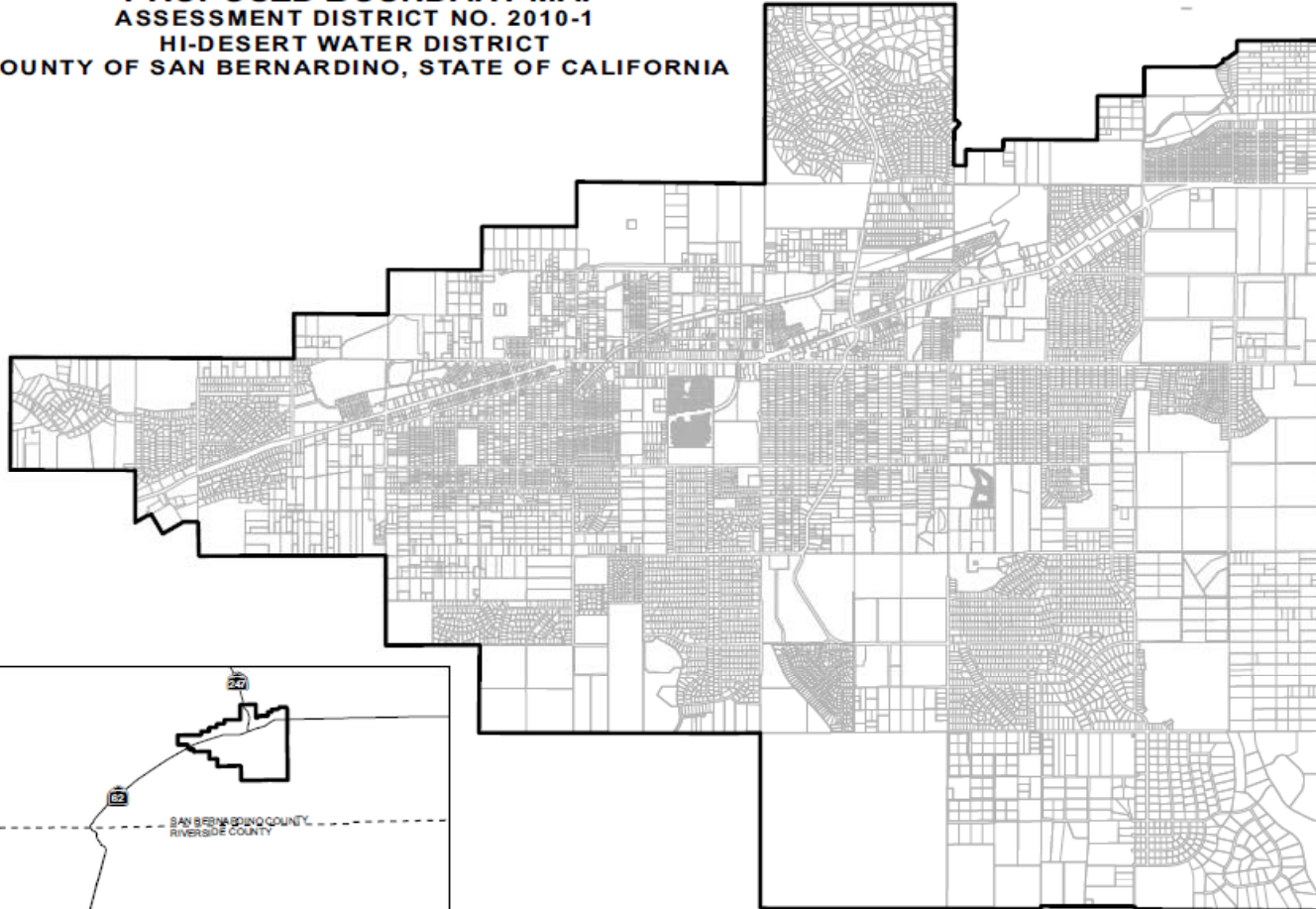
A L B E R T A .

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A S S O C I A T E S

SHEET 1 OF 1 SHEETS

**PROPOSED BOUNDARY MAP
ASSESSMENT DISTRICT NO. 2010-1
HI-DESERT WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA**



I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ASSESSMENT DISTRICT NO. 2010-1 FOR HI-DESERT WATER DISTRICT OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF HI-DESERT WATER DISTRICT OF SAN BERNARDINO COUNTY AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 20____, BY ITS RESOLUTION NO. _____

SECRETARY OF THE BOARD OF DIRECTORS OF THE HI-DESERT WATER DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA
FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF DIRECTORS OF THE HI-DESERT WATER DISTRICT, THIS ____ DAY OF _____, 20____.

SECRETARY OF THE BOARD OF DIRECTORS OF THE HI-DESERT WATER DISTRICT, SAN BERNARDINO COUNTY, CALIFORNIA

FILED IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 20____.

COUNTY SURVEYOR, SAN BERNARDINO COUNTY, CALIFORNIA



SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE

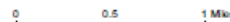
THIS MAP WAS FILED UNDER DOCUMENT NUMBER _____ THIS ____ DAY OF _____, 20____ AT THE HOUR OF ____ O'CLOCK ____ M. IN BOOK _____ PAGE _____ OF MAPS OF ASSESSMENT DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AT THE REQUEST OF _____ IN THE AMOUNT OF \$ _____

LARRY WALKER
AUDITOR/CONTROLLER-RECORDER
COUNTY OF SAN BERNARDINO

BY: _____
DEPUTY RECORDER

LEGEND

-  PROPOSED ASSESSMENT DISTRICT
-  PARCEL BOUNDARY



ALBERT A.
WEBB
ASSOCIATES
ENGINEERING CONSULTANTS

THIS ASSESSMENT DIAGRAM CORRECTLY SHOWS THE BOUNDARIES OF THE ASSESSMENT DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2009-2010.

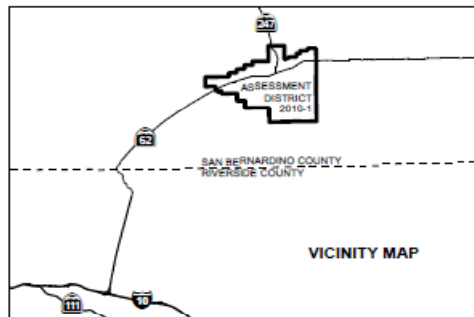
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Proposed Assessment Diagram

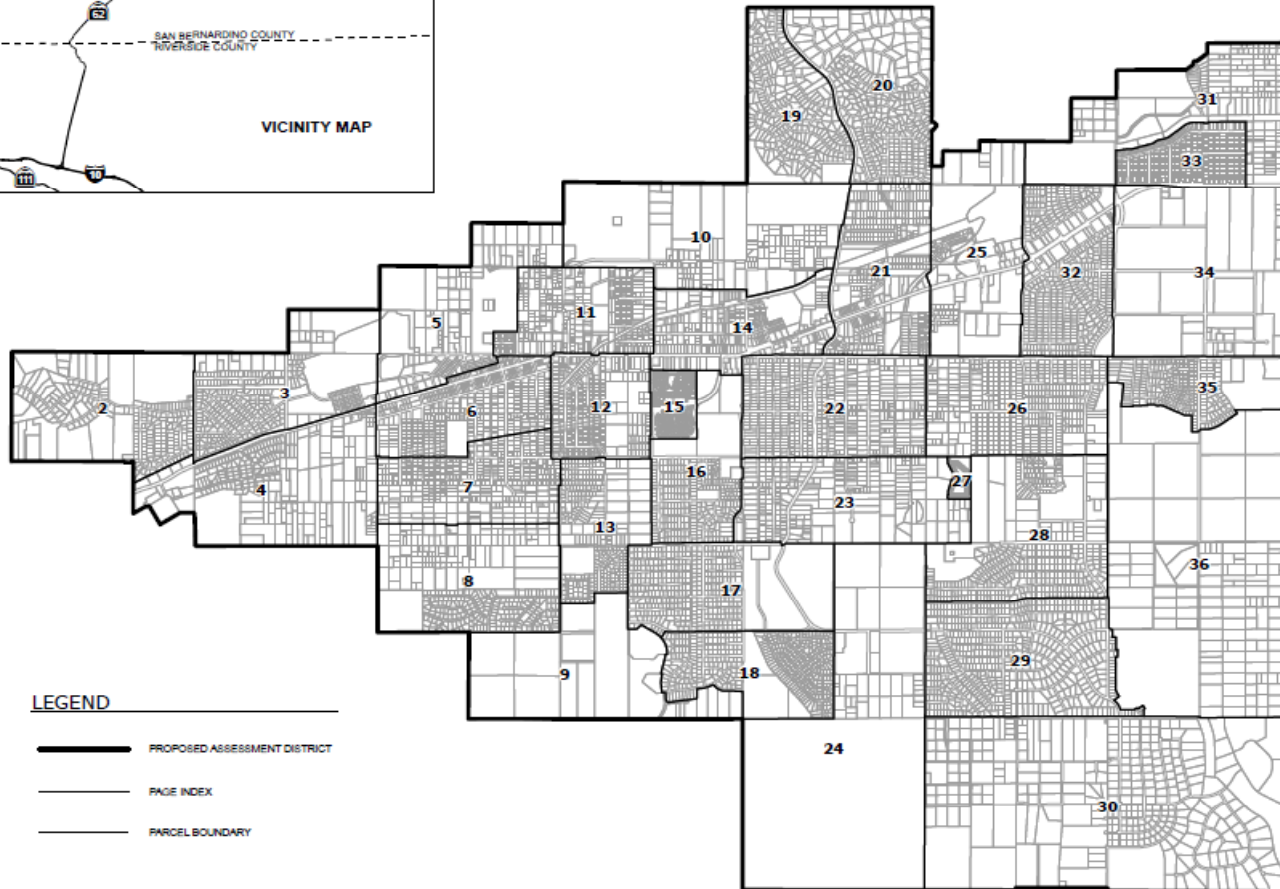
A L B E R T A .



SHEET 1 OF 36 SHEETS



ASSESSMENT DIAGRAM ASSESSMENT DISTRICT NO. 2010-1 HI-DESERT WATER DISTRICT COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA



LEGEND

- PROPOSED ASSESSMENT DISTRICT
- PAGE INDEX
- PARCEL BOUNDARY

AN ASSESSMENT WAS LEVIED BY THE BOARD OF DIRECTORS OF THE HI-DESERT WATER DISTRICT ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS LEVIED ON THE ____ DAY OF _____, 20____, SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE HI-DESERT WATER DISTRICT ON THE ____ DAY OF _____, 20____. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

SECRETARY OF THE BOARD OF DIRECTORS OF THE
HI-DESERT WATER DISTRICT,
SAN BERNARDINO COUNTY, CALIFORNIA

FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF DIRECTORS OF THE HI-DESERT WATER DISTRICT, THIS ____ DAY OF _____, 2010.

SECRETARY OF THE BOARD OF DIRECTORS OF THE
HI-DESERT WATER DISTRICT,
SAN BERNARDINO COUNTY, CALIFORNIA

FILED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE HI-DESERT WATER DISTRICT, THIS ____ DAY OF _____, 2010.

SUPERINTENDENT OF STREETS OF THE
HI-DESERT WATER DISTRICT,
SAN BERNARDINO COUNTY, CALIFORNIA

RECORDED IN THE OFFICE OF THE COUNTY SURVEYOR OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 20____.

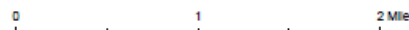
COUNTY SURVEYOR,
SAN BERNARDINO COUNTY, CALIFORNIA

SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE

THIS DIAGRAM WAS FILED UNDER DOCUMENT NUMBER _____ THIS ____ DAY OF _____, 20____ AT THE HOUR OF ____ O'CLOCK ____ M, IN BOOK _____, PAGE _____, OF MAPS OF ASSESSMENT DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AT THE REQUEST OF _____ IN THE AMOUNT OF \$_____.

LARRY WALKER
AUDITOR/CONTROLLER-RECORDER
COUNTY OF SAN BERNARDINO

BY: _____
DEPUTY RECORDER



THIS ASSESSMENT DIAGRAM CORRECTLY SHOWS THE BOUNDARIES OF THE ASSESSMENT DISTRICT. FOR DETAILS CONCERNING THE LINES AND DIMENSIONS OF LOTS OR PARCELS REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2010-2011.

How will Assessments be Assigned?

Assessment Liens will be determined on an Equivalent Dwelling Unit (EDU) basis with a Single Family Residence being used as the base unit.

Example Provided

1 EDU = 1 Assessment

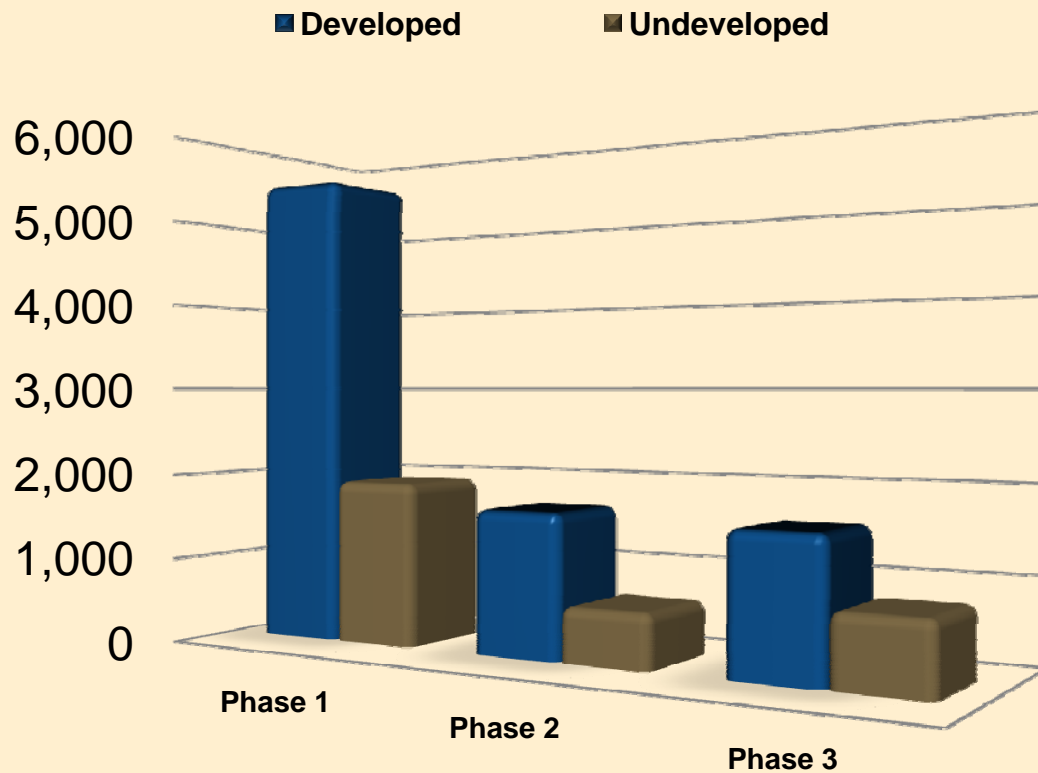
4 EDU = 4 Assessments

Basis of Assessment is an Equivalent Dwelling Unit (EDU)

One EDU = 210 gallons wastewater/day

- Developed SFR parcel = 1 EDU
- Undeveloped parcel = 1 EDU
- Multi-family unit/parcel = $\frac{3}{4}$ EDU
- Mobile home unit = $\frac{3}{4}$ EDU
- Commercial = 80% of avg. daily water use
- Industrial = 80% of avg. daily water use
- Public/churches = 80% of avg. daily water use
- Schools = 80% of avg. daily water use/student

Preliminary EDU Allocation



Estimated EDU Count Per Phase

EDUs will be used to allocate the Assessments to all Properties within the Assessment District

Difference Between a Lien and Assessment

When approved, each parcel will receive an Assessment

- Assessment **Lien** Recorded
- **Actual** Assessment – Determine for each debt increment

How will the project be implemented?

It is anticipated that debt will be issued incrementally:

- First Debt Increment – Design and Soft Costs
- Second Debt Increment – Common Facilities
- Subsequent Debt Increments – Phase 1 Developed

First Debt Increment

It is anticipated that debt will be issued incrementally:

- **First Debt Increment** – will pay for the Design and Soft Costs of the collection system, WRF and reimburse the water fund for eligible costs incurred to date.

Second Debt Increment

It is anticipated that debt will be issued incrementally:

- **Second Debt Increment**– will pay for the Construction of the system including all Common Facilities to the Assessment District for the collection system, WRF and reimburse the water fund for eligible costs incurred to date.

Subsequent Debt Increments

Subsequent Debt Increments- will be issued as local collection systems are ready to be constructed. To Construct Local Facilities and treatment for Developed Phase 1 Properties only.

District Contributions

1. HDWD will pursue options to reduce Assessment by 30 %.
2. HDWD will pursue grants and other funding programs to assist in private property onsite abatement of septic systems for improved properties.

Proposed Assessments

Total Assessment Liens per EDU*

- Undeveloped Phase 1 and Phase 2 & 3 \$ 2,870
- Developed – Phase 1 only \$10,220

Each Single Family Residence = 1 EDU

Monthly Cost per EDU*

- Undeveloped Phase 1 and Phase 2 & 3 \$ 15
- Developed – Phase 1 only \$ 52

*Includes 30% reduction

*Costs do not include private property septic tank abatement

Information and Facilitation

- Provide factual information about the project to the general public
- Provide information materials to community members for distribution
- Plan and facilitate ballot process

Frequently Asked Questions

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WASTEWATER TREATMENT & WATER RECLAMATION PROJECT

Frequently Asked Questions -

Assessment District Formation and Proposition 218

Q: Is the Prop. 218 funding proposed as a special tax or an assessment?

A: This will not be special tax as defined by the law, but instead an assessment. The difference is there is a direct or "special benefit" to the assessed property. AB 2701 (Blakeslee) authorizes the District to propose "assessments."

Q: What is an Assessment?

A: An Assessment is a common way to pay for public infrastructure improvement by securing debt with a lien on the properties benefiting from the improvements. An assessment becomes a lien on parcels of real property to pay for "special benefits" the parcels receive from a project. The lien may be paid off by property owners in a lump sum or paid annually with property taxes over a period of 20-30 years.

Q: What properties will be assessed?

A: Any property determined to have a "special benefit" from the collection, treatment, and disposal of wastewater will be assessed.

Q: Who determines if my property receives "special benefit"?

A: All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified in California. (California Constitution, Article XIII D, § 4 (b).)

Q: How does Proposition 218 define "special benefit"?

A: Proposition 218 provides the following definition of "special benefit": "Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value or improved aesthetics do not constitute a "special benefit." (Cal. Const. article XIII D, § 2 (i).)

Q: Where should a local agency document the distinction between general and special benefit?

A: In the engineer's report discussed above it will distinguish the properties that will receive special benefit.

Q: Will property owned by a public agency, State of California or the United States be assessed?

A: Yes, unless there is evidence that the publicly-owned parcels receive no special benefit.

Q: What are the procedures and substantive requirements for assessments established by Proposition 218?

- A:**
1. Identify the parcels (by phase) receiving special benefit.
 2. Determine the proportionate special benefit to each property
 3. Give the property owners a 45 day (minimum) notice of proposed assessment & ballot prior to vote deadline.
 4. Receive and tabulate the property owner ballots after the public hearing.
 5. Conduct a public hearing.
 6. Determine if a "majority protest" exists (if greater than 50% of weighted votes based on financial obligation received are opposed).



www.hdwd.com

55439 29 Palms Hwy. • Yucca Valley, CA 92284-2503
760.365.8333 • Fax 760.365.0599

SUMMARY presented by HDWD Staff

The monthly financed cost are estimated based on:

Assessment – 25 Year Amortization with a 3.5% Interest Rate

Rate Study completed by Brown and Caldwell but not adopted by the Board

Private Connection (Service Connection) – 30 Year Amortization with a 8.5% Interest Rate

- The following are the components of cost:
 - Facility and Collection System - \$125M (\$87.M after grants)
 - Single Family Residence (SFR) connecting in Phase I - \$10,220 (\$14,600 before grants) (Assessment or \$52/month
 - SFR operating costs Phase I - \$36/Month
 - SFR service connection Phase I - \$2,500 - \$5,000 or \$29/month

\$81/month
\$972/Year



SUMMARY presented by HDWD Staff

The monthly financed cost are estimated based on:

Assessment – 25 Year Amortization with a 3.5% Interest Rate

Rate Study completed by Brown and Caldwell but not adopted by the Board

Private Connection (Service Connection) – 30 Year Amortization with a 8.5% Interest Rate

- The following are the components of cost:
 - Multi Family (MF) Unit connecting in Phase I - \$7,665 (\$10,950 before grants) Assessment or \$39/month
 - MF operating costs Phase I - \$31/Month
 - MF service connection Phase I - \$2,500 - \$5,000 or \$29/month

\$68/month
\$816/Year



SUMMARY presented by HDWD Staff

The monthly financed cost are estimated based on:

Assessment – 25 Year Amortization with a 3.5% Interest Rate

Rate Study completed by Brown and Caldwell but not adopted by the Board

Private Connection (Service Connection) – 30 Year Amortization with a 8.5% Interest Rate

- The following are the components of cost:
 - Mobile Home(MH) Unit connecting in Phase I - \$7,665 (10,950 before grants) Assessment or \$39/month
 - MH operating costs Phase I - \$25/Month
 - MH service connection Phase I - \$2,500 - \$5,000 or \$29/month

\$68/month
\$816/Year

SUMMARY presented by HDWD Staff

The monthly financed cost are estimated based on:

Assessment – 25 Year Amortization with a 3.5% Interest Rate

Rate Study completed by Brown and Caldwell but not adopted by the Board

Private Connection (Service Connection) – 30 Year Amortization with a 8.5% Interest Rate

- The following are the components of cost:
 - Restaurant connecting in Phase I - \$36,941 - \$215,424 Assessment or \$185 - \$1,079/month
 - Restaurant operating costs Phase I - \$129 - \$1,055/Month
 - Restaurant connection Phase I - \$2,500 - \$5,000 or \$29/month

\$214/month
\$2,568/Year

\$1,108/month
\$13,296/Year



SUMMARY presented by HDWD Staff

The monthly financed cost are estimated based on:

Assessment – 25 Year Amortization with a 3.5% Interest Rate

Rate Study completed by Brown and Caldwell but not adopted by the Board

Private Connection (Service Connection) – 30 Year Amortization with a 8.5% Interest Rate

- The following are the components of cost:
 - Auto Repair connecting in Phase I - \$10,220 Assessment or \$52/month
 - Auto Repair operating costs Phase I - \$10/Month
 - Auto Repair connection Phase I - \$2,500 - \$5,000 or \$29/month

\$81/month
\$972/Year



Questions

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