



# Hi-Desert Water District

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Wastewater Treatment and Water Reclamation Project  
(a community project to protect our water supply)

# Wastewater Treatment and Reclamation Project

- **Introductions**

- Hi-Desert Board President – Sarann Graham
- Hi-Desert General Manager – Ed Muzik
- Hi-Desert CFO/AGM – Frank J. Luckino
- Town of Yucca Valley Town Manager – Mark Nuaimi



# Wastewater Treatment and Reclamation Project

## • Community Accomplishments

- 1995 passed the Morongo Basin Pipeline Project - \$66.5M – This project was to have access to state water – 80% approval
- 1999 Copper Mountain Campus (satellite campus for College of the Desert) began their own Community College by the will of the residents of the Basin
- 2004 Copper Mountain College raised \$20M thru a General Obligation Bond to improve the infrastructure of the College – 80% approval
- 2006 Hi-Desert Water District constructed a \$3.5M recharge pond to recharge the aquifer
- Measure I – County ½ cent transportation sales tax measure passed in 2004 with a 76% approval in Yucca Valley



# Wastewater Treatment and Reclamation Project

- **Project Description**

- Septic to Sewer
- Mandated by the RWQCB (Colorado)
- Phase 1
  - 5,500 connections
  - 400,000 linear feet of pipe
  - 2 million gallons per day
  - \$125M Opinion of Probable Cost
  - Tertiary Effluent (Secondary treatment will cause a degradation to our aquifer per California Department of Public Health)



# Wastewater Treatment and Reclamation Project

- **Completed**

- Land Purchased – (2003)
- Preliminary Design Report (PDR) for the Treatment Plant (2007)
- Sewer Master Plan (2009)
- CEQA – Mitigated Negative Declaration (2009)
- Secured \$5.1M in Grant Funding (Ongoing)
- Community Outreach (Ongoing)
- HDWD has invested \$2.2M from water reserves to accomplish many of the tasks above; Town loaned \$350,000 towards design

- **Next Steps**

- “Shovel Ready”
- Financing Plan
- To complete project by May 2016



	Planning and Design	Construction	Total
<b>Secured Funding Sources:</b>			
Environmental Protection Agency	\$320,069	\$0	\$320,069
Department of Water Resources Proposition 84 Integrated Regional Water Management (IRWM)	\$3,000,000	\$0	\$3,000,000
U.S. Bureau of Reclamation	\$1,500,000	\$0	\$1,500,000
Water Fund Loan	\$283,733		\$283,733
<b>Total Secured:</b>	<b>\$5,103,802</b>	<b>\$0</b>	<b>\$5,103,802</b>
<b>Unsecured Funding Sources:</b>			
CAA	\$1,500,000	\$0	\$1,500,000
Town of Yucca Valley Redevelopment Agency (RDA)	\$2,365,682	\$0	\$2,365,682
CWSRF		\$112,500,000	\$112,500,000
Department of Water Resources Proposition 84 Integrated Regional Water Management (IRWM)		\$3,530,516	\$3,530,516
<b>Total Unsecured:</b>	<b>\$3,865,682</b>	<b>\$116,030,516</b>	<b>\$119,896,198</b>
<b>Total:</b>	<b>\$8,969,484</b>	<b>\$116,030,516</b>	<b>\$125,000,000</b>

# Wastewater Treatment and Reclamation Project

- **Grants will be used to complete the following:**
  - Project Management (Carollo Engineering)
  - Land Survey and Mapping of the District
  - Hydrology Studies
  - Geotechnical Studies
  - Final Design Plans for the Collection System
  - Final Design Plans for the Treatment Plant
  - Assessment District Formation
  - Community Outreach/Education
  - Financing Consultants



# Wastewater Treatment and Reclamation Project

- **Financing Options**
  - Option 1: Assessment Only
    - Unaffordable / Unlikely to Pass



# Wastewater Treatment and Reclamation Project

- Cost (\$104 / month – over 3% of median household income)
    - Single Family Home–\$15,000 assessment
      - \$60 month (2.6% over 30 years)
      - \$36 monthly sewer bill
      - \$8 month finance private property connection
- ☞ **Not affordable for majority**



# Wastewater Treatment and Reclamation Project

- **Financing Options**
  - Option 1: Assessment Only
    - Unaffordable / Unlikely to Pass
  - Option 2: Prop 218 rates
    - Still unaffordable, easier to impose, political suicide



# Wastewater Treatment and Reclamation Project

- **Financing Options**
  - Option 1: Assessment Only
    - Unaffordable / Unlikely to Pass
  - Option 2: Prop 218 rates
    - Still unaffordable, easier to impose, political suicide
  - Option 3: Public/Public/Private Partnership
    - Grants, Best SRF terms, Sales Tax, Assessment District
    - Lowest monthly cost



# Wastewater Treatment and Reclamation Project

- **Financing Plan -- Option 3**
  - CWSRF Loan – 90%
    - Assessment District
    - Sales Tax (unique rural community)
      - 50% of sales tax paid by non-residents
    - Variables
      - Rate
      - Term
  - Grants – 10%



<b>Project Cost - \$125M or \$15K per Dwelling Unit (12,217 EDUs)</b>	<b>2.6% for 30 Years</b>	<b>1% for 30 Years</b>	<b>0% for 40 Years</b>
	<b>MONTHLY CHARGES</b>		
Assessment District	\$60	\$48	\$31
Sewer Bill	\$36	\$36	\$36
Private Property Connection	\$8	\$6	\$4
<b>TOTAL COST</b> (without sales tax)	<b>\$104</b>	<b>\$90</b>	<b>\$71</b>
Less Sales Tax (sales tax as source of repayment)	(\$21)	(\$21)	(\$15)
<b>ADJ. TOTAL COST</b> (with sales tax)	<b>\$83</b>	<b>\$69</b>	<b>\$56</b>
<b>1.5% of Yucca Valley Median Household Income (\$39,069)</b>	<b>\$49</b>	<b>\$49</b>	<b>\$49</b>

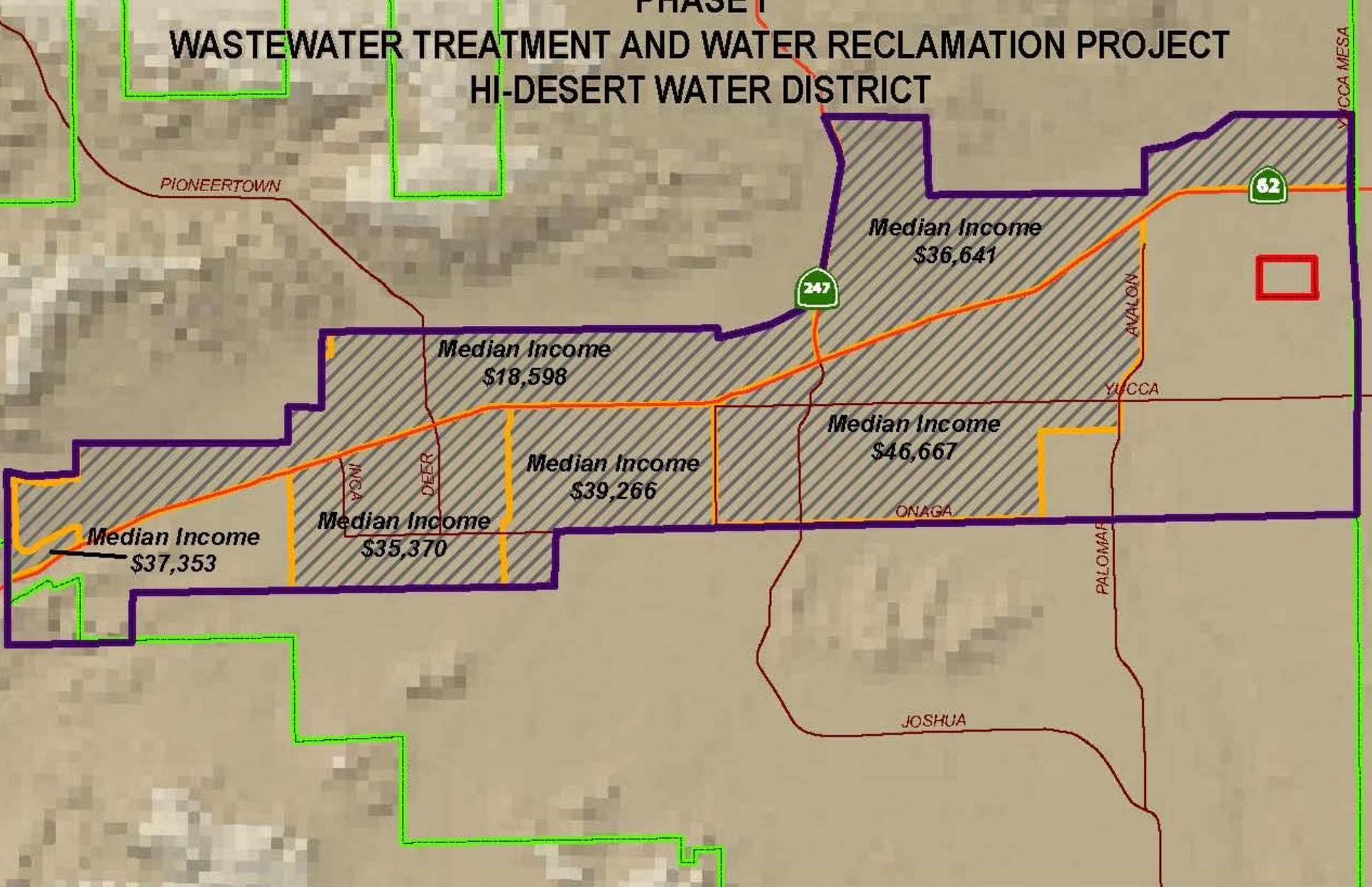
# Demographics

## Severely Disadvantaged

- High Poverty Level
- Low Median Income
- Aged Population – 36%
- Military
- Low Property Values - \$95K
- High Unemployment – 12.1%



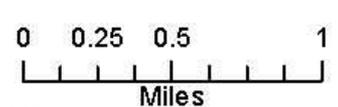
# WASTEWATER TREATMENT AND WATER RECLAMATION PROJECT HI-DESERT WATER DISTRICT



- Hi-Desert Water District
- Phase I Project Area
- Disadvantaged Community
- Proposed Treatment Plant

**Disadvantaged Community (DAC)**  
**Median Income < \$48,314**  
**70% of Phase I Area is a DAC**

\* < 80% of CA 2009 Median Income (\$60,392) US Census ACS



# Wastewater Treatment and Reclamation Project

## • Secured Grants

- US Bureau of Reclamation - \$20M authorization
- \$2.5M appropriated (from the above authorization)
- Proposition 84 – IRWMP \$3M – Round 1
- US EPA - \$335K award

## • Unsecured grants . . .

- CAA (Clean up and abatement) - \$1.5M
- CWSRF debt forgiveness –\$7.5M
- Yucca Valley Redevelopment Agency - \$4.5M Loan
- Prop 84 \$26M available in the remaining rounds (Colorado Region)





# Town of Yucca Valley, CA



Gateway to ...  
Joshua Tree National Park  
Johnson Valley OHV  
29 Palms Marine Corps Base  
Colorado River travelers



# Why Sales Tax? Why Yucca Valley?

- Strong tourism economic base
  - 1.5 million annual visitors to JTNP (Joshua Tree National Park)
  - 500,000 – 750,000 Off-roading enthusiasts
  - Expanding military base activity
  - “River traffic” expanding
- Local Housing / Population Growth
  - Development wave just reached YV prior to recession
  - Housing market seeing new housing starts
- 30,000 CURRENT ADT (Average Daily Trips) along SR-62 – projected to double in 20 years
- National Franchises are successful in Yucca Valley



# New Arrivals (2011)...



# ... Coming Soon (2012)



Supercenter – (184,146 sq-ft) Fall 2012

Dollar General – (12,400 sq-ft) Fall 2012

**DOLLAR GENERAL**

Save time. Save money. **Every day!**

# Yucca Valley Retail Marketplace –

1.5 million annual visitors to Joshua Tree National Park

800,000 annual visitors to Johnson Valley OHV



TWENTY-NINE PALMS HWY.

(STATE HWY-62)

NEW SIGNAL

EXISTING SIGNAL

AVALON STREET

**Walmart**  
Save money. Live better.



**HOME DEPOT**  
ENTRY-BEDROOM-BATHS  
100'x100' 100'x100'  
100'x100' 100'x100'  
100'x100' 100'x100'

CENTER GARDEN  
15,000 SF

P1  
8,000 SF

PARTICEL 1  
2,800 ACRES  
32 STALLS

S1  
7,150 SF

M2  
20,000 SF

S2  
7,480 SF

PARTICEL 2  
1,200 ACRES  
32 STALLS

GENERATOR  
TRANSFORMER

DETECTION BASIN

WELL PUMP

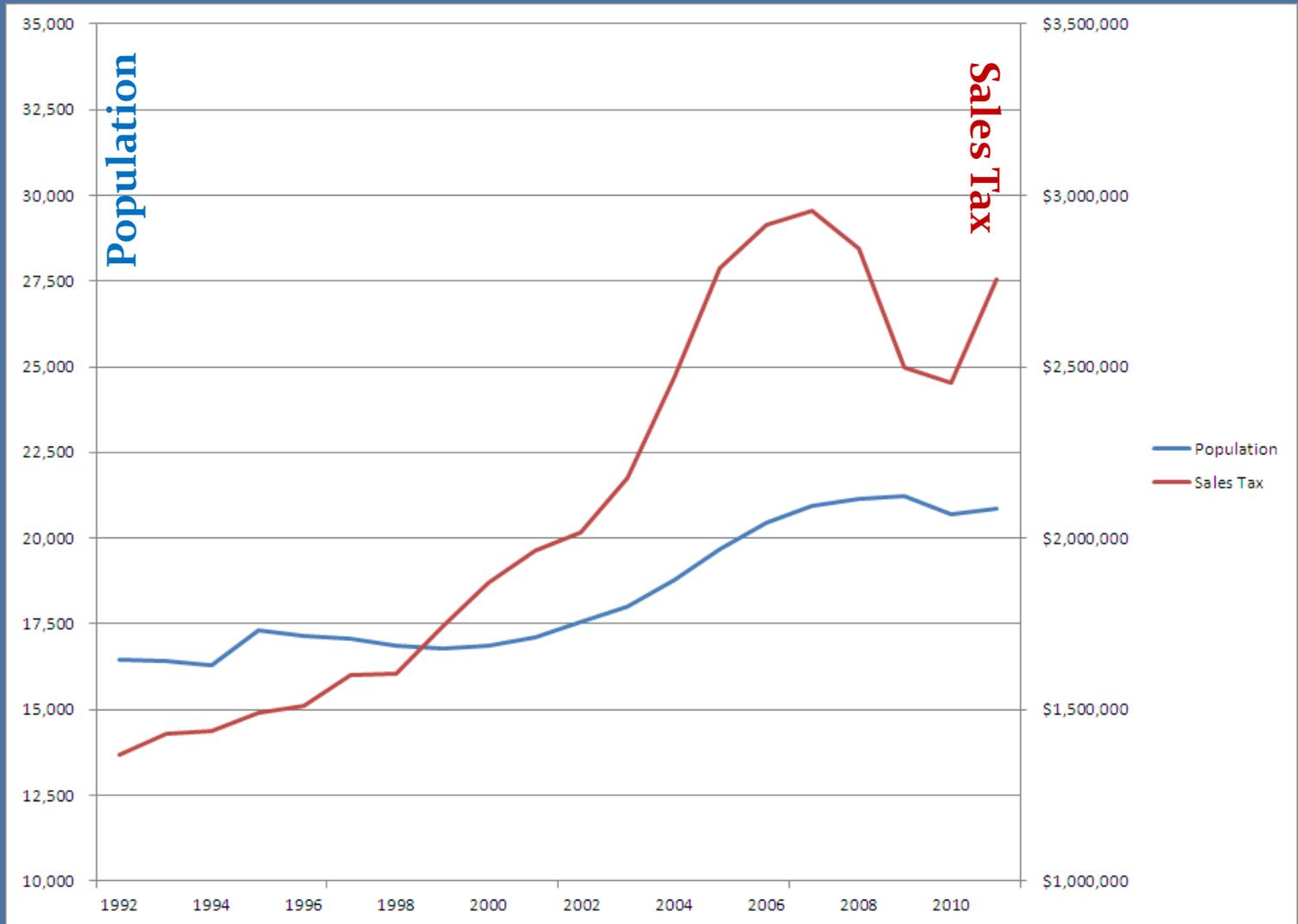
WELL PUMP

FUTURE PALISADE DRIVE

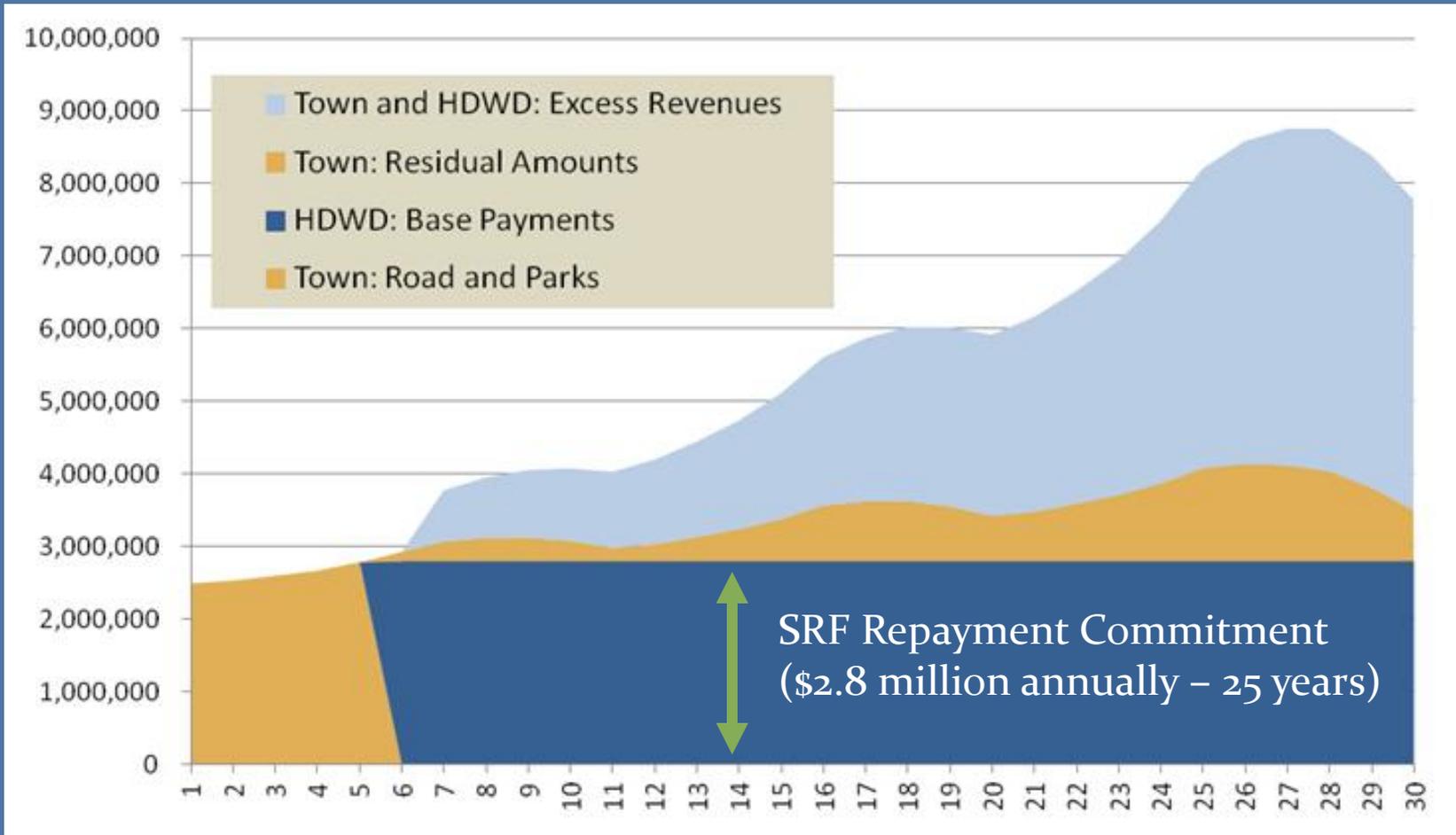
Cur-Stop Easement/Retenue

A1

# Sales Tax Reliability



# Sales Tax Projections



# Regional Demographic Data

- Basin Population – 70,000

Geographic area	Total population	Housing units		
		Total	Occupied	Vacant
Twentynine Palms-Yucca Valley CCD	69,860	34,818	26,917	7,901
Homestead Valley CDP	3,032	2,198	1,389	809
Joshua Tree CDP	7,414	3,808	3,088	720
Morongo Valley CDP	3,552	2,004	1,602	402
Twentynine Palms city	25,048	9,431	8,095	1,336
Yucca Valley town	20,700	9,558	8,274	1,284

# Keys to Success

1. Grant \$1.5 million to HDWD for design contract
2. Provide policy direction to allow sales tax to be collateralized for SRF loan
3. Provide improved financing terms to ratepayers
  - Extended Repayment term (30+ years)
  - Reduced interest rate (<1%)

Project Cost - \$125M or \$15K per Dwelling Unit	2.6% for 30 Years	1% for 30 Years	0% for 40 Years
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1.5% of Yucca Valley Median Household Income	\$49	\$49	\$49



# Yucca Valley Moving Forward

- General Plan Update funded (\$1 million)
- Healthy Redevelopment Agency along the entire retail corridor (\$4.5 million identified for sewer)
- Sewer system funding strategy developed
  - Sales Tax measure (Nov 2012)
  - Transient Occupancy Tax Measure (Nov 2012)