

December 2014

Update on the Wastewater Reclamation Project

Dear Property Owner,

Hi-Desert Water District (HDWD) is excited to share with you some of the most recent milestones that have been passed on the road to completion of the Wastewater Reclamation Project (the "Project"); a centralized sewer system that will collect and treat wastewater, returning clean, drinkable water to our precious supply.

HDWD is dedicated to providing this solution to two significant problems; the threat of nitrate contamination of our groundwater from septic tanks, and the unreliable availability of purchasable water to see us through droughts such as what California is experiencing today. It will also allow property owners to comply with the septic tank prohibition that has been imposed on Yucca Valley by the Regional Water Quality Control Board. The following is a list of current activities and necessary decisions associated with the Project:

Funding

- HDWD continues to apply for grants (in addition the \$7.1M already received) to help deliver the Project to property owners at the lowest possible cost;
- A loan application, for a long-term, low-interest loan to finance the Project, has been submitted to the State Water Resources Control Board's (SWRCB) staff and legal counsel for review. Once completed, the application will go before the SWRCB to approve the loan, and set the interest rate;
- The SWRCB staff will be recommending a 1% interest rate to its Board. HDWD continues to seek an even lower interest rate;
- The SWRCB staff anticipates the application will go before the State Board for approval soon after the first of next year;
- In order to secure the loan from the State Revolving Fund (SRF), and release funds to build the project, property owners will vote on the formation of an Assessment District. The ballots for the Assessment District vote are scheduled to be mailed in 2015;
- HDWD has identified a USDA grant that individual property owners may apply for in an amount up to \$7500, which can be used to pay for their private property connection (hook-up) to the sewer;
- A private property connection loan will be available for property owners in Phase 1, and once funding becomes available, property owners will be notified when to file their loan application.

Design/Construction

- The collection system design is 90% completed, excluding 79 grinder pumps, which were included into the previous design. The removal of grinder pumps will reduce project costs by approximately \$300,000;

- HDWD Board of Directors has decided to make the private property connection the responsibility of the property owner. This will allow individual property owners the most flexibility in how they choose to construct the connection on their property, using a contractor of their choice;
- Property owners may take advantage of a State loan, administered by the District, to pay for their private property connection. HDWD plans to assist in this process by working with property owners to achieve the largest cost savings possible;
- HDWD is in the process of obtaining easements from property owners, where required, to construct the collection system;
- HDWD Board of Directors has selected a Progressive/Design/Build model for the design and construction of the Wastewater Reclamation Facility (treatment plant). The plant design and construction will be completed after project construction funding is secured through a successful Assessment District formation vote.
- Membrane Bioreactors (MBR) has been selected as the optimum type of technology to treat the wastewater at the Wastewater Reclamation Facility.

This list represents only some of the progress being made daily on this important public works project. If you are a property owner and want more information, we want to hear from you! We encourage you to visit the project website at www.ProtectGroundwater.org or to attend an informational meeting (held every Tuesday at the District office at 9:00 a.m. and 6:00 p.m.). You can also email your questions to info@hdwd.com and sign up for updates, or call us at (760) 228-6267.

It is our goal to work together as a community to ensure Yucca Valley continues to receive a safe and reliable water supply, now and in the future. In this way, true to our promise, Hi-Desert Water District is "Serving you today... Planning for tomorrow!"

Sincerely yours,



Ed Muzik
General Manager

Attachment: Frequently Asked Questions about the Wastewater Reclamation Project