



SECURED PROPERTY TAX BILL FOR
ALL PUBLIC AGENCIES OF
SAN BERNARDINO COUNTY

Oscar Valdez

AUDITOR-CONTROLLER/
TREASURER/TAX COLLECTOR

268 W. Hospitality Ln * SAN BERNARDINO, CA 92415 * (909)387-8308

2016

PROPERTY ADDRESS:

Protected per CA. Govt. Code Sect. 6254.21


OWNER(S) OF RECORD:

AS OF JAN 01, 2016
STEARNS, HAZEL M LIVING TRUST 06/26/

ANNUAL

FIRST INSTALLMENT DUE		SECOND INSTALLMENT DUE	
11-01-2016	1,763.25	02-01-2017	1,763.23
TOTAL TAXES DUE >		3,526.48	
AMOUNT DUE AFTER 12-12-2016		DELINQUENT FIRST INSTALLMENT 1,939.58	
AMOUNT DUE AFTER 04-10-2017		DELINQUENT SECOND INSTALLMENT 1,949.56	

REFER TO PARCEL NUMBER ON ALL CORRESPONDENCE. VERIFY THIS TO BE YOUR PROPERTY BEFORE REMITTING PAYMENT. NOT RESPONSIBLE IF PAYMENT IS MADE ON WRONG PARCEL. WHEN PAYING IN PERSON, BRING ENTIRE BILL. IF PROPERTY HAS BEEN SOLD, PLEASE NOTE 'SOLD' ON BILL AND RETURN IT TO THIS OFFICE.

MAKE CHECKS  SBC Tax Collector PAYABLE TO:

<http://www.mytaxcollector.com>

PARTIAL PAYMENTS WILL BE RETURNED

RETURN STUBS ONLY. INCLUDE YOUR PARCEL NUMBER ON ALL CHECKS.
YOUR CANCELLED CHECK IS YOUR BEST RECEIPT.

PARCEL NUMBER	TAX RATE AREA	BILL NUMBER	TOTAL TAX RATE
0397104110000	000020010	20160327293	0.010174

DESCRIPTION	Assessed
LAND	38,000.00
IMPROVEMENTS / FIXTURES	287,500.00
IMPROVEMENT PENALTY	0.00
PERSONAL PROPERTY	0.00
PERSONAL PROPERTY PENALTY	0.00
HOMEOWNERS EXEMPTION	7,000.00
VETERANS' EXEMPTION	
OTHER EXEMPTIONS	
NET VALUE	318,500.00

SERVICE AGENCY	CONTACT #	AMOUNT
GENERAL TAX LEVY		3,185.00
DEBT SVC		0.00
VV COMM COLLEGE MEASURE JJ	(760) 245 - 4271	55.41
SCHOOL BONDS		0.00
SCHOOL STATE REPAYMENT		0.00
*HESP PARK-LAND/LIGHT #1	(800) 676 - 7516	64.30
##MOJAVE WTR BOND DEBT #2	(760) 946 - 7000	179.02
#MOJAVE WATER BOND DEBT #1	(760) 946 - 7000	42.75

IMPORTANT MESSAGES:

Para información de su factura de impuestos de propiedad en español, por favor visite www.colecciondeimpuestos.com o llame al (909) 387-8308.

DEBT SERVICE

OVERALL DEBT OBLIGATIONS SUMMARY

Included in this Debt Obligation Summary is information on external and internal debt obligations from Fiscal Year (FY) 2013-14 through the Fiscal Year 2016-17 Budget.

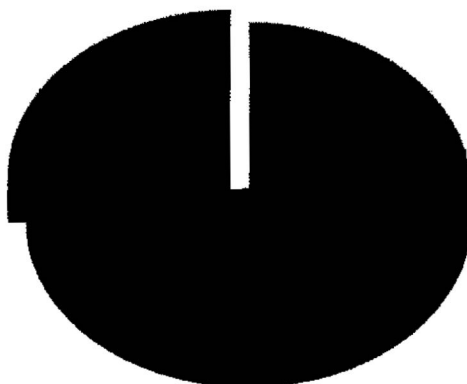
Summary

- The 2004 Variable Rate Revenue Bonds (Street Bonds) were paid in full on October 1, 2015, eight years early and saving the City over \$9 million dollars compared to the original 1993 A&B debt service schedules.
- Due to the depletion of cash reserves within the 2013 Civic Plaza Refunding Lease Revenue Bond Fund, additional contributions are required from the Development Impact Fee (DIF) – Public Services Fund (87.25%) and General Fund (12.75%). Revenues within the DIF – Public Services Fund are insufficient to contribute the FY 2016-17 contribution amount of \$688,533 due primarily to limited residential development, and to a lesser extent to the extension of the "Development Impact Fee Reduction Pilot Program." This necessitates an increase in the General Fund loan to DIF Public Services, for a total General Fund loan of \$1,520,637 through FY 2016-17. Additional increases in the General Fund loan to DIF Public Services will be needed in future years until revenues are sufficient to cover DIF's percentage of the annual 2013 Civic Plaza debt service requirements, equating to 607 to 883 single family residential permits per year.
- The letter of credit for the Water District 1998 A&B Variable Rate Lease Revenue Bonds has been extended to November 2018.
- Although debt service payments are not currently scheduled for FY 2016-17, two new debts have been added to the Debt Service Section to reflect new pending obligations:
 - City – Ranchero Road Interchange Loan from San Bernardino Associated Governments (SANBAG) related to the construction and financing of the Ranchero Road Interchange. Final costs are being calculated by SANBAG, but the City's share is estimated to be approximately \$17,500,000 at this time.
 - Water District – 2016 State Revolving Fund (SRF) Loan to finance the construction of a reclaimed water pipeline distribution system. Of the \$14,673,750 requested, the current agreement proposes a \$4,727,337 Grant, with the remaining \$9,946,413 in the form of a loan at a 1% interest rate. This financing agreement is being finalized by the State and payment of principal and interest will begin one year after completion of construction.
- As of February 1, 2012, redevelopment agencies were dissolved by the State of California and funding for the former redevelopment agency obligations will be provided by the County of San Bernardino, as outlined in ABx26, and paid by the Successor Agency. These debt issues are now obligations of the Successor Agency to the Former Community Redevelopment Agency and are no longer presented in the Debt Service Section of the City's Budget.

DEBT OBLIGATION PRINCIPAL OUTSTANDING SUMMARY

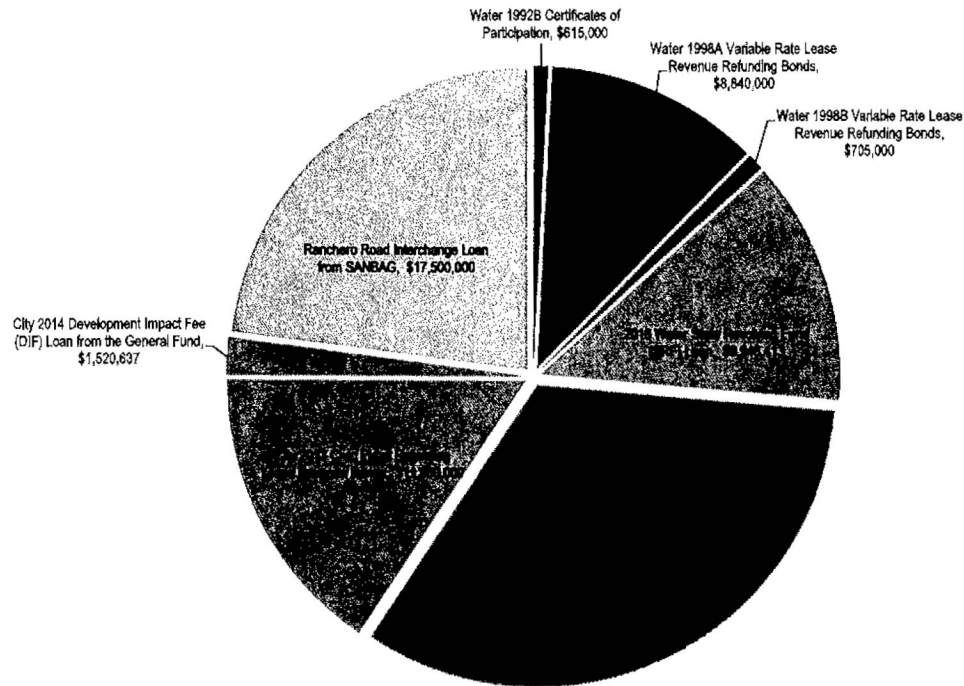
The following charts and schedules summarize all current City debt obligations, with the original principal amount and the principal outstanding as of July 1, 2016:

Estimated Principal Outstanding July 1, 2016



DEBT SERVICE

DEBT OBLIGATION PRINCIPAL OUTSTANDING SUMMARY (Continued)



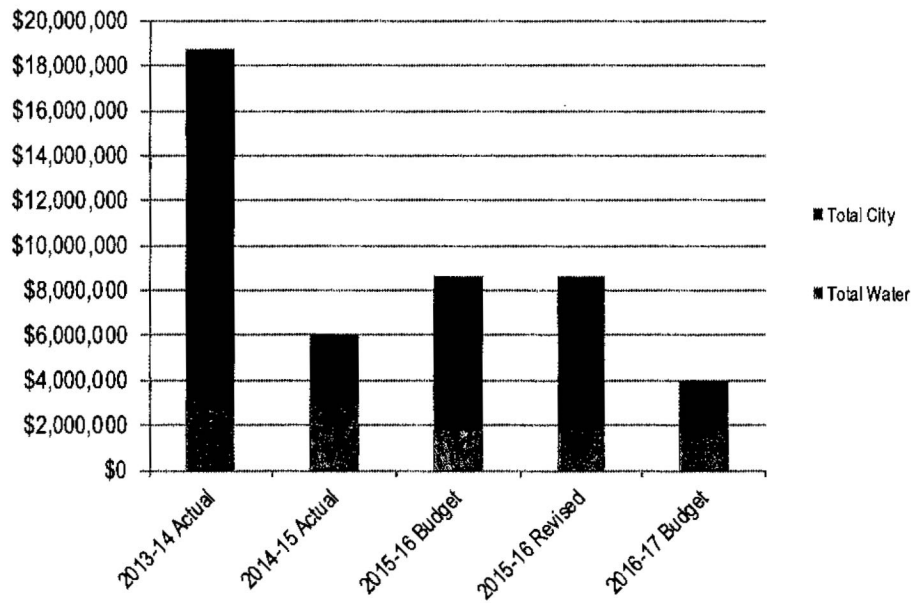
Estimated Principal Outstanding July 1, 2016

<u>Debt Service Principal Obligations</u>	<u>Original Principal Amount</u>	<u>Estimated Principal Outstanding July 1, 2016</u>	<u>Maturity Date</u>
<u>City of Hesperia</u>			
Series 2004 Variable Rate Demand Revenue Bonds	\$12,525,000	\$ 0	*October 1, 2015
2012 Water Rights Lease Revenue Bonds	26,735,000	25,180,000	October 1, 2042
2013 Civic Plaza Refunding Lease Revenue Bonds	12,445,000	11,960,000	October 1, 2035
2014 Development Impact Fee (DIF) Loan from the General Fund	65,840	1,520,637	Undetermined
Ranchero Road Interchange Loan from SANBAG	<u>Est. 17,500,000</u>	<u>Est. 17,500,000</u>	Est. Dec. 2026
Total City of Hesperia Principal Debt	\$69,270,840	\$56,160,637	
<u>Hesperia Water District</u>			
1992B Certificates of Participation	\$ 1,405,000	\$ 615,000	June 1, 2022
1998A Variable Rate Lease Revenue Refunding Bonds	18,040,000	8,840,000	June 1, 2026
1998B Variable Rate Lease Revenue Refunding Bonds	2,070,000	705,000	June 1, 2022
2016 State Revolving Fund (SRF) Loan	<u>Est. 9,946,413</u>	<u>Est. 9,946,413</u>	Undetermined
Total Hesperia Water District Principal Debt	\$31,461,413	\$20,106,413	
Total Principal Debt Outstanding	\$100,732,253	\$76,267,050	

*Retired during FY 2015-16, eight years before the original scheduled maturity of October 1, 2023.

DEBT SERVICE

2016-17 BUDGET TOTAL PRINCIPAL AND INTEREST DEBT SERVICE PAYMENTS



	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
<u>City of Hesperia</u>					
Principal	\$13,905,000	\$1,605,000	\$5,385,000	\$5,385,000	\$830,000
Interest and Admin Fees	*1,737,464	1,530,685	1,489,880	1,457,693	1,421,937
Total City	\$15,642,464	\$3,135,685	\$6,874,880	\$6,842,693	\$2,251,937
<u>Hesperia Water District</u>					
Principal	\$2,055,000	\$2,090,000	\$930,000	\$930,000	\$965,000
Interest and Admin Fees	1,005,627	857,767	882,810	844,000	798,470
Total Water	\$3,060,627	\$2,947,767	\$1,812,810	\$1,774,000	\$1,763,470
<u>Total All Funds</u>					
Principal	\$15,960,000	\$3,695,000	\$6,315,000	\$6,315,000	\$1,795,000
Interest and Admin Fees	2,743,091	2,388,452	2,372,690	2,301,693	2,220,407
Total Debt Service Payments	\$18,703,091	\$6,083,452	\$8,687,690	\$8,616,693	\$4,015,407

*Note - Includes bond issuance costs as well as discount on bond issue.

DEBT SERVICE

ANNUAL DEBT SERVICE PAYMENTS BY OBLIGATION AND FUND

In Chronological Order

	2013-14	2014-15	2015-16	2015-16	2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
<u>City of Hesperia</u>					
<u>1996 HUD Section 108 Loan</u>					
Principal	\$150,000	\$150,000	\$0	\$0	\$0
Interest	870	165	0	0	0
Admin/Other costs	400	100	0	0	0
Total	<u>\$151,270</u>	<u>\$150,265</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Series 2004 Variable Rate Demand</u>					
<u>Revenue Bonds</u>					
Principal	\$620,000	\$645,000	\$4,590,000	\$4,590,000	\$0
Interest	9,010	4,990	11,475	1,525	0
Admin/Other Costs	194,333	86,706	45,000	25,358	0
Total	<u>\$823,343</u>	<u>\$736,696</u>	<u>\$4,646,475</u>	<u>\$4,616,883</u>	<u>\$0</u>
<u>2005 Variable Rate Demand Certificates</u>					
<u>of Participation</u>					
Principal	\$12,700,000	\$0	\$0	\$0	\$0
Interest	8,362	0	0	0	0
Admin/Other Costs	78,604	0	0	0	0
Total	<u>\$12,786,966</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2012 Water Rights Lease Revenue Bonds</u>					
Principal	\$435,000	\$555,000	\$565,000	\$565,000	\$580,000
Interest	900,475	890,575	876,550	876,550	859,375
Admin/Other Costs	4,181	2,190	8,000	5,725	7,000
Total	<u>\$1,339,656</u>	<u>\$1,447,765</u>	<u>\$1,449,550</u>	<u>\$1,447,275</u>	<u>\$1,446,375</u>
<u>2013 Civic Plaza Refunding Lease</u>					
<u>Revenue Bonds</u>					
Principal	\$0	\$255,000	\$230,000	\$230,000	\$250,000
Interest	233,624	543,314	540,600	540,600	532,150
Admin/Other Costs	*307,605	2,445	6,000	5,725	7,000
Total	<u>\$541,229</u>	<u>\$800,759</u>	<u>\$776,600</u>	<u>\$776,325</u>	<u>\$789,150</u>
<u>2014 Development Impact Fee (DIF)</u>					
<u>Loan From General Fund</u>					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	0	200	2,255	2,210	16,412
Admin/Other Costs	0	0	0	0	0
Total	<u>\$0</u>	<u>\$200</u>	<u>\$2,255</u>	<u>\$2,210</u>	<u>\$16,412</u>
<u>Ranchero Road Interchange Loan from</u>					
<u>SANBAG</u>					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Admin/Other Costs	0	0	0	0	0
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Total City of Hesperia Funds</u>					
Principal	\$13,905,000	\$1,605,000	\$5,385,000	\$5,385,000	\$830,000
Interest	1,152,341	1,439,244	1,430,880	1,420,885	1,407,937
Admin/Other Costs	*585,123	91,441	59,000	36,808	14,000
Total	<u>\$15,642,464</u>	<u>\$3,135,685</u>	<u>\$6,874,880</u>	<u>\$6,842,693</u>	<u>\$2,251,937</u>

*Note - Includes bond issuance costs as well as discount on bond issue.

DEBT SERVICE

ANNUAL DEBT SERVICE PAYMENTS BY OBLIGATION AND FUND (Continued)

In Chronological Order

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	2016-17 Budget
<u>Hesperia Water District</u>					
<u>1992 B Certificates of Participation</u>					
Principal	\$65,000	\$70,000	\$75,000	\$75,000	\$80,000
Interest	74,250	68,400	62,100	62,100	55,350
Admin/Other Costs	0	4,314	5,000	4,400	5,000
Total	\$139,250	\$142,714	\$142,100	\$141,500	\$140,350
<u>1998 A Variable Rate Lease Revenue</u>					
Refunding Bonds					
Principal	\$695,000	\$720,000	\$750,000	\$750,000	\$780,000
Interest	603,521	597,611	605,000	600,000	565,070
Admin/Other Costs	295,340	171,957	188,427	164,000	154,000
Total	\$1,593,861	\$1,489,568	\$1,543,427	\$1,514,000	\$1,499,070
<u>1998 B Variable Rate Lease Revenue</u>					
Refunding Bonds					
Principal	\$95,000	\$100,000	\$105,000	\$105,000	\$105,000
Interest	1,678	938	8,100	1,000	7,050
Admin/Other Costs	26,053	14,547	14,183	12,500	12,000
Total	\$122,731	\$115,485	\$127,283	\$118,500	\$124,050
<u>2010 Loan from Redevelopment Low and Moderate Income Housing Fund</u>					
Principal	\$1,200,000	\$1,200,000	\$0	\$0	\$0
Interest	4,785	0	0	0	0
Admin/Other Costs	0	0	0	0	0
Total	\$1,204,785	\$1,200,000	\$0	\$0	\$0
<u>2016 State Revolving Fund (SRF) Loan</u>					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Admin/Other Costs	0	0	0	0	0
Total	\$0	\$0	\$0	\$0	\$0
<u>Total Hesperia Water District</u>					
Principal	\$2,055,000	\$2,090,000	\$930,000	\$930,000	\$965,000
Interest	684,234	666,949	675,200	663,100	627,470
Admin/Other Costs	321,393	190,818	207,610	180,900	171,000
Total	\$3,060,627	\$2,947,767	\$1,812,810	\$1,774,000	\$1,763,470
Note: Budgetary Basis Adjustment - For budgetary purposes, the Water District principal payments are reflected in the actual columns, whereas the CAFR reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts and deferred charges, whereas the budget does not.					
<u>Total All Funds</u>					
Principal	\$15,960,000	\$3,695,000	\$6,315,000	\$6,315,000	\$1,795,000
Interest	1,836,575	2,106,193	2,106,080	2,083,985	2,035,407
Admin/Other Costs	906,516	282,259	266,610	217,708	185,000
Total	\$18,703,091	\$6,083,452	\$8,687,690	\$8,616,693	\$4,015,407

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1992B Certificates of Participation

Purpose/History: On June 1, 1992, the Water District issued 30 Year Certificates of Participation for \$1,405,000 to fund the acquisition of 47.6% of an administration building and the parcel of land on which it is located.

Original Principal Amount: \$1,405,000

Principal Outstanding Balance as of:

July 1, 2013	\$ 825,000
July 1, 2014	\$ 760,000
July 1, 2015	\$ 690,000
Estimated July 1, 2016	\$ 615,000

Interest Rate: 9%

Maturity Date: June 1, 2022

Funding Source: Hesperia Water District – The District has covenanted that it will set rates and charges for water and sewer services, which will be at least sufficient to yield, during each fiscal year, net revenues equal to 105% of debt service.

<u>Payment Amount</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Budget</u>	<u>2015-16</u> <u>Revised</u>	<u>2016-17</u> <u>Budget</u>
Principal Amount	\$ 65,000	\$ 70,000	\$ 75,000	\$ 75,000	\$ 80,000
Interest Amount	74,250	68,400	62,100	62,100	55,350
Admin/Other Costs	<u>0</u>	<u>4,314</u>	<u>5,000</u>	<u>4,400</u>	<u>5,000</u>
Total	\$139,250	\$142,714	\$142,100	\$141,500	\$140,350

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows an interest accrual, whereas the budget does not.

Analysis and Recommendation

This 1992B Certificate of Participation debt obligation has a high interest rate at 9% and a step-up provision, which provides that substantial principal reductions only occur in the later years of this 30-year obligation. Evaluation of this debt obligation indicates that there are no principal reduction or call provisions that allow for early repayment or refinancing of this obligation, requiring the payment of the full amount of interest due through the maturity of the debt.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1998A Variable Rate Lease Revenue Refunding Bonds (Taxable)

Purpose/History: On July 2, 1998, the Water District issued 1998A revenue refunding bonds to refund the 1991 \$17,675,000 Certificates of Participation (COP) that were issued June 1, 1991. The 1991 COPs were issued to refund earlier 1990 COP. The 1990 COPs were being used to fund improvements to the District's Water Facilities to replace approximately 65 miles of deteriorating 4, 6, and 8 inch steel water pipeline, as well as refund prior indebtedness of the District.

Original Principal Amount: \$18,040,000

Principal Outstanding Balance as of:

July 1, 2013	\$11,005,000
July 1, 2014	\$10,310,000
July 1, 2015	\$ 9,590,000
Estimated July 1, 2016	\$ 8,840,000

Note: For financial statement purposes, the bond discount and the difference between the reacquisition price and net carrying value of the 1991 COPs have been deferred and are amortized over the remaining life of the bonds.

Interest Rate: Variable. As of June 1, 2005, \$10,000,000 was swapped to a fixed rate of 5.96%. For FY 2016-17, the swap reduces to \$9,340,000.

Maturity Date: June 1, 2026

Funding Source: Hesperia Water District – Taxes and User Fees

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Payment Amount</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
Principal Amount	\$ 695,000	\$ 720,000	\$ 750,000	\$ 750,000	\$ 780,000
Interest Amount	603,521	597,611	605,000	600,000	565,070
Admin/Other Costs	<u>295,340</u>	<u>171,957</u>	<u>188,427</u>	<u>164,000</u>	<u>154,000</u>
Total	\$1,593,861	\$1,489,568	\$1,543,427	\$1,514,000	\$1,499,070

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts and deferred charges, whereas the budget does not.

Analysis and Recommendation

This obligation will be paid according to the debt service schedule. For FY 2016-17, the \$10,000,000 swap is reduced to \$9,340,000. The swap has a stated rate of 5.96% and the agreement is based upon London Interbank Offered Rate (LIBOR) BBA (British Bankers' Assoc.). However, the interest rate paid to US Bank is based upon rates resulting from the remarketing process which may be different from the LIBOR BBA, depending upon market conditions at the time. For FY 2016-17, a rate of 6.05% will be budgeted to sufficiently cover the interest. The letter of credit agreement has been extended to November 2018 and has been budgeted at 1.45%, as that is the category the debt issue currently falls within.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water District - 1998B Variable Rate Lease Revenue Refunding Bonds (Tax Exempt)

Purpose/History: On July 2, 1998, the Water District issued 1998B revenue refunding bonds to refund the 1992A, \$1,855,000 Certificates of Participation (COP) that were issued June 1, 1992. The 1992A COPs were issued to fund the acquisition and improvement of 52.4% of an administration building and the parcel of land on which it is located.

Original Principal Amount: \$2,070,000

Principal Outstanding Balance as of:

July 1, 2013	\$1,005,000
July 1, 2014	\$ 910,000
July 1, 2015	\$ 810,000
Estimated July 1, 2016	\$ 705,000

Note: For financial statement purposes, the bond discount, and the difference between the reacquisition price and net carrying value of the 1992A COPs have been deferred and are amortized over the remaining life of the bonds.

Interest Rate: Variable.

Maturity Date: June 1, 2022

Funding Source: Hesperia Water District – Taxes and User Fees

	2013-14	2014-15	2015-16	2015-16	2016-17
<u>Payment Amount</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Revised</u>	<u>Budget</u>
Principal Amounts	\$ 95,000	\$100,000	\$105,000	\$105,000	\$105,000
Interest Amount	1,678	938	8,100	1,000	7,050
Admin/Other Costs	<u>26,053</u>	<u>14,547</u>	<u>14,183</u>	<u>12,500</u>	<u>12,000</u>
Total	\$122,731	\$115,485	\$127,283	\$118,500	\$124,050

Note: Budgetary Basis Adjustment – For budgetary purposes the principal payments are reflected in the actual columns, whereas the Comprehensive Annual Financial Report (CAFR) reflects a reduction in the liability. Also, the CAFR shows the interest accrual, as well as the amortization of discounts, and deferred charges, whereas the budget does not.

Analysis and Recommendation

Interest has been budgeted at 1.00%. Like the 1998A issue, the Letter of Credit (LOC) has been extended through November 2018 and the most favorable rate of 1.45% has been budgeted, as that is the category the debt issue currently falls within.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water – 2010 Loan from the Low and Moderate Income Housing Fund

Purpose/History: On August 17, 2010, the Redevelopment Agency (RDA) Board/Water District Board approved Resolutions HCRA 2010-012 and HWD 2010-12, authorizing a loan from the RDA Low and Moderate Income Housing Fund to the Water District as of June 30, 2010.

Original Principal Amount: \$6,000,000

Principal Outstanding Balance as of:

July 1, 2013	\$2,400,000
July 1, 2014	\$1,200,000
July 1, 2015	\$ 0

Interest Rate: Variable Rate (Quarterly based upon Local Agency Investment Fund)

Maturity Date: Original maturity date June 30, 2015. Debt was paid in full on July 1, 2014.

Funding Source: Water Operating

<u>Payment Amount</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Budget</u>	<u>2015-16</u> <u>Revised</u>	<u>2016-17</u> <u>Budget</u>
Principal Amounts	\$1,200,000	\$1,200,000	\$ 0	\$ 0	\$ 0
Interest Amount	4,785	0	0	0	0
Admin/Other Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,204,785	\$1,200,000	\$ 0	\$ 0	\$ 0

Analysis and Recommendation:

This debt obligation was paid in full on July 1, 2014.

DEBT SERVICE

INDIVIDUAL DEBT OBLIGATION SUMMARIES (Continued)

Water – 2016 State Revolving Fund (SRF) Loan

Purpose/History: On December 15, 2015, the Water District Board of Directors approved an Installment Sale Agreement with the California State Water Resources Control Board to finance the construction of a reclaimed water pipeline distribution system. At this time, the proposed project and agreement are under final review by the State, with final acceptance forthcoming. Of the \$14,673,750 requested, the current agreement proposes a \$4,727,337 Grant, with the remaining \$9,946,413 in the form of a loan at a 1% interest rate. Once the agreement has been approved by the State and is finalized, interest will accrue beginning with each disbursement and repayment of principal and interest will begin one year after completion of construction.

Original Principal Amount: Upon approval by the State, estimated at \$9,946,413

Principal Outstanding Balance as of:

July 1, 2013	\$0
July 1, 2014	\$0
July 1, 2015	\$0
Estimated July 1, 2016	\$0

Interest Rate: Estimated at 1%

Maturity Date: Unknown at this time; Term not to exceed 30 years.

Funding Source: Pledge of Water District Net Revenues

<u>Payment Amount</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Budget</u>	<u>2015-16</u> <u>Revised</u>	<u>2016-17</u> <u>Budget</u>
Principal Amounts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Amount	0	0	0	0	0
Admin/Other Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Analysis and Recommendation:

The proposed project/agreement is under review by the State. Repayment would begin one year after completion of construction.