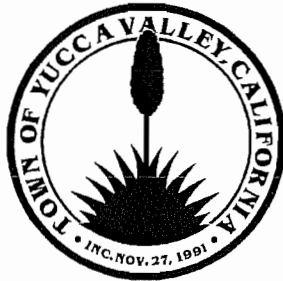


TOWN OF YUCCA VALLEY TOWN COUNCIL MEETING



*The Mission of the Town of Yucca Valley is to
provide a government that is responsive to its citizens
to ensure a safe and secure environment
while maintaining the highest quality of life.*

**TOWN COUNCIL: 6:00 p.m.
TUESDAY, APRIL 7, 2015
YUCCA VALLEY COMMUNITY CENTER
YUCCA ROOM
57090 - 29 PALMS HIGHWAY
YUCCA VALLEY, CALIFORNIA 92284**

**CLOSED SESSION: 6:00 p.m.
(Immediately following regular meeting)
YUCCA VALLEY TOWN HALL
CONFERENCE ROOM
57090 - 29 PALMS HIGHWAY
YUCCA VALLEY, CALIFORNIA 92284**

* * * *

TOWN COUNCIL
George Huntington, Mayor
Robert Leone, Mayor Pro Tem
Merl Abel, Council Member
Rick Denison, Council Member
Robert Lombardo, Council Member

* * * *

**TOWN ADMINISTRATIVE OFFICE:
760-369-7207
www.yucca-valley.org**

**AGENDA
MEETING OF THE
TOWN OF YUCCA VALLEY COUNCIL
TUESDAY, APRIL 7, 2015
6:00 P.M.**

The Town of Yucca Valley complies with the Americans with Disabilities Act of 1990. If you require special assistance to attend or participate in this meeting, please call the Town Clerk's Office at 760-369-7209 at least 48 hours prior to the meeting.

An agenda packet for the meeting, and any additional documents submitted to the majority of the Town Council, are available for public view in the Town Hall lobby and with respect to the staff agenda packet, on the Town's website, www.yucca-valley.org, prior to the Council meeting. Any materials submitted to the Agency after distribution of the agenda packet will be available for public review in the Town Clerk's Office during normal business hours and will be available for review at the Town Council meeting. For more information on an agenda item or the agenda process, please contact the Town Clerk's office at 760-369-7209 ext. 226.

If you wish to comment on any subject on the agenda, or any subject not on the agenda during public comments, please fill out a card and give it to the Town Clerk. The Mayor/Chair will recognize you at the appropriate time. Comment time is limited to 3 minutes.

(WHERE APPROPRIATE OR DEEMED NECESSARY, ACTION MAY BE TAKEN ON ANY ITEM LISTED IN THE AGENDA)

OPENING CEREMONIES (6:00 p.m. – Yucca Room)

CALL TO ORDER

ROLL CALL: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington

PLEDGE OF ALLEGIANCE

INVOCATION

APPROVAL OF AGENDA

Action: Move _____ 2nd _____ Vote _____.

CONSENT AGENDA

All items listed on the consent calendar are considered to be routine matters or are considered formal documents covering previous Town Council instruction. The items listed on the consent calendar may be enacted by one motion and a second. There will be no separate discussion of the consent calendar items unless a member of the Town Council or Town Staff requests discussion

on specific consent calendar items at the beginning of the meeting. Public requests to comment on consent calendar items should be filed with the Town Clerk before the consent calendar is called.

1. Waive further reading of all ordinances (if any in the agenda) and read by title only.

Recommendation: Waive further reading of all ordinances and read by title only.

- 1-9 2. Town Council Meeting Minutes of March 17, 2015

Recommendation: Approve the Town Council meeting minutes of March 17, 2015 as presented.

- 10-17 3. Community Center Infield Refurbishment
Acceptance of Project as Substantially Complete

Recommendation: Accept the project as substantially complete, authorizes staff to file the Notice of Completion, authorizes the reduction of the Faithful Performance Bond to 10%, and directs staff to retain the Labor and Material Bond for six (6) months for Community Center Infield Refurbishment Project.

- 18-24 4. Resolution No. 15-
Updating Assessment Engineer's Reports
Previously Formed Street & Drainage and
Landscape and Lighting Maintenance Districts

A RESOLUTION OF THE TOWN COUNCIL, OF THE TOWN OF YUCCA VALLEY, CALIFORNIA CAUSING AN ENGINEER'S REPORT TO BE PREPARED FOR ASSESSMENTS TO BE LEVIED WITHIN EXISTING ASSESSMENT DISTRICTS DURING THE 2015-2016 TAX YEAR

Recommendation: Approve and adopt the Resolution, directing the preparation of annual assessment engineer's reports describing any new improvements or any substantial changes to the existing improvements in the existing assessment districts.

- 25-29 5. Warrant Register

Recommendation: Ratify the Warrant Register total of \$211,711.08 for checks dated March 12, 2015

Recommendation: Adopt Consent Agenda (items 1-5)

Action: Move _____ 2nd _____ Vote _____

PUBLIC HEARING

- 30-96 6. Public Facilities Development Impact Fees
Annual Report & Public Hearing

Recommendation: Retain the current Public Facility Development Impact Fee structure.

Action: Move _____ 2nd _____ Vote _____

DEPARTMENT REPORTS

- 97-166 7. Resolution No. 15-
Hi-Desert Water District, Assessment District No. 2014-1
Notice of Public Hearing and Proposed Assessment
California Regional Water Quality Control Board
Septic Discharge Prohibition
Town Assessments

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY CALIFORNIA APPROVING THE ASSESSMENTS OF AND SUPPORTING THE HI-DESERT WATER DISTRICT ASSESSMENT DISTRICT NO. 2014-1.

Recommendation:

- Approve the assessments on the Town’s thirty-one (31) properties currently owned as identified in Attachment A to this Staff Report.
- Authorize and Direct the Town Manager to Vote “Yes” on the Ballots received for the thirty-one (31) properties as identified in Attachment A to this Staff Report.
- Authorize and approve potential liability of assessments for leased properties and pending purchases properties, including Jacobs Park and the Boys and Girls Club of the Hi-Desert leased parks, and the pending purchase of the Brehm Youth Sports Park Facility.
- Approve the Resolution in support of the Hi-Desert Water District Assessment District No. 2014-1.
- Authorize the Town Manager to vote affirmatively for any verified

subsequent ballots in the Assessment District received after April 7, 2015, up to the legal assessment or \$25,000.

- Direct staff to return to the Town Council with all necessary budget actions after successful formation of the Assessment District.

Action: Move _____ 2nd _____ Vote _____

167-170 8. Overview of Town Wide Grant Process

Recommendation: Receive and file this informational overview of the Town's grant process.

Action: Move _____ 2nd _____ Vote _____

171-197 9. FY 2014-16 Investment Policy

Recommendation:

- Review and approve the FY 2014-16 Investment Policy
- Review and approve the town planned investment activities which includes moving funds from the Local Agency Investment Fund (LAIF) to Negotiable Certificates of Deposit as allowed by the Investment Policy

198-202 10. Gas Tax Fund Financial Model Forecast

Recommendation: Receive and file the Gas Tax Fund 515 Analysis and Five year Forecast and approve the proposed Gas Tax fund balance reserve policy.

FUTURE AGENDA ITEMS

PUBLIC COMMENTS

In order to assist in the orderly and timely conduct of the meeting, the Council takes this time to consider your comments on items of concern which are on the Closed Session or not on the agenda. When you are called to speak, please state your name and community of residence. Notify the Mayor if you wish to be on or off the camera. Please limit your comments to three (3) minutes or less. Inappropriate behavior which disrupts, disturbs or otherwise impedes the orderly conduct of the meeting will result in forfeiture of your public comment privileges. The Town Council is prohibited by State law from taking action or discussing items not included on the printed agenda.

STAFF REPORTS AND COMMENTS

MAYOR AND COUNCIL MEMBER REPORTS AND COMMENTS

11. Council Member Abel
12. Council Member Denison
13. Council Member Lombardo
14. Mayor Pro Tem Leone
15. Mayor Huntington

ANNOUNCEMENTS

Time, date and place for the next Town Council meeting.

The next meeting of the Yucca Valley Town Council is scheduled for Tuesday, April 21, 2015 at 6:00 p.m. in the Yucca Valley Community Center Yucca Room.

CLOSED SESSION (Town Hall Conference Room)

(Public Comments will be taken prior to Closed Session)

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
A closed session will be held, pursuant to Government Code §54956.9(d)(1), to confer with legal counsel regarding pending litigation to which the Town is a party. The title of such litigation is as follows: Town of Yucca Valley vs. Yashraj Hospitality, Inc., dba Best Western Yucca Valley Hotel and Suites, Nathsons Hospitality, Inc., Venokumar Nathraj, Charmaine Nathraj et. al; CIVDS1415964; San Bernardino County Superior Court
2. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION**
A closed session will be held, pursuant to Government Code §54956.9 (d)(2), significant exposure to litigation in one (1) case.
3. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION**
A closed session will be held, pursuant to Government Code §54956.9 (d)(4), for the Town Council to consider whether to initiate litigation in four (4) cases.
4. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

A closed session will be held, pursuant to Government Code §54956.8, to enable the Town Council to consider negotiations with:

Property: APN 0587-361-02, San Bernardino County, CA
56711 Twentynine Palms Hwy, Yucca Valley
Hi Desert Water District
Curtis Yakimow, Real Property Negotiator
Real Property Negotiations

Property: APN 586-101-07, San Bernardino County, CA
SE Corner of Kickapoo Trail and Benecia
Hi Desert Water District
Curtis Yakimow, Real Property Negotiator
Real Property Negotiations

CLOSED SESSION REPORT/ADJOURNMENT

Yucca Valley Town Council

Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Town of Yucca Valley Town Council in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Yucca Valley Town Council, Commissions and Committees.

Agendas - All agendas are posted at Town Hall, 57090 Twentynine Palms Highway, Yucca Valley, at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the Town Hall offices located at 57090 Twentynine Palms Highway, Yucca Valley.

Agenda Actions - Items listed on both the "Consent Calendar" and "Items for Discussion" contain suggested actions. The Town Council will generally consider items in the order listed on the agenda. However, items may be considered in any order. Under certain circumstances new agenda items can be added and action taken by two-thirds vote of the Town Council.

Closed Session Agenda Items - Consideration of closed session items, *excludes* members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Mayor will announce the subject matter of the closed session. If final action is taken in closed session, the Mayor shall report the action to the public at the conclusion of the closed session.

Public Testimony on any Item - Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Town Council should complete a "Request to Speak" form, provided near the Town Clerk's desk at the meeting room, and present it to the Town Clerk prior to the Council's consideration of the item. A "Request to Speak" form must be completed for *each* item when an individual wishes to speak. When recognized by the Mayor, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Council, speakers are limited to up to three (3) minutes on each item. The Mayor or a majority of the Council may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Council member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times - The Council is concerned that discussion takes place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment - At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject with Council's authority. *Matters raised under "Public Comment" may not be acted upon at that meeting. The time limits established in Rule #4 still apply.*

Disruptive Conduct - If any meeting of the Council is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Mayor may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Council without first being recognized, not addressing the subject before the Council, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Council from conducting its meeting in an orderly manner. *Please be aware that a NO SMOKING policy has been established for all Town of Yucca Valley meetings. Your cooperation is appreciated!*

ACRONYM LIST

ADA	Americans with Disabilities Act
CAFR	Comprehensive Annual Financial Report
CALTRANS	California Department of Transportation
CEQA	California Environmental Quality Act
CCA	Community Center Authority
CDBG	Community Development Block Grant
CHP	California Highway Patrol
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COP	Certificates of Participation
CPI	Consumer Price Index
DOJ	Department of Justice
DOT	Department of Transportation
ED	Economic Development
EIR	Environmental Impact Report (pursuant to CEQA)
GAAP	Generally Accepted Accounting Procedures
GASB	Governmental Accounting Standards Board
HDWD	Hi Desert Water District
HUD	US Department of Housing and Urban Development
IEEP	Inland Empire Economic Partnership
IIPP	Injury and Illness Prevention Plan
IRC	Internal Revenue Code
LAIF	Local Agency Investment Fund
LLEBG	Local Law Enforcement Block Grant
LTF	Local Transportation Fund
MBTA	Morongo Basin Transit Authority
MBYSA	Morongo Basin Youth Soccer Association
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MUSD	Morongo Unified School District
PARSAC	Public Agency Risk Sharing Authority of California
PERS	California Public Employees Retirement System
PPA	Prior Period Adjustment
PVEA	Petroleum Violation Escrow Account
RDA	Redevelopment Agency
RSA	Regional Statistical Area
RTP	Regional Transportation Plan
SANBAG	San Bernardino Associated Governments
SCAG	Southern California Association of Governments
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TEA-21	Transportation Enhancement Act for the 21 st Century
TOT	Transient Occupancy Tax

Town Council Committee Assignments

COMMITTEE	REPRESENTATIVE	MEETING SCHEDULE	LOCATION
CITY / COUNTY ANIMAL SERVICES JPA	Huntington Lombardo	12:00 pm. Last Thursday	Yucca Valley
DESERT SOLID WASTE JPA	Huntington Leone (Alt)	10:00 a.m. 2 nd Thursday Feb, May, Aug, Nov	Victorville
LEAGUE OF CALIFORNIA CITIES DESERT MOUNTAIN DIVISION	Lombardo Denison (Alt)	10:00 a.m. 4 th Friday- Quarterly	Varies
LEAGUE OF CALIFORNIA CITIES LEGISLATIVE DELEGATE	Mayor		
LEGISLATIVE TEAM	Huntington Denison	Proposed for Council Members to work with Town Manager meeting with legislators when necessary	
HOMELESS PARTNERSHIP (SBCO) AND INTERAGENCY COUNCIL ON HOMELESSNESS	Staff	9:00 a.m. 4 th Wednesday	San Bernardino
MEASURE I	Huntington Abel (Alt)	9:30 a.m. 3 rd Friday	Apple Valley
MORONGO BASIN TRANSIT AUTHORITY	Abel Leone Lombardo (Alt)	5:00 p.m. 4 th Thursday	Joshua Tree
MOJAVE AIR QUALITY DISTRICT	Leone Abel (Alt)	10:00 a.m. 4 th Monday	Victorville
SANBAG	Huntington Abel (Alt)	10:30 a.m. 1 st Wednesday	San Bernardino
SPORTS COUNCIL	Denison	6:30 p.m. 2 nd Monday March, June, Sept	Yucca Valley

Ad Hoc Committee Assignments

COMMITTEE	REPRESENTATIVES
AUDIT	Denison Huntington
BREHM PARK	Abel Lombardo
MEDICAL MARIJUANA INITIATIVE	Lombardo Abel
ONLINE VIDEO	Huntington Evans (PRCC)
PUBLIC FACILITIES	Huntington Leone
RDA BONDS	Huntington Leone
SEWER FINANCING	Denison Leone
SUBDIVISION	Huntington Leone

**TOWN OF YUCCA VALLEY
TOWN COUNCIL MEETING MINUTES
MARCH 17, 2015**

OPENING CEREMONIES

Mayor Huntington called the meeting to order at 6:00 p.m.

Council Members Present: Abel, Denison, Leone, Lombardo, and Mayor Huntington

Staff Members Present: Town Manager Yakimow, Deputy Town Manager Stueckle, Town Attorney Laymon, Police Chief Mondary, Finance Manager Cisneros, and Town Clerk Copeland

The Pledge of Allegiance was led by Mayor Huntington.

The Invocation was led by Pastor Bill Wilcox, Yucca Valley Evangelical Free Church.

PUBLIC COMMENT

Mayor Huntington opened public comments for items not on the agenda.

Jack McGrath, Yucca Valley introduced his sister, who presented Mayor Huntington with a Saint Patrick's Day gift.

Sarann Graham and Sheldon Hough, Board Directors for Hi Desert Water District, thanked Mayor Huntington and Town Manager Yakimow for supporting the district in Sacramento relating to funding for the wastewater project.

PRESENTATIONS, INTRODUCTIONS, RECOGNITIONS

1. San Bernardino County Fire- Benfield Recognition

Mayor Huntington presented a plaque to San Bernardino County Fire Division Chief Benfield in recognition of his retirement.

2. Animal Care and Control Update

Animal Care and Control Manager Crider presented an update, giving statistics and activity reports for 2014.

Mayor Huntington opened public comments. With no members of the public wishing to speak, public comments were closed.

Council Member Lombardo inquired on the activity levels and functionality of the new facility.

Mayor Pro Tem Leone commented on the outreach in the local newspaper and encouraged the public to consider adopting a family pet.

Council Member Denison inquired on the volunteer hours reported.

Council Member Abel commented on animal adoption rates, and spoke favorably of the local veterinarians supporting the local spay and neuter voucher program.

Mayor Huntington inquired on the increase of incoming phone calls as reported. Crider explained that the new phone system is able to accurately capture the call information.

APPROVAL OF AGENDA

Mayor Pro Tem Leone moved to approve the agenda for the Town Council meeting of March 3, 2015. Council Member Denison seconded. Motion carried 5-0 on a roll call vote.

- AYES:** Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None

CONSENT AGENDA

3. **Waive** further reading of all ordinances and read by title only
4. **Approve** the Town Council meeting minutes of February 12, 2015, February 17, 2015, and March 3, 2015 as presented.
5. **Designate** the SANBAG Representative and Alternate as Voting Delegates to the SCAG Annual General Assembly.
6. **Receive** and file the 2014 General Plan Annual Report
7. **Receive** and file the AB1234 Reporting Requirement Schedule for the month of February 2015
8. **Ratify** the Payroll Register total of \$141,910.77 for checks dated February 27, 2015 and **Ratify** the Warrant Register total of \$450,084.31 for checks dated March 5, 2015

Mayor Huntington opened public comment on the Consent Agenda. With no members of the public wishing to speak, public comments were closed.

Mayor Pro Tem Leone moved to approve the Consent Agenda items 3-8. Council Member Abel seconded. Motion carried 5-0 on a roll call vote.

- AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
- NOES: None
- ABSTAIN: None
- ABSENT: None

DEPARTMENT REPORTS

9. AB 266 (Cooley) Legislation Position and Letter of Support

Town Manager Yakimow presented the staff report, explaining that AB 266 (Cooley) has been introduced in the 2015-16 Regular Session of the California Legislature and would amend existing legislation related to Proposition 215 and SB 420. The bill attempts to provide a framework for medical marijuana distribution that upholds local control, addresses public safety concerns, and includes health and safety requirements.

Mayor Huntington opened public comment on the item. Town Clerk Copeland announced that two public comments were receive via email prior to this evening’s meeting by Catherine Brown, Yucca Valley, and Debi Wagner, Yucca Valley, both asking the Town Council to remain neutral on this subject until after the June 2, 2015 special election.

Becki Vowles, Pioneertown spoke in opposition of the item.

Steve Gibson, Yucca Valley spoke in opposition of the item.

With no other members of the public wishing to speak, Mayor Huntington closed public comments.

Council Member Lombardo spoke favorably of AB 266, as it provides a framework for uniformity, and additional safety and control aspects.

Council Member Denison commented that AB 266 reads as an umbrella over the operations of medical marijuana facilities and doesn’t want to blur what the local ordinance provisions include.

Council Member Abel spoke in opposition of submitting a letter of support.

Mayor Pro Tem Leone commented on AB 266, as it would allow for local control.

Council Member Abel moved to receive and file the report and to abstain from sending a letter of support at this time. Council Member Lombardo seconded. Motion carried 3-2 with Mayor Pro Tem Leone and Mayor Huntington voting no.

AYES: Council Members Abel, Denison, and Lombardo
NOES: Council Member Leone, Mayor Huntington
ABSTAIN: None
ABSENT: None

10. Resolution No. 15-05
Pima Trail, Palm Avenue to approximately 500 Feet East of Church Street;
Approximately 660 Linear Feet;
Accepting that Portion of Pima Trail into the Town’s Maintained Road System

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA ACCEPTING PIMA TRAIL, FROM PALM AVENUE TO APPROXIMATELY 500 FEET EAST OF CHURCH STREET INTO THE TOWN MAINTAINED ROAD SYSTEM

Deputy Town Manager Stueckle presented the staff report, giving explanation that the Town Council action is required to accept or take roads not currently maintained into the Town’s Maintained Road System. Considering prior Town Council action, staff has completed several steps in administratively preparing the roadway for inclusion into the system. Once this portion of Pima Trail is included into the Maintained Roadway System, this segment of road will be maintained by the Town as a dirt road until such time as the Hi Desert Water District completes installation of the sewer collection system.

Mayor Huntington opened public comment on the item. With no members of the public wishing to speak, public comments were closed.

Mayor Pro Tem Leone inquired on the benefits of including the road into the system.

Council Member Denison inquired if there were any flood control issues in this area.

Mayor Pro Tem Leone moved to adopt Resolution No. 15-05, incorporating Pima Trail, from Palm Avenue to approximately 500 feet east of Church Street into the Town’s Maintained Road System. Council Member Denison seconded. Motion carried 5-0 on a roll call vote.

AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
NOES: None
ABSTAIN: None
ABSENT: None

11. Parks, Recreation and Cultural Commission Appointments

Town Clerk Copeland presented the staff report, explaining that there currently are four

vacancies on the PRCC. As liaisons to appointed members of Town Commissioners, Council Members have the opportunity to nominate a representative to the PRCC, with ratification by the entire Council. Terms will be for four (4) years expiring on January 31, 2019, with Council Member Lombardo’s nomination to fill a partial term vacancy expiring January 31, 2017.

After extended recruitment, 10 applications were received for consideration. Since recruitment, two applicants withdrew their applications. Town Council received the remaining applications for review.

Mayor Huntington opened public comment.

The following applicants introduced themselves to the Town Council and spoke of their qualifications: Eric Quander, Ed Keesling, Andrea Riesgo, Gregory Hill, and William Sasnett.

With no other members of the public wishing to speak, Mayor Huntington closed public comment.

Mayor Huntington opened nominations for the position of Parks, Recreation and Cultural Commissioner.

Mayor Pro Tem Leone nominated Eric Quander for the position of Parks, Recreation and Cultural Commissioner, with term expiring January 31, 2019. Council Member Lombardo seconded. Motion carried 5-0 on a roll call vote.

- AYES:** Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None

Council Member Abel nominated Randy Eigner for the position of Parks, Recreation and Cultural Commissioner, with term expiring January 31, 2019. Mayor Pro Tem Leone seconded. Motion carried 5-0 on a roll call vote.

- AYES:** Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None

Council Member Lombardo nominated Ed Keesling for the position of Parks, Recreation and Cultural Commissioner, with term expiring January 31, 2017. Council Member Abel seconded. Motion carried 5-0 on a roll call vote.

- AYES:** Council Members Abel, Denison, Leone, Lombardo and Mayor

Huntington
NOES: None
ABSTAIN: None
ABSENT: None

Council Member Denison nominated Gregory Hill for the position of Parks, Recreation and Cultural Commissioner, with term expiring January 31, 2019. Mayor Pro Tem Leone seconded. Motion carried 5-0 on a roll call vote.

AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
NOES: None
ABSTAIN: None
ABSENT: None

12. Independent Audit Appointment

Finance Manager Cisneros presented the staff report for the selection of the Town’s independent financial auditor. Cisneros explained the Request for Proposal review process, and the Town’s Audit Subcommittee involvement. Cisneros stressed that the audit firm periodically changes their staff assigned to each of their clients to provide a comprehensive and ethical service. It is the Audit Subcommittee’s recommendation to appoint Rogers, Anderson, Malody and Scott, LLP (RAMS) to be the Town’s Independent Financial Auditor.

Mayor Huntington opened public comments. With no members of the public wishing to speak, public comments were closed.

Council Member Abel thanked the Audit Subcommittee for their time in the process.

Mayor Huntington commented on the length of time RAMS has worked with the Town, and spoke favorably of their past services.

Mayor Pro Tem Leone moved to appoint Rogers, Anderson, Malody & Scott, LLP, to be the Town’s Independent Auditor, and award a contract for services with the firm for a three year period beginning with the fiscal year 2014-15. Council Member Abel seconded. Motion carried 5-0 on a roll call vote.

AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
NOES: None
ABSTAIN: None
ABSENT: None

FUTURE AGENDA ITEMS

Council Member Lombardo requested a visioning session to plan for the future needs of the Town.

Mayor Pro Tem Leone would like to discuss bringing dirt roads into the Town's maintained road system.

Huntington reminded the Council that there has been recent discussion on dirt roads.

PUBLIC COMMENTS

Mayor Huntington opened public comments. With no members of the public wishing to speak, public comments were closed.

STAFF REPORTS AND COMMENTS

Deputy Town Manager Stueckle gave a brief update on the Dumosa signal project.

Town Manager Yakimow announced that the Town's spring/summer activity guide is out and available for perusal and congratulated the Brehm Family on the grand opening of the Hawks Landing Golf Course.

MAYOR AND COUNCIL MEMBER REPORTS AND COMMENTS

13. Council Member Abel thanked all who applied for the Parks, Recreation and Cultural Commission and welcomed the newly appointment commissioners. Abel thanked Deputy Town Manager Stueckle and Project Engineer Qishta on their work on the Dumosa signal project, keeping the traffic moving during construction.
14. Council Member Denison thanked the Parks, Recreation and Cultural Commission applicants. Denison announced his attendance at the recent Sports Council meeting, noting that it is a very enthusiastic group, working together for the youth of the community.
15. Council Member Lombardo thanked the Parks, Recreation and Cultural Commission applicants, and expressed his enjoyment playing golf at Hawks Landing this past week and thanked the Brehm Family for the opportunity.
16. Mayor Pro Tem Leone wished Division Chief well on his retirement and thanked him for his service to the community. Leone also thanked the wonderful field of applicants who applied for the Parks, Recreation and Cultural Commission, and congratulated the newly appointed commissioners.
17. Mayor Huntington also reported that he enjoyed the day at the Hawks Landing Golf

Course Grand Opening, noting it is great to have the facility back up and running. Huntington also reported attending the Battle Color Ceremony aboard the Marine Base and congratulated Division Chief Benfield on his retirement. Huntington welcomed the new PRCC members.

ANNOUNCEMENTS

The next meeting of the Yucca Valley Town Council is scheduled for Tuesday, April 7, 2015 at 6:00 p.m.in the Yucca Valley Community Center Yucca Room

CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
A closed session will be held, pursuant to Government Code §54956.9(d)(1), to confer with legal counsel regarding pending litigation to which the Town is a party. The title of such litigation is as follows: Town of Yucca Valley vs. Yashraj Hospitality, Inc., dba Best Western Yucca Valley Hotel and Suites, Nathsons Hospitality, Inc., Venokumar Nathraj, Charmaine Nathraj et. al; CIVDS1415964; San Bernardino County Superior Court

2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
A closed session will be held, pursuant to Government Code § 54956.9(d)(1), to confer with legal counsel regarding pending litigation to which the City is a party. The title of such litigation is as follows: Frank Lindsay vs. Town of Yucca Valley; Case Number 515-cv-0036-VAP-DTBx; United States District Court

Town Attorney Laymon announced the Closed Session items, and informed the public that the Report Out on Closed Session will be conducted at Town Hall immediately following Closed Session.

Mayor Huntington opened public comments. With no members of the public wishing to speak, public comments were closed.

Mayor Huntington adjourned the meeting to Closed Session at 7:29 p.m.

CLOSED SESSION REPORT/ADJOURNMENT

Town Attorney Laymon reported that Closed Session adjourned at 7:55 p.m. with no reportable action.

Respectfully Submitted,

Lesley Copeland, CMC
Town Clerk

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane Stueckle, Deputy Town Manager
Alex Qishta, Project Engineer
Date: March 19, 2015
For Council Meeting: April 7, 2015

Subject: Community Center Infield Refurbishment
Acceptance of Project as Substantially Complete

Prior Council Review: On December 16, 2014, the Town Council adopted a Resolution approving the specifications for the project and authorizing the Town Clerk to advertise and receive bids.

On January 20, 2015, the Town Council:

- Rejected all bids received on January 13, 2015;
- Authorized to the Town Clerk to return Bid Bonds to all bidders;
- Authorized the Town Clerk to re-advertise and solicit bids for the project with an opening date of February 10, 2015.

At the February 17, 2015 meeting, the Town Council awarded the construction contract to Athletic Field Specialists, in the amount of \$18,500, and authorized a construction contingency in the amount of \$1,500, for a total contract amount of \$20,000, authorized the Mayor, Town Manager and Town Attorney to sign all necessary documents, and authorized the Town Manager to expend the contingency fund, if necessary, to complete the project.

Recommendation: That the Town Council accepts the project as substantially complete, authorizes staff to file the Notice of Completion, authorizes the reduction of the Faithful Performance Bond to 10%, and directs staff to retain the Labor and Material Bond for six (6) months for Community Center Infield Refurbishment Project.

Executive Summary: The Community Center Infields Refurbishment project included the refurbishment of a standard size softball infield. The Community Center infield is approximately 8,000 square feet in size. In summary, this project brought new clay infield materials onto the softball field, which were necessary for safe and quality field surfaces. The warning tracks did not receive new clay material.

Reviewed By:


Town Manager

Town Attorney


Finance Manager

SRS

Department

____ Department Report
 Consent

____ Ordinance Action
 Minute Action

____ Resolution Action
____ Receive and File

____ Public Hearing
____ Study Session

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question Voice Vote (Roll Call Vote, Consent Agenda)

Discussion: It is appropriate for the Town to accept the work and file a Notice of Completion. It is also appropriate to reduce the Faithful Performance Bond being held as a surety to 10%. The Labor and Material Bond shall be retained for a period of six (6) months, and then released provided no liens or stop notices have been filed.

Alternatives: Staff recommends no alternative action.

Fiscal impact: The following outlines project costs for the work as bid:

Construction Contract Summary

Base Bid Amount – Athletic Field Specialists	\$ 18,500.00
Construction Contingency	<u>-</u>
Total Construction Contract Awarded	18,500.00
Total Construction Project Contract Cost Paid	<u>18,500.00</u>
Construction Contract Savings	0.00

Attachments: December 16, 2014, January 20, 2015 and February 17, 2015 Town Council Minutes.

TITLE 8 OF THE YUCCA VALLEY DEVELOPMENT CODE, AND SECTIONS 9.75.010 THRU 9.75.130 OF TITLE 9 OF THE YUCCA VALLEY DEVELOPMENT CODE.

6. Item Pulled

- 7. **Adopt** Resolution No. 14-36, approve the specifications for the Community Center Infield Refurbishment project, and authorize the Town Clerk to advertise and receive bids.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, APPROVING THE PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF COMMUNITY CENTER INFILED REFURBISHMENT IN SAID TOWN AND AUTHORIZING AND DIRECTING THE TOWN CLERK TO ADVERTISE AND RECEIVE BIDS

- 8. **Approve** Resolution No. 14-37, granting an easement(s) to the public for street and utility purposes for Kickapoo Trail and Benecia Trail, as described in Attachment “A” for APN #586-101-07 and “A” for APN #586-081-05 to this staff report, and authorize the Mayor to sign the grant of easement, and direct the Town Clerk to record the easement with the San Bernardino County Recorder’s Office

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, AUTHORIZING THE TOWN MANAGER TO GRANT DEDICATIONS OF EASMENTS ON KICKAPOO TRAIL APN #586-101-07 AND BENECIA TRAIL APN #586-081-05 FOR PUBLIC UTILITY PURPOSES

- 9. **Receive and file** the AB1234 Reporting Requirement Schedule for the month of November 2014

Mayor Huntington pulled Item No. 6.

Mayor Huntington opened public comment on the Consent Agenda. With no members of the public wishing to speak, public comments were closed.

Council Member Lombardo moved to approve Consent Agenda items 2-5, and 7-9. Council Member Abel seconded. Motion carried 5-0 on a roll call vote.

AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
NOES: None

ABSTAIN: None
ABSENT: None

**Item No 6- SR62 & Dumosa Avenue Traffic Signal Project – Town Project No.8456
SANBAG – Amendment No. 1 to Contract No. C13161
Contract Amendment No. 1 – Albert A. Webb Associates**

Mayor Huntington reported the funding authorization is scheduled to go before the SANBAG board acting as the San Bernardino County Transportation Authority on January 7, 2015 for final funding approval. Huntington requested that the motion be changed to reflect a contingency on final SANBAG approval.

Council Member Abel moved to

1. Approve Amendment No. 1 to the SR62 & Dumosa Avenue Signal Project- Town Project No. 8456- Project Funding Agreement between the Town of Yucca Valley and the San Bernardino County Transportation Authority, C13161, AUTHORIZING THE Mayor to sign all necessary documents, contingent upon SANBAG approval expected in January 2015.
2. Approve Amendment No. 1 to the Agreement for Professional Consulting Services with Albert Webb Associates, to provide additional required tasks and services specifically described in Consultant’s Proposal dated November 20, 2104 and attached to the proposed amendment as Exhibit “A”; increasing the total compensation under the Agreement for Professional Consulting Services by \$5,800, bringing the total compensation under the Agreement to \$81,800.00,
3. Amend the budget for the Measure I Regional Fund 520 to reflect the revised appropriations and project costs, contingent upon SANBAG approval expected in January 2015.

Council Member Denison seconded. Motion carried 5-0 on a roll call vote.

AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
NOES: None
ABSTAIN: None
ABSENT: None

DEPARTMENT REPORTS

2. **Waive** further reading of all ordinances and read by title only
3. **Receive and file** the monthly Statistical Fire Department Reports for the month of November 2014
4. **Approve** the Town Council meeting minutes of November 18, 2014 as amended
5. **Receive and file** the monthly Statistical Fire Department Reports for the month of December 2014
6. **Accept** the Public Lands Highway Discretionary Funds Project (PLHD), Town Project No. 8661 as substantially complete, authorize staff to file the Notice of Completion, authorize the reduction of the Faithful Performance Bond to 10%, and direct staff to retain the Labor and Material Bond for six (6) months.
7. **Receive and file** the report outlining the draft spring/summer 2015 programs and events to be organized and conducted by the Community Services Department
8. **Accept** the bequest from the Charles C. May Trust, and direct staff to designate that the funds are used to the benefit of the Yucca Valley Animal Shelter, in accordance with the wishes of the benefactor.
9. **Reject** all bids received on January 13, 2105 for the Community Center Infield Refurbishment Project; **Authorize** the Town Clerk to return all Bid Bonds to all bidders; **Authorize** the Town Clerk to re-advertise and solicit bids for the project with a bid opening date of February 10, 2015.
10. **Support** the nomination of council member Robert Leone to the Bureau of Land Management's California Desert District Advisory Council, and **authorize** the Mayor to offer a letter of support on behalf of the Council.
11. **Receive and file** the AB1234 Reporting Requirement Schedule for the month of December 2014
12. **Ratify** the Payroll Registers total of \$392,703.48 for checks dated December 5, 2014 - January 2, 2015 and; **Ratify** the Warrant Registers total of \$849,356.08 for checks dated December 18, 2014 and January 8, 2015

Town Clerk Copeland requested Town Council consideration in amending the presented Town Council Meeting Minutes of November 18, 2014 (Agenda Item No. 4) to include the approved Native Plant list. The list includes: Yucca Brevifolia (Joshua Tree), Yucca Schidigera (Mojave Yucca), Nolina Parryi (Parry's Nolina), Juniperus Californica (California Juniper), Yucca Whipplei (Our Lords Candle), and Pinus Monophylla (Pinon Pine).

Mayor Huntington opened public comment on the Consent Agenda. With no members of the

public wishing to speak, public comments were closed.

Council Member Abel moved to approve Consent Agenda items 3-12. Mayor Pro Tem Leone seconded. Motion carried 5-0 on a roll call vote.

AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington

NOES: None

ABSTAIN: None

ABSENT: None

DEPARTMENT REPORTS

13. Accept Certificate of Sufficiency of Petition Regarding the Medical Cannabis Restriction and Limitation Initiative Petition and Other Related Actions

Town Attorney Laymon explained the purpose of the item. By law, the Council is required to accept the Certificate of Sufficiency issued by the County of San Bernardino Registrar of Voters (ROV) regarding The Medical Marijuana Dispensary Authorization and Regulation Initiative. After the ROV review of the signatures included on the Initiative petition, it was determined that 1,873 signatures were found valid, meeting the 15% threshold to hold a special election on the item. The Town Council must make its determination on how to proceed on the initiative based on the available options.

Laymon continued by explaining each of the options available before the Council. 1) Adopt the Voter's Ordinance as proposed, 2) Immediately set the matter for voter approval at a special election, or 3) Direct Staff to prepare a report on the effect of the initiative.

Mayor Huntington opened public comments on the item.

Jason Elsasser, Yucca Valley stated he would like to defer his comments until the next agenda item.

Ron Cohen, Yucca Valley spoke of the initiative timeline and the potential costs of a prepared impact study.

Susan Simmons, Yucca Valley spoke of concern on the length of time bringing this item forward and spoke favorably of a dispensary being a potential revenue source for the Town.

Craig Beresh, California Cannabis Coalition, spoke of a statewide movement on the medical cannabis issue.

With no other members of the public wishing to speak, Mayor Huntington closed public

Community Services Manager Earnest introduced Megan Stueckle as the recipient of the Employee of the Quarter for the 4th quarter 2014. Mayor Huntington presented a plaque to Stueckle in recognition.

APPROVAL OF AGENDA

Council Member Lombardo moved to approve the agenda for the Town Council meeting of February 17, 2015. Council Member Denison seconded. Motion carried 5-0 on a roll call vote.

- AYES: Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
- NOES: None
- ABSTAIN: None
- ABSENT: None

CONSENT AGENDA

- 3. **Waive** further reading of all ordinances and read by title only
- 4. **Approve** the Town Council meeting minutes of February 3, 2015 as presented
- 5. **Adopt** Resolution No. 15-01, approve the plans and specifications for the Town-Wide Slurry Seal Project- Town Project No. 8340 and authorize the Town Clerk to advertise and received bids

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, APPROVING THE PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF THE 2015/2016 TOWN WIDE SLURRY SEAL IN SAID TOWN AND AUTHORIZING AND DIRECTING THE TOWN CLERK TO ADVERTISE AND RECEIVE BIDS.

- 6. **Award** a construction contract for the Community Center Infield Refurbishment project to Athletic Field Specialists, in the amount of \$18,500, and authorizes a construction contingency in the amount of \$1,500, for a total contract amount of \$20,000, authorizing the Mayor, Town Manager and Town Attorney to sign all necessary documents, and authorizing the Town Manager to expend the contingency fund, if necessary, to complete the project.
- 7. **Award** the construction contract for Town Project No. 8948, Jacobs park Playground Improvements, to R.E. Schultz Construction, in the amount of \$89,405, and authorizes a construction contingency in the amount of \$8,595, for a total contract amount not to exceed \$98,000, authorizing the Mayor, Town Manager and Town Attorney to sign all necessary documents, and authorizing the Town Manager to expend the contingency fund, if necessary, to complete project.
- 8. **Amend** the FY 2014-16 Adopted Budget, transferring \$20,000 from Fund 800- Capital

Projects Reserve Contingency for routine equipment and fixture replacement

- 9. **Approve** Resolution No. 15-02 for the FY2014-2015 Off-Highway Vehicle grant application

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, APPROVING THE APPLICANT TO APPLY FOR GRANT FUNDS FOR THE STATE OF CALIFORNIA, DEPARTMENT OF PARKS AND RECREATION, OFF-HIGHWAY VEHICLE GRANT FUNDS

- 10. **Receive and File** the FY 2013-14 Single Audit Report on Federal Awards
- 11. **Receive and File** the AB 1234 Reporting Requirement Schedule for the month of January 2015.
- 12. **Ratify** the Payroll Register total of \$113,198.08 for checks dated January 30, 2015 and **Ratify** the Warrant Register total of \$444,721.08 for checks dated February 5, 2015

Mayor Huntington opened public comment on the Consent Agenda.

Susan Simmons, Yucca Valley spoke of the slurry seal schedule and inquired on the determination of what roads are included.

With no other members of the public wishing to speak, Mayor Huntington closed public comments.

Council Member Abel moved to approve Consent Agenda items 3-12. Mayor Pro Tem Leone seconded. Motion carried 5-0 on a roll call vote.

- AYES:** Council Members Abel, Denison, Leone, Lombardo and Mayor Huntington
- NOES:** None
- ABSTAIN:** None
- ABSENT:** None

DEPARTMENT REPORTS

- 13. **Brehm Youth Sports Park- Acquisition Agreement and Resolution**

A RESOLUTION OF THE TOWN OF YUCCA VALLEY, CALIFORNIA MAKING THE NECESSARY FINDINGS AS REQUIRED BY HSC 33445

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council
From: Shane Stueckle, Deputy Town Manager
Alex Qishta, Project Manager
Date: March 30, 2015
For Council Meeting: April 7, 2015

Subject: Resolution No. 15-
Updating Assessment Engineer's Reports
Previously Formed Street & Drainage and
Landscape and Lighting Maintenance Districts

Prior Council Review: There has been no prior review of this item. The Town Council previously approved the formation of Landscape & Lighting and Street & Drainage Maintenance Districts. Annual levies must be updated and approved by the Town Council pursuant to State law.

Recommendation: That the Town Council approves and adopts the Resolution, directing the preparation of annual assessment engineer's reports describing any new improvements or any substantial changes to the existing improvements in the existing assessment districts.

Executive Summary: The Town Council previously formed Landscape & Lighting and Street & Drainage Maintenance Districts as a condition of approval for private development projects. The assessment engineer's report that establishes the amount of an annual assessment in each of the districts must be updated annually and approved by the Town Council, following a public hearing, in order to levy the annual assessment(s).

Order of Procedure:

Request Staff Report
Request Public Comment
Council Discussion/Questions of Staff
Motion/Second
Discussion on Motion
Call the Question (Roll Call Vote, Consent Agenda)

Discussion: Development projects are approved subject to Conditions of Approval that require the formation of maintenance districts to recover the costs of annual maintenance of public improvements constructed as a result of the development project.

Reviewed By:

Sy
Town Manager

Town Attorney

Finance Manager

SRS

Department

____ Department Report
 Consent

____ Ordinance Action
____ Minute Action

Resolution Action
____ Receive and File

____ Public Hearing
____ Study Session

The assessment of an annual fee upon properties within the District provides the revenue to offset the cost of maintenance of the public improvements necessary to serve the development.

California Streets and Highways Code §22620 et. seq. with respect to Landscape and Lighting Districts and Government Code §53750 et. seq. with respect to Street and Drainage Maintenance Districts require that the assessment engineer's report for each of the districts be updated and approved by the legislative body prior to the levy of any annual assessment on properties within the an assessment district.

The tentative schedule for the annual update of the assessment districts which is prepared based on information provided by the San Bernardino County Auditor-Controller-Recorders office is as follows.

April 7, 2015: Town Council direction of preparation of an assessment engineer's report describing any new improvements or any substantial changes in the existing improvements in the existing assessment districts.

May 19, 2015: Town Council 1) preliminarily approving the engineering reports for the existing assessment districts and directing the filing of such reports with the Town Clerk, and 2) setting the date for the public hearing at 6:00 PM on Tuesday, June 16, 2015, at 6:00 P.M. in the Yucca Valley Community Center, 57090 29 Palms Highway, Yucca Valley, CA 92284 pursuant to California Streets and Highways Code Sections 22552 and 22553 and Government Code Section 53753.5 to consider the levy of annual assessments upon real property

June 16, 2015: Town Council public hearing and approval of the levy of assessments upon real property within each of the Districts for fiscal year 2015-2016.

June 30, 2015: Deadline for submission of preliminary notice of assessments to San Bernardino County.

August 8, 2015: Deadline for submission of final notice of assessments to San Bernardino County.

September 1, 2015: Last day for submission of corrections to San Bernardino County.

The Town has formed nine (9) such assessment districts which are described as follow:

TM 16957:

Location: 800 feet south of Joshua Drive on the east side of Acoma Trail

No. of Lots: 34 residential lots

Map Recorded: Yes

District type:

1. Benefit Assessment Act of 1982; Street and Drainage Maintenance District

2. Landscape and Lighting Act of 1972; Landscape and Lighting Maintenance District

TM 16587:

Location: Northeast corner of Acoma Trail and Zuni Trail

No. of Lots: 55 Residential lots

Map Recorded: Yes

District type:

1. Benefit Assessment Act of 1982; Street and Drainage Maintenance District
2. Landscape and Lighting Act of 1972; Landscape and Lighting Maintenance District

TM 17328:

Location: Southwest corner of Emerson Avenue and Yucca Trail.

No. of Lots: 17 residential lots.

Map Recorded: Yes

District type:

1. Benefit Assessment Act of 1982; Street and Drainage Maintenance District.
2. Landscape and Lighting Act of 1972; Landscape and Lighting Maintenance District.

TM 17455:

Location: East of the Avalon Avenue on the south side of SR62

No. of Lots: Four (4) commercial parcels.

Map Recorded: Yes

District Type:

1. Benefit Assessment Act of 1982; Street and Drainage Maintenance District

TM 17633:

Location: Southwest corner of Palomar Avenue and Onaga Trail

No. of Lots: 61 total residential lots; Phase 1

Map Recorded: No

District Initiated and Levy Assessed: District initiated and levy approved by Town Council. Final map and supporting documents not yet submitted for approval and recording.

District type:

1. Benefit Assessment Act of 1982; Street and Drainage Maintenance District
2. Landscape and Lighting Act of 1972; Landscape and Lighting Maintenance District

The Community Facilities Districts formed for similar purposes will be brought before the Town Council under separate action.

Alternatives: No alternatives are recommended.

Fiscal impact: The assessment on properties within the assessment districts provides revenue to offset the cost of maintenance of public improvement to serve the development project. The engineering reports set forth the “Maximum Allowable Assessment” for each parcel.

Attachments: Resolution
Assessment District and CFD Map

RESOLUTION NO 15-

A RESOLUTION OF THE TOWN COUNCIL, OF THE TOWN OF YUCCA VALLEY, CALIFORNIA CAUSING AN ENGINEER'S REPORT TO BE PREPARED FOR ASSESSMENTS TO BE LEVIED WITHIN EXISTING ASSESSMENT DISTRICTS DURING THE 2015-2016 TAX YEAR

WHEREAS, the Town Council directs staff to prepare a preliminary engineer's report in the formation of the following assessment districts pursuant to Streets and Highways Code Section 22565 et.seq., and Government Code Section 54716 and Section 4(b) of Article 13D of the Constitution of the State of California:

Street and Drainage Maintenance District No. 1 and Landscape and Lighting Maintenance District No. 1, both districts comprised of Tract Map 16957;

Street and Drainage Maintenance District No. 1, Annexation No. 1, Zone 2 and Landscape and Lighting Maintenance District No. 1 Annexation No. 1, Zone 2, both districts comprised of Tract Map 16587;

Street and Drainage Maintenance District No. 1, Annexation No. 2, Zone 3 and Landscape and Lighting Maintenance District No. 1, Annexation No. 2, Zone 3, both districts comprised of Tract Map 17328;

Street and Drainage Maintenance District No. 1, Annexation 3, Zone 4 and Landscape and Lighting Maintenance District No. 1, Annexation No. 3, Zone 4, both districts comprised of Tract Map 17633-Phase I;

Street and Drainage Maintenance District No. 1, Annexation No. 4, Zone 5, comprised of Parcel Map 17455; and

WHEREAS, the improvements in the aforementioned Landscape and Lighting Maintenance Districts include regular maintenance, repair and replacement of all facilities within the public rights-of-ways or easements which shall include, but not be limited to, the landscaping, irrigation system, signage, perimeter wall, retaining walls, pedestrian path and erosion control plantings within or adjacent to the detention basins and drainage swale; operation, maintenance, repairs, replacement of and power for the street lighting; Regular maintenance, repair and replacement of the landscape parkway strip and street trees; regular maintenance, repair and replacement of landscaping within public rights-of-ways or easements, and perimeter walls, including graffiti removal; regular maintenance, repair and replacement of pedestrian pathways, within the public rights-of-ways or easements; and administrative services to operate the District; and

WHEREAS, the improvements, maintenance and operation of streets, roads and highways in the aforementioned Street and Maintenance Districts Maintenance shall include but not be limited to pavement rehabilitation, restriping, slurry sealing, signing, street sweeping, traffic control devices and other repairs needed to keep the streets in a safe

condition and to preserve the street network; and

WHEREAS, maintenance and operation of drainage and flood control facilities, including but not limited to floodways, channels, percolation pond, storm drain systems including pipes and catch basins and appurtenant facilities; and administrative services to operate the district; and

NOW, THEREFORE, BE IT RESOLVED THAT THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA DOES RESOLVE AS FOLLOWS:

The Town Council of the Town of Yucca Valley directs the preparation of the engineer's report to be prepared and filed with the Town Clerk for submission to the Town Council for the following assessment districts for the fiscal year commencing July 1, 2015 and ending June 30, 2016:

Street and Drainage Maintenance District No. 1 and Landscape and Lighting Maintenance District No. 1, both districts comprised of Tract Map 16957;

Street and Drainage Maintenance District No. 1, Annexation No. 1, Zone 2 and Landscape and Lighting Maintenance District No. 1 Annexation No. 1, Zone 2, both districts comprised of Tract Map 16587;

Street and Drainage Maintenance District No. 1, Annexation No. 2, Zone 3 and Landscape and Lighting Maintenance District No. 1, Annexation No. 2, Zone 3, both districts comprised of Tract Map 17328;

Street and Drainage Maintenance District No. 1, Annexation 3, Zone 4 and Landscape and Lighting Maintenance District No. 1, Annexation No. 3, Zone 4, both districts comprised of Tract Map 17633-Phase I;

Street and Drainage Maintenance District No. 1, Annexation No. 4, Zone 5, comprised of Parcel Map 17455.

APPROVED AND ADOPTED this 7th day of April, 2015.

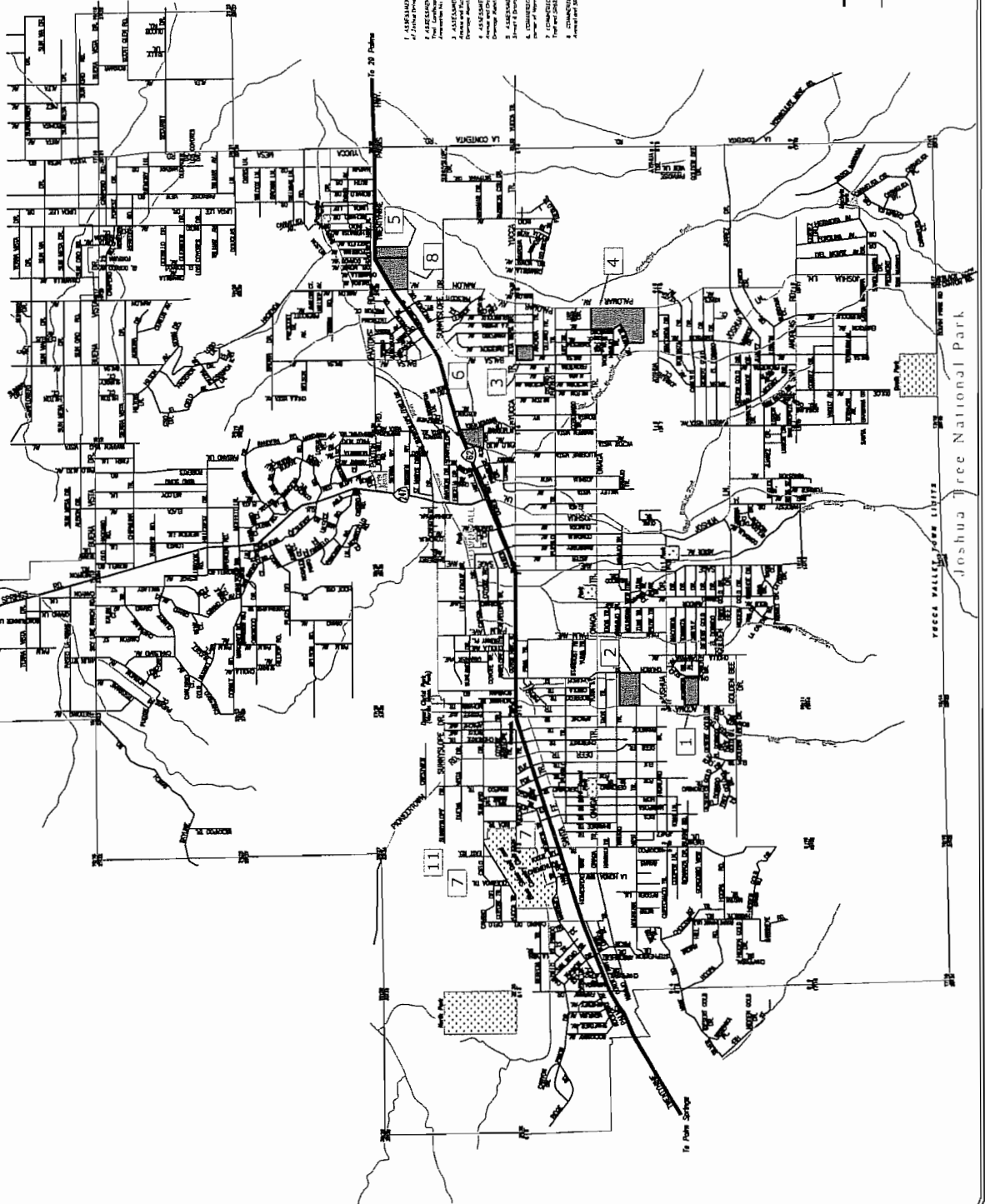
Mayor

ATTEST:

TOWN CLERK

Special Districts

MARCH 30, 2015



- ### Special District Summary Index
- 1. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 2. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 3. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 4. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 5. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 6. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 7. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 8. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 9. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 10. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)
 - 11. ASSEMBLY DISTRICT: Assembly District No. 43, covering the northwestern corner of the Town of Yucca Valley, CA 92083. (See Assembly District No. 43, California State Constitution, Article II, Section 2, Paragraph 1.)



Town of
YUCCA VALLEY

WARRANT REGISTER # 39
CHECK DATE - MARCH 12, 2015

FUND DISTRIBUTION BREAKDOWN

Checks # 46378 to # 46442 are valid

GENERAL FUND # 001	\$38,206.21
INTERNAL SERVICE FUND # 100	\$0.00
DEPOSITS FUND # 200	\$33,735.16
COPS-LLESA FUND # 511	\$38.01
GAS TAX FUND # 515	\$1,977.42
MEASURE I 2010-2040 FUND # 524	\$4,552.25
PUBLIC LANDS FEDERAL GRANT FUND # 527	\$131,685.96
CMAQ FUND # 542	\$1,275.00
CDBG FUND # 560	\$241.07
GRAND TOTAL	<u><u>\$211,711.08</u></u>

Prepared by Shirlene Doten, Accounting Technician III

Reviewed by Sharon Cisneros, Finance Manager

Town of Yucca Valley

Warrant Register

March 12, 2015

Fund	Check #	Vendor	Description	Amount
001	GENERAL FUND			
	46379	Alsco/American Linen, Inc.	Parks Uniform Service	\$ 264.28
	46380	Animal Action League	Veterinary Services	755.00
	46381	Arrowhead Mountain Water	Office Supplies	145.31
	46382	Beaumont Community Youth Bball.	Annual Tournament Fee	1,750.00
	46383	Jeff Brady	Sports Referee	90.00
	46384	Debra Breidenbach-Sterling	Seminar Expense	165.63
	46385	BSN Sports	Safety Equipment	735.86
	46386	C & S Electric	Facilities Maintenance	140.00
	46387	California Building Standards Com.	10-12/14 SB1473 Fees	20.70
	46388	CDW Government, Inc.	Technology Equipment	388.39
	46389	City of Twentynine Palms	Annual Basketball Tournament	1,400.00
	46390	Department of Conservation	10-12/14 SMIP Fees	55.79
	46391	Dept of Justice	Livescan Service	64.00
	46392	Shelly Eich	Seminar Advance Per Diem	383.00
	46393	Kathryn Ernst	Facility Rental Refund	200.00
	46394	Ed Escalante	Sports Referee	90.00
	46395	Farmer Bros. Co.	Office Supplies	118.62
	46397	Joel Geeson	Sports Referee	30.00
	46398	Graphic Penguin	Website Maintenance	340.00
	46399	Joey Hagerman	Sports Referee	93.00
	46400	HdL Hinderliter, DeLlamas & Assoc.	Sales Tax Audit Service	1,807.25
	46401	Hi-Desert Water	Water Service	50.19
	46405	KV Vet Supply Co.	Veterinary Supplies	612.75
	46407	Bill McClay	Sports Referee	90.00
	46408	Connor McClay	Sports Referee	108.00
	46409	Minnesota Children's Museum	"Framed:Step into Art" Exhibit	2,500.00
	46410	Miracle Recreation Equipment Co.	Parks Maintenance	716.97
	46411	Brent Murphy	Sports Referee	45.00
	46412	Michael Myers	Sports Referee	12.00
	46414	Nichols Consulting	Professional Services	1,200.00
	46415	Oasis Office Supply, Inc.	Office Supplies	165.67
	46416	OnTrac	Delivery Service	10.70
	46417	Public Agency Retirement Services	01/15 Trust Administrator Svcs.	300.00
	46418	Phone Solutions	Phone Support Service	95.00
	46419	Pro Video	Town Council Taping	200.00
	46420	Rogers,Anderson, Malody & Scott	Professional Services	3,500.00
	46421	Celeste Reyes	Sports Referee	60.00
	46422	Noah Rodriguez	Sports Referee	75.00
	46423	Andrew Romatko	Safety Equipment	40.49
	46424	Treasurer-Tax Collector	Property Tax	298.96
	46425	SCE	Electric Service	6,789.43
	46426	Simplot Partners, Inc.	Park Maintenance Supplies	1,069.20

Town of Yucca Valley

Warrant Register

March 12, 2015

46427	Southwest Networks, Inc.	Technology Support	580.00
46428	Sprint	Telephone Service	5.25
46429	Michael Summers	Safety Equipment	151.19
46430	The Sun Runner	Museum Advertising	100.00
46431	TelePacific	Phone & Internet Service	3,681.01
46432	Time Warner Cable	3/6-4/5/15 Cable/Internet Svcs.	467.78
46433	Tractor Supply	Operating Supplies	1,821.80
46434	Trophy Express	Engraving Services	1,389.21
46435	Turf Star, Inc.	Parks Equipment Maintenance	1,542.57
46439	Yucca Valley Quick Lube, LLC	Fleet Oil Change Service	39.21
46441	Joe Zarki	Museum Lecturer	100.00
46442	San Bernardino County	City/County Conference	1,352.00
Total 001 GENERAL FUND			\$ 38,206.21
200 DEPOSITS FUND			
46396	G & L Realty Partnership	Deposit Account Refund	\$ 12,996.29
46403	J & S Investments	Deposit Account Refund	1,241.14
46413	National Community Renaissance CA	Deposit Account Refund	12,517.26
46438	Walmart	Deposit Account Refund	6,980.47
Total 200 DEPOSITS FUND			\$ 33,735.16
511 COPS-LLESA FUND			
46437	Verizon Wireless	Sheriff's Office Phone Svcs.	\$ 38.01
Total 511 COPS-LLESA FUND			\$ 38.01
515 GAS TAX FUND			
46379	AlSCO/American Linen, Inc.	Streets Uniform Service	48.68
46401	Hi-Desert Water	Water Service	60.00
46404	Johnson Machinery Co.	Vehicle # 92 Repair	81.00
46425	SCE	Electric Service	769.44
46433	Tractor Supply	Operating Supplies	57.22
46436	United Rotary Brush, Inc.	Vehicle #2 Maintenance	954.99
46440	Yucca Valley Auto Parts, Inc.	Vehicle Maintenance	6.09
Total 515 GAS TAX FUND			\$ 1,977.42
524 MEASURE I - 2010-2040 FUND			
46402	Hi-Desert Publishing	Legal Advertising	\$ 510.40
46425	SCE	Electric Service	4,041.85
Total 524 MEASURE I - 2010-2040 FUND			\$ 4,552.25
527 PUBLIC LANDS FEDERAL GRANT FUND			
46406	Matich Corporation	PLHD Project Retention	\$ 131,685.96
Total 527 PUBLIC LANDS FEDERAL GRANT FUND			\$ 131,685.96

Town of Yucca Valley

Warrant Register

March 12, 2015

542 CMAQ FUND			
46378	Albert Grover & Assoc.	Hwy Synchronization Project	\$ 1,275.00
Total 542	CMAQ FUND		<u>\$ 1,275.00</u>
560 CDBG FUND			
46415	Oasis Office Supply, Inc.	Copy Services	\$ 241.07
Total 560	CDBG FUND		<u>\$ 241.07</u>
***	Report Total		\$211,711.08

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: March 30, 2015
For Council Meeting: April 7, 2015

Subject: Public Facilities Development Impact Fees
Annual Report & Public Hearing

Prior Council Review: The Town Council scheduled this matter for public hearing at its meeting of March 3, 2015. There were no modifications to the fees in 2012, 2013, or 2014.

At its meeting of October 18, 2011, the Town Council:

Established subdivision single family residential public facility development impact fees at the maximum level of \$9,081 per unit;

Modified the development incentive program for infill single family residential public facility development impact fees, setting the fees at \$2,568 per unit with those fees dedicated to Park facilities;

Retained multi-family residential public facility development impact fees at \$3,600 per unit;

Modified the development incentive program for commercial, general office, and industrial development projects as follows:

Up to 3,000 square feet:	\$1.00 per square foot
3,001 to 5,000 square feet:	\$2.00 per square foot
5,001 to 10,000 square feet:	\$4.00 per square foot
10,001 square feet or more:	\$7.85 per square foot


Approved the above public facility development impact fee levels through December 2013 or until thereafter as modified and amended by the Town Council.

At its meeting of October 5, 2010, the Town Council established revised maximum legally defensible public facility development impact fee for the planning period through 2025; maintained the public facility development impact fees at their then current levels; and adopted the development incentive program, waiving public facility development impact fees for infill single family residential development and for the first 10,000 square feet of commercial, general office, and industrial development projects.

Reviewed By:


Town Manager

Town Attorney


Finance Manager

Department

Department Report

Ordinance Action

Resolution Action

Public Hearing

Consent

Minute Action

Receive and File

Study Session

Recommendation: That the Town Council retains the current Public Facility Development Impact Fee structure.

Executive Summary: Pursuant to the Study prepared by MuniFinanical dated May 5, 2005, on October 27, 2005, the Town Council established Public Facilities Development Impact Fees (DIF) for new residential development. The fees became effective on January 30, 2006. The Town Council implemented Public Facility Development Impact Fees for non-residential development in 2008. Annual review of those Fees is required.

The Town Council, pursuant to Ordinance No. 173 annually receives the report and reviews the fee levels.

Order of Procedure:

- Request Staff Report
- Open the Public Hearing
- Request Public Comment
- Close the Public Hearing
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote)

Discussion: The Public Facilities Development Impact Fee Study (Study) evaluated and established maximum legally defensible fee levels that could be imposed on new development, based upon the impact to the Town's public infrastructure system. The infrastructure systems evaluated included the following.

1. General Facilities
2. Park Facilities
3. Trails
4. Storm Drains
5. Streets and Traffic

The Study analyzed the need for public facilities and capital improvements to support future development within the Town through 2025. As part of estimating facility needs, the Study uses residential and household population data provided by the California Department of Finance and internal projections developed for the Town by Stan Hoffman and Associates.

The Study identified the following parameters for the different impact fee categories.

- * Identified the purpose of the fee;
- * Identified the use to which the fee will be put;
- * Determined that there is a reasonable relationship between the fee's use and the type of development on which the fee is to be imposed;
- * Determined how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed;
- * Demonstrated a reasonable relationship between the amount of the fees and the costs of the public facilities or portions of the facilities attributable to the development upon which the fees are imposed.

Infrastructure needs within the Town are extensive. Over \$200 million for just streets and flood control systems will be necessary to put into place adequate road and drainage infrastructure to meet community needs. These needs cannot be funded by impact fees alone as new development cannot pay for any existing infrastructure deficits.

The following table illustrates the maximum legally defensible public facility development impact fees for the planning period through 2025, as established by the Town Council at the meeting of October 18, 2011.

Proposed	General Facilities	Parks	Trails	Storm Drains	Street & Traffic	Total
<i>RESIDENTIAL</i>						
	(fee per dwelling unit)					
SFR	\$ 1,181	\$ 2,568	\$ 458	\$ 2,632	\$ 2,242	\$ 9,081
MFR	913	1,980	354	1,316	1,789	6,352
<i>NON-RES</i>						
	(per 1,000 square feet building area)					
Commercial	\$ 264	NA	NA	\$ 1,737	\$ 5,734	\$ 7,735
Office	352	NA	NA	1,816	4,915	7,083
Industrial	176	NA	NA	1,211	1,789	3,176

The table below identifies the fee levels as established by the Town Council in 2011.

Dev. Type	2005 Maximum	Pre-2010	Oct-2010	Prior	10-18-11 Established Fee
SFR, Subdiv.	\$15,815	\$5,200	\$9,081	\$5,200	\$9,081
Infill	NA		NA	\$0	\$2,568 to Park Development
MFR	\$10,820	\$3,600	\$6,352	\$3,600	\$3,600
Commercial	\$19.49 sq. ft.	\$1.00 sq.ft.	\$7.74 sqft	\$0 under 10K \$1 sq ft over	Up to 3,000 sq ft: \$1 sq ft 3001-5000 sq ft: \$2 sq ft 5001-10,000 sq ft: \$4 sq ft * 10,001 + sq ft: \$7.74**
Office	\$17.54 sq. ft.		\$7.08	\$0 under 10K \$1 sq ft over	
Industrial	\$7.50 sq. ft.		\$3.18	\$0 under 10K \$1 sq ft over	

*Industrial caps at \$3.18

**Office caps at \$7.08

Alternatives: The Town Council may provide direction as deemed appropriate.

Fiscal impact: No modifications to the Fees are recommended at this time.

Beginning/Ending Balance(s) for the five individual Fee categories as of June 30, 2013, and June 30, 2014 are as follows:

	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>2013-14 Expenditures</u>
General Facility	(28,401)	352,587	4,548
Parks	6,114	(113,653)	139,955
Streets/Traffic	403,943	893,232	
Drainage	264,326	627,801	
Trails	21,251	24,564	
Total Fund Balance	<u>667,234</u>	<u>1,784,531</u>	<u>144,503</u>

The above balances reflect the appropriations and transfers authorized by the Town Council with the adoption of prior FY Budgets when all funds have been repaid.

Other Fund activity since inception includes interest earnings in the amount of \$56,515 and indirect cost recovery of \$41,287. Fund balance as of June 30, 2014 is \$1,784,531. Cash balance as of June 30, 2014 is \$1,234,531

Attachments: Resolution No. 11-46, with Attachments
2005 Muni-Financial Study

RESOLUTION NO. 11-46

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA AMENDING AND ADOPTING AND ESTABLISHING DEVELOPMENT IMPACT FEES RELATING TO THE TOWN OF YUCCA VALLEY DEVELOPMENT IMPACT FEE SCHEDULE

WHEREAS, a duly noticed public hearing was conducted on October 18, 2011, at which time the public was invited to make oral and written presentations as part of the regularly scheduled meeting prior to the adoption of this Resolution; and

WHEREAS, at least ten (10) days prior to the public hearings, the Town Clerk made available for public inspection the Study and supporting documentation and data including the services and estimated costs of providing said services and sources of revenues required to defray those costs as well as a proposed form of ordinance; and

WHEREAS, the Town published notice of the public hearing as described above in accordance with Government Code Sections 6062(a) and 66018; and

WHEREAS, the Town Council approved the Public Facilities Development Impact Fee Study on October 27, 2005; and

WHEREAS, the Town Council adopted Ordinance No. 173, implementing Public Facilities Development Impact Fee authorization; and

WHEREAS, the Town Council adopted Resolution No. 05-59, implementing Public Facility Development Impact Fee charges; and

WHEREAS, the Town Council adopted Resolution No. 10-26, reducing the maximum legally defensible Public Facility Development Impact Fees; and

WHEREAS, the Public Facilities Development Impact Fee Study (Study) identifies the maximum legally defensible fees that the Town may impose upon new development; and

WHEREAS, the Study as amended supports the implementation of fees as contained in this Resolution; and

WHEREAS, Public Facility Development Impact Fees imposed by the Town may be modified by Resolution of the Town Council; and

WHEREAS, the Town Council desires to modify, in accordance, the Public Facility Development Impact Fees imposed upon new development.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY RESOLVES AS FOLLOWS.

SECTION 1. The Town Council hereby adopts the findings set forth in the above Recitals.

SECTION 2. The Town Council hereby adopts the “Town of Yucca Valley Development Impact Fee Schedule” as set forth in attachment “C”, attached hereto. Unless otherwise stated in the Fee Schedule, all Development Impact Fees shall be paid to the Town prior to the Town’s issuance of a final inspection or Certificate of Occupancy for any phase of a development project. The Fee Schedule may be amended from time to time by resolution of the Town Council, in compliance with the Mitigation Fee Act, Government Code, Section 66000.

SECTION 3. The Development Impact Fees imposed by this Resolution shall only apply to those Development Impact Fees described in the above-referenced Development Impact Fee Schedule. All other community or development or other impact fees and user fees and charges adopted by the Town Council by prior Town ordinances or resolutions or other prior actions, as may have been amended from time to time, or as may be adopted or amended in the future, shall remain and be in full force and effect, unless expressly or by the terms and provisions herein are amended hereby.

SECTION 4: Where the Town Manager determines that the public interest would be served by such an agreement, he or she is hereby authorized to execute agreements on behalf of the Town with Applicants in order to provide a credit to the Applicant against certain Development Impact Fees in exchange for the Applicant’s construction and dedication of oversized Public Improvements, on those reasonable terms and conditions as the Town Manager may determine on a case-by-case basis, subject to approval by the Town Council.

SECTION 5. The Town Manager is empowered to negotiate and execute agreements to defer, waive or reduce any Development Impact Fees upon an Applicant for a particular development project, but only if the Town Manager determines upon evidence presented by the Applicant, that (i) the development project will provide a general benefit to the health, safety, and welfare of the citizens of the Town of Yucca Valley, and will not be of special benefit only to an Applicant, or (ii) other properties to be benefited by any Development Impact Fee will not be unfairly burdened by the delay, reduction or waiver of said Development Impact Fee, or (iii) deferral, waiver or reduction in Development Impact Fees will result in a more fair funding arrangement, and, in the case of waiver or reduction, the owner will receive insufficient or

no benefit from the Development Impact Fee imposed and would therefore be required, if the Fee were imposed in full, to pay more than his fair share for the benefit received. Such findings and the resulting agreement(s) to defer, waive or reduce any Development Impact Fee shall be subject to approval by the Town Council.

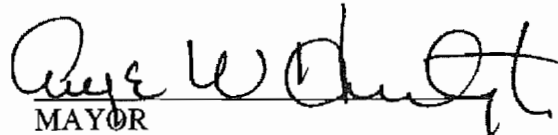
SECTION 6. The Town Council is hereby authorized to make inter-fund transfers and loans between capital facilities accounts into which are deposited Development Impact Fees upon those reasonable terms of repayment and interest rates as determined by the Town Council.

SECTION 7. The Town Council hereby approves the allocation of the Public Facility Development Impact Fees contained in Attachment D to this Resolution to be allocated by the Director of Administrative Services to all five categories of public infrastructure contained within the 2005 study as amended.


SECTION 8: The Town Council approves the public facility development impact fee levels through December 2013 or until thereafter as modified and amended by the Town Council.

SECTION 9. Town staff are hereby directed to prepare and file a Notice of Exemption, under the California Environmental Quality Act, within five (5) working days of adoption of this Resolution.

APPROVED AND ADOPTED THIS 18thth day of October 2011.


MAYOR

ATTEST:



TOWN CLERK

ATTACHMENT "A"
PUBLIC FACILITIES DEVELOPMENT IMPACT FEE STUDY
PREPARED BY MUNIFINANCIAL
MAY 2, 2005

TOWN OF YUCCA VALLEY

PUBLIC FACILITIES
DEVELOPMENT IMPACT FEE STUDY

MAY 2, 2005

Final



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EXECUTIVE SUMMARY

This report summarizes an analysis of the need for public facilities and capital improvements to support future development within the Town of Yucca Valley through 2025. It is the Town's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis of the Town's public facilities fee program are divided into the fee categories listed below.

- General
- Storm Drains
- Parks
- Streets and Traffic
- Trails

Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to adjust fees to incorporate current facility plans to serve a 2025 service population.

The Town imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the revised fees presented in the fee schedules contained herein.

Development Projections

To estimate facility needs, this study uses residential and household population data provided by the California Department of Finance and internal projections developed for the Town of Yucca Valley by Stan Hoffman and Associates. Current and projected employment figures were based on data provided by Claitas and the Southern California Association of Governments (SCAG). The development projections used in this analysis are summarized in Table E.0.

Table E.0: Demographic Assumptions

	2004	2025	Increase
Residents ¹	18,410	33,880	15,470
Dwelling Units ¹			
Single Family	6,710	11,230	4,520
Multi-family	1,730	2,900	1,170
Total	8,440	14,130	5,690
Employment ^{2,3}			
Commercial	3,040	5,090	2,050
Office	660	1,100	440
Industrial	600	1,000	400
Subtotal	4,300	7,190	2,890
Other ⁴	1,640	2,750	1,110
Total	5,940	9,940	4,000
Building Square Feet (000s) ⁵			
Commercial	7,600	12,730	5,130
Office	2,200	3,670	1,470
Industrial	1,000	1,670	670
Total	10,800	18,070	7,270

¹ California Department of Finance (DOF), Southern California Association of Governments (SCAG), Data from Town of Yucca - Stan Hoffman and Associates Population Projections, March, 2005.

² Assumes percentage of employees by land use remains constant to total from 2004 to 2025.

³ Estimates by land use type based a Claritas report prepared for the Town of Yucca Valley, February 2004. Projected employment figures derived by assuming a constant ratio of jobs to housing.

⁴ Represents government and other institutional.

⁵ Based on employment by land use and occupant density shown in Table 2.0.

Sources: Table 2.0; California Department of Finance (DOF), Table E-5, 2004; Town of Yucca Valley; Southern California Association of Governments (SCAG); Claritas 2004; MuniFinancial.

Facility Standards and Costs of Growth

This fee analysis uses standards based on the Town's policy to determine the cost of facilities required to accommodate growth for public facilities. A standard for each facility category considered in this study is derived from the Town's facility plans for 2025. Depending on the facility standard, the Town currently may or may not have sufficient facilities to serve existing development. If the Town's existing facilities are below standard, then a deficiency exists. In this case, the portion of the cost of planned

facilities associated with correcting the deficiency must be allocated to funding sources other than the fee. Public facilities fees can only fund planned facilities needed to accommodate new development at the adopted standard.

Therefore, this study distinguishes between the share of planned facilities needed to accommodate growth and the share that serves existing residents and businesses. New development can only fund its fair share of planned facilities. To ensure compliance with the law, this study ensures that there is a reasonable relationship between new development, the amount of the fee, and facilities funded by the fee.

Fee Schedules and Revenues

Table E.1 summarizes the schedule of maximum justified public facilities fees based on the analysis contained in this report.

Table E.1: Proposed Facilities Fee Summary

Land Use	General Facilities	Parks	Trails	Storm Drains	Streets & Traffic	Total
<i>Residential</i>						
	<i>(Fee per Dwelling Unit)</i>					
Single Family Unit	\$ 1,290	\$ 2,568	\$ 458	\$ 5,161	\$ 6,137	\$ 15,815
Multi-family Unit	896	1,980	354	2,581	4,809	10,820
<i>Non-residential</i>						
	<i>(Fee per 1,000 Building Square Feet)</i>					
Commercial	\$ 340	N/A	N/A	\$ 3,407	\$ 15,741	\$ 19,488
Office	452	N/A	N/A	3,560	13,531	17,543
Industrial	228	N/A	N/A	2,377	4,884	7,497

Source: Munifinancial

1. INTRODUCTION

This report presents an analysis of the need for public facilities to accommodate new development in the Town of Yucca Valley. This chapter explains the study approach and summarizes results under the following sections:

- Background and study objectives;
- Public facilities financing in California;
- Organization of the report; and
- Facility standards approach.

Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to adjust fees to incorporate current facility plans to serve a 2025 service population for the Town of Yucca Valley.

The Town imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the revised fees presented in the fee schedules contained herein.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way". This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and

development impact fees also known as public facilities fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Organization of the report

The determination of a public facilities fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis of different facility categories, and are summarized in Chapter 2.

Chapters 3 through 7 are devoted to documenting the maximum justified public facilities fee for each of the following five facility categories:

- General
- Storm Drains
- Parks
- Streets and Traffic
- Trails

The five statutory findings required for adoption of the proposed public facilities fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025) are summarized in Chapter 12.

Facility Standards Approach

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards also may be expressed in monetary terms such as the replacement value of facilities per capita. The adopted facility standard is a critical component in determining new development's need for new facilities and the amount of the fee. Standards determine new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with existing development.

The most commonly accepted approaches to determining a facility standard are described below.

- The existing inventory method uses a facility standard based on the ratio of existing facilities to the existing development. Under this approach new development funds the expansion of facilities at the same rate that existing development has provided facilities to date. By definition, the existing inventory method does not consider facility deficiencies attributable to existing development. To increase facility standards the jurisdiction must secure funding in addition to development fees.

- * The **system plan method** calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.
- * The **planned facilities method** calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a sewer trunk line extension to a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

This study uses the existing inventory approach to determine facility standards for general facilities. Fees for parks, trails, and storm drains are based on the system plan method. Finally, streets and traffic fees are based on the planned facilities standard.

2. GROWTH PROJECTIONS

To assist in determining the appropriate fee structure, new development growth projections are used. Projected new development is estimated using the existing service population in 2004 as a base year with a Planning Horizon through the year 2025.

Use of Growth Projections on Impact Fees

Estimates of the existing service population and projections of growth are critical assumptions used throughout this report. These estimates are used as follows:

- Estimates of total development at the 2025 Planning Horizon are used to determine the total amount of public facilities required to accommodate growth and to allocate those costs on a per unit basis (for example, costs per capita or per EDU).
- Estimates of service population growth from 2004 to 2025 are used to allocate to new development its fair share of total planned facility needs.

To measure the existing service population and future growth, population and worker data, also identified as residents and workers, respectively, are used for the General and Parks and Trails facilities. These measures are used because numbers of residents and workers are reasonable indicators of the level of demand for public facilities. The Town builds public facilities primarily to serve these populations and, typically, the greater the population the larger the facility required to provide a given level of service. To measure growth for storm drains, the impervious surface area of a new development is linked to EDUs, while trip generation by use classification is used for streets and traffic signals.

Service Population Equivalent Dwelling Units and Trips

Different types of new development use public facilities at different rates in relation to each other, depending on the services provided. In Chapters 3 through 5, a specific service population is identified for each facility category to reflect total demand. The service population weights residential land use types against non-residential land uses based on the relative demand for services between residents and workers. Chapter 6 uses an impervious surface area linked to an EDU factor that weights each land use type against one single-family unit's demand for services. Chapter 7 uses trip generation by use classification to determine the fees.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types used in this analysis are defined below.

- **Single family:** Attached and detached one-family dwelling units; and
- **Multi-family:** All attached single family dwellings such as duplexes and condominiums, plus mobile homes, apartments, and dormitories.
- **Commercial:** All commercial, retail, educational, and hotel/motel development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All manufacturing and warehouse development.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the public facilities fee would be calculated separately for each land use type.

The Town should have the discretion to impose the public facilities fee based on the specific aspects of a proposed development regardless of zoning. The guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. To do this, they must vary by the estimated service population generated by a particular development project. Developers pay the fee based on the number of additional housing units or building square feet of nonresidential development, so the fee schedule must convert service population estimates to these measures of project size. This conversion is done with average occupant density factors by land use type, shown in Table 2.0.

The residential occupant density factors are derived from the 2000 U.S. Census Bureau's Tables H-31 through H-33. Table H-31 provides vacant housing units data, while Table H-32 provides information relating to occupied housing. Table H-33 documents the total 2000 population residing in occupied housing. The US Census numbers are adjusted by using the California Department of Finance ("DOF") estimates for January 1, 2004 found on Table E.5, and the most recent State of California data available. The non-residential density factors are based on *Employment Density Study Summary report*, prepared for the Southern California Association of Governments, October 2001 by The Natelson Company. For example, the industrial density factor represents an average for light industrial, heavy industrial, and warehouse uses likely to occur in the Town.

Table 2.0: Density Assumptions

Land Use	Density	
<i>Residential</i>		
Single Family	2.29	Residents per Dwelling Unit
Multifamily	1.77	Residents per Dwelling Unit
<i>Non-residential</i>		
Commercial	2.50	Employees per 1,000 square feet
Office	3.33	Employees per 1,000 square feet
Industrial	1.67	Employees per 1,000 square feet

Source: 2000 Census, Tables H31-H33; California Department of Finance (DOF), Table E-5, 2004; Southern California Association of Governments (SCAG); MuniFinancial.

Growth Projections for Yucca Valley

The base year for this study is the year 2004. The existing facilities in 2004 combined with the planned facilities in 2025 will make up the system plan standard in our study.

Base year residential estimate is calculated using the California Department of Finance (DOF) January 1, 2004 estimates and information provided by Town staff. Base year employment estimates are based on data from the Southern California Association of Governments (SCAG) and the California Employment Development Department (EDD). Future 2025 population and dwelling units were provided by the Town of Yucca Valley. Employment projections were interpolated from the current employment estimates (provided by Claritas) by maintaining the jobs-housing ratio. Building square footage was computed by MuniFinancial using the density assumptions shown in Table 2.0.

Table 2.1 shows estimates of the growth in terms of residents and workers.

Table 2.1: Demographic Assumptions

	2004	2025	Increase
Residents ¹	18,410	33,880	15,470
Dwelling Units ¹			
Single Family	6,710	11,230	4,520
Multi-family	1,730	2,900	1,170
Total	8,440	14,130	5,690
Employment ^{2,3}			
Commercial	3,040	5,090	2,050
Office	660	1,100	440
Industrial	600	1,000	400
Subtotal	4,300	7,190	2,890
Other ⁴	1,640	2,750	1,110
Total	5,940	9,940	4,000
Building Square Feet (000s) ⁵			
Commercial	7,600	12,730	5,130
Office	2,200	3,670	1,470
Industrial	1,000	1,570	570
Total	10,800	18,070	7,270

¹ California Department of Finance (DOF), Southern California Association of Governments (SCAG), Data from Town of Yucca - Stan Holman and Associates Population Projections, March, 2005.

² Assumes percentage of employees by land use remains constant to total from 2004 to 2025.

³ Estimates by land use type based on Claritas report prepared for the Town of Yucca Valley, February 2004. Projected employment figures derived by assuming a constant ratio of jobs to housing.

⁴ Represents government and other institutional.

⁵ Based on employment by land use and occupant density shown in Table 2.0.

Sources: Table 2.0; California Department of Finance (DOF), Table E-6, 2004; Town of Yucca Valley; Southern California Association of Governments (SCAG); Claritas 2004; MuriFinancial.

3. GENERAL FACILITIES

The purpose of the fee is to ensure that new development funds its fair share of general public facilities. A fee schedule is presented based on the cost of these facilities to ensure that new development provides adequate funding to meet its needs.

Service Population

General public facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on the Town's service population including residents and workers.

Table 3.0 shows the estimated service population in 2004 and 2025. In calculating the service population, workers are weighted less than residents to reflect lower per capita service demand. Nonresidential buildings are typically occupied less intensively than dwelling units, so it is reasonable to assume that average per-worker demand for services is less than average per-resident demand. The 0.24-weighting factor for workers is based on a 40-hour workweek divided by the total number of hours in a week (168).

Table 3.0: General Facilities Service Population

	Residents	Workers	Service Population
Existing (2004)	18,410	5,940	19,840
New Development (2004-2025)	15,470	4,000	16,430
Total (2025)	33,880	9,940	36,270
Weighting factor	1.00	0.24	

Sources: Table 2.1; Munifinancial

Facility Inventories, Plans & Standards

Existing Town facilities house the Town Council chambers, the Town Manager and Town Clerk's offices and other governance and administrative functions. These existing facilities, as well as, the current facility standard are noted in Table 3.1

Table 3.1: General Facilities Existing Standard

	Inventory	Cost/Unit	Total Value
<i>Existing Facilities</i>			
Land (acres)			
Town Hall Complex	9.27	\$ 20,000	\$ 185,000
California Welcome Center	1.75	20,000	35,000
Public Works Complex	1.60	20,000	32,000
Subtotal Land			\$ 252,000
Buildings (sq. ft.)			
Town Hall Complex			
Town Hall/Library	12,540	\$ 200	\$ 2,528,000
Community Center	11,922	250	2,981,000
Museum	5,108	200	1,022,000
California Welcome Center	4,400	200	880,000
Subtotal Town Hall Complex	34,070		\$ 7,411,000
Corporation Yard			
Admin. Building	6,897	\$ 200	\$ 1,379,000
Operations Building	9,623	200	1,925,000
Subtotal Corporate Yard	16,520		\$ 3,304,000
Total Facilities			\$ 10,967,000
Existing Service Population (2004)			19,840
Cost per Capita			\$ 553
Facility Standard per Resident			\$ 553
Facility Standard per Worker			133

Sources: Tables 2.1 and 3.0; Town of Yucca Valley; MuniFinancial

The contribution of new development towards future general facilities expenditures is captured in Table 3.2.

Table 3.2: New Development Development Contribution

Facility Standard Per Capita	\$	553
Growth in Service Population (2004-2025)		16,430
New Development Contribution	\$	9,082,000

Sources: Tables 3.0 and 3.1, MuniFinancial

Fee Schedule

Table 3.3 shows the proposed general facilities fees based on the existing inventory standard shown in Table 3.1. The cost per capita is converted to a fee per unit of new development based on dwelling unit and building space densities (persons per dwelling unit ("DU") for residential development and workers per 1,000 square feet ("KSF") of building space for non-residential development).

Table 3.3: General Facilities - Proposed Fee Schedule

Land Use	Costs per Capita	Density	Fee	Admin ¹	Total Fee	Fee / Sq. Ft.
<i>Residential</i>						
Single Family	\$ 553	2.29	\$ 1,266	\$ 25	\$ 1,290	
Multifamily	553	1.77	976	20	996	
<i>Non-residential</i>						
Commercial	\$ 133	2.50	\$ 333	\$ 7	\$ 340	\$ 0.34
Office	133	3.33	443	9	452	0.45
Industrial	133	1.67	222	4	226	0.23

¹ Administration fee of 2.0 percent

Sources: Tables 2.0 and 3.1; MuniFinancial

4. PARK FACILITIES

The purpose of the fee is to ensure that new development funds its fair share of park facilities. The Town would use fee revenues to expand park facilities to serve new development.

Service Population

Residents are the primary users of parkland. Therefore, demand for parks and associated facilities are based on the Town's residential population. Table 4.0 provides estimates of the resident population with a projection for the year 2025.

Table 4.0: Parks Facilities Service Population

	Residents
Existing (2004)	18,410
New Development (2004-2025)	15,470
Total (2025)	33,880

Source: Table 2.1

Facility Inventories, Plans & Standards

This section describes the Town's existing facility inventory, standards, and Planned Park facilities.

Existing Inventory

The Town owns and operates, or has agreements with other agencies to use various park facilities. The Town's inventory of improved park facilities includes approximately a total of 37.67 acres summarized in Table 4.1.

Table 4.1: Existing and Planned Park Facilities

Facility	Improved Acres	Unimproved Acres	Total Acres
<i>Existing Parks</i>			
Community Center Park	12.94		12.94
Jacobs Park	5.00		5.00
Machris Park	12.00		12.00
Remembrance Park	0.20		0.20
Sunnyslope Park	2.53	8.00	10.53
Paradise Valley Park	5.00		5.00
South Side Park		80.00	80.00
<i>Planned Parks</i>			
West End Park		10.00	10.00
East End Park		15.00	15.00
North End Park		10.00	10.00
Total Acres	37.67	123.00	160.67

Note: Excludes BLM patented open space lands

Sources: Town Parks Master Plan by Parks Rose-RSI, Dec. 16, 1999; Town of Yucca Valley; MuniFinancial

Park Facility Standards

To calculate new development's need for new parks, municipalities commonly use a ratio expressed in terms of developed park acres per 1,000 residents. The current Town General Plan policy standard for parks is 5.0 acres per 1,000 residents. Additional information included in this report was taken from the Town Parks Master plan completed for the Town by Parks Rose-RSI in December 1999. According to the provided information, The Town currently has 37.67 acres of improved parkland. To reach the Town's planning standard of 5.0 acres per 1,000 residents, the acquisition and improvement of an additional 8.33 acres and 131.33 acres, respectively, by 2025 is required (as shown in Table 4.2).

Table 4.2: Parks Facilities General Plan Standard

General Plan Standard (developed acres per 1,000 residents)	5.00
2025 Service Population	<u>33,880</u>
Total Facilities Needs (acres)	169.00
Total Land Acquired	160.67
Deficit	(8.33)
Total Improved Acreage	37.67
Deficit	(131.33)

Sources: Table 4.0; Town of Yucca Valley Comprehensive General Plan, Prepared by Town of Yucca Valley Community Development Department, Dec. 14, 1985; MuniFinancial

Unit Costs for Land Acquisition and Improvement

Unit costs represent the current cost of park acquisition and improvement. This approach represents the land costs and level of improvements that existing development have provided to date. This approach ensures that the cost of facilities to serve new development is not artificially increased, and new development unfairly burdened, compared to existing development.

The unit costs used to estimate the total cost of parkland facility needs are shown in Table 6.4. All costs are expressed in 2004 dollars. Land acquisition costs and improvement costs are based on the Town's experience with park development.

Table 4.3: Park Facilities Unit Costs

	Average Cost
<i>Per Acre</i>	
Land Acquisition	\$ 20,000
Park Improvement	<u>200,000</u>
Total	\$ 220,000

Source: Town of Yucca Valley; MuniFinancial

Total Needs and Costs

The total amount of park facilities to serve growth is calculated by multiplying the facility standards developed in Table 4.2 by the growth in residents. The total cost of these needs for park facilities is based on the average unit costs for land acquisition and improvements shown in Table 4.3. To accommodate the increase in service population through 2025 new development or alternative sources would need to fund facilities estimated to cost approximately \$17 million as shown in Table 4.4.

Table 4.4: Park Facilities to Accommodate Growth

Land Acquisition

General Plan Standard (acres/1,000 residents)	5.00	
Resident Growth (2004-2025)	<u>15,470</u>	
Facility Needs (acres)	77.35	
Average Unit Cost (per acre)	\$ 20,000	
Total Cost of Facilities		\$ 1,547,000

Land Improvement

General Plan Standard (acres/1,000 residents)	5.00	
Resident Growth (2004-2025)	<u>15,470</u>	
Facility Needs (acres)	77.35	
Average Improvement Cost (per acre)	\$ 200,000	
Total Cost of Facilities		\$ 15,470,000

Total		\$ 17,017,000
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Sources: Tables 4.0, 4.1, and 4.3; MuniFinancial

If the Town cannot acquire all 77.35 acres calculated in Table 4.4 because of land constraints, the Town may apply the same funds to rehabilitating, renovating, or rebuilding facilities in existing parks. The \$15.47 million in improvement facilities must be used for enhancing, upgrading, adding, or expanding new park facilities. Renovating and intensifying development of existing parks is another reasonable method for accommodating growth that could be used in conjunction with expanding improved park acreage. The use of fee revenues would be identified through planned parkland acquisition and improvement projects described in the most recently adopted version of annual capital improvement budget.

The Town anticipates that the park fees would be the primary revenue source to fund the planned facilities required to serve new development. Table 4.5 shows the share of

costs that could be attributed to new development. This amount represents the balance after allocating to new development its share of those planned Park facilities.

Table 4.5: Parks Facilities Costs per Capita for New Development

	Land Acquisition	Land Improvement
Cost Per Acre	\$ 20,000	\$ 200,000
Facility Standard (acres per 1,000 residents)	5.00	5.00
Cost Per 1,000 capita	100,000	1,000,000
	1,000	1,000
Cost Per Resident	\$ 100	\$ 1,000

Sources: Tables 4.3 and 4.4; MuniFinancial

Alternative Funding Sources

The Town can obtain the funding needed to complement facilities fee revenues over the Planning Horizon through non-fee revenue sources. This funding is necessary to justify the fee imposed on new development using the standard shown here. If this funding is not obtained, the new development will have paid too high a fee by the end of the Planning Horizon.

Fee Schedule

Park facility cost per resident is shown in Table 4.6.

Table 4.6: Parks Facilities Fees

Land Use	Cost per Capita	Density	Fee	Admin ¹	Total Fee
Residential					
Single Family					
Land Acquisition	\$ 100	2.29	\$ 229	\$ 5	\$ 233
Park Improvement	1,000	2.29	2,289	46	2,335
Total					\$ 2,568
Multi-family					
Land Acquisition	\$ 100	1.77	\$ 177	\$ 4	\$ 180
Park Improvement	1,000	1.77	1,765	35	1,800
Total					\$ 1,980

¹ Administration fee of 2.0 percent

Sources: Tables 2.0 and 4.5, Municipal

Real Estate

The fee schedule in Table 4.6 includes separate components for land acquisition and improvement so that the Town can calculate a credit if a developer dedicates parkland or provides improvements. An average per-acre reimbursement is reasonable because the fees collected may not be used in the same area from which they were collected. The costs provided in this report represent the current Town-wide value.

6. TRAILS

The purpose of the fee is to ensure that new development funds its fair share of trails. The Town would use fee revenues to expand the town's network of trails to serve new development.

Service Population

Residents are the primary users of Yucca Valley's trails. Therefore, demand for hiking and bike trails, and their associated facilities, are based on the Town's residential population. Table 5.0 provides estimates of the resident population with a projection for the year 2025.

Table 5.0: Trails Facilities Service Population

	Residents
Existing (2004)	18,410
New Development (2004-2025)	15,470
Total (2025)	33,880

Source: Table 2.1

Facility Inventories, Plans & Standards

This section describes the Town's existing facility inventory, standards, and planned Trails facilities.

Proposed Inventory

The Town has a comprehensive Trail Master plan completed by RHA Landscape Architects – Planners, Inc. The Trails Master Plan was completed in June 2002. The Town has since made amendments to this Trails Master Plan and the information in this report reflects those changes. The proposed Trails facilities are summarized in Table 5.1

Table 5.1: Trail Inventory (Proposed)

	Estimated Construction Cost	Estimated Easement Cost ¹	Estimated Total Cost
Yucca Wash Trail - Reach 1	\$ 216,000	\$ -	\$ 216,000
Yucca Wash Trail - Reach 2	310,500	-	310,500
Yucca Wash Trail - Reach 3	234,000	990	234,990
California Riding & Hiking Trail - Yucca Wash - Reach 4	214,500	-	214,500
California Riding & Hiking Trail - Marvin Drive	85,800	3,300	89,100
California Riding & Hiking Trail - Hacienda Drive - Reach 1	276,900	1,320	278,220
California Riding & Hiking Trail - Hacienda Drive - Reach 2	191,100	4,290	195,390
California Riding & Hiking Trail - Chipmunk Trail	218,400	6,600	225,000
California Riding & Hiking Tr - Skyline Ranch Rd - Reach 1	280,800	2,310	283,110
California Riding & Hiking Tr - Skyline Ranch Rd - Reach 2	93,600	2,640	96,240
California Riding & Hiking Tr - Skyline Ranch Rd - Reach 3	189,000	4,290	193,290
Kickapoo Trail	144,300	2,640	146,940
Little Morongo Canyon Road - Reach 1	187,200	1,320	188,520
Little Morongo Canyon Road - Reach 2	136,500	660	137,160
Royal Springs Wash Trail	280,800	1,650	282,450
Black Rock Canyon Trail	148,200	10,230	158,430
East Burnt Mountain Wash Trail - Reach 1	144,300	2,640	146,940
East Burnt Mountain Wash Trail - Reach 2	226,200	8,250	234,450
East Burnt Mountain Wash Trail - Reach 3	261,300	-	261,300
San Andreas Road Trail - Reach 1	499,520	8,250	507,770
San Andreas Road Trail - Reach 2	472,760	3,860	476,620
San Andreas Road Trail - Reach 3	472,760	5,610	478,370
San Andreas Road Trail - Reach 4	148,200	990	149,190
Carmelita Wash Trail	202,800	-	202,800
Black Rock Wash Trail	148,200	-	148,200
Covington Wash Trail - Reach 1	163,800	1,650	165,450
Covington Wash Trail - Reach 2	226,200	3,860	230,060
Covington Wash Trail - Reach 3	265,200	3,960	269,160
Covington Wash Trail - Reach 4	214,600	4,290	218,890
Totals:	\$ 6,653,340	\$ 85,800	\$ 6,739,140
Total Trail Miles:	27.75		
Estimated Cost/Mile:	\$ 239,793	\$ 3,092	\$ 242,604

¹ Easement Costs inflated by 10 percent over costs provided in the Town of Yucca Valley Trails Bike Route Master Plan.

Sources: Town of Yucca Valley Adopted Trails/Bike Route Master Plan, March 10, 2005; Town of Yucca Valley Planning Department Municipal

Unit Costs for Land Acquisition and Improvement

Unit costs represent the current cost of construction and easement acquisition. By dividing the total costs over the 2025 service population, this approach ensures that there is an equitable distribution of costs between new and existing development.

Table 5.2 summarizes the per capita cost for completion of the Trails System facilities. All costs are expressed in 2004 dollars.

Table 5.2: Trails Facilities Cost per Capita

	Construction Costs	Easement Acquisition Costs ¹
Cost	\$ 6,653,340	\$ 85,800
2025 Service Population	33,880	33,880
Cost Per Resident	\$ 196	\$ 3
Total Cost per Resident		\$ 199

Sources: Tables 5.0 and 5.1; MuniFinancial

Allocation of Facilities Costs to New Development

The Town anticipates that the trail fees would be the primary revenue source to fund the planned facilities required to serve new development. The allocation of costs for trails facilities between the existing service population and new development is shown in Table 5.3. The trails impact fee would be used in conjunction with alternative funding sources to close the deficiency.

Table 5.3: Costs Attributable to New Development

	New Development Contribution	Total Planned Facilities	Deficiency To Be Funded By Non-Fee Revenue Sources
Cost per Resident	\$ 199		
New Development (2004-2025)	15,470		
New Development Contribution	\$ 3,077,169		
	\$ 3,077,169	\$ 6,739,140	\$ (3,661,971)

Sources: Tables 5.0 and 5.2; MuniFinancial

Fee Schedule

Table 5.4 shows the maximum allowable trails facilities fees based on the Master Plan standard. These cost factors are based on the cost per capita derived from the unit cost estimates and facility standards.

Table 5.4: Trails Facilities Fee

Land Use	Cost per Capita ¹	Density	Fee	Admin ¹	Total Fee
<i>Residential</i>					
<i>Single Family</i>					
Construction	\$ 196	2.29	\$ 449	\$ 9	\$ 458
Easement	3	2.29	6	0	6
Subtotal					\$ 464
<i>Mult-family</i>					
Construction	\$ 196	1.77	\$ 347	\$ 7	\$ 354
Easement	3	1.77	4	0	5
Subtotal					\$ 358

¹ Administration fee of 2.0 percent

Sources: Tables 2.0 and 5.2; MuniFinancial

Fee Credits

The fee schedule in Table 5.4 includes separate components for construction and easement acquisition so that the Town can calculate a credit if a developer dedicates trail easements or other improvements. This fee credit plan could be structured similar to the one discussed for Parks facilities in the previous chapter.

6. STORM DRAIN FACILITIES

This chapter documents a reasonable relationship between new development and the funding for proposed Storm Drain facilities. Information included in this chapter comes from the Yucca Valley Master Plan of Drainage (the "Storm Drain Study") completed in June 1999 by John M. Tettemer & Associates, Inc.

Equivalent Dwelling Units

Table 6.0 calculates the equivalent dwelling unit (EDU) for each land use using average densities shown in the December 1995 Yucca Valley General Plan and impervious surface values derived from United States Department of Agriculture. Table 6.1 shows the total existing and future EDUs for storm drainage facilities by land use.

Table 6.0: Storm Drains - Impervious Surface

	DU/Acre or Acres ¹	Average Percent Impervious ²	Equivalent Dwelling Unit (EDU) ³	Acres/ KSF ³	EDU/ KSF ³
<i>Residential (dwelling units)</i>					
Single Family	2.78	35%	1.00		
Multi-Family	10.85	68%	0.50		
<i>Non-residential</i>					
Commercial Space	1.00	90%	7.15	0.09	0.66
Office Space	1.00	95%	7.55	0.09	0.69
Industrial	1.00	75%	5.96	0.08	0.46

¹ Dwelling units per acre for residential usage and acres for Non-residential usage. Residential average based on midpoint of dwelling units per acre - Yucca Valley General Plan, December 1995.

² Percent Impervious Surface derived from USDA data.

³ Floor Area Ratio ("FAR") per acre based upon Non-residential space classification .25 for Office, Retail & Service and .30 for Industrial space and derived by the following formula: $1/((43560 \cdot .25)/1,000)$ for Commercial and Office Space and $1/((43560 \cdot .30)/1,000)$ for Industrial and listed in KSF.

Sources: Yucca Valley General Plan, December 1995; Muni/Financial

Table 6.1: Storm Drain Facilities Total Equivalent Dwelling Units

	EDU Factor	Projected		Existing EDUs	Growth In EDUs	Total
		Existing (DU/KSF)	Growth (DU/KSF)			
<i>Residential</i>						
Single Family	1.00	6,710	4,520	6,710	4,520	11,230
Multi-Family	0.50	1,730	1,170	865	585	1,450
Total Dwelling Units		8,440	5,690	7,575	5,105	12,680
<i>Non-residential</i>						
Commercial Space	0.66	7,600	5,130	5,016	3,386	8,402
Office Space	0.69	2,200	1,470	1,518	1,014	2,532
Industrial	0.46	1,000	670	460	308	768
Total KSF Commercial		10,800	7,270	6,994	4,708	11,702
Total				14,569	9,813	24,382
Percent of Total				59.8%	40.2%	100.0%

Sources: Tables 2.1 and 8.0; MuniFinancial

Facility Inventories, Plans & Standards

Hydrologic modeling uses a "design storm" to estimate the rainfall runoff needing to be accommodated by Storm Drain facilities. The measure of a design storm is typically expressed in terms of the probability of a particular storm in any one year. For example, a 100-year storm is the storm that would occur on average once during 100 years. Facilities designed to accommodate runoff from this type of storm provide 100-year flood protection.

The modeling completed for the Storm Drain Study was based on 100 year and 25-year peak discharges using an approved watershed sub-area delineation map with defined flow paths. Selected peak discharges resulting from the computations were used in sizing the drainage facilities.

The Yucca Valley Master Plan of Drainage developed two different types of storm drain systems, a non-detained system, with an estimated cost of \$121,303,000, and a detained system with an estimated cost of \$102,016,000. Based upon information provided by the Town, the detained system was selected as the preferred system.

The storm drainage facilities fee uses a facility standard (Table 6.2) to demonstrate a reasonable relationship between new development and the need for new facilities. The facility standard is based on the planned facilities investment into the Town's system of storm drainage facilities on a per EDU basis. The need for new storm drainage facilities is determined by maintaining the same investment on a per EDU basis as new development occurs.

Table 6.2: Storm Drain Facilities Standard

	Cost (2004)
Detained Flood Control System Projected Cost ¹	\$ 102,016,000
Cost Escalator ²	1.21
Escalated Detained Flood Control System Cost	\$ 123,439,360
Total EDUs (2025)	24,382
Equity per EDU	\$ 5,063

¹ Town of Yucca Valley Master Plan of Drainage - Final Report Prepared by John M. Tettmer & Associates, Inc. A Division of Keith Companies, Inc. June 1999.

² Engineering News Record Construction Cost Index - June 1999 to November 2004.

Sources: Table 6.1; Town of Yucca Valley; Munifinancial

Table 6.3 presents the cost of upgraded, expanded, or new storm drainage improvements needed to accommodate new development. The new development contribution shown in the table represents the total revenue that the storm drain facilities fee would generate.

Table 6.3: Storm Drain Facilities to Accommodate Growth

	Total
Facility Standard Per EDU	\$ 5,063
Growth in EDUs (2005-2025)	9,813
New Development Contribution	\$ 49,681,428

Sources: Tables 6.2 and 6.3; Munifinancial

Fee Schedule

Table 6.4 shows the sewer facilities fee based on the cost per EDU shown in Table 6.2. The cost per EDU is converted to a fee per unit of development based on dwelling units for residential and 1,000 building square feet for nonresidential development.

Table 6.4: Storm Drain Facilities Fee

Land Use	Cost per EDU	EDU	Fee	Admin ¹	Total Fee	Fee / Sq. Ft.
<i>Residential</i>						
Single Family	\$ 5,063	1.00	\$ 5,060	\$ 101	\$ 5,161	
Mult-Family	5,063	0.50	2,530	51	2,581	
<i>Non-residential</i>						
Commercial	\$ 5,063	0.66	\$ 3,340	\$ 67	\$ 3,407	\$ 3.41
Office	5,063	0.69	3,490	70	3,560	3.56
Industrial	5,063	0.46	2,330	47	2,377	2.38

¹ Administration fee of 2.0 percent

Sources: Tables 6.0 and 6.2; MuniFinancial

7. STREETS AND TRAFFIC

This chapter summarizes an analysis of the need for streets and related transportation facilities to accommodate growth within the Town of Yucca Valley. It documents a reasonable relationship between new development and a traffic fee to fund streets and related transportation facilities that serve new development.

Trip Demand

Estimates of existing and new development provide the basis for calculating the traffic facilities fee. Estimates of existing development provide the basis for the facility standard. The facility standard is used to determine the rate at which new development must increase the value of the Town's equity in its system of street improvements. Estimates of new development are used to calculate the total amount of fee revenues that would be generated.

The need for street improvements is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of average daily vehicle trips, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the Town's system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trips adjustments made to trip generation rates to calculate trip demand are described below:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a final destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

Table 7.0 shows the calculation of trip demand factors by land use category based on the adjustments described above. Data is based on extensive and detailed trip surveys conducted in the San Diego region by the San Diego Association of Governments. The surveys provide one of the most comprehensive databases available of trip generation rates, pass-by trips factors, and average trip length for a wide range of land uses. Urban development patterns are similar enough among the San Diego and Southern California/Los Angeles regions to make the use of the San Diego data applicable to the Town of Yucca Valley.

Table 7.0: Trip Rate Adjustment Factor

	Non-Pass-by Trips		Total Excluding Pass-by ¹	Average Trip Length ²	Adjustment Factor ³	Average Daily Trips ⁴	Trip Demand Factor ⁵
	Primary Trips ¹	Diverted Trips ¹					
<i>Residential⁶</i>							
Single Family	86%	11%	97%	7.9	1.04	10	10.4
Multi-family	86%	11%	97%	7.9	1.04	8	8.3
<i>Nonresidential⁷</i>							
Commercial	47%	31%	78%	3.6	0.38	70	26.6
Office	77%	18%	95%	8.8	1.14	20	22.8
Industrial	92%	5%	97%	9.0	1.18	7	8.3

¹ Percent of total trips. Primary trips are trips with no midway stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip and therefore place little additional burden on the street system. As a result the trip adjustment factor includes a reduction for the share of pass-by trips.

² In miles.

³ The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 6.8 miles.

⁴ Trips per dwelling unit or per 1,000 building square feet.

⁵ The trip demand factor is the product of the trip adjustment factor and the average daily trips.

⁶ Trip percentages, average trip lengths, and average daily trips based on "residential" category. See SANDAG for source, below.

⁷ Trip percentages, average trip lengths, and average daily trips for commercial based on "community shopping center" category, for office based on "standard commercial office" category, and for industrial based on "industrial park (no commercial)" category. See

Sources: San Diego Association of Governments, *Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region*, July 1988; MuniFinancial.

Table 7.1 estimates the trip demand for existing and new development on the Town's system of street improvements. Total trip demand is based on the trip demand factors calculated in Table 7.0 and the growth estimates in Table 2.1. As shown in the table, new development would represent about 40.5 percent of total trip demand.

Table 7.1: Trip Demand From Existing and New Development

	Trip Demand Factor	Existing	Growth	Existing Trip Demand	Trip Demand From Growth	Total Trip Demand
<i>Residential</i>						
Single Family	10.36	6,710	4,520	69,485	46,808	116,293
Multi-family	8.28	1,730	1,170	14,332	9,693	24,025
Subtotal		8,440	5,690	83,817	56,499	140,316
<i>Nonresidential</i>						
Commercial	26.56	7,600	5,130	201,872	136,264	338,136
Office	22.83	2,200	1,470	50,231	33,564	83,795
Industrial	8.26	1,000	670	8,258	5,533	13,791
Subtotal		10,800	7,270	260,362	175,361	435,722
Total				344,179	231,860	576,038
Percent of Total				59.7%	40.3%	100%

Sources: Tables 2.1 and 7.0; Municipal

Facility Inventories, Plans & Standards

The cost of streets and traffic facilities attributed to new development (Table 7.2) are used to develop a Streets and Traffic Signals facility standard in Table 7.3. This approach allows the town to use fee revenues only to those projects that add new facilities and otherwise expand capacities for new development and exclude projects that upgrade existing facilities. This standard calculates an existing equity per trip that becomes the standard used in fee determination.

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

	Cost
Streets	
ROW Costs to widen SR 62 - West Town Boundary to Kickapoo Trail, 2.89 AC	\$ 1,346,408
Widen SR 62 to 6 Lanes - West Town Boundary to Kickapoo Trail, 1.42 miles	2,227,500
ROW Costs to widen SR 62 - Kickapoo Trail to Acoma/Mohawk Trail, 1.32 AC	1,033,511
Widen SR 62 to 6 Lanes - Kickapoo Trail to Acoma/Mohawk Trail, 1.09 miles	1,707,750
ROW Costs to widen SR 62 - Acoma/Mohawk Trail to SR 247, 1.83 AC	1,427,190
Widen SR 62 to 6 Lanes - Acoma/Mohawk Trail to SR 247, 1.51 miles	2,361,150
ROW Costs to widen SR 62 - SR 247 to Hillon Avenue, 1.03 AC	802,775
Widen SR 62 to 6 Lanes - SR 247 to Hillon Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Hillon Avenue to Avalon Avenue, 1.03 AC	806,575
Widen SR 62 to 6 Lanes - Hillon Avenue to Avalon Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Avalon Avenue to Yucca Mesa Road, 1.26 AC	984,829
Widen SR 62 to 6 Lanes - Avalon Avenue to Yucca Mesa Road, 1.04 miles	1,633,500
ROW Costs to widen SR 247 - State Route 62 to San Juan Road, 12.19 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - State Rte. 62 to San Juan Rd, 1.57 miles	12,322,412
ROW Costs to widen SR 247 - San Juan Rd. to Buena Vista Dr., 12.19 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - San Juan Rd. to Buena Vista Dr., 1.57 miles	12,322,412
ROW Cost to widen SR 247 - Buena Vista Dr. to N. Town Boundary, 17.80 AC	4,093,113
Widen SR 247 to 4 Divided Lanes - Buena Vista Dr. to N. Town Bndry., 2.16 ml.	13,543,200
Widen Onaga Trail, 4 Lane Arterial Divided - Kickapoo Tr. to Joshua Lane	7,437,150
Widen Yucca Trail, 4 Lane Arterial Divided - Sage Ave. to Avalon Avenue	5,883,584
Widen Joshua Lane, 4 Lane Arterial Divided - Onaga Tr. to State Route 62	2,621,399
Widen/Construct Camino del Cielo, 4 Lane Collector - Onaga Tr. to Sunnyslope (2 Lanes)	851,941
Widen/Construct Sunnyslope Dr., 4 Lane Collector - Camino del Cielo to Pioneertown (2 L	1,196,400
Widen Kickapoo Trail, 4 Lane Collector - Onaga Trail to State Route 62	387,318
Widen Pioneertown Road, 4 Lane Collector - State Rte. 62 to Sunnyslope Drive	1,402,235
Widen Acoma Trail, 4 Lane Collector - Golden Bee Drive to State Rte. 62	3,327,726
Widen Sage Avenue, 4 Lane Collector - Golden Bee Drive to State Route 62	3,327,726
Widen Joshua Lane, 4 Lane Collector - Golden Bee Drive to Onaga Trail	2,065,485
Widen La Contenta Road, 4 Lane Collector - Yucca Trail to State Route 62	3,174,245
Widen Palomar Avenue, 4 Lane Collector - Joshua Lane to Yucca Trail	3,877,071
Widen Avalon Avenue, 4 Lane Collector - Yucca Trail to State Route 62	2,930,329
Widen Yucca Trail, 4 Lane Collector - Avalon Avenue to Yucca Mesa Road	4,037,342
Widen Onaga Trail, 4 Lane Collector - Joshua Lane to Palomar Avenue	2,983,479
Construct Onaga Trail, 4 Lane Collector - Camino del Cielo to Kickapoo Trail	1,703,882
Widen Joshua Drive, 4 Lane Collector - Acoma Trail to Joshua Lane	2,486,232
Widen Warren Vista Avenue, 2 Lane Collector - Yucca Trail to State Rte. 62	474,964
Widen Golden Bee, 2 Lane Collector - Acoma Trail to Joshua Lane	1,597,605
Widen Joshua Lane, 2 Lane Collector - Golden Bee Drive to Warren Vista	793,406
Subtotal - Streets	\$ 117,555,292

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

	Cost	
<i>Traffic Safety</i>		
Raised Medians on SR 62 - West Town Boundary to Fairway Drive	\$	810,000
Raised Medians on SR 62 - Fairway Drive to Camino del Cielo		1,114,000
Raised Medians on SR 62 - Camino del Cielo to Kickapoo Trail		1,114,000
Raised Medians on SR 62 - Kickapoo Trail to Elk Trail		1,306,000
Raised Medians on SR 62 - Cherokee Trail to Acoma/Mohawk Trail		616,000
Raised Medians on SR 62 - Acoma/Mohawk Trail to Palm Avenue		1,025,000
Raised Medians on SR 62 - Palm Avenue to Sage Avenue		794,000
Raised Medians on SR 62 - SR 247 to Warren Vista Avenue		1,198,000
Raised Medians on SR 62 - Warren Vista Avenue to Hilton Avenue		608,000
Raised Medians on SR 62 - Hilton Avenue to Balsa Avenue		640,000
Raised Medians on SR 62 - Balsa Avenue to Avalon Avenue		1,178,000
Raised Medians on SR 62 - Avalon Avenue to Indio Avenue		1,094,000
Raised Medians on SR 62 - Indio Avenue to Yucca Mesa Road		1,126,000
Sidewalks on both sides SR 62 - West Town Boundary to Fairway Dr.		278,000
Sidewalks on both sides SR 62 - Fairway Drive to Camino del Cielo		380,000
Sidewalks on both sides SR 62 - Camino del Cielo to Kickapoo Trail		380,000
Sidewalks on both sides SR 62 - Kickapoo Trail to Elk Trail		456,000
Sidewalks on both sides SR 62 - Elk Trail to Cherokee Trail		130,000
Sidewalks on both sides SR 62 - Cherokee Trail to Acoma/Mohawk Trail		210,000
Sidewalks on both sides SR 62 - Acoma/Mohawk Trail to Palm Avenue		350,000
Sidewalks on both sides SR 62 - Palm Avenue to Sage Avenue		378,000
Sidewalks on both sides SR 62 - Sage Avenue to SR 247		370,000
Sidewalks on both sides SR 62 - SR 247 to Warren Vista Avenue		408,000
Sidewalks on both sides SR 62 - Warren Vista Avenue to Hilton Avenue		208,000
Sidewalks on both sides SR 62 - Hilton Avenue to Balsa Avenue		218,000
Sidewalks on both sides SR 62 - Balsa Avenue to Avalon Avenue		402,000
Sidewalks on both sides SR 62 - Avalon Avenue to Indio Avenue		373,000
Sidewalks on both sides SR 62 - Indio Avenue to Yucca Mesa Road		384,000
Subtotal - Traffic Safety	\$	17,676,000
<i>Traffic Signals</i>		
Yucca Trail @ Joshua Lane	\$	500,000
Hwy 62/Camino Cielo		500,000
Hwy 62/Sage Avenue		500,000
Hwy 62/Joshua Lane		500,000
Hwy 62/Yucca Mesa Road/La Contenta Road		500,000
Yucca Trail/Avalon Avenue/Palomar Avenue		500,000
Onaga Trail/Acoma Trail		500,000
Subtotal - Traffic Signals	\$	3,500,000
Total	\$	130,631,292

Source: Town of Yucca Valley, Exhibit T, of the General Plan EIR Traffic Study prepared by Robert Kahn, John Kahn & Associates, 8/3/95

Table 7.3: Streets & Traffic Facilities Standard

	Cost
<i>Planned Projects</i>	
Street Improvements	\$ 117,555,292
Traffic Safety	17,576,000
Traffic Signals	<u>3,500,000</u>
Total Streets & Traffic Facilities	\$ 138,631,292
Less: Other Funding Sources (2004-2025) ¹	<u>4,015,000</u>
Net Facility Needs	\$ 134,616,292
Projected Trip Demand for Future Growth (2004-2025)	<u>231,860</u>
Standard Per Trip	\$ 581

¹ Represents portion of Measure I funding available for regional traffic projects. Estimated at \$182,500 per year.

Sources: Town of Yucca Valley; Tables 7.1 and 7.2; MuniFinancial

Fee and Revenue Schedules

The maximum justified fee for traffic facilities is shown in Table 7.4. The Town may adopt any fee up to that shown in the table. If the Town adopts a lower fee then it should consider reducing the fee for each land use by the same percentage. This approach would ensure that each new development project funds the same fair share of costs to improve the Town's system of street improvements.

Table 7.4: Streets & Traffic Facilities Fees

Land Use	Standard Per Trip	Trip Demand Factor	Fee	Admin ¹	Total Fee	Fee / Sq. Ft.
<i>Residential</i>						
Single Family	\$ 581	10.4	\$ 6,016	\$ 120	\$ 6,137	
Mult-family	581	8.3	4,813	96	4,909	
<i>Non-residential</i>						
Commercial	\$ 581	26.6	\$ 15,433	\$ 309	\$ 15,741	\$ 15.74
Office	581	22.8	13,266	265	13,531	13.53
Industrial	581	8.3	4,798	96	4,894	4.89

¹ Administration fee of 2.0 percent

Sources: Tables 7.0 and 7.3; MuniFinancial

8. IMPLEMENTATION

Programming Revenues and Projects with the CIP

The Town CIP should be amended to identify fee revenue with specific projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The Town may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the Town's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the Town should consider revising the fees accordingly.

For the five-year planning period of the CIP, the Town should consider allocating existing fund balances and projected fee revenue to specific projects. The Town can hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

Identify Non-Fee Revenue Sources

The use of the method for calculating facility standards can identify revenue Deficiencies attributable to the existing service population. As fees are only imposed under the Act to fund new development's fair portion of facilities, the Town should consider how Deficiencies might be supplemented through the use of alternative funding sources. Potential sources of revenue include existing or new general fund revenues or the use of existing or new taxes. Any new tax would require two-thirds voter approval, while new assessments or property-related charges would require majority property-owner approval.

Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an automatic adjustment to the fee annually. Separate indexes for land and construction costs should be used. Calculating the land cost index may require the periodic use of a property appraiser. The construction cost index can be based on the Town's recent capital project experience or can be taken from any reputable source, such as the *Engineering news Record*. To calculate prospective fee increases, each index should be weighed against its share of total planned facility costs represented by land or construction, as appropriate.

Reporting Requirements

The Town should comply with the annual and five-year reporting requirements of the Act. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential.

Identification of the timing of receipt of other revenues to fund the facilities is also important.

9. MITIGATION FEE ACT FINDINGS

Fees are assessed and typically paid when a building permit is issued and imposed on new development projects by local agencies responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the Act with Assembly Bill 1600 in 1987 and subsequent amendments. The Act, contained in *California Government Code* §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The Act requires local agencies to document five statutory findings when adopting fees.

The five findings in the Act required for adoption of the maximum justified fees documented in this report are: 1) Purpose of Fee, 2) Use of Fee Revenues, 3) Benefit Relationship, 4) Burden Relationship, and 5) Proportionality. They are each discussed below and are supported throughout the rest of this report.

Purpose of Fee

- *Identify the purpose of the fee (§66001(a)(1) of the Act).*

We understand that it is the policy of the Town that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fees advance a legitimate Town interest by enabling the Town to provide municipal services to new development.

Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the Town, would be available to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the Town. Fees addressed in this report have been identified by the Town to be restricted to funding the following facility categories: General facilities, Park facilities, Trails facilities, Storm Drain facilities, and Streets and Traffic Signals.

Summary descriptions of the planned facilities such as size and cost estimates were provided by the Town and are included in Chapters 4 through 8 of this report. More thorough descriptions of certain planned facilities, including their specific location, if known at this time, are included in master plans, capital improvement plans, or other Town planning documents or are available from Town staff. The Town may change the list of planned facilities to meet changing needs and circumstances, as it deems necessary. The fees should be updated if these amendments result in a significant change in the fair share cost allocated to new development.

Planned facilities to be funded by the fees are described in the *facilities, Inventories, Plans and standards* sections in each facility category chapter.

Benefit Relationship

- * *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

We expect that the Town will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development. Facilities funded by the fees are expected to provide a Town-wide network of facilities accessible to the additional residents and workers associated with new development. Under the Act, fees are not intended to fund planned facilities needed to correct existing Deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

- * *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. Facilities demand is determined as follows:

- o The service population is established based upon the number of residents and workers, which correlates to the demand for General facilities, Park facilities and Trails facilities;
- o Storm water generation is directly related to the impervious surface area of a new development and is linked to the number of EDUs and corresponds to an increased demand for Storm Drain facilities;
- o The number of vehicular trips generated per use classification determines Streets and Traffic Signals facilities demand.

For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. Service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted less than one resident based on an analysis of the relative use demand between residential and non-residential development. For Storm Drain facilities, facility standards are based on the impervious surface area of a development and linked to the number of EDUs as compared to one single-family dwelling unit.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Chapter 3 Growth Projections provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facilities, Inventories, Plans and standards* sections of in each facility category chapter.

Proportionality

- Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size or increases in the number of EDUs or vehicle trips. Larger new development projects can result in a higher service population, larger impervious surface areas, or a higher trip generation rate resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees can ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 3, Growth Projections*, or the *service population, Equivalent Dwelling Unit or Trip Rate Adjustment Factor* sections in each facility category chapter for a description of how service population, EDUs or Trip Rate Adjustment Factors are determined for different types of land uses. See the *Fee Schedule* section of each facility category chapter for a presentation of the proposed facilities fees.

ATTACHMENT "B"
ADDITIONAL FINDINGS

GENERAL FACILITIES: Additional Findings

Purpose:

The purpose of the general facilities fee is to provide funding for the construction and or expansions of existing general facilities within the Town. These include the Town Hall Complex, the California Welcome Center, and the Community Development/Public Works Complex. Specifically, these include the areas of Town Hall, Library, Community Center, Museum, California Welcome Center, the Community Development Administration Building, the Public Works Operations Building, and the future Animal Shelter. These facilities and their specifics are identified in Table 3.1 of the Study.

Use of Fee Revenues:

The revenue generated from this fee will be used to furnish the funding required to erect new municipal buildings or expand existing municipal buildings as described in the foregoing section. These facilities will provide centralized, efficient, and expanded public service facilities to accommodate the projected increase in the Town's population due to new development.

Benefit Relationship:

The new residential, commercial, office, and industrial development which are anticipated to occur during the planning period will generate significant additional demand for the administrative, management, professional, technical and para-professional services provided by the staffs of the Town's non-emergency services. This demand will occur among all components of the community and will require adequate provision for office expansion to accommodate the new growth. The fee recommended will apply to each of these community components, since all will contribute to the demand for new and expanded municipal services.

Burden Relationship:

New development will require the services supplied by the administrative offices of the Town's non-emergency services. These services will require adequate, convenient and efficient workspace to fulfill their public service requirements. Chapter 3 of the Study addresses General Facilities. Specifically, Tables 3.0, 3.1, and 3.2 establish the rational and methodology for determining the fee for new development, as identified in Table 3.3.

Proportionality:

Chapter 3 of the Study addresses General Facilities. Specifically, Tables 3.0, 3.1, and 3.2 establish the rational and methodology for determining the fee for new development, as identified in Table 3.3.

PARK FACILITIES: Additional Findings

Purpose:

The purpose of this fee is to provide funding for the acquisition and improvement of those park facilities and projects identified in the Parks Master Plan, and that are required to augment the Town's current park system to accommodate the needs of projected new growth and development in the Town.

Use of Fee Revenues:

The revenue generated from this fee will be used to purchase land and develop new community, neighborhood and specialized parks within the Town of Yucca Valley pursuant to the goals and objectives of such facilities contained in the General Plan and the Parks Master Plan.

Benefit Relationship:

The new residential development which is anticipated to occur during the planning period will generate significant need to improve and expand the Town's basic park facilities. This fee will be used to finance such improvements and additions. These new park facilities will be needed in order to accommodate the projected growth from new development which will be occurring during the planning period as well as maintain existing service levels.

Burden Relationship:

As noted previously, new development will require additional, improved or expanded park facilities to maintain existing service levels. Growth from new development will require adding five acres of new park facilities per 1,000 population to accommodate such growth and to maintain current service levels. Further, the new facilities will enhance the community's quality of life and living environment to the benefit of all its citizens.

Proportionality:

Chapter 4 of the Draft Study, including Tables 4.0, 4.1, 4.2, 4.3, 4.4, and 4.5, identify the methodology and basis for calculating the maximum fees that may be imposed for park facilities as identified in Table 4.6. No fees are recommended for commercial, office or industrial type development.

TRAILS FACILITIES: Additional Findings

Purpose:

Chapter 5 addresses the Town's trails system as identified in the Master Plan of Trails. The purpose of the fee is to ensure that development funds its fair share of the trails system.

Use of Fee Revenues:

The Town will use fee revenues to expand the Town's network of trails to serve new development. The continued implementation of the trails system will further encourage the use of this alternative transportation mode consistent with the General Plan's stated goals and objectives.

Benefit Relationship:

The projected residential development which is anticipated to occur during the planning period will generate significant additional demand and need for the trails network. The fee will be used to finance such improvements and additions that are necessary to serve new development that is projected to occur during the planning period.

Burden Relationship:

As noted above, new residential development generates additional pedestrian and multi-use traffic which will require additional or improved and/or expanded trail facilities to maintain existing service levels as new growth occurs.

Proportionality:

Chapter 5, specifically Tables 5.0, 5.1, 5.2, and 5.3, identify the methodology and basis for calculating the fee level identified in Table 5.4.

STORM DRAIN FACILITIES: Additional Findings

Purpose:

The purpose of this fee is to provide funding for the acquisition and improvement of those storm drain facilities and projects identified in the Master Plan of Drainage, and that are required to augment the Town's current flood control system to accommodate the needs of projected new growth and development in the Town.

Use of Fee Revenues:

The revenue generated from this fee will be used to purchase land and develop new storm drain facilities within the Town of Yucca Valley pursuant to the goals and objectives of such facilities contained in the General Plan and as identified in the Master Plan of Drainage, as well as within Chapter 6 of the Study.

Benefit Relationship:

The new residential, commercial, office and industrial development which are anticipated to occur during the planning period will generate significant need to improve and expand the Town's storm drain office. This fee will be used to finance such improvements and additions. These new storm drain facilities will be needed in order to accommodate the projected growth from new development which will be occurring during the planning period as well as maintain existing service levels.

Burden Relationship:

Chapter 6, specifically Table 6.2, establishes and demonstrates a reasonable relationship between new development and the need for new facilities. The facility standard is based on the planned facilities investment into the Town's system of storm drainage facilities on a per EDU basis.

Proportionality:

Chapter 6 of the Draft Study, including Tables 6.0, 6.1, 6.2, and 6.3, identify the methodology and basis for calculating the maximum fees that may be imposed for storm drain facilities as identified in Table 6.4

STREETS AND TRAFFIC: Additional Findings

Purpose:

Chapter 7 summarizes an analysis of the need for streets and related transportation facilities to accommodate growth within the Town of Yucca Valley. It documents a reasonable relationship between new development and a traffic fee to fund street and related transportation facilities that serve new development. The purpose of this fee is to provide funding for the construction of those improvements to the Town's street facilities as identified in Chapter 7.

Use of Fee Revenues:

The revenue generated from this fee is to provide funding for the construction of those improvements to the Town's street facilities as identified in Chapter 7, which are required to augment the Town's current street system to accommodate the needs of projected new growth and development in the Town.

Benefit Relationship:

The new residential, commercial and industrial development which is projected to occur during the planning period and to build out will generate significant additional traffic and the need to improve and expand the Town's street facility system. The fee will be used to provide for those capacity improvements and traffic and pedestrian safety improvements required by growth projections to maintain existing levels of service and to accommodate new growth and development.

Burden Relationship:

As noted in the previous section, each type of new residential, commercial, office and industrial development will generate additional traffic, which will create an incremental need to add to roadway capacity, and to improve traffic and pedestrian safety. Specifically in Chapter 7, Tables 7.0, 7.1, 7.2 and 7.3 establish the methodology and basis for the fees identified in Table 7.2

Proportionality:

The recommended fee is demand or trip generation based. Based upon trip generation rates, Chapter 7 identifies the costs attributable to new development including residential, commercial, office, and industrial. Specifically in Chapter 7, Tables 7.0, 7.1, 7.2 and 7.3 establish the methodology and basis for the fees identified in Table 7.2

ATTACHMENT "C"
DEVELOPMENT IMPACT FEE SCHEDULE

Subdivision, single family residential development:	\$9,081 Per Unit	
Infill, single family residential development:	\$2,568 Per Unit allocated to Park Facilities	
Multi-Family residential development:	\$3,600 Per Unit	
Commercial, Office and Industrial development:	Up to 3,000 sq. ft.	\$1.00 Per Sq. Ft.
	3,001 to 5,000 sq. ft.	\$2.00 Per Sq. Ft.
	5,001 to 10,000 sq. ft.	\$4.00 Per Sq Ft.*
	Over 10,000 sq. ft.	\$7.74 Per Sq. Ft.**
*Industrial Development is capped at:	\$3.18 Per Sq. Ft.	
**Office Development is capped at:	\$7.08 Per Sq. Ft.	

ATTACHMENT D
REVISED STUDY TABLES

**ATTACHMENT A
GENERAL FACILITIES**

Table 3.1 General Facilities Existing Standard

Existing Facilities	Inventory	Cost / Unit	Total Value
Land (Acres)			
Public Works Complex	1.6	20,000 \$	32,000
Buildings (sq-ft)			
Town Hall/Library	12,640	\$ 200 \$	2,528,000
Community Center	11,922	250 \$	2,980,500
Museum	5,108	200 \$	1,021,600
Corp. Yard Operations	9,623	200 \$	1,924,600
Animal Shelter (Future)**	10,000	150 \$	1,500,000
Total Facilities		\$	9,986,700
Existing Service Population			19,840
Cost Per Capita		\$	503
Facility Standard per Resident		\$	503
Facility Standard per Worker			103

** Animal Shelter costs applied to residential users only

Table 3.2: New Development Contribution

Facility Standard per Resident	\$	503
Growth in Residents (2005-2025)		15,470
Facility Standard per Worker		103
Growth in Workers (2005-2025)		4,000
New Development Contribution	\$	8,199,009

Table 3.3: General Facilities Fee

Land Use	Standard Per EDU	Density	Fee	Admin	Total Fee	Fee/ Sq-ft
<i>RESIDENTIAL</i>		(per dwelling unit)				
Single Family	\$ 503	2.29	\$ 1,152	\$ 29	\$ 1,181	
Multi Family	503	1.77	890	22	913	
<i>NON-RESIDENTIAL</i>		(per 1,000 square feet building area)				
Commercial	\$ 103	2.50	\$ 258	\$ 6	\$ 264	\$ 0.26
Office	103	3.33	343	9	352	0.35
Industrial	103	1.67	172	4	176	0.18

**ATTACHMENT B
STORM DRAIN FACILITIES**

Table 6.2: Storm Drain Facilities Standard

		(2004 Costs)
Detained Flood Control System Projected Cost	\$	102,016,000
Cost Escalator		121%
Escalated Detained Flood Control System Cost		123,439,360
Facilities Standard Cost Allocation:	50% \$	61,719,680
Total EDUs (2025)		24,382
Equity Per EDU	\$	2,531

Table 6.3: Development Share of Storm Drain Facilities

Facility Standard Per EDU	\$	2,531
Growth in EDUs (2005-2025)		9,813
New Development Contribution	\$	24,840,260

Table 6.4: Storm Drain Facility Fees

Land Use	Standard Per EDU	EDU Factor	Fee	Admin	Total Fee	Fee/ Sq-ft
RESIDENTIAL		(per dwelling unit)				
Single Family	\$ 2,531	1.00	\$ 2,531	\$ 101	\$ 2,632	
Multi Family	2,531	0.50	1,266	51	1,316	
NON-RESIDENTIAL		(per 1,000 square feet building area)				
Commercial	\$ 2,531	0.66	\$ 1,670	\$ 67	\$ 1,737	\$ 1.74
Office	2,531	0.69	1,746	70	1,816	1.82
Industrial	2,531	0.46	1,164	47	1,211	1.21

ATTACHMENT C STREETS AND TRAFFIC

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

<u>Streets</u>	<u>Cost</u>
ROW Costs to widen SR 62 - West Town Boundary to Kickapoo Trail, 2.89 AC	\$ 1,346,406
Widen SR 62 to 6 Lanes - West Town Boundary to Kickapoo Trail, 1.42 miles	2,227,500
ROW Costs to widen SR 62 - Kickapoo Trail to Acoma/Mohawk Trail, 1.32 AC	1,033,511
Widen SR 62 to 6 Lanes - Kickapoo Trail to Acoma/Mohawk Trail, 1.09 miles	1,707,750
ROW Costs to widen SR 62 - Acoma/Mohawk Trail to SR 247, 1.83 AC	1,427,190
Widen SR 62 to 6 Lanes - Acoma/Mohawk Trail to SR 247, 1.51 miles	2,361,160
ROW Costs to widen SR 62 - SR 247 to Hilton Avenue, 1.03 AC	802,775
Widen SR 62 to 6 Lanes - SR 247 to Hilton Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Hilton Avenue to Avalon Avenue, 1.03 AC	806,575
Widen SR 62 to 6 Lanes - Hilton Avenue to Avalon Avenue, 0.85 miles	1,336,500
ROW Costs to widen SR 62 - Avalon Avenue to Yucca Mesa Road, 1.26 AC	984,829
Widen SR 62 to 6 Lanes - Avalon Avenue to Yucca Mesa Road, 1.04 miles	1,633,500
ROW Costs to widen SR 247 - SR 62 to San Juan Road, 12.19 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - SR 62 to San Juan Road, 1.57 miles	3,140,000
ROW Costs to widen SR 247 - San Juan Road to Buena Vista Drive, 12.19 AC	2,804,775
Widen SR 247 to 4 Divided Lanes - San Juan Road to Buena Vista Drive, 1.57 miles	3,140,000
ROW Cost to widen SR 247 - Buena Vista Drive to N. Town Boundary, 17.80 AC	4,093,113
Widen SR 247 to 4 Divided Lanes - Buena Vista Drive to N. Town Boundary, 2.16 miles	4,320,000
Widen Onaga Trail, 4 Lane Arterial Divided - Kickapoo Trail to Joshua Lane	7,437,150
Widen Yucca Trail, 4 Lane Arterial Divided - Sage Avenue to Avalon Avenue	5,883,584
Widen Joshua Lane, 4 Lane Arterial Divided - Onaga Trail to SR 62	2,621,399
Widen Kickapoo Trail, 4 Lane Collector - Onaga Trail to SR 62	387,318
Widen Acoma Trail, 4 Lane Collector - Golden Bee Drive to SR 62	3,327,726
Widen Sage Avenue, 4 Lane Collector - Golden Bee Drive to SR 62	3,327,726
Widen Joshua Lane, 4 Lane Collector - Golden Bee Drive to Onaga Trail	2,065,485
Widen La Contenta Road, 4 Lane Collector - Yucca Trail to SR 62	3,174,245
Widen Palomar Avenue, 4 Lane Collector - Joshua Lane to Yucca Trail	3,977,971
Widen Avalon Avenue, 4 Lane Collector - Yucca Trail to SR 62	2,930,329
Widen Yucca Trail, 4 Lane Collector - Avalon Avenue to Yucca Mesa Road	4,037,342
Widen Onaga Trail, 4 Lane Collector - Joshua Lane to Palomar Avenue	2,983,479
Widen Joshua Drive, 4 Lane Collector - Acoma Trail to Joshua Lane	2,486,232
Widen Warren Vista Avenue, 2 Lane Collector - Yucca Trail to SR 62	474,064
Widen Joshua Lane, 2 Lane Collector - Golden Bee Drive to Warren Vista Drive	793,406
Widen Sage Avenue, 4 Lane Collector - SR 62 to Sunnyslope Drive	1,147,492
Widen Deer Trail, 4 Lane Collector - Onaga Trail to SR 62	1,032,743
Widen Balsa Avenue, 4 Lane Collector - Yucca Trail to SR 62	1,338,740
Widen Yucca Mesa Road, 4 Lane Collector - SR 62 to N. Town Boundary	4,360,469
Widen Buena Vista Drive, 4 Lane Collector - SR 247 to Yucca Mesa Road	6,196,455
Construct Sunnyslope Drive, 4 Lane Collector - Balsa Avenue to La Contenta Road	3,858,874
Construct Indio Avenue, 2 Lane Industrial - Yucca Trail to SR 62	4,879,468
Total:	\$ 106,029,446

Table 7.2: Streets & Traffic Facilities Master Plan Cost Summary for New Development

<u>Traffic Safety</u>	<u>Cost</u>
Raised Medians on SR 62 - West Town Boundary to Fairway Drive	\$ 810,000
Raised Medians on SR 62 - Camino del Cielo to Kickapoo Trail	\$ 1,114,000
Raised Medians on SR 62 - Cherokee Trail to Acoma/Mohawk Trail	\$ 616,000
Raised Medians on SR 62 - Palm Avenue to Sage Avenue	\$ 794,000
Raised Medians on SR 62 - SR 247 to Warren Vista Avenue	\$ 1,198,000
Raised Medians on SR 62 - Warren Vista Avenue to Hilton Avenue	\$ 608,000
Raised Medians on SR 62 - Hilton Avenue to Balsa Avenue	\$ 640,000
Raised Medians on SR 62 - Balsa Avenue to Avalon Avenue	\$ 1,178,000
Raised Medians on SR 62 - Indio Avenue to Yucca Mesa Road	\$ 1,126,000
Sidewalks on both sides SR 62 - West Town boundary to Fairway Drive	\$ 276,000
Sidewalks on both sides SR 62 - Fairway Drive to Camino del Cielo	\$ 380,000
Sidewalks on both sides SR 62 - Camino del Cielo to Kickapoo Trail	\$ 380,000
Sidewalks on both sides SR 62 - Kickapoo Trail to Elk Trail	\$ 456,000
Sidewalks on both sides SR 62 - Elk Trail to Cherokee Trail	\$ 130,000
Sidewalks on both sides SR 62 - Cherokee Trail to Acoma/Mohawk Trail	\$ 210,000
Sidewalks on both sides SR 62 - Acoma/Mohawk Trail to Palm Avenue	\$ 350,000
Sidewalks on both sides SR 62 - Palm Avenue to Sage Avenue	\$ 378,000
Sidewalks on both sides SR 62 - Sage Avenue to SR 247	\$ 370,000
Sidewalks on both sides SR 62 - SR 247 to Warren Vista Avenue	\$ 408,000
Sidewalks on both sides SR 62 - Warren Vista Avenue to Hilton Avenue	\$ 208,000
Sidewalks on both sides SR 62 - Hilton Avenue to Balsa Avenue	\$ 218,000
Sidewalks on both sides SR 62 - Balsa Avenue to Avalon Avenue	\$ 402,000
Sidewalks on both sides SR 62 - Avalon Avenue to Indio Avenue	\$ 373,000
Sidewalks on both sides SR 62 - Indio Avenue to Yucca Mesa Road	\$ 384,000
	Subtotal - Traffic Safety \$ 13,007,000
<u>Traffic Signals</u>	<u>Cost</u>
Yucca Trail @ Joshua Lane	\$ 500,000
SR 62/Camino del Cielo	\$ 500,000
SR 62/Sage Avenue	\$ 500,000
SR 62/Joshua Lane	\$ 500,000
SR 62/Yucca Mesa Road/La Contenta Road	\$ 500,000
Yucca Trail/Avalon Avenue/Palmar Avenue	\$ 500,000
Onaga Trail/Acoma Trail	\$ 500,000
	Subtotal - Traffic Signals \$ 3,500,000

TOTAL: \$ 16,507,000

Table 7.3: Streets & Traffic Facilities Standard

Planned Projects		
Street Improvements	\$	106,029,446
Traffic Safety		13,007,000
Traffic Signals		3,500,000
Total Streets & Traffic Facilities		\$ 122,536,446
Less: Other Funding Sources 2004-2025		(4,015,000)
Net Facility Needs		\$ 118,521,446
Development Share: 40%		47,408,578
Projected Trips Demand for Future Growth		231,860
Standard Per Trip		\$ 204

Table 7.4: Streets & Traffic Facility Fees

Land Use	Standard Per Trip	Trip Demand Factor	Fee	Admin	Total Fee	Fee/Sq-ft
RESIDENTIAL		(per dwelling unit)				
Single Family	\$ 204	10.4	\$ 2,122	\$ 120	\$ 2,242	
Multi Family	204	8.3	1,693	96	1,789	
NON-RESIDENTIAL		(per 1,000 square feet building area)				
Commercial	\$ 204	26.6	\$ 5,426	\$ 308	\$ 5,734	\$ 5.73
Office	204	22.8	4,651	264	4,915	4.91
Industrial	204	8.3	1,693	96	1,789	1.79

AGREEMENT NO. 009-N FOR THE SAFE ROUTES TO SCHOOL PROJECT AND APPROVING AUTHORIZED SIGNATORS TO ALL NECESSARY AGREEMENTS AND DOCUMENTS

- 10. **Ratify**, the Warrant Register total of \$476,002.96 for checks dated October 10, 2011. **Ratify**, Payroll Registers total of \$118,268.63 for checks dated September 30, 2011.

Council Member Hagerman moved to adopt Consent Agenda Items 4-10. Council Member Lombardo seconded. Motion carried 5-0 on a roll call vote.

- AYES: Council Member Abel, Hagerman, Lombardo, Rowe and Mayor Huntington.
- NOES: None
- ABSTAIN: None
- ABSENT: None

PUBLIC HEARINGS

11. Public Facilities Development Impact Fees, Resolution

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA AMENDING AND ADOPTING AND ESTABLISHING DEVELOPMENT IMPACT FEES RELATING TO THE TOWN OF YUCCA VALLEY DEVELOPMENT IMPACT FEE SCHEDULE

Deputy Town Manager Stueckle gave the staff report contained in the Agenda Packet and displayed a PowerPoint presentation during the discussion. He commented that one of the questions asked was why the residential component was based on EDU rather than square foot, and advised that at the time the study was done it was common in the industry to use EDU's.

Town Manager Nuaimi questioned how many new housing starts have occurred as a result of the infill incentive program. Deputy Town Manager Stueckle advised there have been none as result of the program, noting that the Town has just received the first infill permit.

It was noted that the proposed high fee of \$7.74 for 10,001 square feet or more is for commercial development. The cap for office development is \$7.08 and industrial is \$3.18

Town Manager Nuaimi commented that one alternative that has been examined is an increase in transfer tax, and noted that current state law mandates that only Charter Cities can increase the transfer tax above the \$0.55 General Law Cities receive. He noted the City Managers have talked about having that changed but it would require

action by the state legislature, and it would not be possible to place a measure on the ballot to increase the tax until 2014.

Mayor Huntington opened the Public Hearing

Margo Sturges, Yucca Valley, spoke in favor of the proposed fees.

Scott McKone, Yucca Valley, commented regarding the need to charge residential fees on a square foot basis to make it equitable for all.

There being no one else wishing to speak, Mayor Huntington closed the Public Hearing

Council Member Lombardo questioned if the transfer tax can be used for any purpose. Town Manager Nuaimi stated yes, it is a general fund source and can be used for anything. He advised it is not illegal to implement an impact fee program on a per square foot basis, however the methodology used at the time of the study was based on EDU so we would have to do a new analysis with a different methodology. If the fee was based on square footage, it would likely be collected on additions as well as new construction.

Council Member Rowe commented it was mentioned that the Blue Ribbon Committee had some discretion and questioned if they were given discretion regarding whether to use EDU's or square footage. Deputy Town Manager Stueckle advised no, the analysis was too far along and the EDU basis was the way the tool came forward. He noted that using square footage would require a new analysis. Council Member Rowe questioned if this will be part of the General Plan update. Deputy Town Manager Stueckle advised not the impact study itself, but when we complete the general plan we will know the infrastructure needs and can initiate a new study at that time.

Mayor Huntington suggested it can safely be argued that houses of different sizes have the same impact.

Council Member Hagerman commented he does not feel that the time is now to be raising these fees, advising he appreciates staff's slide showing the millions the Town could have gotten, but questioned how many of those houses would not have been built here if those fees were set that high.

Council Member Abel questioned if a developer is credited if they are required to make offsite improvements. Deputy Town Manager Stueckle advised they are if the improvements made are included in the impact study.

Council discussed each component of the recommendation individually with a majority concurring with them.

Council Member Abel moved to adopt Resolution No. 11-46 implementing the following actions: 1) establishes subdivision single family residential public facility development impact fees at the maximum level of \$9,081 per unit; 2) modifies the development incentive program for infill single family residential public facility development impact fees, setting the fees at \$2,568 per unit with those fees dedicated to Park facilities; 3) retains multi-family residential public facility development impact fees at \$3,600 per unit; 4) modifies the development incentive program for commercial, general office, and industrial development projects as follows:

Up to 3,000 square feet:	\$1.00 per square foot
3,001 to 5,000 square feet:	\$2.00 per square foot
5,001 to 10,000 square feet:	\$4.00 per square foot
10,001 square feet or more:	\$7.74 per square foot

and 5) Approves the public facility development impact fee levels through December 2013 or until thereafter as modified and amended by the Town Council. Council Member Lombardo seconded. Motion carried 3-2 on a roll call vote.

- AYES: Council Member Abel, Lombardo, and Mayor Huntington.
- NOES: Council Member Hagerman and Rowe
- ABSTAIN: None
- ABSENT: None

DEPARTMENT REPORTS

12. SR 62/SR 247 Traffic Signal Median Island Project, Approval of Plans and Specifications, Authorization to Advertise for Construction

Deputy Town Manager Stueckle gave the staff report contained in the packet and displayed a PowerPoint presentation during the discussion.

Mark Miller, Yucca Valley, spoke in opposition to the recommendation requesting to change it to include and fast track mid-block approaches. He noted the business owners in the area will volunteer financial support for the design phase of the mid-block approaches. He distributed a proposed plan.

Art Miller, Yucca Valley, spoke in opposition to the recommendation and in favor of adding a mid-block access.

Curt Duffy, Yucca Valley, spoke in favor of the recommendation, and the need to get something done now.

Mark Mihalik, Yucca Valley, spoke in opposition to the recommendation asking instead for a mid-block access, and offered financial participation with the rest of the

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: March 30, 2015
For Council Meeting: April 7, 2015

Subject: Resolution No. 15-
Hi-Desert Water District, Assessment District No. 2014-1
Notice of Public Hearing and Proposed Assessment
California Regional Water Quality Control Board
Septic Discharge Prohibition
Town Assessments

Prior Council Review: There has been no prior review of this matter.

Recommendation: That the Town Council:

- Approves the assessments on the Town’s thirty-one (31) properties currently owned as identified in Attachment A to this Staff Report.
- Authorizes and Directs the Town Manager to Vote “Yes” on the Ballots received for the thirty-one (31) properties as identified in Attachment A to this Staff Report.
- Authorizes and approves potential liability of assessments for leased properties and pending purchases properties, including Jacobs Park and the Boys and Girls Club of the Hi-Desert leased parks, and the pending purchase of the Brehm Youth Sports Park Facility.
- Approves the Resolution in support of the Hi-Desert Water District Assessment District No. 2014-1.
- Authorize the Town Manager to vote affirmatively for any verified subsequent ballots in the Assessment District received after April 7, 2015, up to the legal assessment or \$25,000.
- Directs staff to return to the Town Council with all necessary budget actions after successful formation of the Assessment District.

Reviewed By:


Town Manager

Town Attorney


Finance Manager


Department

<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input checked="" type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Consent	<input type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

Executive Summary: The California Regional Water Quality Control Board amended the Basin Plan prohibiting septic discharges beginning May 19, 2016, within Phase I boundaries. Phases II and III prohibition dates as established by the CRWQCB are May 19, 2019 and May 19, 2022 respectively.

The Hi-Desert Water District (HDWD) has caused the preparation of construction plans for the Phase I collection system and completed the Engineer's Assessment Report. The HDWD assessment district voting process concludes on May 13, 2015.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote)

Discussion: The Town received Property Owner Assessment Ballots from HDWD for Assessment District No. 2014-1. The properties, Assessor Parcel Numbers and assessment values are identified in Attachment A to this staff report. Five ballots for former Redevelopment Agency owned properties, now Town properties have not been received at the writing of this staff report, but the assessment values are included in Attachment A. Also included is identification of potential financial assessment liability of leased facilities as well as the pending purchase of the Brehm Youth Sports Park.

The following information identifies total assessments, at this time, by phase, for Town and former Redevelopment Agency owned properties, including potential financial liability for leased and pending purchases of properties.

<u>PHASE</u>	<u>Assessment Amount</u>
Phase I:	\$616,138.05
Phase II:	\$14,636.19
Phase III:	\$9,757.40
Total:	\$640,531.64

As outlined in the District's program for wastewater infrastructure implementation, future assessment votes are necessary for Phases II and Phases III. The Town will again have the opportunity to vote on proposed assessments in those phases when implemented by HDWD.

Alternatives: Based upon the need for additional information, do not authorize voting at this time, and do not adopt the Resolution, and direct staff to return with additional information.

Fiscal impact: Total Assessment District No. 2014-1 assessment for all three phases is estimated to total \$640,532 (with lease/purchase properties). Preliminary estimates of probable construction costs for connections of Phase I properties are conservatively projected at \$360,000, for a total cost of Phase I assessments and construction cost estimates of \$1,000,532. Again, there will be additional assessments and additional construction connection costs for properties in Phases II and III as HDWD moves forward with those phases of the wastewater collection system. Based on the location of the various properties, approximately \$561,658 (includes leases and housing successor) of the Phase 1 assessment is within the RDA Project Area and therefore qualifies to be paid utilizing Bond Proceeds from the former RDA. The estimated constructions costs will also qualify for use of bond proceeds once determined.

Attachments: Resolution No. 15-
Attachment A, Property Site, Assessor Parcel Number and
Assessment listing
Property Owner Assessment Ballots
CRWQCB Staff Report
CRWQCB RESOLUTION NO. R7-2011-0004

RESOLUTION NO. 15-

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY CALIFORNIA APPROVING THE ASSESSMENTS OF AND SUPPORTING THE HI-DESERT WATER DISTRICT ASSESSMENT DISTRICT NO. 2014-1.

WHEREAS, the California Regional Water Quality Control Board (CRWQCB) adopted Resolution No. R7-2011-0004 imposing a septic discharge prohibition for Phase I properties effective May 19, 2016; and

WHEREAS, the Town of Yucca Valley owns properties within Phases I, II and III of the CRWQCB septic discharge prohibition boundaries; and

WHEREAS, the Hi-Desert Water District has scheduled a public hearing for Assessment District No. 2014-1 for May 13, 2015 and property owners must submit their assessment ballots on or before that date; and

WHEREAS, the Town of Yucca Valley owns thirty-one (31) properties within the three Phases identified in the CRWQCB Resolution NO. R7-2011-0004 and must submit assessment ballots for these properties on or before May 13, 2015.

NOW, THEREFORE THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA RESOLVES AS FOLLOWS.

Section 1: Approves the assessments on the Town's thirty-one (31) properties currently owned as identified in Attachment A to this Staff Report.

Section 2: Authorizes and Directs the Town Manager to Vote "Yes" on the Ballots received for the thirty-one (31) properties as identified in Attachment A to this Staff Report.

Section 3: Authorizes and approves potential liability of assessments for leased properties and pending purchases properties, including Jacobs Park and the Boys and Girls Club of the Hi-Desert leased parks, and the pending purchase of the Brehm Youth Sports Park Facility.

Section 4: Authorizes the Town Manager to vote affirmatively for any verified subsequent ballots in the Assessment District received after April 7, 2015, up to the legal assessment or \$25,000.

Section 5: Supports the Hi-Desert Water District in the formation of Assessment District No. 2014-1 and in its implementation of CRWQCB Resolution No. R7-2011-0004.

APPROVED AND ADOPTED THIS 7th Day of April 2015.

MAYOR

ATTEST:

TOWN CLERK

ATTACHMENT A
LISTING OF PROPERTIES AND ASSESSMENTS

Town of Yucca Valley Properties

SITE	APN	H.D.W.D. Assessment *
Phase 1 Sewer Project		
Properties within RDA Project Area		
Community Center		
Town Hall/Library	0595-361-27-0000	\$80,182.22
Museum	0595-361-27-0000	incl
Comm. Center Bldg. **	0595-361-27-0000	incl
Sheriff **	0595-361-27-0000	incl
Sr. Center	0595-361-27-0000	incl
Soccer Field	0595-361-27-0000	incl
Corner of ball field	0595-323-19-0000	incl
Downtown Properties (former Successor Agency)		
Elk Trail	0586-321-01-0000	14,009.51
Elk Trail	0586-321-02-0000	14,009.51
7325 Fox Trail	0586-321-11-0000	14,009.51
7315 Fox Trail	0586-321-12-0000	14,009.51
7302 Fox Trail	0586-321-13-0000	14,009.51
7312 Fox Trail	0586-321-14-0000	14,009.51
7346 Elk Tr.	0586-321-15-0000	18,160.17

55786 Elk Trail	0586-321-16-0000	14,009.51
7635 Elk Trail	0586-321-17-0000	14,009.51
7313 Elk Trail	0586-322-04-0000	14,009.51
7305 Elk Trail	0586-322-05-0000	14,009.51
7350 Inca Trail	0586-101-09-0000	18,160.17
55460 29 Palms Highway	0586-101-08-0000	18,160.78
Welcome Center **	0587-361-02-0000	18,160.17
PFF **	0595-162-09-0000	28,865.92
	0595-162-08-0000	14,009.51
Park and Ride	0586-101-07-000	NC
	0586-101-06-0000	8,289.71
Brehm 2***	0595-131-01-0000	18,160.17*
56636 L.L. Dr.	0595-131-49-0000	18,160.17*
6907 Palm Ave.	0595-131-47-0000	14,009.51*
	0595-131-11-0000	8,289.71*
	0595-131-17-0000	8,289.71*
	0595-131-45-0000	8,289.71*

Estimated Assessment Costs *

**for Properties within RDA Project Area
eligible for payment from bond proceeds**

Phase 1 Sewer Project cont'd

\$344,083.75
\$419,282.73
w/lease/purchase

Town as Housing Successor

Avalon 6405	0601-193-21-0000	26,817.02
Avalon 6411	0601-193-20-0000	26,817.02
Hermosa 6414	0601-161-12-0000	26,817.02
Goleta 6403	0601-161-28-0000	26,817.02
Goleta 6413	0601-161-27-0000	26,817.02

Estimated Assessment Costs * 134,085.10
for Housing Successor Properties
eligible for payment from housing bond proceeds

Properties outside RDA Project Area

Paradise Park		
Restroom	0601-151-22-0000	18,160.17
	0601-141-07-0000	Not assessed
	0601-141-08-0000	Not Assessed
	0601-141-09-0000	Not Assessed
Comm. Bldg.	0601-141-06-0000	18,160.17
Public Works	0601-551-19-0000	18,160.17
	0601-551-18-0000	Not Assessed

Estimated Assessment Costs * \$54,480.51
for Properties outside RDA project area
to be funded from general fund

Properties leased by Town

Jacobs Park		
Comm. Bldg.	0585-141-08-0000	
Restroom **	0585-141-08-0000	8,289.71*
Brehm 1 **	0595-071-01-0000	
	0595-071-02-0000	8,289.71*
Total Estimated Assessment Costs		\$524,359.65 w/o lease/purchase properties \$616,138.05 w/lease/pending purchase
Phase 1		
Phase 2 Sewer Project		
Southside Park - Phase 2	0585-061-04-0000	4,878.70
	0585-061-05-0000	4,878.79
	0585-061-06-0000	4,878.70
Total Estimated Assessment Costs		14,636.10
Phase 2		
Phase 3 Sewer Project		
Machris Park - Phase 3	0589-361-01-0000	4,878.70
South Park	0589-011-30-0000	4,878.70
S.E. Cor. Sunny Slope and Sage - Phase 3	0595-361-24-0000	Assessed
Total Estimated Assessment Costs		9,757.40
Phase 3		
Total Estimated Assessment Costs		\$548,753.24 w/o lease

Phases	All	\$640,531.64w/lease/pending purchase
---------------	------------	--------------------------------------

(*Leased and pending purchases)

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-101-09-0000

Total Proposed Lien Amount:
\$18,160.17
Total Estimated Annual Assessment:
\$706.50

2 T22 P1 5044 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0587-361-02-0000

Total Proposed Lien Amount:
\$18,160.17
Total Estimated Annual Assessment:
\$706.50

2 T24 P1 5676 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0601-141-06-0000

Total Proposed Lien Amount:
\$18,160.17
Total Estimated Annual Assessment:
\$706.50

2 T27 P1 6493 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed P. 1 0 7 _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
**YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME,

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

Yes, I approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

No, I do not approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0601-151-22-0000

Total Proposed Lien Amount:
\$18,160.17

Total Estimated Annual Assessment:
\$706.50

2 T27 P1 6500 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932

Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

Yes, I approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

No, I do not approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0601-551-19-0000

Total Proposed Lien Amount:
\$18,160.17

Total Estimated Annual Assessment:
\$706.50

2 T27 P1 6628 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932

Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-01-0000

Total Proposed Lien Amount:
\$14,009.51

Total Estimated Annual Assessment:
\$545.02

2 T23 P1 5220 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932

Print Name: _____ Signed P. 108 _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-02-0000

Total Proposed Lien Amount:
\$14,009.51
Total Estimated Annual Assessment:
\$545.02

2 T23 P1 5221 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-16-0000

Total Proposed Lien Amount:
\$14,009.51
Total Estimated Annual Assessment:
\$545.02

2 T23 P1 5223 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed _____ Date _____

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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-17-0000

Total Proposed Lien Amount:
\$14,009.51
Total Estimated Annual Assessment:
\$545.02

2 T23 P1 5224 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed P. 109 _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.



Assessment District No. 2014-1

Yes, I approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

No, I do not approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

Ballot represents: APN 0589-361-01-0000

Total Proposed Lien Amount: \$4,878.70

Total Estimated Annual Assessment: \$189.80

2 T26 P1 6172 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932

Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.

Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

Ballot represents: APN 0595-162-08-0000

Total Proposed Lien Amount: \$14,009.51

Total Estimated Annual Assessment: \$545.02

2 T26 P1 6282 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932

Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

Yes, I approve the proposed assessment of \$28,865.92 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

No, I do not approve the proposed assessment of \$28,865.92 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

Ballot represents: APN 0595-162-09-0000

Total Proposed Lien Amount: \$28,865.92

Total Estimated Annual Assessment: \$1,123.00

2 T26 P1 6283 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932

Print Name: Signed P. 1 1 0 Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$80,182.22 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$80,182.22 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0595-361-27-0000

Total Proposed Lien Amount:
\$80,182.22
Total Estimated Annual Assessment:
\$3,119.40

2 T26 P1 6365 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0585-061-04-0000

Total Proposed Lien Amount:
\$4,878.70
Total Estimated Annual Assessment:
\$189.80

2 T21 P1 4722 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed _____ Date _____

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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$8,289.71 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$8,289.71 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-101-06-0000

Total Proposed Lien Amount:
\$8,289.71
Total Estimated Annual Assessment:
\$322.50

2 T22 P1 5042 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 Twenty-Nine Palms Hwy
Yucca Valley, CA 92284-2932



Print Name: _____ Signed P. 111 _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME, SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.



Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-101-08-0000

Total Proposed Lien Amount:
\$18,160.17
Total Estimated Annual Assessment:
\$706.50

2 T22 P1 5043 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
57090 29 Palms Hwy
Yucca Valley, CA 92284-2932

Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0585-061-06-0000

Total Proposed Lien Amount:
\$4,878.70
Total Estimated Annual Assessment:
\$189.80

0 T41 P1 10208 *****SINGLP
Town of Yucca Valley
57090 Twentynine Palms Hwy
Yucca Valley, CA 92284

Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-322-04-0000

Total Proposed Lien Amount:
\$14,009.51
Total Estimated Annual Assessment:
\$545.02

0 T41 P1 10217 *****SINGLP
Town of Yucca Valley
57090 Twentynine Palms Hwy
Yucca Valley, CA 92284

Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot

Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-322-05-0000

Total Proposed Lien Amount: \$14,009.51
Total Estimated Annual Assessment: \$545.02

0 T41 P1 10218 *****SNGLP
Town of Yucca Valley
57090 Twentynine Palms Hwy
Yucca Valley, CA 92284



Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
No, I do not approve the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0589-011-30-0000

Total Proposed Lien Amount: \$4,878.70
Total Estimated Annual Assessment: \$189.80

0 T41 P1 10233 *****SNGLP
Yucca Valley Pk/Rec Dst Co of San Bd
57090 Twentynine Palms Highway
Yucca Valley, CA 92284



Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-11-0000

Total Proposed Lien Amount: \$14,009.51
Total Estimated Annual Assessment: \$545.02

0 T41 P1 10203 *****SNGLP
Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284



Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-12-0000

Total Proposed Lien Amount: \$14,009.51
Total Estimated Annual Assessment: \$545.02

0 T41 P1 10204 *****SINGLP
Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284



Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot

Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-14-0000

Total Proposed Lien Amount: \$14,009.51
Total Estimated Annual Assessment: \$545.02

0 T41 P1 10206 *****SINGLP
Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284



Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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Hi-Desert Water District Property Owner Assessment Ballot

Assessment District No. 2014-1

- Yes, I approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
No, I do not approve the proposed assessment of \$14,009.51 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-13-0000

Total Proposed Lien Amount: \$14,009.51
Total Estimated Annual Assessment: \$545.02

0 T41 P1 10205 *****SINGLP
Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284



Print Name: Signed Date

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
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**Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1**

- Yes, I approve** the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve** the proposed assessment of \$18,160.17 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0586-321-15-0000

Total Proposed Lien Amount:
\$18,160.17
Total Estimated Annual Assessment:
\$706.50

0 T41 P1 10207 *****SNGLP
Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284



Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
**YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME,
SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.**

**Hi-Desert Water District Property Owner Assessment Ballot
Assessment District No. 2014-1**

- Yes, I approve** the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.
- No, I do not approve** the proposed assessment of \$4,878.70 to fund the construction and financing costs of the wastewater treatment and reclamation facility.

This ballot represents: APN 0585-061-05-0000

Total Proposed Lien Amount:
\$4,878.70
Total Estimated Annual Assessment:
\$189.80

2 T21 P1 4723 *****AUTO**5-DIGIT 92284
Town of Yucca Valley
58928 Business Center Dr
Yucca Valley, CA 92284-7306



Print Name: _____ Signed _____ Date _____

I hereby declare under penalty of perjury that I am a record owner of the parcel listed above.
**YOU MUST USE INK TO MAKE YOUR SELECTION AND TO PROVIDE YOUR PRINTED NAME,
SIGNATURE, AND THE DATE THE BALLOT WAS SIGNED IN ORDER FOR IT TO BE COUNTED.**



**STAFF REPORT IN SUPPORT OF A BASIN PLAN
AMENDMENT TO PROHIBIT THE DISCHARGE OF
WASTEWATER INTO THE GROUND FROM SEPTIC
SYSTEMS IN THE TOWN OF YUCCA VALLEY**

California Regional Water Quality Control Board
California Environmental Protection Agency

Prepared by

Regional Water Board Staff

**California Regional Water Quality Control Board
Colorado River Basin Region**

MAY 2011

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I. EXECUTIVE SUMMARY

The State Water Resources Control Board (State Water Board) and the nine Regional Water Quality Control Boards (regional water boards) are the “principal state agencies with primary responsibility for the coordination and control of water quality” (California Water Code (CWC) § 13001 of the Porter-Cologne Water Quality Control Act, CWC § 13000 et seq.). The State Water Board develops statewide policy, and each of the nine regional water boards adopts a region-specific water quality control plan (Basin Plan) in accordance with the California Water Code and the federal Clean Water Act (42 U.S.C. § 1251 et seq.). Basin Plans provide guidelines and describe the full range of regional water board activities that serve to optimize the beneficial uses of state waters by preserving and protecting water quality.

The Colorado River Basin Regional Water Quality Control Board (Regional Water Board) is responsible for protecting water quality within the Colorado River Basin Region (Region 7). The Region 7 Basin Plan provides the basis for the Regional Water Board’s regulatory programs. The Basin Plan specifies beneficial uses and water quality objectives (jointly referred to as “water quality standards” in the Clean Water Act) for ground and surface waters within its region, and provides implementation plans that describe permitting options, waste discharge prohibitions, monitoring and enforcement, salt and nutrient controls, and other control measures necessary to preserve and protect water quality and beneficial uses. The Basin Plan also includes prohibitions on the use of septic tank-subsurface disposal systems (septic systems) in specific areas of Region 7.

Regional Water Board staff proposes to amend Chapter 4 of the Region’s Basin Plan to prohibit the discharge of wastes from septic systems in specific areas in the Town of Yucca Valley (Town), San Bernardino County, to mitigate and eliminate the threat of nitrate contamination to groundwater due to septic tank discharges. Because the Town lacks a municipal wastewater collection and treatment system, all residents and businesses in Yucca Valley use septic systems and subsurface disposal systems to treat and dispose of domestic wastewater. The only exceptions are Applebee’s Restaurant, the Best Western Yucca Valley Hotel, and the Desert Vista Village and Drake Development subdivisions, which utilize on-site wastewater treatment package plants. Like many areas in California, the Town has experienced periods of rapid population growth and localized increases in septic system density, such as along the main business corridor, one of the areas addressed by this prohibition. This rise in system density in certain areas, combined with system failures due to age or inadequate maintenance in the Town as a whole, presents a significant threat to public health for Town residents due to increased wastewater loading to the vadose zone (unsaturated soil strata), and impacts to local groundwater used for municipal supply from nitrates, pathogens, and salts (total dissolved solids).

To assist the Town and address the threat and impacts that septic systems have on ground water quality, the Hi-Desert Water District (HDWD) has prepared a Sewer Master Plan and received sewerage authority approval from the San Bernardino County Local Agency Formation Commission. In addition, HDWD is doing groundwater recharge studies for its basins to better understand potential impacts to groundwater quality from septic system discharges, and increased septic system density. The Sewer Master Plan calls for the construction of a municipal sewage collection and wastewater treatment facility (WWTF) in three phases. The prohibition bans discharges of wastes from septic systems in Phases 1, 2, and 3 in the Town, pursuant to a time schedule, with the prohibition becoming effective for Phase 1 (essentially the main business corridor in Town) by **May 19, 2016.**

II. INTRODUCTION

Each regional water board is required to develop a water quality control plan, referred to as a Basin Plan, for the waters within its jurisdiction (CWC § 13240). The Basin Plan implements relevant provisions of the federal Clean Water Act and the California Water Code, and includes water quality objectives and beneficial uses for ground and surface waters within its region.

The Basin Plan also identifies implementation plans to achieve water quality objectives (CWC § 13242). Implementation plans may specify certain conditions or areas where the discharge of waste, or certain types of waste, will not be permitted (CWC § 13243). A prohibition on the use of septic systems must: “be supported by substantial evidence in the record that discharge of waste from such disposal systems will result in violation of water quality objectives, will impair present or future beneficial uses of water, will cause pollution, nuisance, or contamination,^[1] or will unreasonably degrade the quality of any waters of the state” (CWC § 13280). The current (2008) Basin Plan for the Colorado River Basin includes prohibitions on the use of septic systems in Cathedral City Cove, and in areas that overlie the Mission Creek and Desert Hot Springs Aquifers. These prohibitions were adopted in 2002 and 2004, respectively.

Regional Water Board staff is proposing to amend the Basin Plan to include a conditional prohibition of discharge from septic systems in specific areas of the Town of Yucca Valley (Town). Substantial evidence exists to indicate that septic system usage in the Town has caused a violation of water quality objectives in groundwater and threatens to cause conditions of pollution, contamination, and nuisance. The evidence also indicates that Nitrates from septic system discharges have impaired water quality and beneficial uses in the Warren Subbasin. Furthermore, failing septic systems and increased septic system density caused by periods of high growth can exacerbate nitrate contamination to groundwater. In short, the continued discharges of wastes from these septic systems would unreasonably degrade the quality and result in widespread pollution of waters of the state. Therefore, the statutory requirements of CWC Sections 13243 and 13280 to impose this conditional prohibition have been satisfied.

¹ “Pollution” is defined as “(1) an alteration of the quality of the waters of the state by waste to a degree which unreasonably affects either of the following: (A) The waters for beneficial uses. (B) Facilities which serve these beneficial uses. (2) ‘Pollution’ may include ‘contamination.’” (CWC § 13050(l).) “Contamination” is defined as “an impairment of the quality of the waters of the state by waste to a degree which creates a hazard to the public health through poisoning or through the spread of disease. ‘Contamination’ includes any equivalent effect resulting from the disposal of waste, whether or not waters of the state are affected.” (CWC § 13050(k).) “Nuisance” is defined as “anything which meets all of the following requirements: (1) Is injurious to health, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property. (2) Affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal. (3) Occurs during, or as a result of, the treatment or disposal of wastes.” (CWC § 13050(m))

III. BACKGROUND

1. YUCCA VALLEY – GROUNDWATER USE

Historically, the sole source of municipal water supply for the Town is groundwater extracted from the Warren Subbasin, which is part of the Morongo Groundwater Basin. The Hi-Desert Water District (HDWD), the local water purveyor, initiated an artificial recharge program in February 1995 to reverse a decline in groundwater levels, which in some areas dropped about 300 feet from 1940 to 1994. HDWD operates thirteen supply wells in the Valley, and imports water from the California State Water Project (SWP) to recharge the Warren Subbasin through surface spreading. As a result of this recharge effort, groundwater levels have recovered by as much as 250 feet from 1995 to 2001.

Associated with the water level recovery, however, were groundwater nitrate (NO_3) concentration increases from background concentrations of 10 mg/L to levels exceeding the United States Environmental Protection Agency (USEPA) drinking water maximum contaminant level (MCL) and California Department of Public Health Primary MCL of 45 mg/L as nitrate (10 mg/L nitrate as nitrogen). As a result, HDWD removed two impacted wells from service, Numbers 36L1 and 36K2 (see Figure B), and constructed a nitrate removal facility to treat groundwater extracted from three other impacted wells. The treated groundwater was then blended with well water not impacted by nitrate before distribution to the public. HDWD operated the nitrate removal facility from 2002 through November 2009.

In 2002, HDWD completed a “Drinking Water Source Assessment” report for each of its thirteen production wells. The assessment indicated that District wells ranked “very high” for vulnerability to nitrate contamination from septic systems, and that eight wells intersected nitrate plumes generated by septic system discharges. The District installed the above-mentioned water treatment facility to remove nitrates from groundwater. (Hi-Desert Water District, Source Water Assessments, December 2002)

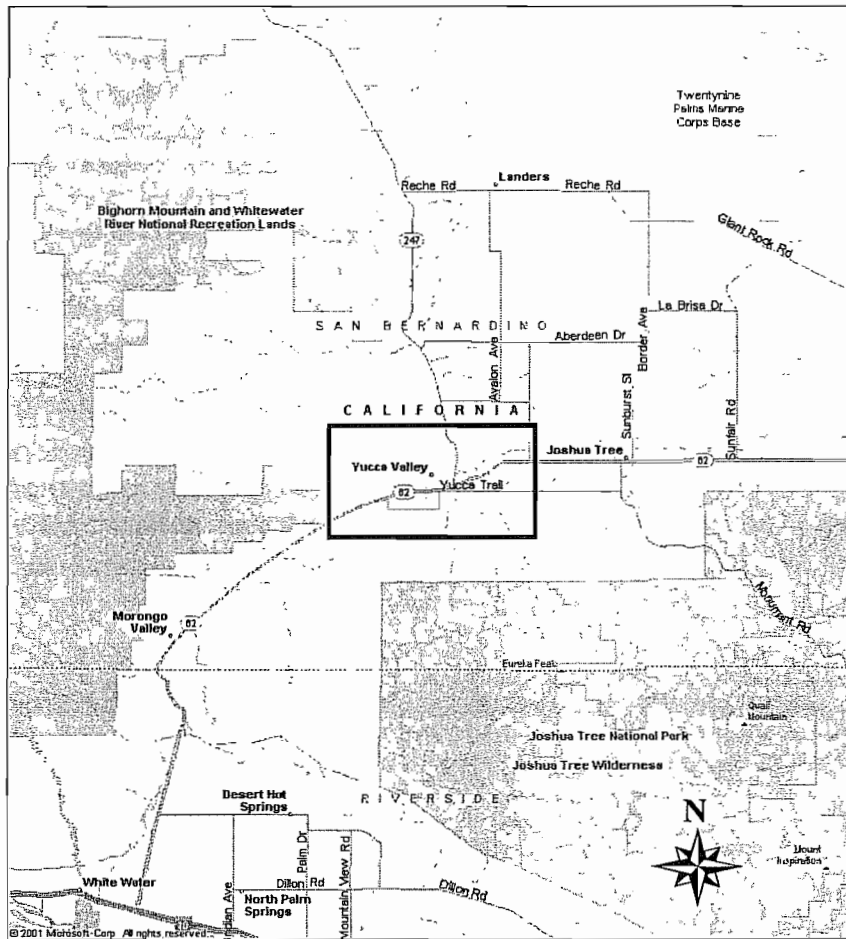
In a 2003 report prepared by the U.S. Geological Survey, titled “Evaluation of the Source and Transport of High Nitrate Concentrations in Groundwater, Warren Subbasin, California” Water-Resources Investigations Report 03-4009 (USGS Report) (Appendix A), the USGS concluded that “septage from septic tanks was the primary source of nitrate (NO_3) to the ground-water system.” (USGS Study, page 1). This USGS study was begun in 1997 in cooperation with HDWD and the Mojave Water Agency, in conjunction with the artificial groundwater recharge program.

2. YUCCA VALLEY – AREA DESCRIPTION

The Town of Yucca Valley is located in the southwestern area of the Mojave Desert, approximately 25 miles north of Palm Springs and 100 miles east of Los Angeles (Figure A). This southwestern part of the Mojave Desert is bordered to the north by the San Bernardino Mountains and to the south by the Little San Bernardino Mountains. The Town of Yucca Valley is the main population center in this area. The Town has experienced steady growth, increasing in population from 16,405 in 1992 to 21,044 in 2007. The current population is estimated at 25,500. Conservative growth estimates prepared for the Town of Yucca Valley by Stanley R. Hoffman and Associates indicate the Town's population will exceed 30,000 in 2021. These data were included in the Technical Advisory Committee's socio-economic sub-groups final report to the larger committee (see Section XI. Public Participation below).

Annual rainfall in Yucca Valley averages 6.5 inches with most of this water lost to evaporation. Evapotranspiration averages 66.5 inches per year. The Valley is located within the Morongo Groundwater Basin. The area topography typically slopes toward Highway 62 from the north and south, while storm water generally flows to the east via Yucca Creek.

Figure A
Yucca Valley Location Map



3. YUCCA VALLEY - GEOLOGY AND HYDROGEOLOGIC SETTING

The Town is in the southwest corner of the Morongo Groundwater Basin. The Warren Valley Groundwater Subbasin (Warren Subbasin) is part of the Morongo Groundwater Basin, and it includes water bearing sediments beneath the Town and the surrounding area. The Warren Subbasin is bounded to the north by the Pinto Mountain fault, to the south by the Little San Bernardino Mountains, to the east by a bedrock constriction called the “Yucca Barrier”, and to the west by a bedrock constriction/topographic divide that separates Warren Valley from Morongo Valley. Water-bearing deposits in the Warren Subbasin cover about 5.5 square miles (mi²) of the 19 mi² Subbasin area. The hydrogeology is complex due to tectonic activity with faults compartmentalizing water-bearing deposits into five major hydrogeologic sub-units: the west, midwest, mideast, east, and northeast hydrogeologic units (Figure B).

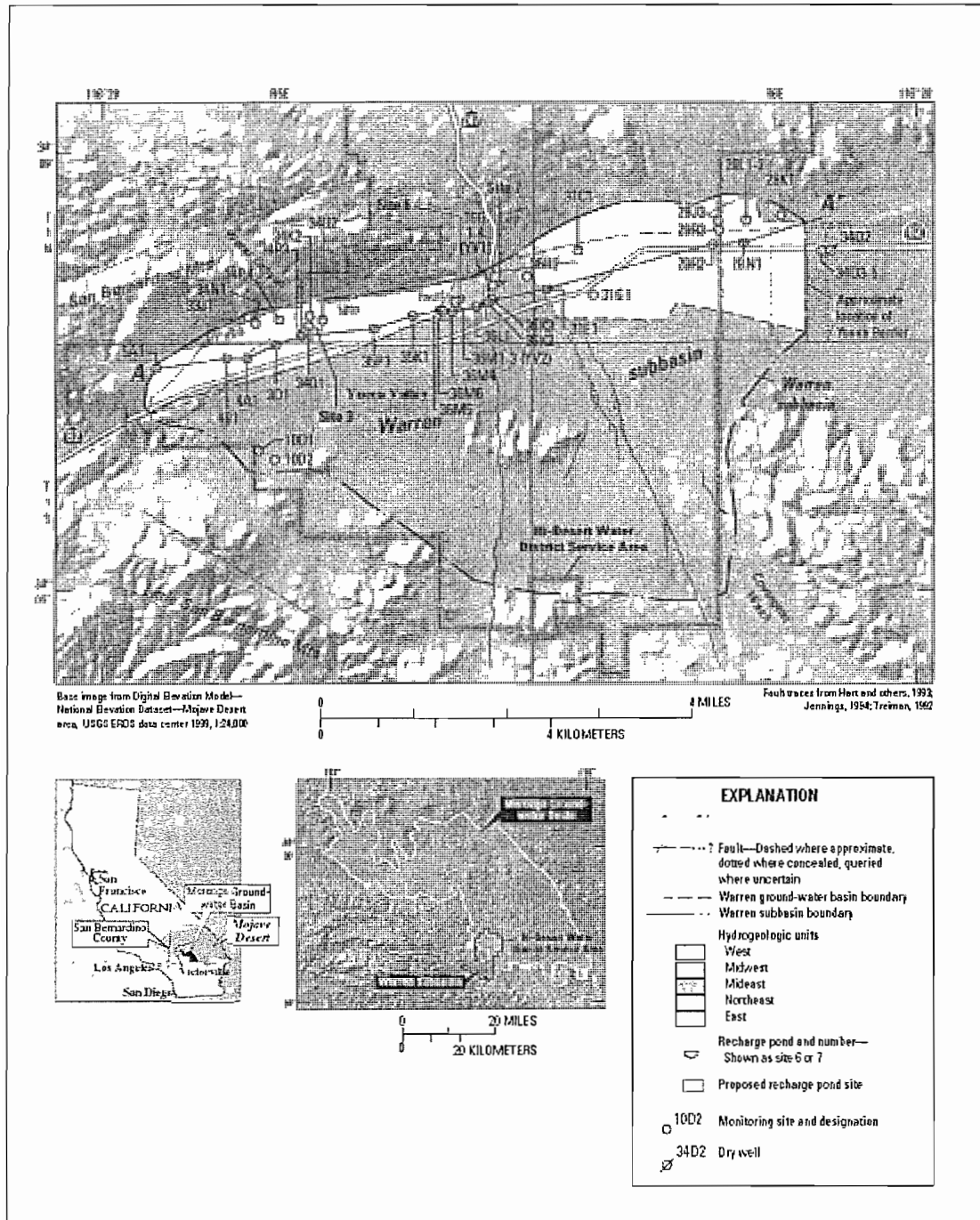
Quaternary alluvial fan deposits overlie Tertiary aged basement complex throughout most of the basin. The alluvium consists of poorly sorted detrital sand and gravel eroded from neighboring mountains, and varies in thickness from a few feet along the basin border to more than 1,000 feet at the basin axis. The alluvium becomes slightly consolidated with depth, and finer grained down slope toward the basin axis.

Productive water-bearing sediments occur in the unconsolidated to partly consolidated Miocene to Quaternary alluvial fan deposits characterized by unconfined, interbedded gravels, conglomerates, and silts. These deposits average about 11 percent specific yield, and have well yields up to 4,000 gallons per minute. Regionally, continental deposits are interpreted to range up to 10,000 feet in thickness. Wells in the Warren Subbasin are known to reach 1,610 feet below ground surface without encountering bedrock. Geophysical studies suggest Warren Valley basin deposits may exceed 2,000 feet in depth (California's Groundwater Bulletin 118, Updated 2/27/04).

Natural recharge to the Warren Subbasin varies from year to year, and occurs by percolation of precipitation and ephemeral streams from Water Canyon in the north and Covington Canyon in the south, and from minor amounts of groundwater flow in the adjacent fractured bedrock. Natural recharge is supplemented by percolation of septic tank effluent, and State Water Project water delivered via the Morongo Basin Pipeline to spreading grounds near the Yucca Valley Airport (California's Groundwater Bulletin 118, updated 2/27/04).

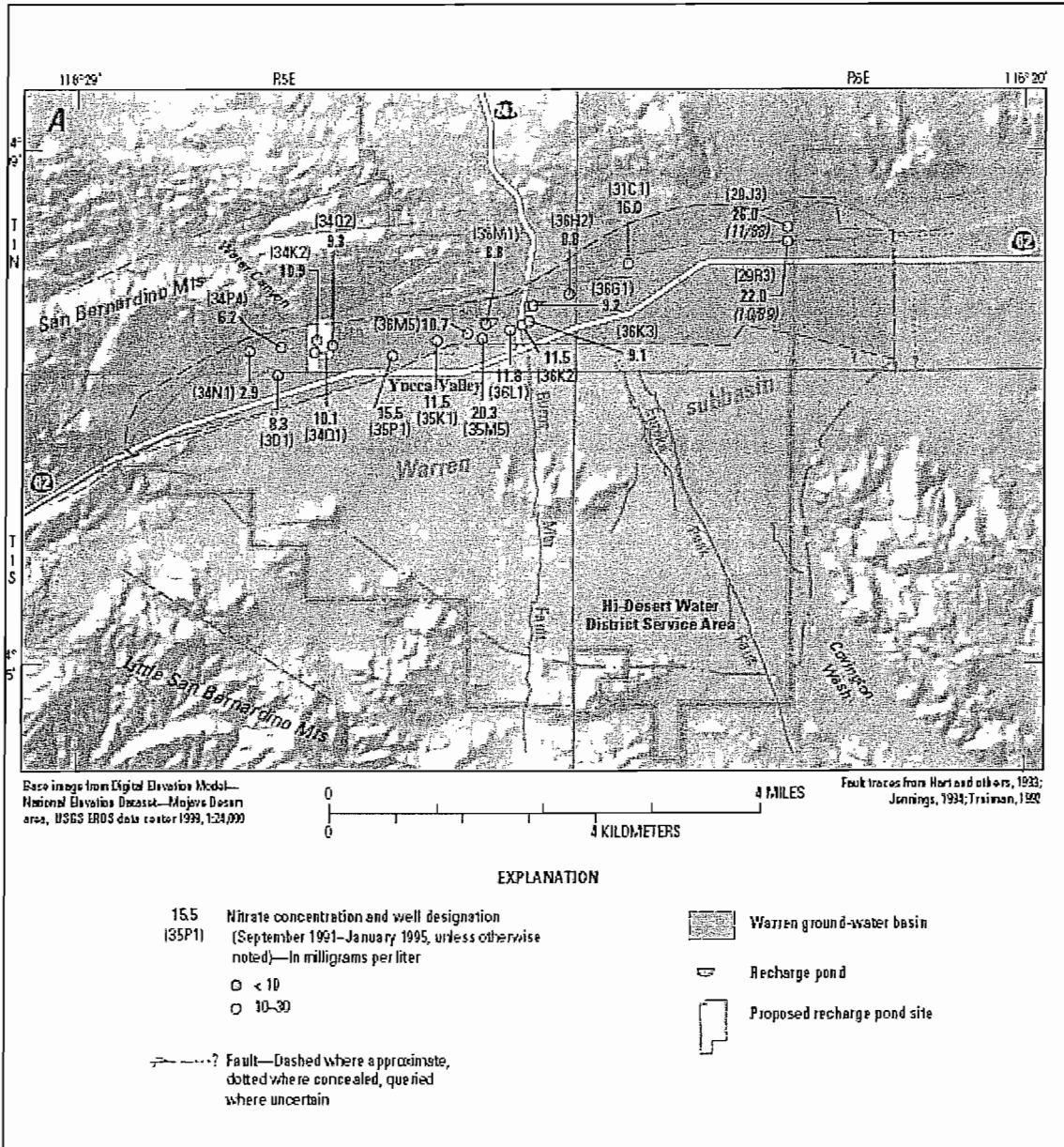
In 1977, in response to an increasing overdraft problem, the Warren Basin was adjudicated by the Superior Court of San Bernardino County, and HDWD was appointed as the Water Master for the basin.

FIGURE B
Yucca Valley Water Bearing Hydrogeologic Units



from USGS Report 03-4009

**Figure C
Municipal Wells & Recharge Basins**



from USGS Report 03-4009

4. SEPTIC SYSTEM USE IN YUCCA VALLEY

HDWD estimates that it will service a population approximating 80,000 when the Yucca Valley area is completely developed. HDWD estimates that water was provided to 25,500 Town residents via 10,000 service connections in 2008, and that 8,500 housing units (including multi-family dwellings) are currently within its

jurisdiction. With the exception of a few units in new subdivisions serviced by “package plants” (small wastewater treatment facilities), all dwellings use septic tanks and subsurface disposal systems to treat and dispose of wastewater.

Businesses and restaurants in Yucca Valley are generally located along Highway 62, the main business corridor. There are fifty-three restaurants in the Town, and like most dwellings, all restaurants use septic systems for wastewater disposal except for Applebees Restaurant, which has an advanced treatment system and waste discharge requirements (WDRs) issued by the Regional Water Board. Other package plant treatment systems in the Town also have WDRs issued by the Regional Water Board (e.g., the Best Western Yucca Valley Hotel and Suites). Other than these few exceptions, wastewater discharges generated by businesses, restaurants, and housing units are not regulated by the Regional Water Board. Residential housing typically uses leach fields for wastewater disposal, while businesses use seepage pits due to limited space.

Two relatively new subdivisions in Yucca Valley, the Desert Vista Village and Desert Knoll, with 105 lots and 177 lots respectively, each have a sewer system and package treatment plant designed for denitrification (i.e., nitrogen removal). Wastewater flows appear to be less than the minimum needed to successfully operate these package plants, however, due to poor sales of homes in the subdivisions. Without this minimum loading, the package plants perform similarly to community septic systems (i.e. provide primary treatment) albeit with long detention times. When home sales increase and hydraulic loads reach 20% of design flows (approximately 21 and 36 homes for each respective subdivision), the package plants should be able to adequately treat (i.e., denitrify) the wastewater flows generated by the subdivision residents.

The use of septic systems must be balanced against environmental and site-specific factors, such beneficial uses of receiving waters, depth to groundwater, as septic system density, and soil type. The systems must also be properly engineered, installed, and maintained, and soils must have the appropriate characteristics to handle the liquid loading from the septic systems. Soils in the Town are mostly porous and permeable with high percolation rates. These factors, combined with the high density of septic systems found in some areas of the Town,² are among the factors that contribute to septic system effluent, locally contaminating groundwater with salts (particularly nitrates). This contamination pathway was demonstrated in a 2003 study of the Yucca Valley area by the United States Geological Survey (USGS), which found groundwater contaminated with nitrates and other salts from septic system discharges (Appendix A). The contamination of the groundwater beneath the Town violates the Basin Plan’s water quality objectives, which directly impacts the beneficial uses of the groundwater.

² Approximately 92% of the Town is zoned for residential and commercial development on one-half acre or smaller lots. The highest density occurs with multi-family zoning, which allows up to ten dwelling units per acre (see Appendix B).

IV. REGULATORY BASIS

1. BASIN PLAN – BENEFICIAL USES

Groundwater in the area subject to this conditional prohibition occurs within the Warren Hydrologic Area of the Joshua Tree Hydrologic Unit.

Designated Beneficial Uses for Groundwater in the Joshua Tree Hydrologic Unit

Designated Beneficial Uses	Description
Municipal and domestic supply (MUN).	Uses of water for community, military, or individual water supply systems including, but not limited to, drinking water supply.
Industrial process supply (IND)	Uses of water for industrial activities that do not depend primarily on water quality including, but not limited to, mining, cooling water supply, hydraulic conveyance, gravel washing, fire protection, and oil well repressurization.

Source: California Regional Water Quality Control Plan for the Colorado River Basin Region (CRWQCB--CRBR, June 2006)

Nitrate (NO₃), Total Dissolved Solids (TDS), and pathogens are the main constituents of concern in septic system effluent. As previously mentioned, the primary Maximum Contaminant Level (MCL) for nitrate allowed in public drinking water systems is 45 mg/L, which is equivalent to 10 mg/L nitrate expressed as nitrogen (NO₃-N).

2. BASIN PLAN – GROUNDWATER QUALITY OBJECTIVES

The Basin Plan for the Colorado River Basin Region has narrative groundwater quality objectives, which state in relevant part:

“...the Regional Board's objective is to minimize the quantities of contaminants reaching any groundwater basin. ...the objective will be to maintain the existing water quality where feasible.”

3. GUIDELINES FOR DESIGNING SEPTIC SYSTEMS

In 1979, the Regional Water Board adopted: “Guidelines for Sewage Disposal from Land Developments” to establish minimum criteria for septic systems necessary to comply with water quality objectives, and to protect beneficial uses of groundwater within the region. These guidelines prescribe percolation rates, soil characteristics,

minimum depth to groundwater, and ground slopes needed to protect groundwater from effluent impacts.

In addition, septic systems installed in Yucca Valley must meet requirements prescribed by the San Bernardino County Health Department discussed in various publications including: "Got Septic?"; "FAQ's for Single Family Residences"; "FAQ's for Multiple Residences/Commercial Projects"; "Minimum Setbacks and Locations of Septic System", and "How to Size Your Leach Lines".

In accordance with CWC Section 13291, which became law pursuant to Assembly Bill 885, the State Water Board issued draft regulations for septic systems statewide. The public comment period for the draft regulations extended from November 7, 2008, to February 23, 2009. During this time, the State Water Board received over 2,500 e-mails, and hundreds of comment letters. In addition, the State Water Board recorded hours of oral comments from twelve public workshops held throughout the state. State Water Board staff is currently revising the draft regulations to address the comments received.

V. PROBLEM STATEMENT

1. WATER QUALITY AND PUBLIC HEALTH ISSUES ASSOCIATED WITH SEPTIC SYSTEM USE

A conventional septic system consists of a septic tank, and either a leach field or a seepage pit. The function of the septic tank is to remove solids and floatables, while the leach field, or seepage pit, allows the clarified wastewater to percolate into the underlying soil. If soil conditions are appropriate, some filtering and biological treatment of nutrients and bacteria found in septic tank wastewater occurs in the vadose zone (unsaturated soil strata) reducing nutrient loading and the threat to human health posed by bacteria and other pathogens. However, even under proper operation and maintenance of the septic systems (tank and subsurface disposal system), the systems still pose a threat to water quality because certain constituents (e.g., salts and organic chemicals) pass-through the system and can reach and impact groundwater quality. Typical constituents found in domestic wastewater are listed in Table 1, below (USEPA, 2002).

**Table 1
Typical Constituents and Concentration Ranges in Residential Wastewater**

Constituent	Concentration In milligrams/liter ³
Total Solids	500-880
Volatile Solids	280-375
Total Suspended Solids	155-330
Volatile Suspended Solids	110-265
Biochemical Oxygen Demand	155-286
Chemical Oxygen Demand	500-660
Total Nitrogen (TN)	26-75
Ammonia (NH ₄)	4-13
Nitrites and Nitrates (NO ₂ -N; NO ₃ -N)	<1
Total Phosphorus (TP)	6-12
Fats, Oils, and Grease	70-105
Volatile Organic Compounds	0.1-0.3
Surfactants	9-18
Total Coliforms (TC) ⁴	10 ⁸ -10 ¹⁰
Fecal Coliforms (FC) ⁵	10 ⁶ -10 ⁸

The use of decentralized systems (including septic systems) is usually a low-cost, long-term approach to wastewater treatment, particularly in less densely populated areas (EPA Response to Congress, April 1997). These low density areas

³ Based on assumed water use of 60 gallons/person/day.

⁴ Most probable number of organisms per 100 milliliters.

⁵ Most probable number of organisms per 100 milliliters.

assimilate the waste within the soil, and provide filtration by percolation, minimizing the threat to public health due to exposure to inadequately treated waste. Typically, bacteria present within the top five feet of soil can reduce the amount of nitrogen in septic tank effluent through a process called "biological denitrification", which converts NO_3 into nitrogen gas.

2. MAINTENANCE PROBLEMS AND FAILURES ASSOCIATED WITH SEPTIC SYSTEMS

Septic systems can fail, which may result in severe short-term or long-term adverse impacts to groundwater. Town staff, who are responsible for issuing permits to replace failed septic tanks, leach fields, and seepage pits, provided the following data for the Town from 2002 through March 2010 (Table 2):

Table 2
Town of Yucca Valley - Septic System Component Replacement Permits
2002 – March 2010

Component Requiring Permit for Replacement	Commercial/Industrial	Residential
Septic Tanks	16	480
Leach Fields	3	124
Seepage Pits	35	140

The data in Table 2 translate to a failure rate (i.e., number of replacements/number of septic systems) of **8.8%** for Residential (or 8,500 residences), and **5.4%** for Commercial and Industrial (or 1,000 businesses). Ninety-two percent of the failures occur in areas scheduled to be sewerred during one of three wastewater facility treatment and collection installation phases (Figure E). Some septic systems are repaired without a permit. Thus, the above failure rates are very conservative estimates.

Septic system malfunctions can result from a number of factors, including, but not limited to:

a) **Poor soil conditions:**

If sediments are too coarse grained, wastewater percolation will be too fast and filtration poor. Alternatively, if sediments are too fine grained, wastewater can not percolate quickly enough, which may cause the wastewater to pond on the surface. Shallow bedrock, caliche, and other impermeable layers can also cause wastewater surfacing.

b) Elevated groundwater:

An elevated groundwater table can reduce or eliminate treatment provided by a properly functioning leach field disposal system. The Regional Water Board's 1979 "Guidelines for Sewage Disposal for Land Developments" requires a minimum ten-foot separation between the ground surface and the highest anticipated groundwater elevation, and a minimum five foot separation between the base of the disposal facility and the highest anticipated groundwater elevation. If these minimum separations are not maintained, effluent may surface and/or contaminate groundwater. Groundwater in Yucca Valley is generally deep (i.e., typically greater than 100 feet), except where mounding occurs due to artificial recharge.

c) Hydraulic overloads caused by high septic system density:

A high density of septic systems (i.e., several per acre), and/or septic system use beyond design capacity can exacerbate septic system failure rates.

d) Improper design or construction

Properly designed septic systems are sized and constructed according to site specific conditions, and the requirements of the Uniform Plumbing Code (UPC). Improperly designed/constructed septic systems typically result in premature failure. In the past, many septic tanks installed in Yucca Valley were constructed of steel. Steel tanks can oxidize (rust) over time, causing a loss of structural integrity and creating a safety hazard.

e) Use of seepage pits for subsurface disposal

A seepage pit is basically a covered pit with porous walls through which treated effluent can seep into the surrounding soil. The use of seepage pits for wastewater disposal inhibits the conversion of NH_4 (ammonia) to NO_3 (nitrate), a process known as biological oxidation that is essential to the biological denitrification process that occurs to some extent in properly designed leach fields. Additionally, wastewater discharges from the pit into the surrounding soil typically occur several feet below the ground surface, where adequate sources of carbon needed for biological denitrification are unavailable. The lack of oxidizing conditions and a carbon source hinders denitrification, enhancing nitrate movement into groundwater (EPA 9009-F-01-001, Seepage Pits May Endanger Groundwater Quality).

f) Lack of septic system maintenance:

If septic systems are not properly designed and regularly maintained, failures can result. If residents dispose of hazardous chemicals, toxic substances, pesticides or other chemicals into septic systems, surface and/or groundwater quality may be adversely impacted. Restaurants typically install grease traps before their septic tanks, and require more maintenance than residential systems. Regional Water Board staff has

observed overflows from restaurant systems in parking lots on several occasions, and received complaints from the public regarding unpleasant odors emanating from on-site systems in restaurant parking lots.

Regional Water Board staff reviewed records from January 2006 thru May 2008 from four septic tank pumping companies that service the Town. The record review included 1,471 addresses with 1,335 single-family residences, 33 restaurants, 11 mobile home parks, and 92 other non-residential systems. The 1,471 addresses represent 15% of the estimated 9,500 septic systems in use in the Town. Data indicate that 1,335 residential septic tanks (i.e., 17.3% of all residential systems) were pumped once every three years. Forty-eight residential systems required multiple pumpings in the same year, which indicates problems with those systems. Restaurants required pumping on average 3.1 times per year, or 8.5 times as frequently as residential systems, while other non-residential systems required pumping three times as often as residential systems, or approximately 1.1 times per year. Pumping frequency for restaurants varied from once in 29 months to once per month, which was the case for several establishments, highlighting the difficulty of treating restaurant discharges using septic systems. This is due to high flow rates which increase the potential for carry over of solids; the presence of fats, oils, and grease in the waste stream; and the high "strength" (i.e., organic loading) of wastewater. Use and proper maintenance of grease traps is critical to effectively treating restaurant discharges using on-site wastewater systems. Clogging of seepage pits and drain fields by grease is a frequent cause of failure.

Most area businesses, including restaurants, are located in the Town's main business corridor along California State Highway 62. The majority of areas zoned for high density--up to ten dwelling units per acre--are located along this corridor (Appendix B). Phase 1 of HDWD's planned municipal sewer system (Figure E) was designed to capture as many of these high density areas as practicable.

In summary, septic system failures are likely to occur if systems are improperly designed, installed or maintained; hydrogeologic conditions are unsuitable; and/or septic system density is too high. Discharges from failed systems can adversely affect public health and ground and surface water quality. Typical contaminants found in domestic wastewater, and their potential environmental impacts, are provided in Table 3 (USEPA, 2002).

Table 3: Typical Septic Tank Constituents of Concern in Groundwater

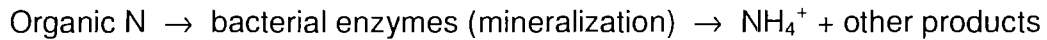
CONSTITUENTS OF CONCERN	REASON FOR CONCERN
Pathogens	Parasites, bacteria, and viruses can cause disease through direct and indirect body contact, or ingestion of contaminated water. Pathogens can persist, and migrate significant distances in ground and surface waters.
Nitrogen	Nitrogen is an aquatic plant nutrient that contributes to eutrophication and loss of dissolved oxygen in surface waters such as lakes. Nitrogenous compounds migrating to groundwater typically oxidize to nitrate. In drinking water, excess levels of nitrate can cause methemoglobinemia, or "blue baby" disease in infants, which can be fatal.
Toxic Organic Compounds	Organic compounds toxic to humans and aquatic life are present in household chemicals and cleaning agents. These compounds can persist in groundwater and contaminate down-gradient sources of drinking water. Some organic compounds accumulate in ecosystem food chains.
Heavy Metals	Heavy Metals can cause serious human health concerns, including cancer.
Dissolved Inorganic Compounds	Sodium is deleterious to soil structure (dispersion agent), and septic system leach field performance. Salts and some dissolved ions, are resistant to degradation, and very mobile in groundwater.
Endocrine Disruptor Compounds	The occurrence of pharmaceuticals, cleaners, and personal care products (e.g., shampoo) in wastewater, is an emerging water quality concern and public health issue.

NITROGEN TRANSFORMATION

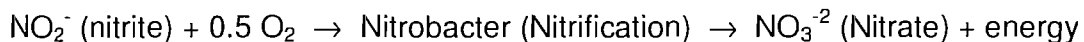
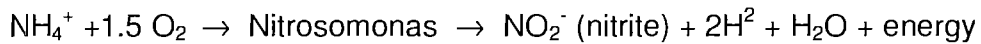
Nitrogen is the major constituent of concern in septic system effluent in Yucca Valley. Most nitrogenous compounds in septic tank effluent eventually convert to nitrate in soil by the processes discussed below.

The mobility of ammonium and organic forms of nitrogen in soil are dependent upon the oxidation-reduction potential of the soil. Ammonium and organic forms of

nitrogen in septic tank effluent are not very mobile. Most organic nitrogen is converted to ammonium-nitrogen ($\text{NH}_4^+\text{-N}$) by bacterial enzymes as indicated below; a process known as mineralization.



Mineralization can be carried out under aerobic or anaerobic conditions. In both instances, ammonium-N is first converted to nitrite, and then to nitrate by soil bacteria (nitrification).

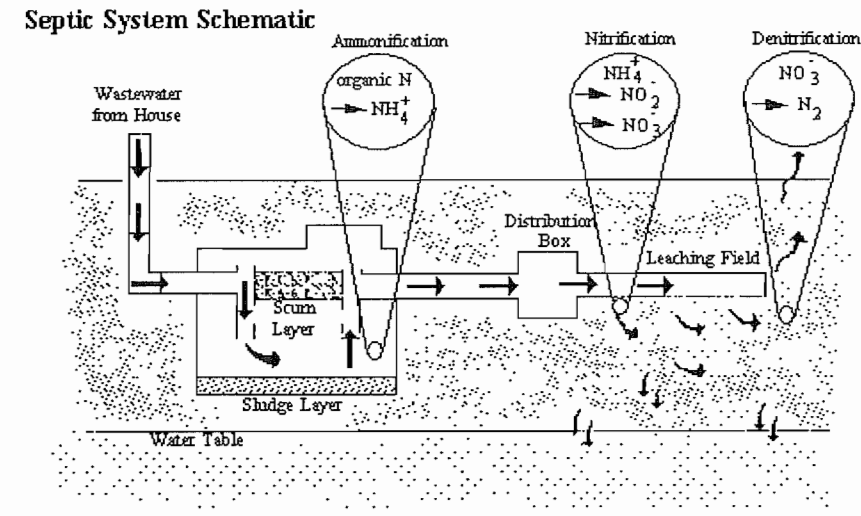


Nitrification occurs in soil under aerobic conditions only. Unlike ammonium and organic forms of nitrogen, nitrate ions are very soluble and readily migrate with water. Under suitable conditions, most nitrogen in septic tank effluent is converted to nitrate, which can migrate to groundwater by percolation of wastewater or rainfall. Under anaerobic conditions, nitrate is converted into nitrogen gas in the unsaturated zone (denitrification) if an energy source is available.



Some nitrogen escapes into the atmosphere through the denitrification process (see Figure D). The remaining nitrate percolates through the vadose zone, eventually contacting groundwater. When septic systems fail, various species of nitrogen (i.e., nitrate, nitrite, and ammonia) occur in wastewater effluent, contaminating groundwater through percolation. Percolation of septic tank effluent can introduce high levels of nitrate into groundwater, violating water quality objectives. High nitrate concentrations in water used for domestic supply may cause methemoglobinemia ("blue baby syndrome") in infants six months or younger that consume water with nitrate levels that exceed the maximum contaminant level (MCL). These infants may become seriously ill and die if untreated (<http://water.epa.gov/drink/contaminants/basicinformation/nitrate.cfm>).

Figure D. Schematic of Septic System Nitrification & Denitrification Processes



N = nitrogen, NH_4^+ = ammonium ion, NO_2^- = nitrite, NO_3^- = nitrate, N_2 = nitrogen (gas)

Malfunctioning septic systems are a significant source of groundwater contamination. According to the USEPA, septic tank discharges are the third leading cause of groundwater pollution in the United States (USEPA, Onsite Wastewater Treatment Systems Manual, February, 2002). Poorly functioning septic systems are a threat to public health, and ground and surface water quality, and deflate property value (Id.). Septic systems are not a suitable option for wastewater disposal in high-density areas (i.e., residences on small, $\leq \frac{1}{2}$ acre lots) because they may not provide sufficient dilution for percolating effluent, thereby contributing excess nutrients to groundwater. Additionally, high septic system density may cause wastewater to mound or surface, potentially exposing the public to health threats from inadequately treated wastewater. The Regional Water Board has adopted waste discharge prohibitions for septic tanks in the Cathedral City Cove area, and for areas that overlie the Mission Creek or Desert Hot Springs aquifers to protect groundwater from the threat of contamination posed by septic systems in those areas (California Regional Water Quality Control Plan for the Colorado River Basin Region, June 2006).

3. WATER QUALITY AND PUBLIC HEALTH IMPACTS OF SEPTIC SYSTEM USE IN YUCCA VALLEY

Virtually all residents in the Town use septic systems and subsurface disposal systems to treat and dispose of domestic wastewater. The exact number of septic systems in Yucca Valley is unknown, but is believed by staff to exceed 9,500. If septic systems are installed on all buildable lots, the number of septic systems in Yucca Valley will approximate 25,000 (Town of Yucca Valley Master Plan). At least

some septic systems are currently “failing”, causing inadequately treated wastewater to percolate to, and contaminate groundwater. Failures are due to disintegrating steel septic tanks, and failed disposal systems (Table 2).

a) Nitrogen Loading to Groundwater in Yucca Valley Due to Septic System Use

Total nitrogen (TN) in septic system effluent typically ranges from 20 to 85 mg/l, averaging around 40 mg/l (Metcalf & Eddy, 3rd Edition). Using an average wastewater flow rate of 83 gpd/capita (HDWD-MWH Preliminary Design Report Part 1), nitrogen loading from septic systems in Yucca Valley is conservatively estimated by regional water board staff at over 108 tons per year. (Appendix E)

b) Pollution, Contamination and Nuisance Resulting From Failing Septic Systems in Yucca Valley

As indicated by the maps of repair permits issued in Appendix C, failing septic systems in Yucca Valley are an ongoing problem. On multiple occasions, Regional Water Board staff has observed grease and effluent overflowing in restaurant parking lots in Yucca Valley. Effluent discharges from failed systems can percolate to groundwater. As a result, these discharges have violated water quality objectives for nitrate, total dissolved solids (TDS), and/or pathogens, thereby impacting beneficial uses. Surfacing discharges from failed systems are a hazard to public health since they consist of sanitary wastes and the public is directly exposed to them. Discharges of sanitary waste from septic system failures also generate odors and aesthetic conditions offensive to the community; hence, the discharges create a nuisance since they interfere with the public’s enjoyment and use of property. Continued use of septic systems in Yucca Valley will continue to cause conditions of pollution, contamination, and nuisance, thereby unreasonably degrading the water quality of waters of the State.

VI. REGULATORY APPROACHES TO ADDRESS SEPTIC SYSTEM FAILURE IN YUCCA VALLEY

1. MEMORANDUM OF AGREEMENT

In June of 2008, the Regional Water Board, the Town of Yucca Valley, and the Hi-Desert Water District entered into a Memorandum of Agreement (MOA) in order to provide interim policy to mitigate the impacts from septic systems, while the proposed WWTF is built and this proposed regulation is implemented. The MOA is intended to clarify the roles, duties, and responsibilities of each Party with respect to the proposed municipal WWTF, and for addressing groundwater contamination caused by septic tank systems. Under the terms of the MOA, the Town reviews, approves, and oversees the installation and maintenance of those septic systems, pursuant to USEPA standards, that discharge 2,500 gallons per day or less. Generally, the San Bernardino County Health Department requires an onsite percolation test performed by a State certified engineer or geologist, and a report summarizing test results for their review and approval. Percolation test reports submitted to the County for the Yucca Valley area indicate soils typically meet the minimum criteria established by the County/Regional Water Board.

CWC Section 13280 prohibits the use of new or existing septic systems if there exists:

....substantial evidence in the record that discharge of waste from such disposal systems will result in a violation of water quality objectives, will impair present or future beneficial uses of water, will cause pollution, nuisance, or contamination, or will unreasonably degrade the quality of any waters of the State.

Regional Water Board staff and other agencies have collected evidence to indicate septic system use in Yucca Valley has caused and continues to cause:

- a. violations of water quality objectives;
- b. impairment of groundwater beneficial uses;
- c. conditions of pollution, nuisance, and/or contamination and
- d. unreasonable degradation of the quality of State waters.

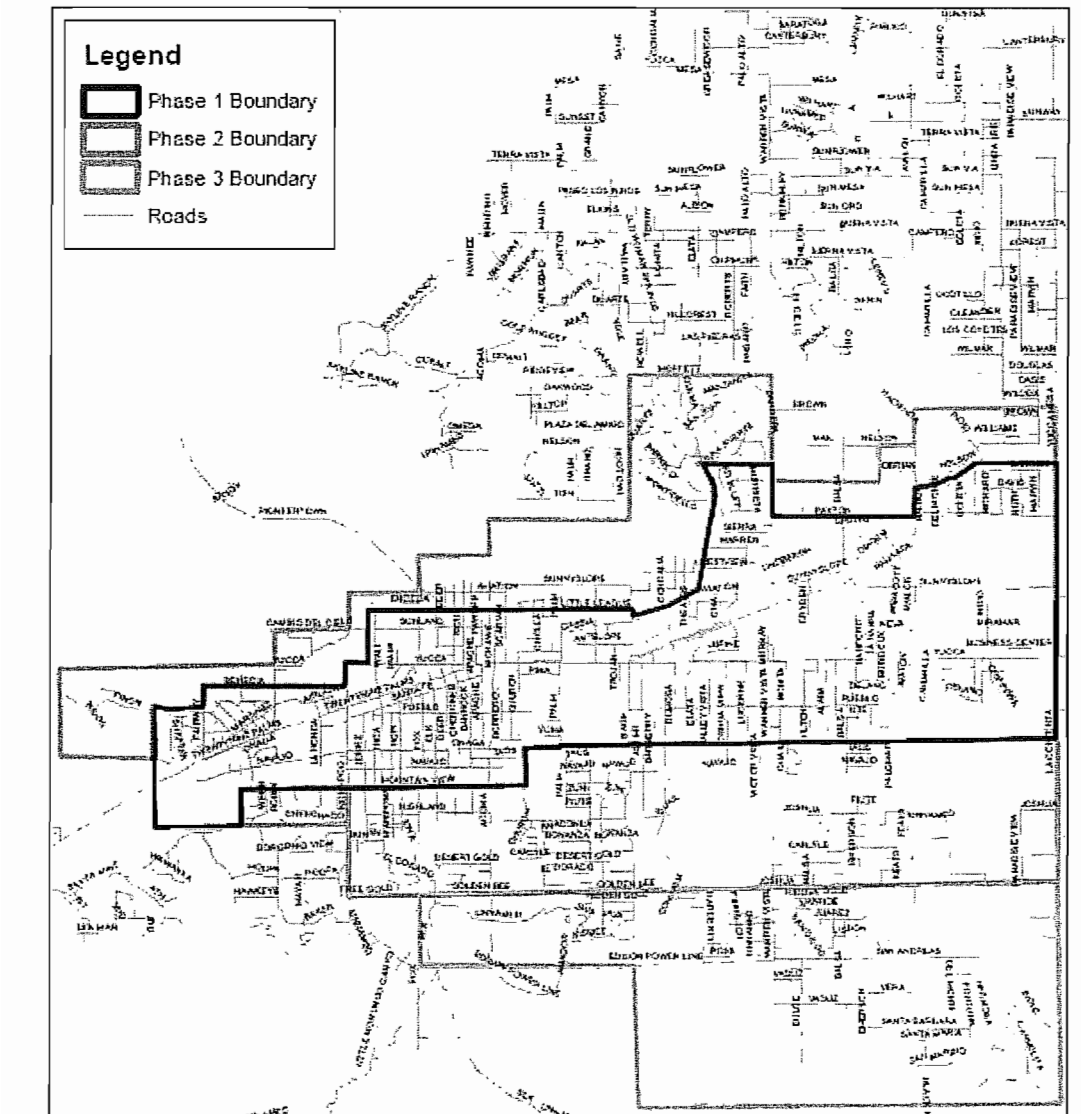
This evidence is substantial and thus, supports the Regional Water Board staff's decision to propose amending the Region's Basin Plan to incorporate a waste discharge prohibition for certain septic systems in Yucca Valley.

2. BASIN PLAN AMENDMENT

Regional Water Board staff proposes to amend Chapter 4 of the Region's Basin Plan to prohibit septic system use in three areas of the Town to address

groundwater pollution and degradation caused by septic tank effluent. The amendment proposes that all septic system discharges within the Phase 1 cease by May 19, 2016, within Phase 2 by May 19, 2019; and within Phase 3 by May 19, 2021. The proposed prohibition recognizes the time needed to design, finance, and construct a sanitary sewer system and the lack of disposal alternatives in the interim. Figure E, below, shows the areas covered by each Phase.

Figure E
HDWD SEWER MASTER PLAN PHASES



From HDWD-MWH Sewer Master Plan, January 2009

The Phase 1 area is bounded by the Nelson Avenue to the north, Onaga Trail to the south, La Contenta Road to the east, and Rockaway Avenue to the west. The Phase 2 area is bounded by Onaga Trail to the north, Golden Bee Drive to the south, La Contenta Road to the east, and Kickapoo Trail to the west. The Phase 3 area covers the remaining residential customers on the west end of HDWD's

service area along with some low to medium density residential customers located north of the Yucca Wash up to Cobalt Road. HDWD estimates the three sewer system phases will cover 94% of the developed parcels within the project area.

a) Septic System Prohibition Considerations

The proposed Basin Plan amendment provides an adaptive approach for addressing this problem. As indicated above, the hydrogeology of Yucca Valley is complex, with most areas characterized by hilly topography with shallow alluvium overlying fractured bedrock. Septic system density varies in the Town. However, the USGS Study clearly indicates groundwater in the Town has been degraded by septic system discharges, particularly in areas with high densities of residential lots (i.e., several septic systems per acre). This is caused in part by the poor performance of septic systems in high density areas due to inadequate soils and excessive loading.

The proposed Basin Plan amendment will prohibit the discharge of septic system effluent in densely populated areas along the main business corridor (Phase 1), as well as in two other relatively low-density areas within the three-phased collection system delineated in HDWD's Sewer Master Plan. Construction of a sanitary sewer system designed to serve these lots is the most cost-effective solution. Eliminating discharges in high-density areas may facilitate proper operation of septic systems in low-density areas by improving assimilative capacity of the groundwater. Under this scenario, property owners located outside the sewer master plan area benefit from the elimination of discharges within the plan's area through improved groundwater quality.

However, if this approach is determined later to be ineffective in addressing groundwater quality throughout the Town, and septic system effluent is shown to continue to adversely impact community groundwater supplies, the prohibition may need to be amended to prohibit septic system discharges elsewhere in the Town. This adaptive approach will enable water quality concerns to be addressed in a timely manner, and may also help reduce the hardship residents would have to endure if faced with a blanket discharge prohibition for both small and large lots.

Based on site conditions, a septic system prohibition is necessary to protect public health and water quality in Yucca Valley. Community feedback to Regional Water Board staff at town hall meetings, and during meetings with HDWD (June 13, 2007) attended by several of community residents and other interested individuals, suggests community support for groundwater protection and the construction of a sanitary sewer system, but significant concerns remain over the cost of such a municipal system.

b) Economic Considerations

Public Resources Code Section 21159, which is set forth in the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et

seq.) requires that economics be considered when evaluating methods of compliance for proposed Basin Plan amendments. CWC Section 13280 requires the Regional Water Board to consider factors identified in CWC Section 13241, which includes economic considerations and the need for housing. Affordable housing is still available to Yucca Valley, with many residences consisting of manufactured homes. A report from the US Census Bureau recorded 16,865 people residing in the Town of Yucca Valley in the year 2000, with a median household income of \$30,420. This was considerably lower than the state median household income for 2000, estimated at \$47,493.

Regional Water Board staff believes that in the long term the proposed amendment will have a positive impact on property values, given that converting to a public sewer system typically increases market value, while a failing septic system decreases market value. HDWD's cost estimates for Phase 1 of the collection and treatment system have ranged from \$85 million to \$128 million, or \$8,500 to \$12,800 per residence, assuming 10,000 water connections and no financial assistance. HDWD, using the engineering consulting firm of Webb and Associates, subsequently estimated costs during the formation of the assessment district. HDWD estimated the cost for the WWTP and conventional sewer system to be approximately \$125 million, or approximately \$12,500 per residence, again based on the assumption of 10,000 water connections. Webb and Associates recently estimated total costs for Phases 2 and 3 of the project to be approximately \$77.35 million. In addition, there are costs to construct lateral sewer lines, to connect to the main sewer, and to properly abandon existing septic systems. These costs for each parcel owner are estimated to be in the range of \$3,000 to \$6,000 (see Table 4, below). The lateral sewer line will cost \$80-\$150 per foot to construct depending on: terrain; easements needed; engineering work required; pipe and backfill materials; methods of construction; and surface restoration. Septic system abandonment involves: (1) obtaining a permit (approximately \$300), (2) pumping the tank, (3) removing and disposing of the lid, and (4) filling the empty septic tank with compacted dirt or sand (\$600-\$1600). Finally, there may be specific local agency requirements for septic tank abandonment. Once sewers are constructed, the process can take four to six months to complete. It is emphasized that all costs presented in this staff report are preliminary estimates.

**Table 4
Approximate Cost to Connect to Conventional Sewer**

<i>Item Unit Cost</i>	<i>Number of Units Total Average Cost</i>
Sewer Connection Fee \$8,500	1 dwelling \$8,500
Septic Abandonment Fee \$300	1 tank \$300
Pump & Fill Septic Tank \$1,200	1 tank \$1,200
Lateral Construction \$100/foot	30 feet \$3,000
Total Cost	1 dwelling \$13,000

As an alternative to a conventional sewer and WWTP, HDWD has also considered a Septic Tank Effluent with Pumped or Gravity collection system (STEP/STEG), and a recirculating textile system (RTS) system, for wastewater treatment. This system offers advantages, including reduced capital costs for both wastewater collection and treatment. With a STEP/STEG, septic tanks are retained and used for primary treatment, which allows use of small diameter collection lines installed to contour local topography. Capital costs for a central treatment system are typically reduced, since influent has received primary treatment. However, operation and maintenance costs may increase because service providers are usually responsible for facilities on individual properties, resulting in increased service calls from property owners.

Total capital cost estimates for constructing a STEP/STEG collection system and RTS treatment plant range from \$29 million to \$115 million, or \$2,900 to \$11,500 per residence, assuming 10,000 water connections and no financial assistance. Connection costs to this type of system are shown below in Table 5.

**Table 5
Approximate Cost to Connect to STEP/STEG System**

<i>Item Unit Cost</i>	<i>Number of Units Total Average Cost</i>
Sewer Connection Fee \$8,500	1 dwelling \$8,500
Lateral Construction \$37.50/foot	30 feet \$1,125
Total Cost	1 dwelling \$9,675

With a median household income of \$30,420 in the year 2000, revenue is not expected to increase significantly since a large portion of the Town's population is retired. Thus, converting to a sewered system will be a significant burden to many Town residents. To defray economic impacts,

the Town, HDWD, or community can apply for funding through grants or other sources, or extend expenses over several years by forming an assessment district. With an assessment district, the HDWD and/or the Town of Yucca Valley can address septic tank impacts to the environment and public health through a centralized authority. This will require HDWD to develop a mechanism to assess sewer costs in a given service area. Some of the costs shown in Tables 4 and 5 above can be amortized over several years to reduce immediate costs to residents.

CWC section 13291.5 states:

It is the intent of the Legislature to assist private property owners with existing systems who incur costs as a result of the implementation of the regulations established under this section by encouraging the state board to make loans under Chapter 6.5 (commencing with Section 13475) to local agencies to assist private property owners whose cost of compliance with these regulations exceeds one-half of one percent of the current assessed value of the property on which the onsite sewage system is located.

HDWD is exploring this and other options to obtain financial assistance to sewer Yucca Valley, and to assist local residents. Regional Water Board staff is committed to working with HDWD, municipalities and other entities to identify and procure funding to mitigate the financial burden to Yucca Valley residents.

c) Other Considerations

In addition, CWC section 13281 requires the Regional Water Board to consider information provided pursuant to Health and Safety Code section 117435, such as evaluating adverse impacts if septic systems discharges are permitted, failure rates of individual disposal systems, and other criteria.

As part of a cooperative agreement between HDWD and USGS, it was observed (letter to Joe Glowitz, from USGS, April 27, 2009) that a well located in the east hydrogeologic subunit sampled on February 4, 2009, had a nitrate as N concentration of 18.4 mg/L (federal MCL for nitrate as N is 10 mg/L). This is significant because the east hydrogeologic unit has not received any recharge, suggesting that the high nitrate concentration in groundwater in this area may be due to downward migration of septic tank effluent rather than rising groundwater intersecting effluent plumes.

In general, Town residents support constructing a wastewater treatment plant/sewer, given adverse impacts to groundwater and public health from septic system discharges, provided it is not cost prohibitive.

3. PROHIBITION OF NEW DISCHARGES?

Regional Water Board staff considered including an immediate prohibition of new septic system discharges in the Basin Plan Amendment for the business corridor of Yucca Valley, Phase 1 in HDWD's Sewer Master Plan. Such a prohibition of new discharges would not have been a strict moratorium on new construction, because building could have proceeded so long as developers used holding tanks, package plants, or other means for waste disposal. This option could also have been implemented for new housing developments in Yucca Valley on an interim basis, until sewer infrastructure is constructed by HDWD. However, proliferation of package plants throughout the Town could have significant impact on the environment and undermine the viability of a centralized sewage collection and treatment system for the Town (see also CEQA Checklist discussion on pg. 19). Therefore, the Regional Water Board will continue to review new development on a case-by-case basis pursuant to the MOA it has with the Town and HDWD.

Efforts set forth by HDWD and the Town to provide sewer service to areas at risk of groundwater contamination from septic tank discharges, combined with the positive community response to convert to sewer, obviates the need for an immediate discharge prohibition for new development. However, if the sewer effort fails to win public approval or stalls for other reasons, the Regional Water Board may need to take other measures to protect water quality. These may include prohibiting new wastewater discharges throughout Yucca Valley and progressive enforcement (e.g., cease and desist orders and administrative civil liability complaints) to ensure dischargers and responsible parties comply with the terms of this prohibition.

VII. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND CONSIDERATION OF ALTERNATIVES

The California Secretary for Natural Resources has certified the basin planning process as meeting the requirements of Public Resources Code section 21080.5 of CEQA (Cal. Code Regs., tit. 14, § 15251(g)). Based on the Secretary's certification, the basin planning process is exempt from certain environmental review requirements of CEQA, including preparation of an Initial Study, Negative Declaration, and Environmental Impact Report. However, as part of the Basin Planning process, the Regional Water Board is required to prepare: (1) a Basin Plan amendment; (2) an Environmental Checklist that identifies potentially significant adverse environmental impacts of the amendment, measures to mitigate significant adverse environmental impacts identified in the Checklist, and (3) a description of the proposed amendment and range of reasonable alternatives to comply with the amendment (Cal. Code Regs., tit. 23, § 3777).

Regional Water Board staff has prepared this draft staff report, Environmental Checklist, and proposed Basin Plan amendment for distribution to interested persons, including Town residents. These documents may be revised based on comments received from the public or the Regional Water Board. If revised, the final staff report will address any additional CEQA considerations, including economics, which may arise as a result of any changes to the proposed amendment.

The Environmental Checklist also contains a detailed discussion on alternatives to the proposed prohibition (Preferred Alternative), including the "No Action" alternative. It also has a detailed discussion on the range of reasonable alternatives/methods available to comply with the proposed prohibition. The Preferred Alternative is summarized in the following Section.

VIII. RECOMMENDED ALTERNATIVE – SEPTIC SYSTEM PROHIBITION

Regional Water Board staff is recommending that the Regional Water Board amend the Region's Basin Plan to prohibit septic system use in three areas of the Town, in accordance with the following time schedule for each area, or sooner than the prescribed time schedule if sewer service becomes available:

- Phase 1 by May 19, 2016
- Phase 2 by May 19, 2019
- Phase 3 by May 19, 2022

The HDWD's Sewer Master Plan (January 2009) proposes three phases of sewer service for the Town and the surrounding area (Figure E). Areas selected for sewer service pose the greatest risk to public health and water quality due to a high density (too many septic systems per unit area), or a high failure rate (causing wastewater surfacing and/or groundwater impacts). Sewering these areas, along with a hook-up requirement when sewer service becomes available, should mitigate current impacts to public health and water quality from septic system use in the Town.

If, however, the septic system prohibition proposed above fails to adequately address public health and water quality impacts in Yucca Valley, the Regional Water Board may need to amend the Basin Plan further. Such amendments may include, for example, extending the area subject to the prohibition. Alternatively, if the sewer project does not go forward due to financial problems or for other reasons, the Regional Water Board may need to amend the Basin Plan to immediately prohibit all new septic systems discharges, and eliminate existing systems via a time schedule order.

IX. PUBLIC PARTICIPATION

Public participation is an integral part of the Basin Plan amendment process. On November 15, 2007, Regional Water Board staff published a Public Notice inviting concerned, interested, and affected individuals, as well as public and private entities, to participate in a Technical Advisory Committee (TAC) to develop a Basin Plan amendment to conditionally prohibit septic systems in Yucca Valley. The reason for this action was to eliminate groundwater impacts from discharges of septic system effluent. The objectives of the TAC were as follows:

- advise staff to develop and implement the prohibition;
- provide expert opinion and scientific evaluations;
- provide CEQA documentation;
- identify financial assistance/resources, and
- assist with public outreach and education.

The TAC, which conducted its first meeting on February 21, 2008, was comprised of nine individuals representing the community, HDWD, and the Town. The TAC conducted a total of ten meetings before it was formally dissolved in May 2009.

On June 13, 2007, Regional Water Board staff conducted a town hall meeting in Yucca Valley with representatives from HDWD and the Town to discuss septic system problems and potential solutions.

On December 18, 2007, Regional Water Board staff held a public workshop and CEQA Scoping Meeting in the HDWD's meeting room in Yucca Valley. Board staff presented the draft environmental checklist and an overview of the Basin Plan amendment. HDWD staff presented findings from its sewer feasibility study. Interested persons, community representatives, and area residents were present, and provided comments.

On March 17, 2011, the Regional Board held a public workshop in the Town of Yucca Valley Community Center's Yucca Room from 11:00 a.m. to 3:00 pm. Board staff presented the proposed Basin Plan Amendment to Prohibit Discharges from Septic Systems in the Town of Yucca Valley and Regional Board members and staff heard comments and answered questions from area residents, community representatives, and area property owners. Changes to the proposed basin plan amendment and this staff report were made in response to certain public comments received both at the public workshop and submitted in writing.

The Regional Water Board will consider adoption of the proposed Basin Plan amendment at a public hearing scheduled as follows:

Thursday, May 19, 2011, 10:00 a.m.: ****.
City of La Quinta, City Council Chambers
78-495 Calle Tampico
La Quinta, CA 92253

The Basin Plan amendment may be revised further in response to comments received during the public hearing. A Notice for the Public Hearing will be mailed to residents and interested parties in the affected area, published in local newspapers, and posted in local libraries and post offices. Additionally, the Notice and all relevant documents will be posted on the Regional Water Board's webpage.

X. SCIENTIFIC PEER REVIEW

Health and Safety Code section 57004 requires that the scientific basis of any statewide plan, basin plan, plan amendment, guideline, policy, or regulation undergo external peer review before adoption by the State or Regional Board. The "scientific basis" and "scientific portions" are defined as those "foundations of a rule that are premised upon, or derived from, empirical data or other scientific findings, conclusions, or assumptions establishing a regulatory level, standard, or other requirement for the protection of public health or the environment." Accordingly, regional water board staff submitted the draft staff report in support of the proposed basin plan amendment to prohibit septic tank discharges in the Town of Yucca Valley to the peer review process in July of 2010. Two peer reviewers were chosen by State Water Board staff, in a process independent of regional board staff.

Both of the participating peer reviewers concurred that the scientific information presented in the staff report support the proposed septic tank discharge prohibition. One of the reviewers stated:

"I felt the staff report was very well written and highlights the evidence for failing septic tanks in the Yucca Valley area – something that is not covered in the USGS report. This result, in conjunction with all the evidence provided by the USGS, indicates that the proposed amendment to the basin plan is needed and scientifically warranted."

The second peer reviewer concluded:

"The installation of a sewer during Phase I implementation is justified by the annual rate of failure of septic systems within Yucca Valley. Septic systems for residential development at that density along with commercial establishments exceed waste accommodation rates and the soil's infiltration capacity."

The comment letters from both reviewers, and regional water board staff's responses to those comments can be found in Appendix F.

XI. PROHIBITION EXEMPTIONS

In response to oral comments received at the public workshop held on March 17, 2011, and to written comments received by Regional Water Board staff, the Basin Plan Amendment was changed to include procedures whereby properties affected by the Prohibition might be exempted from the requirements of the prohibition, if certain unique conditions were sufficiently demonstrated to the Regional Water Board. These conditions may include, but are not limited to, technical, environmental, or economic conditions that would make connection to the collection system, or installation of an on-site advanced treatment and disposal system, technically impracticable or economically excessively burdensome.

XII. COMPLIANCE ASSURANCE AND ENFORCEMENT

In response to oral comments received at the public workshop held on March 17, 2011, and to written comments received by Regional Water Board staff, the Basin Plan Amendment was changed to include specific information about actions Regional Water Board staff will take to achieve compliance with the prohibition, including a list of enforcement actions that may be pursued if specific dischargers are not responsive to more cooperative staff compliance efforts.

The changes to the amendment include specific directives to the Executive Officer to assist the Town of Yucca Valley and HDWD obtain financial assistance, and to notify all property owners affected by the amendment of:

- a) key deadlines of the Prohibition,
- b) options available to comply with the amendment, and
- c) sources of potential financial and technical assistance.

XIII. SUMMARY

Laboratory analyses of groundwater samples collected from supply wells in the Town indicate an exceedance in the drinking water standard (i.e., maximum contaminant level) for nitrate (NO_3). As a result, HDWD removed impacted supply wells from service and treated well water to remove NO_3^- before distribution to the public. The USGS Study concluded that septage from septic tanks is the primary source of NO_3 to the ground-water system in Yucca Valley. This investigation provided the core scientific basis to prohibit septic tank use in specific areas of the Town.

HDWD's 2002 "Source Water Assessment" completed for Yucca Valley's production wells rated *all* supply wells "most vulnerable" to nitrate contamination from septic systems. Irrespective of the source(s) of the existing nitrate contamination in groundwater, additional mass loading of nitrate from new development/high density septic system use will clearly cause further degradation to groundwater. It is therefore necessary to immediately protect vulnerable sub-

basins in the Yucca Valley area not currently impacted by nitrates, where high density septic system use may ultimately lead to further water quality degradation.

Violations of water quality objectives and conditions of pollution, contamination, and nuisance have resulted from septic system use in the Yucca Valley area. The building boom that has occurred over the last 10 years has exacerbated water quality problems associated with septic system use in the area, including excess nutrients (nitrate) in groundwater.

In June 2007, Regional Water Board staff, in collaboration with HDWD and Town officials, formalized discussions to address water quality and public health concerns caused by septic system use in the Town. These discussions led to the adoption of a Memorandum of Agreement (MOA) to establish interim policy to mitigate the impact from the septic systems while a municipal sewage collection and treatment system for the Town is designed and built. On September 19, 2007, the Regional Water Board adopted Resolution R7-2007-0074 in support of the efforts by the Town of Yucca Valley and the HDWD to phase out wastewater discharges from septic systems. The resolution states, in relevant part:

"...The Regional Board considers construction of the RWWTF (regional wastewater treatment facility) proposed by the District and Yucca Valley and elimination of the groundwater quality threat and impacts from septic systems in Yucca Valley to be strategic regional water quality priorities..."

In response to violations of water quality objectives for nitrate, scientific evidence, directives from the Regional Water Board, and requests from local entities, Regional Water Board staff is proposing a Basin Plan amendment to prohibit septic system use in three areas of the Town to protect high quality municipal beneficial use groundwater aquifers vulnerable to degradation from septic system discharges

REGIONAL WATER BOARD CONTACT

All enquiries regarding the proposed Basin Plan Amendment should be directed to:
Jon Rokke (760) 776-8959

REFERENCES

1. Hi-Desert Water District, Source Water Assessments, December 2002
2. USGS, Evaluation of the Source and Transport of High Nitrate Concentrations in Groundwater, Warren Subbasin, California, (Water-Resources Investigations Report 03-4009)
3. USEPA, Onsite Wastewater Treatment Systems Manual, February 2002.
4. EPA Response to Congress on Use of Decentralized Wastewater Treatment Systems, April 1997
5. USEPA National Primary Drinking Water Regulations, EPA 816-F-09-004, May 2009
6. USEPA, Basic Information About Nitrate In Drinking Water, <http://www.epa.gov/OGWDW/contaminants/basicinformation/nitrate.html#six>
7. California's Groundwater Bulletin 118, updated 2/27/04
8. California Regional Water Quality Control Plan for the Colorado River Basin Region, June 2006
9. HDWD-MWH Preliminary Design Report, Volume 1, January 2009
10. HDWD-MWH Sewer Master Plan Final Report, January 2009
11. USEPA Seepage Pits May Endanger Groundwater Quality, EPA 909-F-01-001, April 2001
12. US Census Bureau, Yucca Valley town, California, Census 2000 Demographic Profile Highlights
13. Metcalf & Eddy, Wastewater Engineering Treatment Disposal and Reuse, 3rd Edition 1991
14. Letter from USGS to Joe Glowitz, April 27, 2009
15. Technical Advisory Committees Socio-economic subgroup Final Report
16. Onsite Wastewater Treatment Systems by Burkes & Minnis, 1994

APPENDIX A

**U.S. Department of the Interior
U.S. Geological Survey**

**Evaluation of the Source and Transport of High Nitrate Concentrations in
Groundwater, Warren Subbasin, California**

Water-Resources Investigations Report 03-4009

(Attach complete report)

APPENDIX B

(Attach Town of Yucca Valley Zoning Map)

APPENDIX C

(Attach Septic Failure Data and Location Maps)

APPENDIX D

(Attach Recent Data)

APPENDIX E

(Attach Nitrogen Loading Calculation)

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
COLORADO RIVER BASIN REGION**

RESOLUTION NO. R7-2011-0004

Amending the Water Quality Control Plan for the Colorado River Basin Region to Prohibit Septic Tank Discharges in the Town of Yucca Valley, San Bernardino County

WHEREAS, the California Regional Water Quality Control Board, Colorado River Basin Region (hereinafter Regional Water Board), finds that:

1. An updated Water Quality Control Plan for the Colorado River Basin (Basin Plan) was adopted by the Regional Water Board on November 17, 1993, approved by the State Water Resources Control Board (State Water Board) on February 17, 1994, and approved by the Office of Administrative Law (OAL) on August 3, 1994. This Basin Plan has been updated to include amendments adopted by the Regional Water Board through December 2008.
2. The Basin Plan may be amended in accordance with the California Water Code (CWC) Section 13240 et seq.
3. The Basin Plan has narrative groundwater quality objectives, which state in relevant part: "The Regional Board's objective is to minimize the quantities of contaminants reaching any groundwater basin. This could be achieved by establishing management practices for major discharges to land. Until the Regional Board can complete investigations for the establishment of management practices, the objective will be to maintain the existing water quality where feasible." (Basin Plan, Chapter 3, Section IV.)
4. Water Code Section 13243 authorizes the Regional Water Board to specify certain conditions or areas where discharges of specific types of waste will not be permitted.
5. Water Code Section 13280 requires that a determination that discharge of waste from existing or new individual disposal systems or from community collection and disposal systems, which utilize subsurface disposal, should not be permitted shall be supported by substantial evidence in the record. Such evidence shall demonstrate that the discharge of waste from such disposal systems will result in violation of water quality objectives, will impair present or future beneficial uses of water, will cause pollution, nuisance, or contamination, or will unreasonably degrade the quality of any waters of the state.
6. The Town of Yucca Valley is in the southwestern area of the Mojave Desert, approximately 25 miles north of Palm Springs and 100 miles east of Los Angeles, in San Bernardino County. This southwestern part of the Mojave Desert is bordered to the north by the San Bernardino Mountains and to the south by the Little San Bernardino Mountains. The Town of Yucca Valley is the main population center in this area, and the current population is estimated at 24,000.

7. The Town of Yucca Valley (Town) is in the southwest corner of the Morongo Groundwater Basin. The Warren Valley Groundwater Subbasin (Warren Subbasin) is part of the Morongo Groundwater Basin, and it includes water-bearing sediments beneath the Town and the surrounding area. The Subbasin is bounded to the north by the Pinto Mountain fault, to the south by the Little San Bernardino Mountains, to the east by a bedrock constriction called the "Yucca Barrier", and to the west by a bedrock constriction/topographic divide that separates Warren Valley from Morongo Valley. Water-bearing deposits in the Warren Subbasin cover about 5.5 square miles (mi²) of the 19 mi² Subbasin area.
8. The Morongo Groundwater Basin and Warren Subbasin are within the Joshua Tree Hydrologic Unit. The Basin Plan specifies the following beneficial uses for the Joshua Tree Hydrologic Unit:
 - i. Municipal and domestic supply (MUN)
 - ii. Industrial Process Supply (IND)
9. State Water Board Resolution No. 68-16 ("Policy with Respect to Maintaining High Quality Waters of the State," hereinafter Resolution No. 68-16) requires a regional board, when regulating a discharge of waste, to maintain high quality waters of the state (i.e., background water quality) until it is demonstrated that any change in quality is consistent with:
 - i. the maximum benefit to the people of the state,
 - ii. will not unreasonably affect present and anticipated beneficial uses of waters, and
 - iii. will not result in water quality less than that prescribed in policies (e.g., violation of any Water Quality Objective (WQO)).
10. The Hi-Desert Water District (HDWD) is the water purveyor for the Town. It was also designated as the Water Master for the basin when the basin was adjudicated by the San Bernardino County Superior Court in 1977.
11. As the Town's population increased, ground water levels declined. From 1940 to 1994, ground water levels had declined about 300 feet in some areas of the Warren Subbasin. In 1995, HDWD initiated an artificial ground water recharge program to reverse the decline in ground water levels. As a result of the recharge effort, groundwater levels have recovered as much as 250 feet and nitrate concentrations have increased above the USEPA drinking water maximum contaminant level of 45 mg/L.
12. In a U.S. Geological Survey (USGS) 2003 report titled "Evaluation of the Source and Transport of High Nitrate Concentrations in Groundwater, Warren Subbasin, California" Water-Resources Investigations Report 03-4009 (USGS Report), the USGS concluded that "septage from septic tanks was the primary source of nitrate (NO₃) to the ground-water system". (USGS Report, p. 1.)
13. High nitrate concentrations in water used for domestic supply may cause methemoglobinemia ("blue baby syndrome") in infants six months or younger that consume water with nitrate levels that exceed the maximum contaminant level (MCL). These infants may become seriously ill and die, if untreated.

14. Concentrations of nitrates in the Warren Subbasin have violated the Basin Plan's water quality objectives for groundwater.
15. The Town currently has no municipal sanitary sewer or wastewater treatment systems.
16. The proposed Basin Plan Amendment is contained in Attachment A, incorporated herein and made part of this resolution. The amendment modifies Chapter 4 of the Basin Plan: Section II.H, Septic Systems.
17. The proposed amendment enacts a prohibition on discharges of wastewater from septic systems in areas of the Town of Yucca Valley scheduled for sewer installation in the three phases defined in HDWD's Sewer Master Plan (see Attachment B) according to the following schedule:
 - Phase 1 by May 19, 2016
 - Phase 2 by May 19, 2019
 - Phase 3 by May 19, 2022
18. Regional Water Board staff prepared a report titled "Staff Report In Support Of A Basin Plan Amendment To Prohibit The Discharge of Wastewater Into The Ground from Septic Systems In The Town of Yucca Valley" (hereinafter referred to as Staff Report), dated December 2010.
19. The Staff Report has undergone scientific peer review as required by California Health and Safety Code Section 57004. The peer review panel concluded that the proposed amendment to the Basin Plan is needed and scientifically warranted, particularly in the high density areas of the Town of Yucca Valley.
20. Findings in the Staff Report indicate that the discharges of wastes from septic systems in the Town have adversely impacted groundwater quality. Accordingly, staff has concluded that the continued discharge of wastes from the septic systems will result in further degradation of water quality and conditions of pollution, contrary to Resolution No. 68-16 and in violation of Basin Plan water quality standards for the Warren Subbasin.
21. The Regional Water Board has considered and responded to all comments submitted by the peer review panel.
22. The Regional Water Board considered factors in CWC Section 13241, including economic considerations, to develop the proposed amendment. The cost of implementing the amendment is reasonable given the beneficial uses of groundwater that are being threatened and impacted. This proposed Amendment of the Basin Plan will also result in improved groundwater quality.
23. The Staff Report describes the proposed amendment, evaluates a range of reasonable alternatives to comply with the Amendment, provides a cost estimate for the proposed implementation program, and identifies potential sources of financing, as required by CWC Section 13141.
24. The regulatory action proposed meets the "necessity" standard of the Administrative Procedure Act, Government Code Section 11353, subdivision (b).

25. The basin planning process is certified by the Secretary for Natural Resources as a regulatory program exempt from the requirements to prepare an Environmental Impact Report, Negative Declaration, and Initial Study (Title 14, California Code of Regulations (CCR), Section 15241(g)). However, a certified program is subject to other provisions in the California Environmental Quality Act (CEQA), such as the requirement to avoid significant adverse effects to the environment where feasible (Pub. Resources Code, Section 21000 et seq). Regional Water Board staff prepared the required documentation to adopt the amendment, including an environmental checklist and written report (23 CCR Section 3777).
26. Regional Water Board staff held a CEQA scoping meeting on December 18, 2007, to receive comments on the draft amendment and to identify significant issues to consider.
27. Regional Water Board staff completed an environmental checklist indicating no significant adverse effects, individually or cumulatively, to the environment from implementing the Amendment.
28. In accordance with state and federal regulations (23 CCR Section 3775, 40 CFR 25, and 40 CFR 131), Regional Water Board staff circulated for review and comment a Notice of Public Hearing, a Notice of Filing, the Staff Report, the environmental checklist, and draft proposed amendment to interested individuals and public agencies, including persons with expertise identifying environmental impacts from implementing the amendment.
29. On March 17, 2011, the Regional Water Board held a public workshop in the Town of Yucca Valley and heard and considered comments pertaining to this Basin Plan amendment.
30. On May 19, 2011, the Regional Water Board held a public hearing and heard and considered all comments pertaining to the Basin Plan amendment.

NOW THEREFORE BE IT RESOLVED THAT:

1. Pursuant to CWC Section 13240 et seq., the Regional Water Board, after considering the entire record, including oral comments made at the hearing, hereby approves the Staff Report, and adopts the Basin Plan Amendment as set forth in Attachment A.
2. Pursuant to CWC Section 13245, the Executive Officer is hereby directed to forward the Basin Plan Amendment administrative record to the State Water Board for review and approval.
3. Pursuant to CWC Sections 13245 and 13246, the Regional Water Board hereby requests that the State Water Board approve the Basin Plan Amendment, then forward the amendment with supporting documents, to OAL for approval.
4. The Executive Officer is directed to transmit to the California Department of Fish and Game payment of its required CEQA filing fee for certified regulatory programs (currently set at \$965.50), which include this Basin Plan Amendment, as prescribed by California Fish and Game Code Section 711.4 and implementing regulations set forth at 14 CCR Section 753.5.

5. If, during the review and approval process, Regional Water Board staff, the State Water Board, and/or OAL determine that minor, non-substantive changes to the language of the amendment are needed for clarity or consistency, the Executive Officer may authorize such change(s), and shall inform the Regional Water Board accordingly.
6. After OAL approval of the Basin Plan Amendment, the Executive Officer is directed to request the State Water Resources Control Board to file, on behalf of the Regional Water Board, a Notice of Decision (NOD) with the Secretary for Natural Resources in accordance with Public Resources Code Section 21080.5(d)(2)(E), and 23 CCR Section 3781(b), and to include with the NOD a copy of the CEQA filing fee paid to the California Department of Fish and Game.

I, Robert Perdue, Executive Officer, do hereby certify the foregoing is a full, true, and correct copy of the Resolution adopted by the California Regional Water Quality Control Board, Colorado River Basin Region, on May 19, 2011.


ROBERT PERDUE
Executive Officer

ATTACHMENT A

An Amendment to the Water Quality Control Plan for the Colorado River Basin Region to Prohibit the Discharge of Wastewater Into the Ground From Septic Systems In The Town Of Yucca Valley in San Bernardino County.

AMENDMENT

Chapter 4, Section II.H (Septic Systems), add the following subsection entitled:

Town of Yucca Valley

Pursuant to Section 13280 of the California Water Code, the discharge of wastewater from new or existing individual disposal systems on parcels within Phase 1, Phase 2, and Phase 3 of the Hi-Desert Water District Sewer Master Plan (Final Report, January 2009) is prohibited with certain exceptions noted below.

A. Time Schedule for Implementation

The prohibition shall become effective for all parcels within Phase 1 of the Hi-Desert Water District Sewer Master Plan by May 19, 2016, or when a municipal sewage collection system becomes available, whichever occurs first.

The prohibition shall become effective on parcels within Phase 2 of the Hi-Desert Water Districts Sewer Master Plan by May 19, 2019, or when a municipal sewage collection system becomes available, whichever occurs first.

The prohibition shall become effective on parcels within Phase 3 of the Hi-Desert Water Districts Sewer Master Plan by May 19, 2022, or when a municipal sewage collection system becomes available, whichever occurs first. All three phases are shown in Attachment B.

A municipal sewage collection system is defined as "available" once the system is operational, and is located within 500 lineal feet of an existing or proposed new disposal system discharge.

B. Reporting

Pursuant to Section 13225 of the California Water Code, by January 1, 2012, the Hi-Desert Water District (HDWD) shall submit to the Regional Water Board a report describing an implementation plan to comply with the May 19, 2016, the May 19, 2019, and the May 19, 2022 prohibition dates.

Thereafter, HDWD shall submit bi-annual reports to the Regional Water Board by January 1st and July 1st of each year regarding any actions taken by HDWD or any other person or entity in order to achieve compliance by the above deadlines.

HDWD will be contracting with USGS to study further the impact from septic system discharges in Phases 2 and 3. HDWD will be submitting the results of the study to the Regional Water Board for consideration of modification of the Prohibition.

C. Prohibition Exemptions

Exemptions to this Prohibition shall be considered and may be granted by the Regional Water Board on a case-by-case basis pursuant to an application submitted to the Executive Officer by any person or entity that is subject to the Prohibition (Discharger). Such exemptions shall be based upon the weight of the evidence demonstrating the existence of unique conditions applicable to the Discharger, its discharge, and its property in question. These conditions include, but are not limited to, technical, environmental, or economic conditions that would make connection to the collection system or installation of an on-site advanced treatment and disposal system technically impracticable or economically excessively burdensome. To be considered for an exemption, the Discharger shall apply to the Executive Officer for relief in writing and document the conditions that would make connection to the collection system or installation of an advanced on-site treatment and disposal system technically impracticable or economically excessively burdensome. The application shall also include:

- a) Written quotes from three State licensed commercial contractors regarding the estimated cost to install, operate, and maintain the advanced on-site treatment and disposal system; and
- b) A financial statement regarding the applicant's average income for the last five years, and the applicant's most recent property value assessment.

The Regional Water Board shall give substantial consideration to applications accompanied by a letter of support for the exemption from HDWD.

The Executive Officer shall have thirty (30) days from receipt of the application to notify the Discharger in writing whether the application is complete. Following receipt of a complete application, the Executive Officer shall make a preliminary determination of whether the Discharger qualifies for an exemption and shall make a recommendation to the Regional Water Board based on that determination whether the exemption should be granted or denied. The Executive Officer shall then notify the Discharger in writing regarding that recommendation and when the matter will be scheduled for the Regional Water Board's consideration at a public hearing.

D. Compliance Assurance and Enforcement

It is the Regional Water Board's objective to work cooperatively with the Dischargers who are subject to this Prohibition to help them achieve compliance with the terms of the Prohibition. Consistent with this objective, the Executive Officer shall assist the Dischargers achieve compliance with the terms of this Basin Plan amendment. In this regard, the Executive Officer shall continue to assist the Town of Yucca Valley and HDWD obtain financial assistance and, within forty-five (45) days following approval of the amendment by the California Office of Administrative Law (OAL), shall notify in writing all Dischargers regarding:

- a) the key deadlines of this Prohibition,
- b) options available to comply with the amendment, and
- c) sources of potential financial and technical assistance.

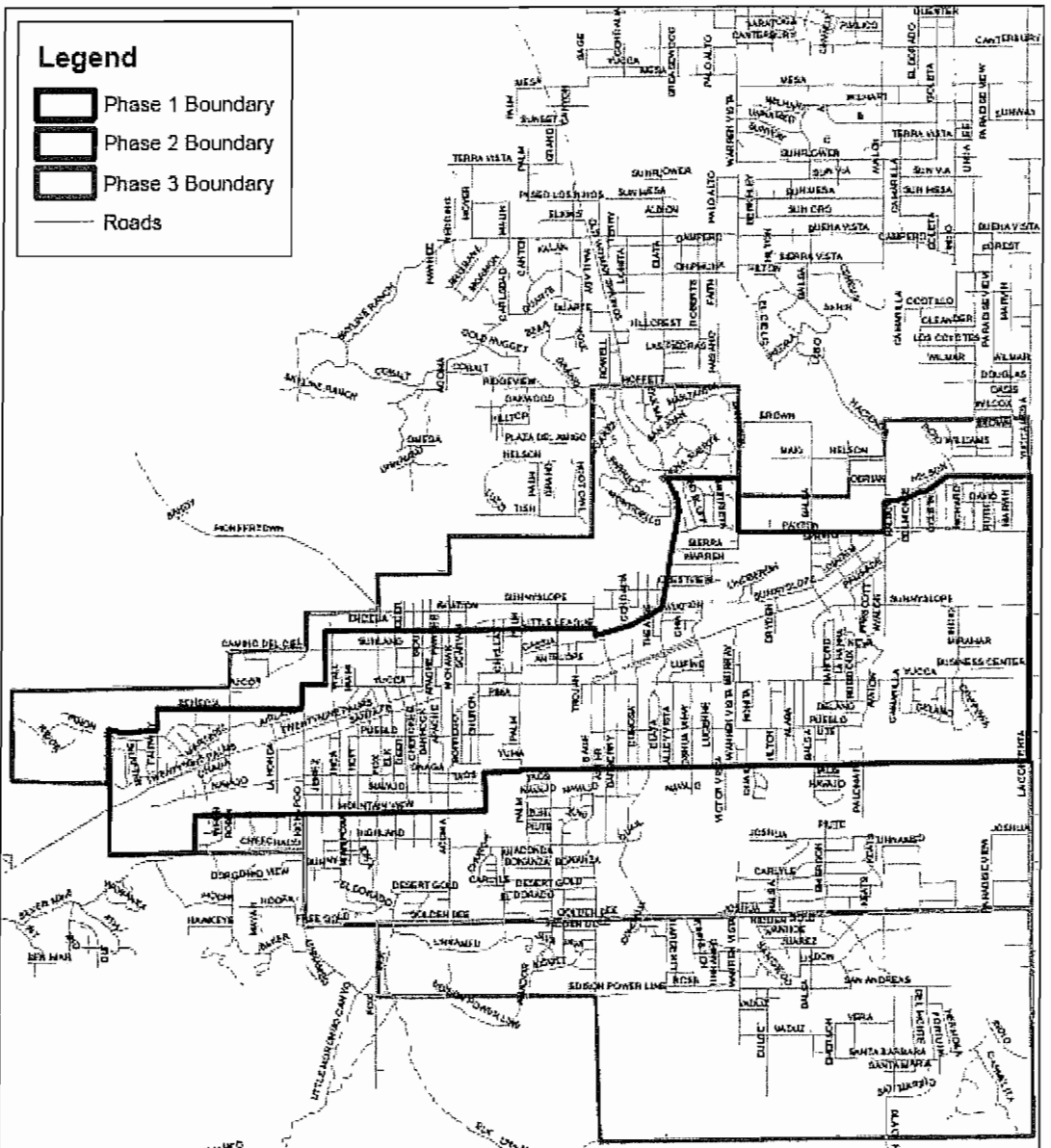
The Regional Water Board recognizes that there may be circumstances where a Discharger is not responsive to staff compliance efforts. In these cases, the State Water Resources Control Board's Water Quality Enforcement Policy provides clear guidance on the options available to the Regional Water Board to bring the Discharger into compliance. In these circumstances, the Regional Water Board enforcement staff shall implement prompt, consistent, predictable, fair, and progressive enforcement to bring the Discharger into compliance at the earliest practicable date with the terms of this Prohibition. Towards this end, the Regional Water Board staff may take any combination of the following actions, as the circumstances of the case may warrant:

- Issue Notice of Non-Compliance letters;
- Issue an order pursuant to Section 13267 of the California Water Code to ensure that a Discharger submits, in a prompt and complete manner, a technical report to bring its discharge into compliance with this Prohibition;
- Issue a Cleanup and Abatement order pursuant to Section 13304 of the California Water Code against any Discharger who violates the Prohibition and/or threatens a condition of nuisance or pollution;
- Prepare for consideration of adoption by the Regional Water Board, a Cease and Desist order pursuant to Section 13301 of the California Water Code against any Discharger who violates the Prohibition;
- Issue Administrative Civil Liability Complaints, as provided for by the California Water Code, against any responsible party who fails to comply with Regional Water Board orders and/or the Prohibition.

The Executive Officer is hereby directed to provide the Regional Water Board an annual written report regarding overall progress to achieve compliance with the terms of this prohibition. The first annual report shall be due on May 23, 2012.

ATTACHMENT B

HDWD SEWER MASTER PLAN PHASES



TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Curtis Yakimow, Town Manager
Jessica Rice, Management Analyst
Date: March 31, 2015
For Council Meeting: April 7, 2015

Subject: Overview of Town Wide Grant Process

Recommendation: That the Town Council receive and file this informational overview of the Town’s grant process.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote)

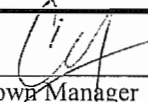
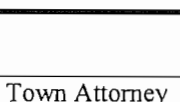
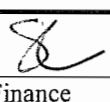
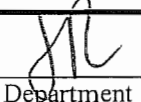
Discussion: Town staff participates in grant funding opportunities provided to the Town and actively seeks out new grant funding sources on a regular basis that align with the Council’s strategic priorities, the General Plan, various master plan documents, and the Town’s operating budget. All of these factors are taken into consideration when prioritizing what projects are completed using grant funds. Other factors such as grant timelines, grant maintenance requirements, staff administration requirements, and financial matching requirements are also considered when applying for grant funding.

Current Activities

Some grant funding is on-going and others are one-time funding opportunities. Below is an overview of recent grants that have been awarded town-wide:

On-Going Grants:

- EMPG (Emergency Management Performance Grant)
 - Approximately \$13,000 received annually for emergency management activities.
 - Most recently used for sending staff to emergency management training at CSTI (California Specialized Training Institute).

Reviewed By:	 Town Manager	 Town Attorney	 Finance	 Department
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<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Consent	<input type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

- HSGP (Homeland Security Grant Program)
 - Approximately \$12,000 received annually for emergency management activities.
 - Most recently used for the purchase of solar powered message boards and computers for the primary and secondary EOC (Emergency Operations Center).
- CalRecycle's City/County Payment Program
 - Approximately \$5,800 received annually for activities related to recycling and conservation education.
 - Town utilizes this money to help fund the Town's Earth Day event and related activities.
- CDBG (Community Development Block Grant)
 - Town applies each year and receives various amounts based upon federal funding allocations.
 - Most recently have used funds for Code Enforcement projects, and park improvement projects at the Town's Community Center, Paradise Park and Jacobs Park.
- OHV (Off Highway Vehicle) Grant
 - Used annually for off road vehicle enforcement.
 - Amount received varies. \$35,000 was applied for in FY 14/15; \$15,000 will soon be received for FY 13/14, and \$13,000 was received in FY 12/13.
 - Grant requires a 25% match that the Town shares with the City of 29 Palms.
- LLESA (Local Law Enforcement Services Act) Grant
 - Town receives \$100,000 annually for frontline law enforcement (used to reimburse overtime salaries, or any direct frontline expense).

One-Time Grants:

- COPS Hiring Grant
 - Received \$125,000 over three years and used to reimburse a portion of the salary for the School Resource Officer. Final reimbursement was received in January 2015.
- TCRP (Traffic Congestion Relief Program)
 - Most recently used \$499,000 for the design work for medians along Hwy. 62 from La Honda to Dumosa.

- PLHD (Public Lands Highway Discretionary) Grant
 - Used for the design work for the sidewalk, gutter and median improvements on Hwy. 62 from Apache to Palm. Grant funding totaled approximately \$500,000.
- SLPP (State & Local Partnership Program)
 - Received \$723,000 from Department of Transportation and used for the construction costs of installing sidewalks, gutters and medians along Highway 62 from Apache to Palm as part of the PLHD project.
 - Received \$746,000 from Department of Transportation and used for the construction costs of installing sidewalks, gutters and medians along Hwy. 62 from La Honda to Dumosa as part of the TCRP Project.
- SRTS (Safe Routes to School) Grant
 - Received \$400,000 for infrastructure activities. Used for the installation of curbs, gutters and sidewalks near Yucca Valley High School and the installation of radar speed signs at Yucca Valley Elementary, Onaga Elementary and La Contenta Middle Schools.
 - Received \$114,500 for non-infrastructure activities. Used to purchase bike helmets, bike locks and backpacks for school children.
- CMAQ
 - Received \$112,750 and used on the street light synchronization.
- SAFETEA-LU
 - Received \$1.44 million and used on PLHD portion of Highway 62 improvements from Apache to Palm.
- HSIP (Highway Safety Improvements)
 - Received \$900,000 for TCRP portion of Highway improvements along Hwy. 62 from La Honda to Dumosa.
- Housing Related Parks Program Grant
 - Received \$168,700 and used for Paradise Park improvements.

Future Activities

Staff has recently reviewed various grant management systems that specialize in assisting local jurisdictions in finding grants, determining eligibility, and managing the requirements via an online application. Through that review process, staff has determined that a grant

service subscription to eCivis would be both operationally and financially beneficial in assisting the Town in continuing to pursue various grant funding opportunities.

The primary benefits of utilizing a subscription service such as eCivis are as follows:

- Provides the ability to search for grants using customized search tools. Automated search agents can be applied to deliver specific grant opportunities via email on a daily or weekly basis.
- Provides a centralized and simplified cloud based grant management system that provides calendar integration, task and approval management, financial system integration and tracking and reporting management.
- Assists with managing the entire grant life cycle, including assistance with writing grant applications and automating all pre-award and post-award activities.
- Provides educational and reference resources such as online training courses, publications and resource library.

To ensure cost effectiveness of the service, a review of the operational and financial success of the subscription service will be completed on a periodic basis.

Alternatives: None recommended.

Fiscal impact: Annual eCivis subscription service fees are \$3,675 for a three year term. These costs will be accommodated by the existing FY 2014-16 budget, and will be reviewed periodically for cost effectiveness.

Attachments: None.

California Government Code with respect to the investment of surplus funds. Aside from date, name and other minor changes, there are three changes to the Policy that are worth noting:

- Pages 2-3 – The questionnaires required of banking institutions to be updated have been replaced with the requirement to provide audited financial statements as a part of the annual review of financial institutions which is common practice among other entities.
- Page 3 – The language related to “Negotiable Certificates of Deposit” was updated to reflect changes to California Government Code Sections 53601.8 and 53635.8. Local Agencies are now authorized to invest up to 30 percent of their surplus funds in deposits at a commercial or savings bank, savings and loan or credit union using a private sector deposit placement service. The legislation which went into effect on January 1, 2014, also changed the portfolio allocation limitations: No more than 30 percent of a local agency’s surplus funds may be invested in placement service-assisted deposits, inclusive of placement service-assisted CD’s. A 30 percent allocation limit also applies to an agency’s investment in the combination of placement service assisted CDs and negotiable CDs authorized under GC Section 53601(i).
- Page 5 – The maximum allowable investment amount per institution has been increased to 50% with a single financial institution, excluding LAIF investments to enable the Town to keep the majority of funds in LAIF as has been the practice as well as utilize one other bank for operating and investment purposes.

Despite authorization within the investment policy to invest in other safe investment vehicles, it has been Town practice to utilize only the Local Agency Investment Fund (LAIF) or FDIC Insured Demand Deposit accounts for investment of surplus monies. Increased interest earnings could be realized with the investment of surplus funds in Negotiable Certificates of Deposits (CDs) as authorized in the investment policy. With LAIF interest rates earning 0.25% and CDs earning from 0.75% to 1.0% for a 7 month to 13 month period respectively, the increase in interest earnings would be three to four times the current earnings on the portion of the funds invested. All certificates of deposit must be properly collateralized in accordance with Section 53652 of the California Government Code or fully insured by the Federal Deposit Insurance Corporation (FDIC). The Certificates of Deposit (CDs) must comply with Government Code Section 53601(i). The time commitment is short thus keeping the funds available if needed.

Alternatives: Review and approve the FY 2014-16 Investment Policy without approving the investment into the Certificates of Deposit (CDs).

Fiscal impact: The approval of the change to Town practice by Investment into Certificates of Deposit (CDs) will increase interest income in the General Fund. There is no anticipated financial impact associated with the recommended approval of the Town Investment Policy.

Attachments: Town Investment Policy (Red-line version)

Town of Yucca Valley



Investment Policy

Fiscal Years 2014-2016

April 7, 2015

Town of Yucca Valley
Investment Policy

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TOWN OF YUCCA VALLEY INVESTMENT POLICY

1.0 POLICY

WHEREAS the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) Sections 53600.6 and 53630.1);

WHEREAS the legislative body of a local agency may invest surplus monies, not required for the immediate necessities of the local agency, in accordance with the provisions of CGC §53601 et seq.; and

WHEREAS the Finance Manager of the Town of Yucca Valley ("Town") shall biennially prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (CGC §53646).

NOW, THEREFORE, BE IT RESOLVED that the policy of the Town of Yucca Valley is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the Town; and (iii) the highest investment return while conforming to all statutes governing the investment of Town funds within the constraints of this Investment Policy.

2.0 SCOPE

This Investment Policy applies to all cash and investment assets of the Town of Yucca Valley.

3.0 PRUDENCE

Investments shall be made with that degree of judgment and care which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Designated investment signatories, acting in accordance with written procedures, this investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, enhancing, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. Safety:** Safety of principal is the foremost objective of the investment program. Investments made by the Town shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. Liquidity:** The investment portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements, which might be reasonably anticipated.
- C. Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC §53600, et seq., and the Town Code of the Town of Yucca Valley. Management responsibility for the investment program is hereby delegated to the Finance Manager, who shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the Finance Manager. The Finance Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the investment program. Under the provisions of CGC §53600.3, the Finance Manager is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

Town personnel involved in the placement of investments shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Finance Manager will maintain a list of financial institutions selected on the basis of credit-worthiness, financial strength, experience, and capitalization. In presenting financial institutions to the Town's Town Council for the deposit or investment of Town funds, the Finance Manager consideration shall include the depository's latest financial performance data.

For the services of banks, savings banks, and savings and loan associations, depository agreements shall be prepared by the Finance Manager and authorized representatives of the respective financial institutions for consideration and execution by the Town Council of the Town of Yucca Valley. These depository agreements shall be reviewed from time to time to ensure they reflect the current relationship between the Town and the financial institution.

For broker/dealer services utilized to invest in government securities and other investments, the Town Council of the Town shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers, or other applicable self-regulatory organizations. In addition, the broker/dealer must be a primary government securities dealer as defined by the Federal Reserve Bank of New York.

Before engaging in investment transactions with a broker/dealer, a bank, or a savings and loan association, the Finance Manager shall have received from each financial institution a signed Certification Form. This form shall attest that the financial institution has reviewed the Town's Investment Policy, understands it, and intends to present investment recommendations and transactions to the Town that are appropriate under its terms and conditions. An example of the Certificate Form is attached (see Attachment "A").

~~Annually, each broker/dealer will be requested to update the information about themselves and the firm for which they work. The required information will be supplied by responses to the attached questionnaire (see Attachment B). The Finance Manager will perform an annual review of the financial condition and registrations of qualified financial institutions and dealers and require annual audited financial statements to be on file for each company. The Town shall send a copy of the current Investment Policy to all financial institutions and dealers approved to do business with the Town.~~

~~Annually, authorized banks and savings and loans will be requested to update the information about their financial institutions. The required information will be supplied by responses to the attached questionnaire (see Attachment C).~~

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Town of Yucca Valley is empowered by CGC §53601 et seq. to invest in the following:

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- C. Commercial Paper rated "prime quality" or of the highest letter and numerical rating by a nationally recognized statistical-rating organization (NRSRO). The corporations issuing the commercial paper must be organized and operating within the United States, have assets of at least \$500,000,000, and an "A" or better rating on debentures other than commercial paper. The term of the investment shall not exceed 180 days, nor shall the amount placed exceed 10% of the outstanding commercial paper of an issuing corporation. Purchases of commercial paper shall not exceed 15% of the Town's surplus funds available for investment, at the time of the investment decision.
- D. Local Agency Investment Fund (LAIF) investments cannot exceed the maximum per agency cap of the Local Agency Investment Fund.
- E. Negotiable Certificates of Deposit issued by a nationally or state chartered bank, savings bank, or savings and loan association; total purchases shall not exceed 2030% of available surplus funds, subject to the provisions identified in CGC §53601(i).

- F. Money Market Accounts (MMAs) with qualified financial institutions may be used as short-term investments and to facilitate the transfer of funds into longer-term investments in conformance with CGC §53601(k). Funds may also be deposited in MMAs with Trustees in conjunction with debt service accounts and escrow accounts in conformance with CGC §53601(k).
- G. Passbook Savings Accounts and Demand Deposit Accounts offered by federally insured institutions and meeting all of the aforementioned criteria.
- H. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures, contracts, or agreements.

Also, see CGC §53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC §53601 is attached and included by reference in this Investment Policy (see Attachment "DB").

Surplus Funds are defined, for the purposes of this Investment Policy, as all funds of the Town *except*:

- Funds Held in Deferred Compensation Accounts
- Bond Proceeds invested pursuant to Council approved bond documents
- Trustee controlled MMAs associated with escrow accounts
- Debt Service Reserves invested in Guaranteed Investment Contracts and Trustee MMAs

Prohibited Investments and Deposit. Investments not covered under Section 8.0, items A through G, are prohibited. In addition, the Town shall not invest any funds covered by this Investment Policy in repurchase agreements or reverse repurchase agreements. No public deposit shall be made except in a qualified public depository as established by state laws and approved by the Town's Town Council. To ensure liquidity of Town funds, at the time of investment, no more than 20 percent of the Town's surplus funds shall be invested for a term remaining to maturity in excess of one year. Furthermore, where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of two years- with the exception of Section 8.0 H above, unless the Town Council has granted express authority to make that investment.

9.0 COLLATERALIZATION

All certificates of deposits must be collateralized. The collateral must be held by a third party trustee and valued regularly by the State Banking Department's Administrator of Local Agency Security.

10.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the Town shall be conducted on delivery vs. payment (DVP) basis. All securities purchased or acquired shall be delivered to the Town by book entry, physical delivery, or by third party custodial agreement as required by CGC §53601.

11.0 DIVERSIFICATION

The Town Council recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, as a way to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. ~~Further, financial institutions, which hold funds, deposited as investments, shall be subject to an investment limitation; the Town hereby limits the allowable investment amount, per financial institution, to the lesser of \$2,500,000, or 20% of the surplus funds investment portfolio at the time of the investment decision. The computation of this limitation shall include the funds deposited or invested in a financial institution in the form of demand deposit account balances, passbook savings account balances, and funds in escrow accounts (i.e., construction retention payments). The computation of this limitation shall not include the funds deposited or invested in a financial institution in the form of commercial paper investments, U.S. Government securities, or instrumentality investments. With the exception of U.S. Treasury securities and Local Agency Investment Fund (LAIF), no more than 50% of total investment portfolio will be invested with a single financial institution.~~

The Town Council acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case-by-case basis, the Town Council may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC §53601 et seq., any of the provisions or restrictions of this Investment Policy.

12.0 REPORTING

In accordance with CGC §53646, the Finance Manager shall submit to the Town Council a quarterly investment report. This report will include all required elements of the quarterly report as prescribed by CGC §53646. Required elements of the quarterly report include:

- a. Type of investment;
- b. Name of institution;
- c. Date of maturity;

- d. Amount of deposit or cost of the security and the par value
- e. Current market value of all securities; and
- f. Rate of interest/earnings (yield).

CGC §53646 also requires that the investment report must include a statement that (i) all investment actions executed since the last investment report have been made in full compliance with the Investment Policy and that (ii) the Town will meet its expenditure obligations for the next six months. The Finance Manager shall maintain a complete and timely record of all investment transactions in support of the above statement.

CERTIFICATION STATEMENT

I hereby certify that I have personally read Town of Yucca Valley's (the Town's) Investment Policy pertaining to the investments of the Town, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted between our financial institution and the Town. All sales personnel will be routinely informed of the Town's investment objectives, horizon, outlook, strategies, and risk constraints whenever we are so advised. We pledge to exercise reasonable diligence in informing the Town's Finance Manager. I attest to the accuracy of our responses to your questionnaire.

NOTE: Completion of the attached questionnaire is only part of Town of Yucca Valley's certification process and DOES NOT guarantee that our financial institution will be guaranteed any portion of the investment business with Town of Yucca Valley.

Firm Name _____

Name _____ Signature _____

Date _____

Name _____ Signature _____
(person in charge of government securities operations)

Date _____

~~TOWN OF YUCCA VALLEY
BROKERS/DEALERS QUESTIONNAIRE AND CERTIFICATION~~

Please fill out form and return to Town of Yucca Valley

1. ~~Name of Firm~~ _____

2. ~~Address (Local)~~ _____

_____ ~~Address (National Headquarters)~~ _____

3. ~~Telephone~~ _____

4. ~~Primary Representatives: Manager/Partner In Charge:~~

_____ ~~Name~~ _____ ~~Name~~ _____

_____ ~~Telephone~~ _____ ~~Telephone~~ _____

_____ ~~Years in Institutional Sales~~ _____ ~~Years in Institutional Sales~~ _____

_____ ~~Years with Firm~~ _____ ~~Years with Firm~~ _____

5. ~~Are you a Primary Dealer in U.S. Government Securities?~~ ~~Yes~~ ~~No~~

6. ~~Are you a Regional Dealer in U.S. Government Securities?~~ ~~Yes~~ ~~No~~

7. ~~Are you a Broker instead of a Dealer (i.e., you DO NOT own positions of Securities)?~~ ~~Yes~~ ~~No~~

8. ~~What is the net capitalization of your firm?~~ _____

9. ~~What is the date of your fiscal year end?~~ _____

10. ~~Is your firm owned by a holding company? If so, what is its name and net capitalization?~~

11. ~~Please provide your wiring and delivery instructions.~~ _____

12. Which of the following instruments are offered regularly by your local desk?

- T-Bills Treasury Notes/Bonds Discount Notes NCD's
 Agencies (specify) _____

13. Which of the above does your firm specialize in marketing? _____

14. Please identify your most directly comparable Local Agency Clients in our geographical area:

<u>Entity</u>	<u>Contact Person</u>	<u>Telephone</u>	<u>Client Since</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

15. What reports, transactions, confirmations and paper trail would we receive?

16. Please include samples of research reports or market information that your firm regularly provides to local agency clients.

17. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors?

18. Have you or your Firm been censored or punished by a regulatory State or Federal agency for improper or fraudulent activities, related to the sale of securities? Yes No

19. If yes, explain. _____

20. Attach certified documentation of your capital adequacy and financial solvency. In addition, an audited financial statement must be provided within 120 days of your fiscal year-end.

~~TOWN OF YUCCA VALLEY~~

~~BANK/SAVINGS AND LOAN QUESTIONNAIRE AND CERTIFICATION~~

Please fill out form and return to Town of Yucca Valley

1. ~~Name of Firm~~ _____

2. ~~Address (Local)~~ _____

_____ ~~Address (National Headquarters)~~ _____

3. ~~Telephone~~ _____

4. ~~Primary Representatives: Manager/Partner In Charge:~~

_____ ~~Name~~ _____ ~~Name~~ _____

_____ ~~Title~~ _____ ~~Title~~ _____

_____ ~~Telephone~~ _____ ~~Telephone~~ _____

5. ~~What are the total assets of the Bank/Savings and Loan?~~ _____

6. ~~What is the current net worth ratio?~~ _____

7. ~~What is the net worth ratio for the previous years?~~ _____

8. ~~What are your required capital ratios?~~ _____

A. ~~Tangible capital ratios?~~ _____

B. ~~Core capital ratio?~~ _____

C. ~~Risk based capital ratio?~~ _____

9. ~~What is the date of your fiscal year end?~~ _____

A. ~~Has there been a year during the past three years in which the Bank/Savings and Loan did not make a profit?~~ _____

10. ~~Have you read the California Government Code §53630 through § 53684 pertaining to all of the State's requirements governing the deposit of monies by local agencies?~~ ~~Yes~~ ~~No~~

11. ~~Amounts above the FDIC insurance coverage must be collateralized with Government Securities. Where is the collateral for time deposits of the Bank/Savings and Loan held?~~

~~12. Has there been a period during the past five years when time deposits of the Bank/Savings and Loan have not been fully collateralized? If yes, explain. _____~~

~~13. What is the education level of the primary contact(s)? _____~~

~~14. How many years of related experience does the primary contact(s) have? _____~~

~~15. What other banking services would you be interested in providing to Town of Yucca Valley? _____~~

~~16. What transaction documents and reports would we receive? _____~~

~~17. What information would you provide to our Finance Manager? _____~~

~~18. Describe the precautions taken by your Bank/Savings and Loan to protect the interest of the public when dealing with government agencies as depositors of investors. _____~~

~~19. Please provide your Contract of Deposit of Monies pre-signed and sealed by your institution, as well as any signature cards that you may require.~~

~~20. Please provide your wiring instructions. _____~~

~~21. Please provide your Bank/Savings and Loan's most current audited financial statements.~~

~~22. Please attaché biographical information for your representative.~~

Government Code Section 53601

53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

- (a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered state warrants or treasury notes or bonds of this

state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102

percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical

delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the

securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of

the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

53601.1. The authority of a local agency to invest funds pursuant

to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

53601.2. As used in this article, "corporation" includes a limited liability company.

53601.5. The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

53601.6. (a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601.

53601.8. Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring both of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(d) The selected depository institution shall serve as a custodian for each such deposit.

(e) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).

(f) Notwithstanding subdivisions (a) to (e), inclusive, a credit union shall not act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) The deposits placed pursuant to this section and Section

53635.8 shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.

(i) Purchases of certificates of deposit pursuant to this section, Section 53635.8, and subdivision (i) of Section 53601 shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.

(j) Excluding purchases of certificates of deposit pursuant to this section, no more than 10 percent of the agency's funds that may be invested for this purpose may be submitted, pursuant to subdivision (b), to any one private sector entity that assists in the placement of deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the local agency's account.

(k) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.

53601.8. Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds may, at its discretion, invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of certificates of deposit pursuant to this section, Section 53635.8, and subdivision (i) of Section 53601 do not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States for the local agency's account.

(c) The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(d) The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the local agency's account.

(e) At the same time the local agency's funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan associations, or credit unions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution for investment.

(f) Notwithstanding subdivisions (a) to (e), inclusive, no credit union may act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) This section shall become operative on January 1, 2017.

Valley receives an allocation of tax revenues from the State of California from the state Highway Users Tax Account (HUTA) which consists of excise taxes imposed on motor vehicle fuels. Current estimates project a significant downturn in revenue for FY2015-16 and beyond largely due to falling gasoline prices and consumption as well as "true ups" under the fuel tax swap system. Based on current fund activity, staff forecasts that revenues are projected to fall short of expenditures in the coming years which would result in decline and eventual elimination of the current fund balance absent corrective action.

With the release of 2014-15 and 2015-16 estimates for Gas Tax revenues, Staff began an analysis of the financial stability of the Gas Tax Fund including a five year forecast to assist Council with planning and budgeting for street maintenance operations. Staff has prepared three such forecasts to identify activity under the following scenarios, and will present these forecasts during discussion of this item:

Scenario #1 - Utilizes the current two-year budget for FY2014-16 plus a three year forecast without any corrective actions.

Scenario #2 – Utilizes an estimated projection for the same two-year period of FY2014-16 plus a three year forecast with corrective actions in expenditures to ensure sustainability of the Fund.

Scenario #3 – Utilizes the same estimated projection for two-year period of FY2014-16 used in scenario #2 plus a three year forecast with expanded revenue projections based on an increased growth rate in both gas tax fund revenue streams, along with the same corrective actions in expenditures as scenario #2.

Future Actions

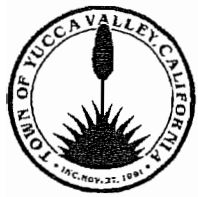
As a receive and file report, there is no specific budgetary action requested at this time. Rather, recommended actions for Council consideration will be presented as part of the FY2015-16 budget update. However, based on the current fund forecast, staff would recommend that the council establish a fund balance reserve policy for the Gas Tax Fund, similar to that used for the Town's General Fund. A draft policy is included for council consideration that establishes a fund policy range of 20-25% of operating expenditures, approximating six months of recurring labor expense. Establishment of a formal fund reserve policy enables staff to monitor the fund and report to council when the fund balance is not projected to be in compliance with the reserve policy, along with recommended corrective action.

Alternatives: None.

Fiscal impact: There is no immediate fiscal impact of receiving the report. Recommended actions for Council consideration will be presented as part of the FY 2015-16 budget update.

Attachments:

Updated Reserve Policy



Effective: April 7, 2015

By: _____
Town Manager

SUBJECT: RESERVE POLICY

1.0 PURPOSE

To establish a policy which will provide adequate reserves within the Town's general fund to maintain the Town's credit worthiness and to reasonably provide for:

- Economic uncertainties, financial hardships or downturns in the local or state economy.
- Local disasters or catastrophic events.
- Cash flow requirements.
- Legal requirements.

2.0 AUTHORITY

This policy is enacted through adoption by the Town Council

3.0 POLICY

General Fund

3.1 The Town's unreserved, undesignated general fund balance shall be maintained between 25% and 30% of annual general fund expenditures, excluding specific designations.

3.2 The Town shall maintain specific designations of general fund balance for the following priorities:

Local Disaster and Catastrophic Events	\$1,000,000
Risk Management Reserve	100,000
Accrued Leave Liability Reserve	100,000

Designation for the Risk Management reserve may be modified in accordance with the terms established by the Town's risk management authority.

Designation for the Accrued Leave Liability reserve may be modified as recommended by the Town's independent auditor.

Capital Projects Reserve Fund

- 3.3 The Town shall establish and maintain a Capital Projects Reserve Fund for the purpose of providing funding for the planning, construction, repair, rehabilitation, or replacement of the Town's capital assets.
- 3.4 Appropriations from the Capital Projects Reserve Fund shall be authorized through the Town's standard budget process, or by specific council action.

Internal Service Reserve Fund

- 3.5 Within the Town's Internal Service Fund, the Town shall establish and maintain a Vehicle & Equipment Replacement reserve at an amount equal to 125% of annual depreciation, not to exceed \$500,000. The reserve shall be funded as necessary through annual expenditures against the appropriate departments.

Gas Tax Fund

- 3.6 The Town's gas tax fund balance shall be maintained between 20% and 25% of annual gas tax fund expenditures.

Reporting

- 3.7 The Town's annual budget shall be adopted in accordance with the unreserved general fund balance level set in this policy.
- 3.8 Within sixty days following publication of the Town's audited financial statements, the Town Manager or his/her designee shall report to the Town Council the unreserved general fund balance as a percentage of actual revenues in the General Fund.
- 3.9 If the Town Manager's report indicates that the unreserved general fund balance is below 25%, the report shall contain a corrective action plan to increase the unreserved fund balance back to 25%.
- 3.10 If the Town Manager's report indicates that the unreserved general fund balance is in excess of 30%, the report shall propose the appropriation of the unreserved fund balance to the Capital Projects Reserve Fund.

4.0 DEFINITIONS

- 4.1 **Fund Balance**—The difference between the Town's assets and liabilities. In other words, the difference between the Town's economic resources and its debt. Fund balance is further subdivided into reserved and unreserved fund balance.
- 4.2 **Reserved Fund Balance**—The portion of the Town's fund balance that does not represent spendable resources. Money set aside for encumbrances is an example of a reservation of fund balance.
- 4.3 **Unreserved Fund Balance**—The portion of the Town's fund balance that does represent spendable resources. Unreserved fund balance is further subdivided into designated and undesignated fund balance.
- 4.4 **Designated Fund Balance**—Classification of the unreserved fund balance to reflect the Council's tentative plans for future operations.
- 4.5 **Undesignated Fund Balance**—The Town's spendable resources not designated for future operations.