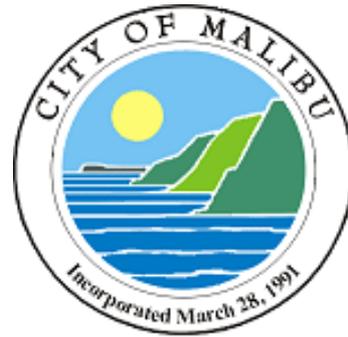
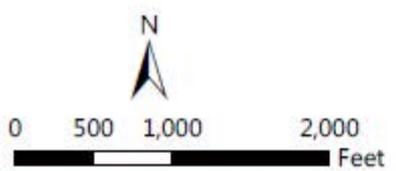
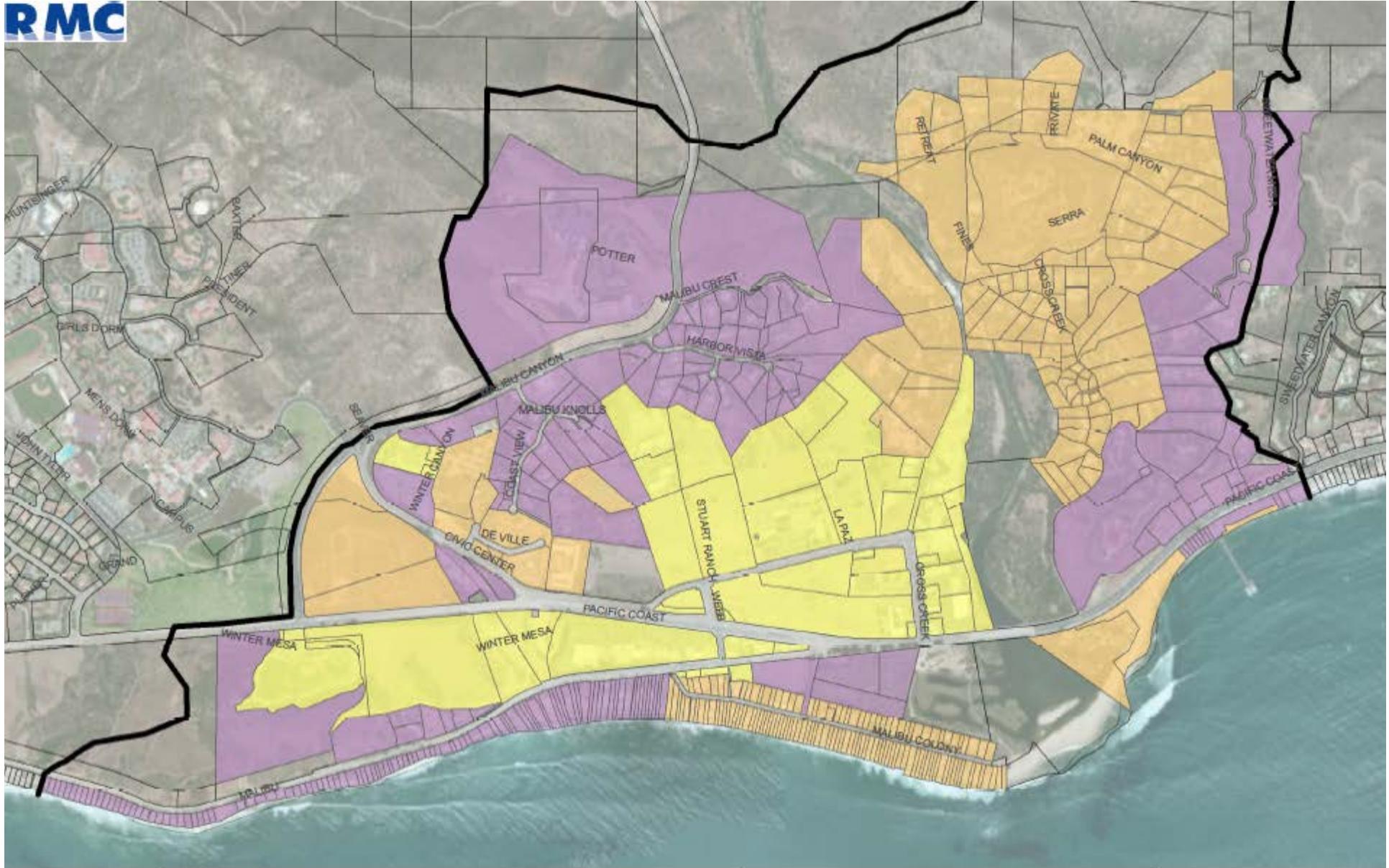


CITY OF MALIBU



PRELIMINARY PHASE I WASTEWATER TREATMENT PLANT ASSESSMENT ANALYSIS

AUGUST 28, 2014



- RWQCB Phase**
- Phase 1
 - Phase 2
 - Phase 3

**City of Malibu
Prohibition Area**

4/8/2014

ESTIMATED PHASE I WASTEWATER TREATMENT PLANT ONE-TIME CAPITAL COSTS^{1,2}

FACILITY COMPONENT	GROSS COSTS	OVERSIZING ADJUSTMENT	NET ASSESSABLE COSTS
Treatment Plant	\$13,900,000		\$13,900,000
Treatment Plant Land	\$1,200,000		\$1,200,000
Collection/Distribution System	\$7,200,000	(\$600,000)	\$6,600,000
Recycled Water Injection System	\$800,000		\$800,000
Design/Miscellaneous	\$7,318,039	(\$20,000)	\$7,290,039
LA County Contribution	(\$1,172,000)		(\$1,172,000)
Funded by CFD 2012-1	(\$5,000,000)		(\$5,000,000)
Payoff of CFD 2012-1	\$6,076,551		\$6,076,551
CM/Engineering Services	\$3,800,000		\$3,800,000
TOTAL	\$34,122,590	(\$620,000)	\$33,502,590

¹ Includes construction contingency of 20% and an allowance for inflation through 2014.

² Excludes connection to the wastewater treatment system, disposition of existing wastewater treatment system.

ESTIMATED PHASE I ASSESSMENT DISTRICT BONDED INDEBTEDNESS

BOND COMPONENT	BOND PRINCIPAL	PERCENT OF TOTAL
Treatment Plant	\$15,100,000	37.4%
Collection/Distribution System	\$7,400,000	18.3%
Design/CM/Engineering Services	\$11,002,590	27.3%
Bond Reserve ³	\$3,286,453	8.1%
Capitalized Interest ⁴	\$2,824,500	7.0%
Bond Issuance Costs	\$672,467	1.7%
Assessment District Formation	\$63,990	0.2%
TOTAL	\$40,350,000	100.0%

³ Applied to final year of Phase I Assessment District debt service.

⁴ Applied to first year of Phase I Assessment District debt service until assessments can be enrolled on property tax bills.

ASSESSMENT METHODOLOGY

- **Treatment Plant Costs**
 - Allocated based on estimated BOD (biochemical oxygen demand) load
- **Collection and Distribution Systems Costs**
 - Allocated based on estimated wastewater flow

NON-RESIDENTIAL BOD LOAD ASSUMPTIONS

- Formula
 - $\text{BOD Concentration} \times \text{Flow} \times 8.345/1,000,000$
- BOD Concentration
 - Non-Residential
 - 80%/20% Retail/Restaurant: 435 milligrams/litre
 - 100% Retail: 313 milligrams/litre

WASTEWATER FLOW ASSUMPTIONS

NON-RESIDENTIAL

- Floor Area Ratio^{5,6}
- Retail/Restaurant Ratio⁷
- Gallons Per Day Per Building Square Foot

0.15

Retail: 80%

Restaurant: 20%

Retail: 0.020

Restaurant: 0.675

Average: 0.150

⁵ Ratio of building square footage to parcel square footage.

⁶ Existing building square footage used for developed property. Building square footage based on FAR of 0.15 or submitted plans, if greater, used for undeveloped property.

⁷ Existing mix used for developed property. 80%/20% mix or submitted plans used for undeveloped property.

HYPOTHETICAL ASSESSMENT CALCULATION FOR A PHASE I NON-RESIDENTIAL PARCEL STEP 1 – LOAD AND FLOW CALCULATIONS

ESTIMATED SYSTEM TOTAL

BOD Load: 631.7192 Pounds / Day

Flow: 184,179.1413 Gallons / Day

1 ACRE NON-RESIDENTIAL PARCEL

BOD Load

- 3.5578 Pounds / Day
($435 \times 980.1 \times 8.345 / 1,000,000$)
- 0.5632% of Total
($3.5578 / 631.7192$)

Flow:

- 980.1 Gallons / Day
($43,560 \times 0.15 \times 0.15$)
- 0.5322% of Total
($980.1 / 184,179.1413$)

HYPOTHETICAL ASSESSMENT CALCULATION FOR A PHASE I NON-RESIDENTIAL PARCEL STEP 2 – ASSESSMENT APPORTIONMENT

COMPONENT	TOTAL	PARCEL ASSESSMENT ^{8,9}	% OF SUBTOTAL	% OF TOTAL
Treatment Plant	\$15,100,000	\$85,043		0.56%
Collection/Distribution System	\$7,400,000	\$39,379		0.53%
Subtotal Construction	\$22,500,000	\$124,422	0.55%	
Design/CM/Engineering Services	\$11,002,590	\$60,843		0.55%
Bond Reserve	\$3,286,453	\$18,174		0.55%
Capitalized Interest	\$2,824,500	\$15,619		0.55%
Bond Issuance Costs	\$672,467	\$3,719		0.55%
Assessment District Formation	\$63,990	\$354		0.55%
TOTAL	\$40,350,000	\$223,130		0.55%

⁸ Excludes on-site connection to the wastewater treatment system, disposition of existing private wastewater treatment system.

⁹ Excludes annual Phase I assessment district administrative costs.

RESIDENTIAL BOD LOAD ASSUMPTIONS

- Formula
 - $\text{BOD Concentration} \times \text{Flow} \times 8.345/1,000,000$
- BOD Concentration
 - Residential: 313 milligrams/litre

WASTEWATER FLOW ASSUMPTIONS

RESIDENTIAL

• Gallons Per Day Per “Estate” Home	712 ¹⁰
• Gallons Per Day Per Single Family Home	366
• Gallons Per Day per Condominium	200

¹⁰ Based on EIR prepared for Phase I residential development submittal.

HYPOTHETICAL ASSESSMENT CALCULATION FOR A PHASE I ESTATE HOME STEP 2 – ASSESSMENT APPORTIONMENT

COMPONENT	TOTAL	PARCEL ASSESSMENT ^{11,12}	% OF SUBTOTAL	% OF TOTAL
Treatment Plant	\$15,100,000	\$44,453		0.29%
Collection/Distribution System	\$7,400,000	\$28,607		0.39%
Subtotal Construction	\$22,500,000	\$73,060	0.32%	
Design/CM/Engineering Services	\$11,002,590	\$35,727		0.32%
Bond Reserve	\$3,286,453	\$10,672		0.32%
Capitalized Interest	\$2,824,500	\$9,171		0.32%
Bond Issuance Costs	\$672,467	\$2,184		0.32%
Assessment District Formation	\$63,990	\$208		0.32%
TOTAL	\$40,350,000	\$131,021		0.32%

¹¹ Excludes on-site connection to the wastewater treatment system, disposition of existing private wastewater treatment system.

¹² Excludes annual Phase I assessment district administrative costs.

SUMMARY OF ESTIMATED PHASE I ASSESSMENTS

LAND USE	ASSESSMENT LIEN	ANNUAL ASSESSMENT INSTALLMENT ¹³	ANNUAL OPERATION & MAINTENANCE	TOTAL MONTHLY PAYMENT
PHASE I NON-RESIDENTIAL ACRE	\$223,130	\$18,174	\$5,062	\$1,936
PHASE I ESTATE HOME	\$131,021	\$10,672	\$2,906	\$1,131

¹³ Excludes annual assessment district administrative costs.

HYPOTHETICAL ASSESSMENT CALCULATION FOR PHASE II RESIDENTIAL LOAD AND FLOW CALCULATIONS

ESTIMATED SYSTEM TOTAL

BOD Load: TBD

Flow: TBD

PHASE II RESIDENTIAL

BOD Load

- **Estate:** 1.8600 Pounds / Day
(313 x 712 x 8.345 / 1,000,000)
- **Single Family:** 0.9560 Pounds / Day
(313 x 366 x 8.345 / 1,000,000)
- **Condominium:** 0.5224 Pounds / Day
(313 x 200 x 8.345 / 1,000,000)

Flow:

- **Estate:** 712 Gallons / Day
- **Single Family:** 366 Gallons / Day
- **Condominium:** 200 Gallons / Day

ORDER OF MAGNITUDE ASSESSMENT CALCULATION FOR A PHASE II ESTATE HOME

COMPONENT	PHASE I ESTATE HOME ^{14,15}	PHASE II TO PHASE I RATIO	PHASE II ESTATE HOME	
Treatment Plant	\$44,453	100%	\$44,453	
Collection/Distribution System	\$28,607	100%	\$28,607	
Subtotal Construction	\$73,060	100%	\$73,060	
Design/CM/Engineering Services	\$35,727	100%	\$35,727	
Bond Reserve	\$10,672	100%	\$10,672	
Capitalized Interest	\$9,171	100%	\$9,171	
Bond Issuance Costs	\$2,184	100%	\$2,184	
Assessment District Formation	\$208	100%	\$208	
TOTAL	\$131,021	100%	\$131,021	

¹⁴ Excludes on-site connection to the wastewater treatment system, disposition of existing private wastewater treatment system.

¹⁵ Excludes annual Phase I assessment district administrative costs.

ORDER OF MAGNITUDE ASSESSMENT CALCULATION FOR A PHASE II SINGLE FAMILY HOME

COMPONENT	PHASE I ESTATE HOME ^{16,17}	PHASE II TO PHASE I RATIO	PHASE II SINGLE FAMILY HOME	
Treatment Plant	\$44,453	51%	\$22,851	
Collection/Distribution System	\$28,607	51%	\$14,705	
Subtotal Construction	\$73,060	51%	\$37,556	
Design/CM/Engineering Services	\$35,727	51%	\$18,365	
Bond Reserve	\$10,672	51%	\$5,486	
Capitalized Interest	\$9,171	51%	\$4,715	
Bond Issuance Costs	\$2,184	51%	\$1,122	
Assessment District Formation	\$208	51%	\$107	
TOTAL	\$131,021	51%	\$67,351	

¹⁶ Excludes on-site connection to the wastewater treatment system, disposition of existing private wastewater treatment system.

¹⁷ Excludes annual Phase I assessment district administrative costs.

ORDER OF MAGNITUDE ASSESSMENT CALCULATION FOR A PHASE II CONDOMINIUM

COMPONENT	PHASE I ESTATE HOME ^{18,19}	PHASE II TO PHASE I RATIO	PHASE II CONDOMINIUM	
Treatment Plant	\$44,453	28%	\$12,487	
Collection/Distribution System	\$28,607	28%	\$8,036	
Subtotal Construction	\$73,060	28%	\$20,523	
Design/CM/Engineering Services	\$35,727	28%	\$10,036	
Bond Reserve	\$10,672	28%	\$2,998	
Capitalized Interest	\$9,171	28%	\$2,576	
Bond Issuance Costs	\$2,184	28%	\$613	
Assessment District Formation	\$208	28%	\$58	
TOTAL	\$131,021	28%	\$36,804	

¹⁸ Excludes on-site connection to the wastewater treatment system, disposition of existing private wastewater treatment system.

¹⁹ Excludes annual Phase I assessment district administrative costs.

SUMMARY OF ORDER OF MAGNITUDE PHASE II ASSESSMENTS

LAND USE	ASSESSMENT LIEN	ANNUAL ASSESSMENT INSTALLMENT ²⁰	ANNUAL OPERATION & MAINTENANCE	TOTAL MONTHLY PAYMENT
PHASE II ESTATE HOME	\$131,021	\$10,672	\$2,906	\$1,131
PHASE II SINGLE FAMILY HOME	\$67,351	\$5,486	\$1,494	\$581
PHASE II CONDOMINIUM	\$36,804	\$2,998	\$816	\$318

²⁰ Excludes annual Phase I assessment district administrative costs.

PAYMENT OF ASSESSMENTS

- Phase I assessments may be paid in cash 30 days following establishment of the Phase I assessment district²¹
- If not paid in cash, Phase I assessments will be financed by the issuance of bonds
 - 30 year term
 - Interest subject to market conditions (currently 7.00%)

²¹ Assessments paid in cash will be less bond reserve , capitalized interest, and bond issuance costs.