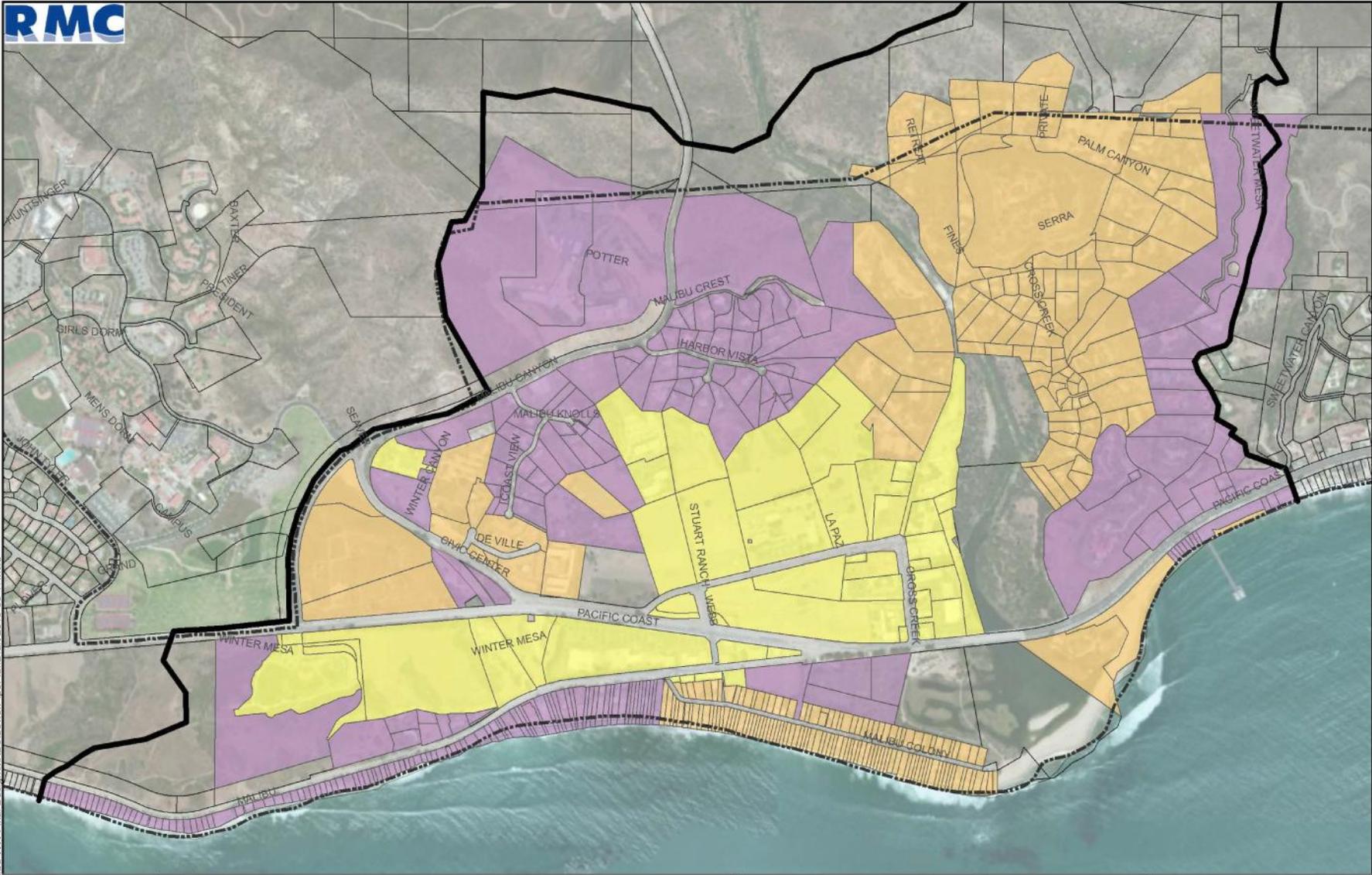


CITY OF MALIBU

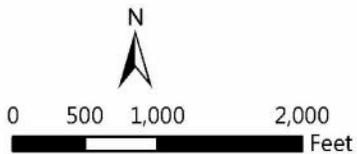


PRELIMINARY PHASE I WASTEWATER TREATMENT PLANT ASSESSMENT ANALYSIS

APRIL 3, 2014



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-  Prohibition Boundary
-  Malibu City Boundary
-  RWQCB Phase 1
-  Phase 2
-  Phase 3

**City of Malibu
Prohibition Area**

1/6/2014

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			
Advanced by City	\$2,000,000	(\$20,000)	\$1,980,000
Funded by CFD 2012-1	\$6,076,551		\$6,076,551
CM/Engineering Services	\$3,800,000		\$3,800,000
TOTAL	\$34,976,551	(\$620,000)	\$34,356,551

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 WASTEWATER TREATMENT PLANT OPERATION & MAINTENANCE COSTS

FACILITY COMPONENT	ANNUAL COSTS
Treatment Plant	\$672,000
Collection/Distribution System	\$216,000
Recycled Water Injection System	\$24,000
TOTAL	\$912,000

ESTIMATED PHASE I ASSESSMENT DISTRICT BONDED INDEBTEDNESS

BOND COMPONENT	BOND PRINCIPAL	PERCENT OF TOTAL
Treatment Plant	\$15,100,000	36.553%
Collection/Distribution System	\$7,400,000	17.913%
Design/CM/Engineering Services	\$11,856,551	28.701%
Bond Reserve ³	\$3,364,644	8.145%
Capitalized Interest ⁴	\$2,891,700	7.000%
Bond Issuance Costs	\$633,115	1.533%
Assessment District Formation	\$63,990	0.155%
TOTAL	\$41,310,000	100.0000%

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

BOD LOAD ASSUMPTIONS

- Formula
 - BOD Concentration x Flow x 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
(Ratio of building square footage to parcel square footage)

0.15
(Or actual or submitted plans if greater)

- Restaurant/Retail Ratio

Retail: 80%
Restaurant: 20%
(Or actual or submitted plans if more restaurant)

- Gallons Per Day Per Building Square Foot

Retail: 0.020
Restaurant: 0.675
Average: 0.150

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

COMPONENT	TOTAL	PARCEL ASSESSMENT ^{6,7}	% OF SUBTOTAL	% OF TOTAL
Treatment Plant	\$15,100,000	\$85,043.20		0.5632%
Collection/Distribution System	\$7,400,000	\$39,382.80		0.5322%
Subtotal Construction	\$22,500,000	\$124,426.00	0.5530%	
Design/CM/Engineering Services	\$11,856,551	\$65,566.72		0.5530%
Bond Reserve	\$3,364,644	\$18,606.48		0.5530%
Capitalized Interest	\$2,891,700	\$15,991.10		0.5530%
Bond Issuance Costs	\$633,115	\$3,501.13		0.5530%
Assessment District Formation	\$63,990	\$353.86		0.5530%
TOTAL	\$41,310,000	\$228,445.29		0.5530%

⁶ Excludes connection to the wastewater treatment system, disposition of existing wastewater treatment system.

⁷ 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 district⁸
- 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%)

⁸ Assessments paid in cash will be less bond reserve , capitalized interest, and bond issuance costs.