



January 25, 2017

CITY MANAGER
FEB 09 2016
CITY OF PALM SPRINGS

City of Palm Springs
Attn: David Ready, City Manager
3200 E Tahquitz Canyon Way
Palm Springs, CA 92262

RE: UPDATE I-10/INDIAN CANYON COMMERCIAL CORRIDOR WASTEWATER FACILITIES

Dear Mr. Ready:

Following is an update on Mission Springs Water District’s (MSWD) progress on construction of wastewater facilities and development of collection facilities in the I-10/Indian Canyon business corridor. We hereby request that this correspondence be included in your City Council agenda packet for the next regular meeting.

As of this correspondence, significant progress has been made. The MSWD Board has approved a capital budget allocation in the amount of \$17.3 million to construct the 1MGD wastewater treatment plant (WWTP) located about one mile south of Dillon Road on Little Morongo Road. MSWD has completed and issued a bid package for Design Engineering with proposals due by February 17, 2017. CEQA preparation is underway. The plant is scheduled for completion in summer of 2018.

The WWTP, programmed to ultimately receive 20 MGD in flows and provide recycled return flows to the basin, will serve as the central treatment facility for the MSWD service area. This area includes the commercial areas on the north and south sides of interstate 10, respectively, and east and west of Indian Canyon. MSWD is prepared to ardently oppose any and all exportation of water—in the form of wastewater or otherwise—from its jurisdictional boundaries.

The I-10/Indian commercial corridor has been the subject of much discussion between our agencies over the past few years. Some have asserted erroneously that MSWD has delayed construction of wastewater collection facilities. To the contrary, MSWD has been the primary investor in both infrastructure as well as effort to form a financing district for construction of water and wastewater facilities since the 1990s. The District has spent hundreds of thousands to date in planning, outreach and construction of some facilities (a conduit under the I-10) in anticipation of property owners agreeing to form a financing district for a wastewater collections system to facilitate development of their respective properties.

After dozens of meetings, mailings and surveys, support of property owners (66%) required to form a community facilities district (CFD) has yet to emerge. This support is required under CA Proposition 218 if a public agency intends to recover the costs of such infrastructure projects from the benefited parcel

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owners. The MSWD Board is, and has been willing to move forward as soon as property owners indicate a desire to do so by an affirmative vote for their fair share of the costs of those facilities.

In recent weeks MSWD met with a few property owners who speculated that there may be renewed interest in funding the construction of these needed facilities. In response MSWD is proposing yet another survey that will put forward various financing scenarios to property owners in an effort to get confirmation of this interest. MSWD believes it is incumbent upon the cities of Palm Springs and Desert Hot Springs—both of which will receive direct benefit from development in the project area—to partner with MSWD and demonstrate support for this, the most cost effective proposal available.

MSWD is well aware that there are a number of owners who have expressed frustration about both the lack of wastewater infrastructure as well as the time it has taken to construct such infrastructure since bringing projects to your city for entitlement. This is understandable. MSWD has explained time and time again to these same owners that their peers hold the key to approving the needed improvements.

As we prepare to launch another round of information mailings, we would like assurance that the city of Palm Springs is supportive of this effort. We welcome your participation in meetings and the contribution of resources that may serve to elevate the value proposition to secure the needed majority vote of affected property owners.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arden Wallum', written over a horizontal line.

Arden Wallum
General Manager