

# **DISBURSEMENT AGREEMENT**

## **TOWN OF YUCCA VALLEY SEWER IMPLEMENTATION AND ASSESSMENT ASSISTANCE TRANSACTIONS AND USE TAX**

**Dated as of July 18, 2017**

**by and between**

**HI-DESERT WATER DISTRICT  
as Recipient Agency**

**and**

**TOWN OF YUCCA VALLEY  
as Disbursement Agency**

## **DISBURSEMENT AGREEMENT**

This DISBURSEMENT AGREEMENT (“Agreement”) relating to the Town of Yucca Valley Sewer Implementation and Assessment Assistance Transactions and Use Tax incorporated as Chapter 3.28 of the Yucca Valley Municipal Code, is made and entered into by and between the TOWN OF YUCCA VALLEY (the “Town”), a municipal corporation duly organized and existing under and by virtue of the laws of the State of California, as disbursement agency and HI-DESERT WATER DISTRICT (the “District”), a duly organized and existing county water district under and by virtue of the Constitution and laws of the State of California, as recipient agency. The Town and the District are occasionally each referred to as a “party” and collectively as the “parties”.

### **WITNESSETH**

**WHEREAS**, According to various studies, the prolonged use of septic systems in Yucca Valley has resulted in the pollution of the local groundwater supply. Septic system discharges have been slowly degrading local water quality for decades. Nitrates and other contaminants from septic system discharges are currently reaching the local groundwater supply; and

**WHEREAS**, In an effort to address groundwater quality concerns, on May 19, 2011, the Regional Water Quality Control Board Colorado Region (“RWQCB-CR”) adopted a groundwater Basin Plan Amendment that prohibits septic tank discharges in Yucca Valley to protect groundwater quality as early as June 30, 2021 in Phase 1 and June 30, 2025 for Phases 2 & 3; and

**WHEREAS**, The District has developed a solution to the RWQCB-CR order that is a comprehensive, community-wide approach to meeting the State’s requirements and keeping local water safe and healthy for generations to come; and

**WHEREAS**, The District is constructing a sewer collection system and wastewater reclamation facility (the “Sewer Project”) to assist property owners in complying with State’s mandate. The Sewer Project will include:

- Approximately 78 miles of sewer mains;
- Three pump stations;
- A wastewater treatment and reclamation facility;
- Replacing existing roads with new roads due to construction of the Sewer Project; and

**WHEREAS**, Goals of the Sewer Project include, without limitation:

- To collect and treat local wastewater;
- To keep septic discharges out of the local water supply;
- To protect local water quality for future generations; and
- To give residents access to reliable and affordable sewer service; and

**WHEREAS**, The Sewer Project is estimated to cost \$150 million and the District is financing the Sewer Project through a low-interest loan from the State Revolving Fund (the “Loan”). To fund the Sewer Project the District proposed forming two assessment districts and levying an assessment on all properties that will specially benefit from the Sewer Project. The proposed assessments will go toward paying the construction costs of the Sewer Project, interest on the Loan, the funding of related Loan reserve requirements, and certain incidental and administrative expenses required in connection with the Loan; and

**WHEREAS**, On May 13, 2015, property owners approved forming Assessment District 2014-1 by mail-in ballot to finance the cost to construct Phase 1 of the Sewer Project, with the need for a subsequent assessment district formation or annexation by vote at a later date to secure funding to fully construct Phases 2 and 3; and

**WHEREAS**, The Sewer Project assessments will be levied and be a lien on properties located within the Town for 30 years. The assessments will vary by property use, but in all cases will entail a significant financial contribution from the property owners in the Town toward the Sewer Project; and

**WHEREAS**, Revenue and Taxation Code section 7285.91 authorizes the governing body of any city to levy a transactions and use tax under Part 1.6 of the Revenue and Taxation Code, the proceeds of which may be designated for a specific purpose; and

**WHEREAS**, Revenue and Taxation Code section 7285.91 and California Constitution article XIII C, section 2(d) requires the governing body of the town to adopt an ordinance proposing to levy a special purpose transactions and use tax by a two-thirds vote of the body, and then submit the ordinance to the voters for approval, which also must be by a two-thirds vote; and

**WHEREAS**, To facilitate the Sewer Project and subsidize assessments associated with the Sewer Project, the Town Council placed a special purpose transactions and use (sales) tax ordinance, as authorized by Revenue and Taxation Code section 7285.91, upon the November 8, 2016, election ballot; and

**WHEREAS**, In November 2016, the Town Council and the People of the Town adopted the transactions and use tax for the special purpose of subsidizing assessments being levied upon property within the Town to fund the Sewer Project. On December 13, 2016, the Town Council adopted Resolution No. 16-36 certifying the results of the general municipal election held on Tuesday, November 8, 2016, whereby the special tax measure, identified by the San Bernardino County Registrar of Voters as Measure Z, was certified to have passed by a vote of 81.24% of the votes cast at the November 8, 2016, general municipal election; and

**WHEREAS,** The approved tax measure requires by law that all its proceeds be spent to lower Sewer Project assessment rates, either directly or through contribution towards direct Sewer Project costs, and cannot be redirected or taken by the Town Council for other uses. The special tax shall equitably subsidize Sewer Project assessments and costs in all phases of the Project in the existing Assessment District 2014-1, inclusive of any annexations into Assessment District 2014-1 for the eventual completion of Phases 2 & 3 of the Sewer Project. Should a new assessment district be established in lieu of annexation into the existing Assessment District 2014-1 for the primary purpose of the completion of Phases 2 & 3 of the Sewer Project, the special tax shall be applied toward the gross total assessment of all assessment districts, as if the assessment districts were one; and

**WHEREAS,** The Measure Z tax has been incorporated and codified into Chapter 3.28 of the Yucca Valley Municipal Code, and authorized to commence April 1, 2017, and concluding March 31, 2027.

**WHEREAS,** In consideration of the foregoing recitals, the special tax proceeds will be administered and distributed in accordance with this legal and binding Agreement entered into between the Town and the District, which specifies an expenditure method ensuring that special tax proceeds are utilized to annually lower assessments imposed on properties to fund the Sewer Project.

**NOW, THEREFORE,** In consideration of the covenants contained in this Agreement and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

#### **ARTICLE 1 BASIC DEFINITIONS**

- A. As used in this Agreement, the “Town” means the Town of Yucca Valley.
- B. As used in this Agreement, the “Hi-Desert Water District” or the “District” means that county water district by the same name organized and operating pursuant to the provisions of the County Water District Law, Water Code §§ 30000 *et seq.*
- C. As used in this Agreement, “Sewer Project” means that Town-wide conversion of septic systems to a sewer collection system and construction of wastewater reclamation facilities, recharge ponds and appurtenances, all as undertaken by the District in response to RWQCB-CR Resolution No. R7-2011-0004 adopted on May 19, 2011.
- D. As used in this Agreement, “Assessment” means all assessments levied on property by the District in the Town pursuant to the provisions of the “Municipal Improvement Act of 1913” (being Division 12 of the Streets and Highways Code of the State of California, commencing with Section 10000), for purposes of financing the costs of constructing the Sewer Project, including assessments adopted for Assessment District 2014-1 and subsequent assessment districts formed or annexed by vote in relation thereto.
- E. As used in this Agreement, “Tax” means the temporary transactions and use tax (special tax) imposed under the provisions of Chapter 3.28 of the Yucca Valley Municipal Code

as authorized by the voters of Yucca Valley through the passage of Measure Z in the November 8, 2016 general election, to be imposed as authorized in the Chapter commencing April 1, 2017 and concluding March 31, 2027.

- F. As used in this Agreement, "Tax Proceeds" means the proceeds of the Tax collected by the Town, inclusive of any interest accruing therefrom in Sewer Project Assessment Assistance Fund.
- G. As used in this Agreement, "Sewer Project Assessment Assistance Fund" shall have the meaning set forth in Section 3.2, subdivision (b) hereof.

## **ARTICLE 2 GENERAL RESTRICTED EXPENDITURE PROVISIONS**

**Section 2.1** The Tax Proceeds are dedicated toward equitably subsidizing those Assessments levied upon property within the Town to fund the Sewer Project.

**Section 2.2** All Tax Proceeds shall be restricted revenue, expended solely to fund the Sewer Project in such a manner as to lower Assessments levied upon citizens in the Town and is subject to all the following:

(a) The Town shall forward the Tax Proceeds to the District (subject to any deductions therefrom pursuant to subsection (d) of this Section 2.2), for the District's use of the Tax Proceeds toward reducing the annual Assessments. Tax Proceeds forwarded to the District shall be credited toward the annual Assessments levied upon property within the District's Assessment District 2014-1, inclusive of any additional assessment district or districts formed for the primary purpose of the completion of Phases 2 & 3 of the Sewer Project.

(b) The Tax Proceeds shall be credited toward annual Assessments equitably amongst all Assessment payers in all Sewer Project phases, such that each and every Assessment payer within Assessment District 2014-1, inclusive of any additional assessment district or districts formed for the primary purpose of the completion of Phases 2 & 3 of the Sewer Project, will receive the same pro-rata percentage decrease in their annual Assessment.

(c) Pursuant to Chapter 3.28 of the Yucca Valley Municipal Code, the Tax Proceeds may be used to pay for the Town's costs for those independent audits, special fund management, Board of Equalization implementation and administrative costs associated with the Tax, excepting that payment of administrative costs shall not exceed five percent (5%) of the annual Tax Proceeds in any annual period. Such funds required shall be deducted from the annual disbursement as described in Section 3.1 Subsection (c).

(d) The Town's expenditure of Tax Proceeds shall be made on a regular, quarterly basis timed in conformance with the State Board of Equalization's allocation and reconciliation of such Tax Proceeds to the Town.

**ARTICLE 3  
FISCAL PROVISIONS**

**Section 3.1** To ensure clarity regarding the duties, obligations and responsibilities of the Town and the District, the following fiscal provisions are identified by each party to this Agreement.

**Section 3.2**

Fiscal Provisions of the Town

(a) The Town shall provide for the application and collection of the Tax as described in Chapter 3.28 of the Yucca Valley Municipal Code. The method and timing of the collection of the Tax shall be in the manner and form prescribed by Chapter 3.28 and any agreements executed between the Town and the State Board of Equalization.

(b) Taxes pursuant to Chapter 3.28 of the Yucca Valley Municipal Code shall be deposited in a special revenue fund of the Town, and shall accrue any and all interest on undistributed balances within the fund. This fund shall be designated as the "Sewer Project Assessment Assistance Fund". Undistributed balances within the Sewer Project Assessment Assistance Fund will accrue interest at the same rate as that applicable to all interest-bearing Town pooled cash funds. All applicable interest shall accrue to the benefit of the purpose of the Tax, and shall be released quarterly in the same manner and form as the Tax collected.

(c) The Town shall disburse funds received from the Tax to the District on a regular basis, but in no case, less than quarterly, upon receipt and verification of the quarterly reconciliation as provided by the Board of Equalization. Annually, after deducting any amounts accruing to the Town pursuant to subsection (c) of Section 2.2 hereinabove, the Town shall disburse all remaining Tax Proceeds to the District following such time as the State Board of Equalization completes the quarterly reconciliation for the quarter ended December 31 of each year. It is understood that this reconciliation is generally provided no later than ninety (90) days following the quarter end. Such payments shall continue in the same manner throughout the authorized levy of the Tax. Due to the timing and disbursements of the Tax Proceeds, the first year and last year of disbursement will represent partial-year Tax Proceeds. The anticipated annual collection of the Tax, disbursement and application period of the Tax Proceeds is included as **Exhibit A**.

(d) Tax Proceeds disbursed to the District pursuant to subsection (c) shall be made payable to the "Hi-Desert Water District" for subsequent, equivalent disbursement by the District to the State Revolving Fund ("SRF") in accordance with the terms and conditions of Agreement No. D15-01019 dated December 17, 2015, by and between the State Water Board and the District. Disbursement may be made by check or wire transfer, at the discretion of the Town.

(e) The Town Council shall, upon receiving recommendations from the Revenue Measure Oversight Commission as part of the Town's regular budget process, annually review, direct and adopt by resolution an expenditure plan for the Sewer Project Assessment Assistance Fund, applying the Tax Proceeds consistent with the requirements of Chapter 3.28 of

the Yucca Valley Municipal Code and this Agreement. In no event shall the Town Council have authority to direct a use of Tax Proceeds that is inconsistent with the purposes expressed in Chapter 3.28 of the Yucca Valley Municipal Code.

(f) In accordance with Chapter 3.28 of the Yucca Valley Municipal Code, the Town's independent auditors, in addition to the inclusion of the Sewer Project Assessment Assistance Fund in the annual audit of the Town, shall annually complete an Agreed Upon Procedures engagement on the collection and expenditure of revenues in the Sewer Project Assessment Assistance Fund. The independent auditor shall annually issue an Agreed Upon Procedures report on a statement of the revenues received and expenditures made from the Sewer Project Assessment Assistance Fund in which the independent auditor will perform procedures to determine whether the Town has complied with the applicable provisions of Town Ordinance 264, and shall include a report of the expenditure of funds as disbursed by the District. The agreed-upon procedures shall be established by the Town, in accordance with accepted best accounting practices and the independent auditor will perform the procedures in accordance with professional standards. Such report shall be prepared annually, and shall be presented to the Revenue Measure Oversight Commission and Town Council, and shall be made available for public review.

### **Section 3.3**

#### Fiscal Provisions of the District

(a) Tax Proceeds transferred to the District pursuant to this Agreement shall be deposited in a special revenue fund of the District (the "District Special Fund"), and such fund shall accrue any and all interest on undistributed balances within the fund. All interest shall accrue to the benefit of the Assessment payers and the purposes of the Tax.

(b) Annually, all Tax Proceeds received by the District pursuant to this Agreement and any accrued interest on undistributed balances within the District Special Fund shall be disbursed in full to the State Water Board in accordance with the terms and conditions of Agreement No. D15-01019, as a portion of the annual debt service payment due to the State Water Board pursuant to Agreement No. D15-01019.

(c) Such Tax Proceeds received quarterly from the Town and any accrued interest on undistributed balances within the District Special Fund shall reduce the calculated annual Assessment to be levied on all assessed properties within Assessment District 2014-1, inclusive of any annexations, for the subsequent annual calendar year Assessment. Such reduction shall be to the gross amount of the annual scheduled debt service, as amended upon final completion of the Project, and shall be applied equitably to all assessed properties within Assessment District 2014-1, inclusive of any annexations. Such reduction methodology in the annual Assessment shall remain throughout the levy of the Tax, and until all final Tax Proceeds have been distributed to the District by the Town. The anticipated collection, disbursement and levy period of the Tax is included as **Exhibit A**.

(d) As part of the annual Assessment notification to all properties assessed in Assessment District 2014-1, inclusive of any annexations, the District shall identify and clearly

publish the gross calculation of any Assessment amount prior to the credit for the applicable Tax Proceeds, inclusive of any accrued interest on undistributed balances within the District Special Fund, and reflect the reduction of the gross Assessment after application thereof. Such notice shall include the text description of "Measure Z Sales Tax Assessment Reduction".

(e) The proceeds of the Tax Proceeds and any accrued interest on undistributed balances within the District Special Fund will equitably subsidize Sewer Project Assessments and costs in all phases of the Sewer Project in the existing Assessment District 2014-1, inclusive of any annexations thereto for the eventual completion of Phases 2 & 3 of the Sewer Project. Should a new assessment district be established in lieu of annexation into the existing Assessment District 2014-1 for the primary purpose of the completion of Phases 2 & 3 of the Sewer Project, the Tax Proceeds and any accrued interest on undistributed balances within the District Special Fund shall be applied toward the gross total of the annual Assessment of all related assessment districts, as if the assessment districts were one.

(f) In accordance with Chapter 3.28 of the Yucca Valley Municipal Code, the Town's independent auditors shall complete agreed upon procedures in accordance with professional standards, of the expenditure of Tax Proceeds and any accrued interest on undistributed balances within the District Special Fund as disbursed by the District, as required by Ordinance 264 of the Town. Such report shall be prepared annually, and shall be presented to the Revenue Measure Oversight Commission and Town Council and shall be made available for public review. The District agrees to make available in a timely manner, any and all records necessary for the Town's independent auditor to perform such agreed upon procedures.

(g) In an effort to maximize the collection of all applicable sales and use tax under Measure Z, the District agrees to require all qualifying Sewer Project contractors and subcontractors to exercise their option to obtain a Board of Equalization sub-permit for the jobsite and allocate all eligible tax payments to the Town. Prior to the commencement of any Sewer Project construction activity on-site, the District will require that the contractor or subcontractor provide the Town with either a copy of their Board of Equalization account number and sub-permit, or a statement that the tax does not apply to their portion of the Sewer Project.

#### **ARTICLE 4 SPECIAL COVENANTS**

**Section 4.1** Reserved.

#### **ARTICLE 5 TERM**

**Section 5.1** The term of this Agreement shall commence as of the date hereof and shall remain in full force and effect from such date to and including the final levy of the Tax as authorized by Chapter 3.28 of the Town of Yucca Valley Town Code. Further, the Agreement shall remain in place throughout the distribution of all Tax Proceeds and any accrued interest on undistributed balances within the District Special Fund, inclusive of any reconciliation period beyond the established term of the Tax. This Agreement, and any amendment thereto, shall only

take effect after duly approved and executed by formal action of the District's Board and Town Council.

## **ARTICLE 6 DEFAULT, DEFENSE AND INDEMNITIES**

**Section 6.1** Event of Default. A "Non-Defaulting Party" in its discretion may elect to declare a default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of the other party ("Defaulting Party") to perform any material duty or obligation of said Defaulting Party under the terms of this Agreement. However, the Non-Defaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Defaulting Party to cure such breach or failure. The Defaulting Party shall be deemed in "Default" under this Agreement if said breach or failure can be cured, but the Defaulting Party has failed to take such actions and cure such breach or failure within thirty (30) calendar days after the date of such notice ("Cure Period"). However, if such non-monetary breach or failure cannot be cured within such Cure Period, and if, and as long as, the Defaulting Party does each of the following:

- (a) notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted Default is not curable within the thirty (30) calendar day period;
- (b) notifies the Non-Defaulting Party of the Defaulting Party's proposed cause of action to cure the Default;
- (c) promptly commences to cure the Default within the thirty (30) calendar day period;
- (d) makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure; and
- (e) diligently prosecutes such cure to completion;

then the Defaulting Party shall not be deemed in breach of this Agreement.

**Section 6.2** Legal Actions. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other legal or equitable remedy consistent with the purpose of this Agreement, including the remedy of specific performance.

**Section 6.3** Rights & Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other party.

**Section 6.4** No Waiver. Except as otherwise provided in this Agreement, waiver by either party of the performance of any covenant, condition, or promise shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition, or promise. Waiver by either party of the time for performing any act shall not constitute a waiver of time for

performing any other act or an identical act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right as to any Default shall not operate as a waiver of any Default or of any rights or remedies or to deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

**Section 6.5** Attorney's Fees. If any party to this Agreement brings an action against the other party by reason of a breach or alleged violation of any covenant, term or obligation of this Agreement, or for the enforcement of any provision of this Agreement or otherwise arising out of this Agreement, the prevailing party in such action shall be entitled to its cost of suit and reasonable attorney's fees which shall be made part of any judgment rendered in such action.

**Section 6.6** Indemnity. Pursuant to Government Code Section 895.4 the parties have agreed to mutually indemnify each other as provided for in this section. Each party to this Agreement shall be solely liable for, and shall indemnify, defend and hold harmless the other party and each of their officers, officials, employees, agents and volunteers ("Indemnitees") from, any and all loss, liability, errors, obligations, fines, penalties, forfeitures, costs and damages to persons or property (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by any of the Indemnitees, the indemnifying party or any other person, and from any and all claims, suits, demands and actions in law or equity (including attorney's fees and litigation expenses), arising directly or indirectly from:

(a) The active negligence or intentional acts or omissions of the indemnifying Party or any of its officers, officials, employees, agents or volunteers in the performance of this Agreement; or

(b) The construction, ownership, maintenance, operation or use of the Sewer Project or any related equipment when in the care, custody and control of the indemnifying party.

**Section 6.7** Comparative Negligence. It is the intent of the parties that, where negligence is determined to have been contributory, principles of comparative negligence will be followed and each party shall bear the proportionate cost of any loss, liability, fines, penalties, forfeitures, costs and damages, expense and liability attributable to that party's negligence.

**Section 6.8.** Nonliability of Officials and Employees. No Board/Council member, official, contractor, consultant, attorney or employee of either party shall be personally liable to the other or any voluntary or involuntary successors or assignees, or any lender or other party holding an interest in this Agreement, in the event of any Default or breach by either party, or for any amount which may become due to a party or to its successors or assignees, or on any obligations arising under this Agreement.

## ARTICLE 7 MISCELLANEOUS

**Section 7.1** Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the District, the Town, and their respective successors and assigns.

**Section 7.2** Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 7.3** Amendments, Changes and Modifications. This Agreement may not be effectively amended, changed, modified, altered, or terminated without the written agreement of both parties hereto.

**Section 7.4** Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 7.5** Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**Section 7.6** Obligations Absolute. The District agrees that the obligations of the District are absolute and unconditional and not subject to any charges or setoffs against the Town whatsoever. The Town agrees that the obligations of the Town are absolute and unconditional and not subject to any charges or setoffs against the District whatsoever.

**Section 7.7** Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

**Section 7.8** Notice. Notice occurs on the date notice is sent, regardless of method. Any notices under this Agreement shall be transmitted via U.S. Mail to the parties and their counsel as follows:

If to Hi-Desert Water District:

Hi-Desert Water District  
55439 Twentynine Palms Hwy.  
Yucca Valley, CA 92284  
Attn: General Manager

If to Town:

Town of Yucca Valley  
57090 Twentynine Palms Hwy.  
Yucca Valley, CA 92284  
Attn: Town Manager

**Section 7.9** Recitals. The Recitals preceding the terms of this Agreement are hereby incorporated into the terms hereof as though fully set forth therein.

**Section 7.10** Restrictions on Transfer. Neither party hereto shall transfer or assign its rights, obligations or interests under this Agreement, directly or indirectly, voluntarily or by operation of law, without the prior written approval of non-transferring party, such consent to be given only through formal action of the non-transferring party's Board or Council.

**Section 7.11 Entire Agreement.** This Agreement contains all of the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, indirect conflict with this Agreement shall be deemed to exist or to bind any of the parties hereto. All prior written or oral offers, counteroffers, memoranda of understanding, proposals and the like are superseded by this Agreement.

**IN WITNESS WHEREOF**, the District has caused this Agreement to be executed in its corporate name and attested by its duly authorized officers, and the Town has executed this Agreement relating to the Tax authorized by Chapter 3.28 of the Town of Yucca Valley Municipal Code in its corporate name and attested by its duly authorized officers. All of the above occurred as of the date first above written.

**SIGNATURES:**

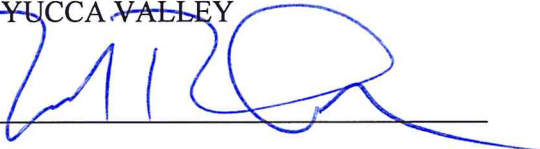
HI-DESERT WATER DISTRICT

By:   
President, Board of Directors

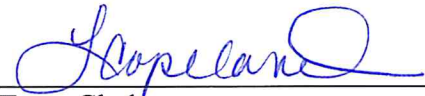
**ATTEST:**

  
Secretary

TOWN OF YUCCA VALLEY

By:   
Mayor

**ATTEST:**

  
Town Clerk

**EXHIBIT A**

**ANTICIPATED COLLECTION, DISBURSEMENT AND APPLICATION  
PERIOD OF THE TAX**

SALES TAX COLLECTION PERIOD	ANNUAL RECONCILIATION DATE	CALENDAR YEAR ASSESSMENT
April 1, 2017 – December 31, 2017*	April 30, 2018	Tax Year 2018
January 1, 2018 – December 31, 2018	April 30, 2019	Tax Year 2019
January 1, 2019 – December 31, 2019	April 30, 2020	Tax Year 2020
January 1, 2020 – December 31, 2020	April 30, 2021	Tax Year 2021
January 1, 2021 – December 31, 2021	April 30, 2022	Tax Year 2022
January 1, 2022 – December 31, 2022	April 30, 2023	Tax Year 2023
January 1, 2023 – December 31, 2023	April 30, 2024	Tax Year 2024
January 1, 2024 – December 31, 2024	April 30, 2025	Tax Year 2025
January 1, 2025 – December 31, 2025	April 30, 2026	Tax Year 2026
January 1, 2026 – December 31, 2026	April 30, 2027	Tax Year 2027
January 1, 2027 – March 31, 2027*	July 15, 2027	Tax Year 2028

**\* Note**

The first and last year of collection represent partial year collections and distributions due to the timing and reconciliation of the Tax.

Payments from the Town to the District will be disbursed on a regular basis, but in no case, less than quarterly, upon receipt and verification of the quarterly Tax reconciliation as provided by the Board of Equalization.

The Calendar Year Assessment is based on the current schedule as provided by the District. Should the current schedule change, it is anticipated that collections received to date will be applied to the first actual assessment (e.g. – if no assessment in Tax Year 2018, then collections from April 1, 2017 – December 31, 2017 and collections from January 1, 2018 – December 31, 2018 will be applied to the Tax Year 2019 assessment).