



311 Loch Lomond Road
Rancho Mirage, CA 92270-5607
Office: (760) 202-1060
Fax: (760) 202-1070
www.GGMSinc.com

**Annual Report
Community Facilities District
For Fiscal Year 2010-2011 Levy
and
Fiscal Year 2009-2010 Reports**

**Heber Public Utility District
Community Facilities District No. 2005-1
(Heber Meadows)**

Prepared by
General Government Management Services
October 2010

**Heber Public Utility District
Community Facilities District No. 2005-1
(Heber Meadows)**

Table of Contents

- I. Information about the District
 - A. Introduction
 - B. Property Description
 - C. Boundary Map and Special Tax Lien Recordation
 - D. Authorized Facilities and Services
 - E. Cost Estimate

- II. Annual Administration and District Status
 - A. Levy of Special Taxes
 - 1. Summary of the Rate and Method of Apportionment
 - a. Maximum Special Tax
 - b. Method of Levying the Annual Special Tax
 - 2. Current Ownership of Parcels
 - 3. Special Tax Liability
 - 4. Annual Special Tax Levy
 - 5. Paid/Unpaid Report

 - B. Reporting Requirements
 - 1. California Debt and Investment Advisory Commission (CDIAC)
 - 2. Continuing Disclosure Report

Attachments

- Information Sheet and Prepayment Instructions
- Summary of Levy
- California Debt and Investment Advisory Commission (CDIAC) Annual Report
- Annual Continuing Disclosure Report
- Collection Procedure for Late and Delinquent Levies

INFORMATION ABOUT THE DISTRICT

Introduction:

The Board of the Heber Public Utility District did, pursuant to the provisions of Chapter 2.5 of Part I of Division 2 of Title 5, commencing with Section 53311 of the California Government Code (the “Act”), adopted a Resolution entitled “A Resolution of the Board of the Heber Public Utility District of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Pursuant to the Mello-Roos Community Facilities Act of 1982”.

Property Description:

CFD No. 2005-1 is generally located south of Correll Road, east of Rockwood Street, and north of Sixth Street, designated as Tract No. 00956. Zone 1 is planned to ultimately consist of 219 single homes. The minimum Taxable Acreage for CFD No. 2005-1 is 29.5 acres in Zone 1. Zone 2 has a \$-0- Special Tax.

Boundary Map and Special Tax Lien Recordation:

The boundaries of CFD No. 2005-1 include all land on which the special taxes may be levied. A map of the area included within CFD No. 2005-1 is on file in Clerk of the Board’s Office and is made by reference herein. The Board approved the Boundary Map at the Resolution of Intention. It was recorded in the Office of the Imperial County Recorder as Instrument Number 05-23557, in Book 2 of Maps of Assessment and Community Facilities District at Page 31. A special tax lien was recorded in the Office of the County Recorder on all taxable parcels within CFD 2005-1.

Authorized Facilities and Services:

A community facilities district may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer, which is necessary to meet increased demands placed upon local agencies as a result of development or rehabilitation occurring within the community facilities district. In addition, a community facilities district may pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay for any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the community facilities district.

Authorized public facilities to be financed by CFD No. 2005-1 include the following:

- (i) Water and sewer facilities of the Heber Public Utility District (the “HPUD”),
- (ii) Drainage and canal facilities of the Imperial Irrigation District, and

A community facilities district may provide for services. Services for CFD 2005-1 to be financed include maintenance of parks, retention basins, parkways, and open space.

Cost Estimate

The estimate of the fair and reasonable cost of financing the proposed facilities, including the cost of acquisition of lands, rights-of-way and easements, and any physical facilities required in conjunction therewith, and incidental expenses in connection with said financing, including the cost of proposed bond financing and all other related costs as provided in Section 53345.3 of the Act.

Community Facilities District No. 2005-1

Estimate Cost for Proposed Public Facilities and Fees

Description Of Improvement	Estimated Costs
Heber Public Utility District	
Water Improvements in Correll Road	\$315,100
Sanitary Sewer Improvements in Correll Road	291,080
Water Improvements in Pitzer Road	155,840
Water Improvements in Rockwood Street	53,235
Sanitary Sewer Improvements in Rockwood Street	129,100
Regional Wastewater Pump Station	1,359,000
Engineering, Inspection, Construction Management	141,653
Imperial Irrigation District	
Imperial Irrigation District Facilities	\$464,000
Engineering, Inspection, Construction Management	69,600
Total Estimated Costs of Facilities	\$2,978,608
Debt Service Reserve Fund	\$167,051
Capitalized Interest Fund	140,154
Underwriter's Discount	50,000
Incidental Expenses	200,000
Total Costs of Financing and Formation	\$557,205
Bond Contingency	\$1,964,187
Grand Total Authorized Bond Amount	\$5,500,000
Heber Public Utility District	
2010-2011 Annual Maintenance of Parks, Retention Basins, Parkways, and Open Space	\$ 11,626
Total 2010-2011 Estimated Costs of Services	\$ 11,626

ANNUAL ADMINISTRATION AND DISTRICT STATUS

LEVY OF SPECIAL TAXES:

Summary of the Rate and Method of Apportionment:

The Rate and Method of Apportionment of Special Taxes, as approved by the District sets the actions required to annually levy a special tax on each parcel of land within the District. The amount levied is such that it fulfills Special Tax Liability for the outstanding bond of the CFD 2005-1.

All of the property located within CFD No. 2005-1, unless exempted by law or by the adopted Rate and Method of Apportionment, shall be taxed for the purpose of providing necessary facilities to serve CFD No. 2005-1. Pursuant to Section 53325.3 of the Act, the tax imposed “is a special tax and not a special assessment, and there is no requirement that the tax be apportioned on the basis of benefit to any property.” The Special Tax “may be based on benefit received by parcels of real property, the cost of making facilities or authorized services available to each parcel or other reasonable basis as determined by the legislative body,” although the Special Tax may not be apportioned on an *ad valorem* basis pursuant to Article XIII A of the California Constitution.

Method of Levying the Annual Special Tax:

An Annual Special Tax levy will be made on all Taxable Property within CFD 2005-1, commencing with Fiscal Year 2006-2007 and for each subsequent Fiscal Year. The Board approved the 2010-2011 levies and requested the County to place the levy on the tax roll by Resolution.

The Maximum Special Tax that may be levied this Fiscal Year is presented below.

ASSIGNED SPECIAL TAX FOR FACILITIES WITHIN ZONE 1

Land Use Type	Building Square Footage	Original Maximum Special Tax	Actual Special Tax
Single Family Property	Less than 1,800	\$832 per dwelling unit	\$832 per dwelling unit
Single Family Property	1,800-2,000	\$871 per dwelling unit	\$871 per dwelling unit
Single Family Property	Greater than 2,000	\$974 per dwelling unit	\$974 per dwelling unit
Non-Residential Property	N/A	\$6,653 per Acre	\$-0- per Acre
Multifamily Property	N/A	\$6,653 per Acre	\$-0- per Acre
Undeveloped Property	N/A	\$6,653 per Acre	\$6,653 per Acre
Services (Increases by CPI)	All	\$50.00 per Dwelling Unit	\$56.00 per Dwelling Unit

ASSIGNED SPECIAL TAX FOR FACILITIES WITHIN ZONE 2

Land Use Type	Building Square Footage	Maximum Special Tax	Actual Special Tax
Multifamily Property	N/A	\$0 per Acre	\$0 per Acre
Non-Residential Property	N/A	\$0 per Acre	\$0 per Acre
Undeveloped Property	N/A	\$0 per Acre	\$0 per Acre
Services	All	\$200 per Dwelling Unit	\$-0- per Dwelling Unit

Current Ownership of Parcels:

Current ownership is from published information as of January 2009. For the current levy requirements, taxable property was sufficient to meet the debt service, service requirements, and administrative costs for this year. The current Fiscal Year levy percentage by land use is presented below:

Developed Property:	175 parcels	73%
Undeveloped Property:	3 parcels	27%

Special Tax Liability:

The Special Tax Liability for any Fiscal Year is an amount sufficient to pay Debt Service for such Fiscal Year, Administrative Expenses for such Fiscal Year, any amount for direct payment for the cost of acquiring authorized facilities of the District, an amount necessary to replenish any reserve funds for the Bonds, and an amount determined by the CFD Administrator as necessary to make any other payments required to be made in the applicable Fiscal Year by the District under the Indenture of Trust for the Bonds.

Debt Service for the Debt Issues for the fiscal year 2010-2011 was levied, as set out in the original District formation documents. The total debt service for 2010-2011 requires interest payments by March 1, and an interest and principal payment by September 1. Additionally, funds were levied for services. The total levy was accepted and placed on the 2010-2011 tax roll by the County, making available funds for administration.

Debt Service Payments

	March	September	Total
Interest	\$ 56,809	\$ 56,809	\$ 113,618
Principal		\$ 50,000	\$ 50,000
Total	<u>\$ 56,809</u>	<u>\$ 106,809</u>	<u>\$ 163,618</u>

Administrative Expenses include any or all of the ordinary and necessary expense incurred by the District on behalf of and allocable to CFD 2005-1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any District employee whose duties are directly related to the administration of CFD No. 2005-1, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 2005-1. The expenses were comprised of District, Special Tax Consultant, Legal review, and Trustee fees.

Annual Special Tax Levy:

The annual levy for the fiscal year 2010-2011 was prepared as set by the approved Rate and Method of Apportionment to meet the requirements of the Special Tax Liability. Imperial County placed the annual levy on the parcel tax bill, with a deadline for submission of August 10th. The levy was accepted and inputted into the County tax roll system as Tax Code 95900. A summary of the annual special tax levy is presented below and as an attachment to this Annual Report.

<u>Category</u>	<u>Need</u>	<u>Generated</u>	<u>%</u>
Debt Service	\$ 161,368	\$ 161,368	73%
Services	\$ 11,691	\$ 11,691	5%
Administrative Expenditures	\$ 25,000	\$ 25,000	11%
Delinquency	\$ 24,087	\$ 24,087	11%
Total Levy	\$ 222,145	\$ 222,145	100%

Paid/Unpaid Report:

The County issues a Paid/Unpaid report following each tax payment installment and at the end of the fiscal year. The general rule is that a payment not made prior to the installment due date, either December 10 or April 10, is late. Such late payment becomes delinquent following the next July 1. Any parcel with unpaid special taxes will be sent a letter informing on the required procedure for collections. The expected procedures, a copy of the letter, and a listing of the most recent unpaid amount from last fiscal year are attached.

REPORTING REQUIREMENTS

Throughout the fiscal year, the District is required to prepare and submit reports to various outside Agencies. Lists of the current reports that have been or will be filed are listed here.

California Debt and Investment Advisory Commission (CDIAC):

This report is required annually for each Debt Issuance for this District and must be filed with the Commission by October 30 following any fiscal year in which bonds are outstanding. This report was for the 2009-2010 period. The report is attached for reference to this Annual Report.

Continuing Disclosure Report:

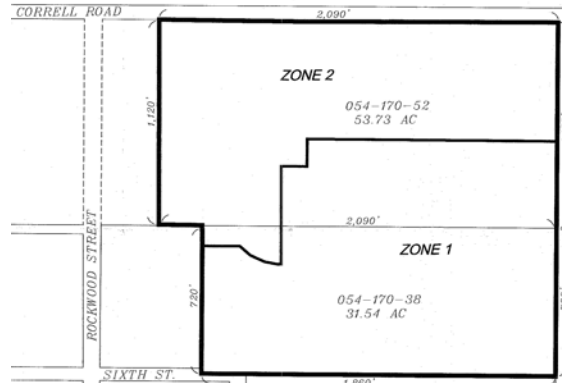
The Continuing Disclosure Report is due each December after a bond issuance. The next report has been prepared for December 2010. The report is attached for reference to this Annual Report.

**Respectfully Submitted,
General Government Management Services**

INFORMATION SHEET
HEBER PUBLIC UTILITY DISTRICT CFD No. 2005-1
(HEBER MEADOWS) ZONE 1
JULY 1, 2010 TO JUNE 30, 2011

WHAT PROPERTIES ARE LOCATED WITHIN THE “HEBER MEADOWS CFD”...?

The boundaries for this CFD consist of all parcels indicated in the display below. For a more accurate description of parcels located within this CFD, please contact the CFD Administrator (See below for contact information).



HOW MUCH ARE THE SPECIAL TAX RATES FOR THIS CFD...?

The Special Tax authorized to be levied against any given residential parcel within the boundaries of this CFD is based upon the internal living space (i.e. square footage) of the residential home constructed on the parcel. The Facilities Special Tax does not increase and the Services Special Tax increases by the Consumer Price Index (CPI). The CFD is expected to be levied annually through 2036. Any home can prepay the Facilities Special Tax at any time to reduce future Special Tax payments. Please refer to the Table below for the Special Taxes which are anticipated to be levied annually.

Residential Home Size in Square Footage	Facilities Special Tax	Services Special Tax	Total Special Tax	Optional Prepayment of Facilities Special Tax
Less than 1,800	\$ 832	\$ 56	\$ 888	\$ 8,900
1,800 – 2,000	\$ 871	\$ 56	\$ 927	\$ 9,300
Greater than 2,000	\$ 974	\$ 56	\$1,030	\$10,300
Undeveloped Acre	\$6,653	\$223	\$6,876	n/a

WHAT WAS BUILT BY THE “CFD”...

Over \$5.5 million in improvements were included. These included improvements to Correll Road and Rockwood Street, regional wastewater pump station, park maintenance, and IID facilities.

WHO MAY PROVIDE MORE INFORMATION FOR THIS CFD...?

FOR MORE INFORMATION in regards to this CFD, please contact the CFD Administrator, Alan Kapanicas by calling 760-202-1060 or 909-376-8577.

Please note that the information is not to be relied upon for any purpose, including the purposes of determining the actual special tax rates authorized to be levied by any given CFD nor is in anyway designed to be used in lieu of a “Notice of Special Tax” which is required to be distributed prior to the purchase of a parcel located within a CFD.

HEBER PUBLIC UTILITY DISTRICT CFD No. 2005-1
(HEBER MEADOWS) ZONE 1

CFD Prepayment Procedures

Prepayment Request:

1. A Property Owner will make a written request (email is sufficient) to prepay the Facilities portion using the approved Prepayment Demand Letter. The Prepayment request can be sent to General Government Management Services (GGMS) at GGMS@earthlink.net .

The request will include:

- a) The Assessor Parcel Number (APN);
 - b) The address of the property;
 - c) Name of owner or buyer;
 - d) Size of home (square footage of living space);
 - e) Legal description of property; and
 - f) Percentage to be prepaid (either 100% or partial prepayment percentage).
2. GGMS will confirm the calculation, and notify the Requester and HPUD (approximately 10 days).

To make a Prepayment:

1. The Prepayment amount is sent to the HPUD with a copy of the Prepayment Demand Letter.
2. GGMS will prepare and send a Prepayment Letter noting the Prepayment of the Facilities portion of the CFD, to the property owner.
3. The Clerk will maintain an office file of all completed Prepayment letters.

Please note:

1. Prepayment can be made for any home, at any time.
2. This prepayment is only for the HPUD CFD Facilities portion. The Services portion will continue to be levied annually.
3. Prepayments may be made in any increments and will reduce all future payments based on the percentage prepaid.
4. Prepayments do not include any amounts already placed on the tax rolls for the current year. Such amounts shall be paid prior to the issuance of a Prepayment Status Letter.
5. Rates are calculated annually and are effective July through June.
6. Any Prepayments received after May 31 of any year will be credited to and receive a tax levy for the next Fiscal Year.
7. This Prepayment does not include any other assessments (Services, School CFD, etc).

Heber Public Utility District

CFD 2005-1

Heber Meadows

2010-2011

	<u>APN</u>	<u>Address</u>	<u>Lot#</u>	<u>Total Tax</u>	<u>Optional Prepayment</u>
054-601-	054601001		1	\$ 955.00	
	054601002	158 E. Littlefield Way	2	\$ 888.00	\$ 8,900
	054601003	160 E. Littlefield Way	3	\$ 927.00	\$ 9,300
	054601004	162 E. Littlefield Way	4	\$ 1,030.00	\$ 10,300
	054601005	164 E. Littlefield Way	5	\$ 927.00	\$ 9,300
	054601006	166 E. Littlefield Way	6	\$ 888.00	\$ 8,900
	054601007	168 E. Littlefield Way	7	\$ 1,030.00	\$ 10,300
	054601008	170 E. Littlefield Way	8	\$ 927.00	\$ 9,300
	054601009	172 E. Littlefield Way	9	\$ 888.00	\$ 8,900
	054601010	174 E. Littlefield Way	10	\$ 1,030.00	\$ 10,300
	054601011	176 E. Littlefield Way	11	\$ 1,030.00	\$ 10,300
	054601012	178 E. Littlefield Way	12	\$ 888.00	\$ 8,900
	054601013	180 E. Littlefield Way	13	\$ 1,030.00	\$ 10,300
	054601014	182 E. Littlefield Way	14	\$ 1,030.00	\$ 10,300
	054601015	184 E. Littlefield Way	15	\$ 927.00	\$ 9,300
	054601017	187 Willowbrook Way	166	\$ 927.00	\$ 9,300
	054601018	184 E. Meridian St	163	\$ 888.00	\$ 8,900
	054601019	186 E. Meridian St	164	\$ 927.00	\$ 9,300
	054601020	185 Willowbrook Way	165	\$ 888.00	\$ 8,900
054-602-	054602001	1166 N. Goldfield Way	16	\$ 927.00	\$ 9,300
	054602002	1164 N. Goldfield Way	17	\$ 1,030.00	\$ 10,300
	054602003	1162 N. Goldfield Way	18	\$ 927.00	\$ 9,300
	054602004	1160 N. Goldfield Way	19	\$ 927.00	\$ 9,300
	054602005	1158 N. Goldfield Way	20	\$ 1,030.00	\$ 10,300
	054602006	1156 N. Goldfield Way	147	\$ 927.00	\$ 9,300
	054602007	1154 N. Goldfield Way	146	\$ 888.00	\$ 8,900
	054602008	1152 N. Goldfield Way	145	\$ 927.00	\$ 9,300
	054602009	1150 N. Goldfield Way	144	\$ 888.00	\$ 8,900
	054602010	1148 N. Goldfield Way	143	\$ 927.00	\$ 9,300
	054602011	1146 N. Goldfield Way	142	\$ 888.00	\$ 8,900
	054602012	1144 N. Goldfield Way	141	\$ 927.00	\$ 9,300
	054602013	1142 N. Goldfield Way	140	\$ 1,030.00	\$ 10,300
	054602014	1140 N. Goldfield Way	139	\$ 927.00	\$ 9,300
	054602015	1138 N. Goldfield Way	138	\$ 888.00	\$ 8,900
	054602016	1139 N. Harmony Way	162	\$ 927.00	\$ 9,300
	054602017	1141 N. Harmony Way	161	\$ 927.00	\$ 9,300
	054602018	1143 N. Harmony Way	160	\$ 1,030.00	\$ 10,300
	054602019	1145 N. Harmony Way	159	\$ 888.00	\$ 8,900
	054602020	1147 N. Harmony Way	158	\$ 927.00	\$ 9,300
	054602021	1149 N. Harmony Way	157	\$ 1,030.00	\$ 10,300
	054602022	1151 N. Harmony Way	156	\$ 927.00	\$ 9,300
	054602023	1153 N. Harmony Way	155	\$ 1,030.00	\$ 10,300
	054602024	1155 N. Harmony Way	154	\$ 888.00	\$ 8,900
	054602025	1157 N. Harmony Way	153	\$ 927.00	\$ 9,300
	054602026	1159 N. Harmony Way	152	\$ 1,030.00	\$ 10,300
	054602027	1161 N. Harmony Way	151	\$ 888.00	\$ 8,900
	054602028	1163 N. Harmony Way	150	\$ 927.00	\$ 9,300
	054602029	1165 N. Harmony Way	149	\$ 1,030.00	\$ 10,300
	054602030	1167 N. Harmony Way	148	\$ 927.00	\$ 9,300
054-603-	054603001	1157 N. Goldfield Way	21	\$ 927.00	\$ 9,300
	054603002	1159 N. Goldfield Way	22	\$ 1,030.00	\$ 10,300
	054603003	1161 N. Goldfield Way	23	\$ 927.00	\$ 9,300
	054603004	1163 N. Goldfield Way	24	\$ 1,030.00	\$ 10,300
	054603005	1165 N. Goldfield Way	25	\$ 927.00	\$ 9,300
	054603006	1166 N. Fairfield Way	26	\$ 888.00	\$ 8,900
	054603007	1164 N. Fairfield Way	27	\$ 888.00	\$ 8,900
	054603008	1162 N. Fairfield Way	28	\$ 927.00	\$ 9,300

	<u>APN</u>	<u>Address</u>	<u>Lot#</u>	<u>Total Tax</u>	<u>Prepayment</u>
	054603009	1160 N. Fairfield Way	29	\$ 927.00	\$ 9,300
	054603010	1158 N. Fairfield Way	30	\$ 888.00	\$ 8,900
	054603011	1156 N. Fairfield Way	31	\$ 927.00	\$ 9,300
	054603012	1154 N. Fairfield Way	113	\$ 927.00	\$ 9,300
	054603013	1152 N. Fairfield Way	112	\$ 1,030.00	\$ 10,300
	054603014	1150 N. Fairfield Way	111	\$ 927.00	\$ 9,300
	054603015	1148 N. Fairfield Way	110	\$ 888.00	\$ 8,900
	054603016	1146 N. Fairfield Way	109	\$ 1,030.00	\$ 10,300
	054603017	1144 N. Fairfield Way	108	\$ 927.00	\$ 9,300
	054603018	1142 N. Fairfield Way	107	\$ 888.00	\$ 8,900
	054603019	1140 N. Fairfield Way	106	\$ 927.00	\$ 9,300
	054603020	1139 N. Goldfield Way	122	\$ 927.00	\$ 9,300
	054603021	1141 N. Goldfield Way	121	\$ 1,030.00	\$ 10,300
	054603022	1143 N. Goldfield Way	120	\$ 927.00	\$ 9,300
	054603023	1145 N. Goldfield Way	119	\$ 888.00	\$ 8,900
	054603024	1147 N. Goldfield Way	118	\$ 1,030.00	\$ 10,300
	054603025	1149 N. Goldfield Way	117	\$ 927.00	\$ 9,300
	054603026	1151 N. Goldfield Way	116	\$ 888.00	\$ 8,900
	054603027	1153 N. Goldfield Way	115	\$ 927.00	\$ 9,300
	054603028	1155 N. Goldfield Way	114	\$ 1,030.00	\$ 10,300
054-604-	054604001	1155 N. Fairfield Way	32	\$ 888.00	\$ 8,900
	054604002	1157 N. Fairfield Way	33	\$ 927.00	\$ 9,300
	054604003	1159 N. Fairfield Way	34	\$ 888.00	\$ 8,900
	054604004	1161 N. Fairfield Way	35	\$ 927.00	\$ 9,300
	054604005	1163 N. Fairfield Way	36	\$ 888.00	\$ 8,900
	054604006	1165 N. Fairfield Way	37	\$ 888.00	\$ 8,900
	054604007	1166 N. Bloomfield St	38	\$ 927.00	\$ 9,300
	054604008	1164 N. Bloomfield St	39	\$ 888.00	\$ 8,900
	054604009	1162 N. Bloomfield St	40	\$ 888.00	\$ 8,900
	054604010	1160 N. Bloomfield St	41	\$ 927.00	\$ 9,300
	054604011	1158 N. Bloomfield St	42	\$ 888.00	\$ 8,900
	054604012	1156 N. Bloomfield St	43	\$ 927.00	\$ 9,300
	054604013	1154 N. Bloomfield St	97	\$ 888.00	\$ 8,900
	054604014	1152 N. Bloomfield St	96	\$ 927.00	\$ 9,300
	054604015	1150 N. Bloomfield St	95	\$ 888.00	\$ 8,900
	054604016	1148 N. Bloomfield St	94	\$ 927.00	\$ 9,300
	054604017	1146 N. Bloomfield St	93	\$ 927.00	\$ 9,300
	054604018	1144 N. Bloomfield St	92	\$ 888.00	\$ 8,900
	054604019	1142 N. Bloomfield St	91	\$ 927.00	\$ 9,300
	054604020	1140 N. Bloomfield St	90	\$ 927.00	\$ 9,300
	054604021	1139 N. Fairfield Way	105	\$ 927.00	\$ 9,300
	054604022	1141 N. Fairfield Way	104	\$ 1,030.00	\$ 10,300
	054604023	1143 N. Fairfield Way	103	\$ 888.00	\$ 8,900
	054604024	1145 N. Fairfield Way	102	\$ 927.00	\$ 9,300
	054604025	1147 N. Fairfield Way	101	\$ 1,030.00	\$ 10,300
	054604026	1149 N. Fairfield Way	100	\$ 888.00	\$ 8,900
	054604027	1151 N. Fairfield Way	99	\$ 927.00	\$ 9,300
	054604028	1153 N. Fairfield Way	98	\$ 1,030.00	\$ 10,300
	054605001	1167 N. Bloomfield St	44	\$ 927.00	\$ 9,300
054-605-	054605002	1165 N. Bloomfield St	45	\$ 888.00	\$ 8,900
	054605003	1163 N. Bloomfield St	46	\$ 927.00	\$ 9,300
	054605004	1161 N. Bloomfield St	47	\$ 888.00	\$ 8,900
	054605005	1159 N. Bloomfield St	48	\$ 927.00	\$ 9,300
	054605006	1157 N. Bloomfield St	49	\$ 56.00	Prepaid 2010
	054605007	1155 N. Bloomfield St	50	\$ 888.00	\$ 8,900
	054605012	1153 N. Bloomfield St	51	\$ 927.00	\$ 9,300
	054605013	1151 N. Bloomfield St	52	\$ 927.00	\$ 9,300
	054605014	1149 N. Bloomfield St	53	\$ 888.00	\$ 8,900
	054605015	148 E. Sunnyside Ct	54	\$ 927.00	\$ 9,300
	054605016	146 E. Sunnyside Ct	55	\$ 1,030.00	\$ 10,300
	054605017	144 E. Sunnyside Ct	56	\$ 888.00	\$ 8,900

<u>APN</u>	<u>Address</u>	<u>Lot#</u>	<u>Total Tax</u>	<u>Prepayment</u>
054605018	142 E. Sunnyside Ct	57	\$ 1,030.00	\$ 10,300
054605019	140 E. Sunnyside Ct	58	\$ 1,030.00	\$ 10,300
054605020	138 E. Sunnyside Ct	59	\$ 888.00	\$ 8,900
054605021	135 E. Sunnyside Ct	60	\$ 1,030.00	\$ 10,300
054605022	137 E. Sunnyside Ct	61	\$ 1,030.00	\$ 10,300
054605023	139 E. Sunnyside Ct	62	\$ 1,030.00	\$ 10,300
054605024	141 E. Sunnyside Ct	63	\$ 1,030.00	\$ 10,300
054605025	143 E. Sunnyside Ct	64	\$ 1,030.00	\$ 10,300
054605026	145 E. Sunnyside Ct	65	\$ 1,030.00	\$ 10,300
054605027	147 E. Sunnyside Ct	66	\$ 888.00	\$ 8,900
054605028	149 E. Sunnyside Ct	67	\$ 1,030.00	\$ 10,300
054605029	151 E. Sunnyside Ct	68	\$ 1,030.00	\$ 10,300
054605030	152 E. Meridian St	69	\$ 927.00	\$ 9,300
054605031	150 E. Meridian St	70	\$ 1,030.00	\$ 10,300
054605032	148 E. Meridian St	71	\$ 927.00	\$ 9,300
054605033	146 E. Meridian St	72	\$ 927.00	\$ 9,300
054605034	144 E. Meridian St	73	\$ 888.00	\$ 8,900
054605035	142 E. Meridian St	74	\$ 1,030.00	\$ 10,300
054605036	140 E. Meridian St	75	\$ 1,030.00	\$ 10,300
054605037	138 E. Meridian St	76	\$ 888.00	\$ 8,900
054605038	136 E. Meridian St	77	\$ 1,030.00	\$ 10,300
054605039	135 E. Meridian St	78	\$ 1,030.00	\$ 10,300
054605040	137 E. Meridian St	79	\$ 888.00	\$ 8,900
054605041	139 E. Meridian St	80	\$ 1,030.00	\$ 10,300
054605042	141 E. Meridian St	81	\$ 1,030.00	\$ 10,300
054605043	143 E. Meridian St	82	\$ 888.00	\$ 8,900
054605044	145 E. Meridian St	83	\$ 927.00	\$ 9,300
054605045	147 E. Meridian St	84	\$ 888.00	\$ 8,900
054605046	149 E. Meridian St	85	\$ 927.00	\$ 9,300
054605047	151 E. Meridian St	86	\$ 927.00	\$ 9,300
054605048	153 E. Meridian St	87	\$ 888.00	\$ 8,900
054605049	155 E. Meridian St	88	\$ 927.00	\$ 9,300
054605050	157 E. Meridian St	89	\$ 927.00	\$ 9,300
054605053	159 E. Meridian St	123	\$ 888.00	\$ 8,900
054605054	161 E. Meridian St	124	\$ 927.00	\$ 9,300
054605055	163 E. Meridian St	125	\$ 927.00	\$ 9,300
054605056	165 E. Meridian St	126	\$ 888.00	\$ 8,900
054605057	167 E. Meridian St	127	\$ 927.00	\$ 9,300
054605058	169 E. Meridian St	128	\$ 888.00	\$ 8,900
054605059	171 E. Meridian St	129	\$ 927.00	\$ 9,300
054605060	173 E. Meridian St	130	\$ 888.00	\$ 8,900
054605061	175 E. Meridian St	131	\$ 927.00	\$ 9,300
054605062	177 E. Meridian St	132	\$ 927.00	\$ 9,300
054605063	179 E. Meridian St	133	\$ 927.00	\$ 9,300
054605064	181 E. Meridian St	134	\$ 888.00	\$ 8,900
054605065	183 E. Meridian St	135	\$ 927.00	\$ 9,300
054605066	185 E. Meridian St	136	\$ 927.00	\$ 9,300
054605067	187 E. Meridian St	137	\$ 888.00	\$ 8,900
054-606-054606001	1168 N. Harmony Way	176	\$ 888.00	\$ 8,900
054606002	1166 N. Harmony Way	175	\$ 1,030.00	\$ 10,300
054606003	1164 N. Harmony Way	174	\$ 927.00	\$ 9,300
054606004	1162 N. Harmony Way	173	\$ 888.00	\$ 8,900
054606005	1160 N. Harmony Way	172	\$ 927.00	\$ 9,300
054606006	1158 N. Harmony Way	171	\$ 927.00	\$ 9,300
054606007	1156 N. Harmony Way	170	\$ 1,030.00	\$ 10,300
054606008	1154 N. Harmony Way	169	\$ 888.00	\$ 8,900
054606009	1152 N. Harmony Way	168	\$ 1,030.00	\$ 10,300
054606010	1150 N. Harmony Way	167	\$ 888.00	\$ 8,900
054601021	Undeveloped		\$ 51,983.00	
054605068	Undeveloped		\$ 5,363.00	

**STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)**

YEARLY FISCAL STATUS REPORT
California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 FAX (916) 654-7440

For Office Use Only	
CDIAC #	2005-1609
Fiscal Year	_____

I. GENERAL INFORMATION

A. Issuer	Heber Public Utility District CFD No 2005-1
B. Community Facilities District Number/Name	Heber Meadows
C. Name/Title/Series of Bond Issue	Special Tax Bonds Series 2005
D. Date of Bond Issue	11-08-2005
E. Original Principal Amount of Bonds	\$ 2,355,000.00
F. Reserve Fund Minimum Balance Required	\$ 163,410.00

II. FUND BALANCE FISCAL STATUS

Balances Reported as of:	June 30 2010 _____ (Year)
A. Principal Amount of Bonds Outstanding	\$ 2,220,000.00
B. Bond Reserve Fund	\$ 164,089.00
C. Capitalized Interest Fund	\$ 0.00
D. Construction Fund(s)	\$ 0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed Value Reported as of: 01-01-2009 (Date)	(Check One)
	<input checked="" type="checkbox"/> From Equalized Tax Roll
	<input type="checkbox"/> From Appraisal of Property <i>(Use only in first year or before annual tax roll billing commences)</i>
B. Total Assessed Value of All Parcels	\$ 26,699,678.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due	\$ 222,951.00
B. Total Amount of Unpaid Special Taxes	\$ 3,355.00
C. The Taxes are Paid Under the County's Teeter Plan.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	07-08-2010 _____ (Date)
A. Total Number of Delinquent Parcels:	5
B. Total Amount of Taxes Due on Delinquent Parcels:	\$ 21,767.05

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
09-01-2009	11	18,412.05

2010 ANNUAL REPORT
\$2,355,000
HEBER PUBLIC UTILITY DISTRICT
COMMUNITY FACILITIES DISTRICT 2005-1
(HEBER MEADOWS)
SPECIAL TAX BONDS, SERIES 2005

Summary: Annual Report for Fiscal Year ending June 30, 2010 (due December 31, 2010). The following information is being provided by the Heber Public Utility District (the “Agency”) in accordance with the Continuing Disclosure Agreement dated November 1, 2005 (the “Disclosure Agreement”). The report is subject to more complete information in the Official Statement dated November 8, 2005 relating to the 2005 Series Bonds (the “Official Statement”).

All information for the Annual Report is for the period ending June 30, 2010 unless specifically stated. A description of the information presented in the Annual Report is presented.

CUSIP NUMBERS:

CUSIP	Maturity	Amount
42249 AA 2	2007	\$45,000
42249 AB 0	2008	\$45,000
42249 AC 8	2009	\$45,000
42249 AJ 3	2015	\$60,000
42249 AK 0	2016	\$60,000
42249 AL 8	2017	\$65,000
42249 AM 6	2018	\$65,000
42249 AN4	2019	\$70,000
42249 AF 1	2012	\$145,000
42249 AH 7	2014	\$110,000
42249 AP 9	2025	\$480,000
42249 AQ7	2035	\$1,165,000

Purpose: This Continuing Disclosure Report is being provided by the Heber Public Utility District, the Dissemination Agent and the Trustee for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule 15c2-12(b)(5).

Content of this Annual Report (Continuing Disclosure Section 4):

(a) The audited financial statements of the Heber Public Utility District as of fiscal year June 30, 2010 prepared in accordance with generally accepted accounting principles: A copy of audited General Fund financial statements are on file with the Clerk of the Board of the Heber Public Utility District.

“The Heber Public Utility District (the “District”) annual financial statements are provided solely in view of the Securities Exchange Commission staff’s interpretation of rule 15c2-12. The Bonds are secured by principal and interest payments on bonds issued by the community facilities district, (the “CFD Bonds”) issued by the Heber Public Utility District Community Facilities District No. 2005-1 (Heber Meadows) (the “District CFD”). The District CFD Bonds are limited obligations of the District CFD secured by special taxes levied by the District CFD on taxable property in the District CFD. The District is not obligated to advance any of the District’s funds to cover any default of the

District CFD Bonds or the Bonds. Investors should not rely on the financial condition of the District in evaluating whether to buy, hold or sell Bonds.”

(b) Updates of the information:

- (i) The principal amount of the Bonds outstanding as of the September 2, 2010 is \$2,175,000;
- (ii) the balances in the Reserve Account of the Special Fund, the Project Account of the Acquisition and Construction Fund, and the HPUD Account of the Acquisition and Construction Fund as of the June 30 preceding the filing of the Annual Report:

<u>Account Balances</u>	<u>Original or Requirement</u>	<u>June 30, 2010 Balance</u>
<u>Account Name</u>		
Special Tax Fund	n/a	\$ 228,661
Capitalized Interest	n/a	\$ -0-
Reserve	\$ 163,410.00	\$ 164,089
Redemption	n/a	\$ -0-
Prepay	n/a	\$ -0-
Project Fund	n/a	\$ -0-
Acquisition & Construction	n/a	\$ -0-
Cost of Issuance	n/a	\$ -0-
Bonds Outstanding	\$ 2,355,000	\$ 2,220,000

- (iii) Any changes to the Rate and Method approved or submitted to the qualified electors for approval prior to the filing of the Annual Report: **(None)**
- (iv) A description of any parcels for which the Special Taxes have been prepaid, including the amount prepaid, since the date of the last Annual Report: **(In 2010, one (1) parcel prepaid \$9,300 to fully prepay (100%) the Facilities portion.)**
- (v) An updated table in substantially the form of Table 3 in the Official Statement under the caption “THE DISTRICT—Direct and Overlapping Debt”:

Direct and Overlapping Debt Summary

	Percent of Levy on Parcels in the District	<u>Estimated Total Levy</u>		
		<1,800 sf Home	1,800-2,000 sf Home	>2,000 sf Home
<u>Overlapping District (1)</u>				
General Tax (1%)	1.0000%	\$1,443.38	\$1,453.40	\$1,621.09
HPUD G.O. Bond Debt Service 1968 (0.0089%)	0.0089%	\$12.85	\$12.94	\$14.43
HPUD G.O. Bond Debt Service 1972 (0.0108%)	0.0108%	\$15.59	\$15.70	\$17.51
CUHSD G.O. Bond Debt Service 1993 (0.0808%)	0.0808%	\$116.63	\$117.43	\$130.98
HESD G.O. Bond Debt Service 1998 (0.0589%)	0.0589%	\$85.02	\$85.61	\$95.48
HESD School Building Renovation (0.0530%)	0.0530%	\$76.50	\$77.03	\$85.92
Mosquito Abatement Service Fee	100.0000%	\$9.00	\$9.00	\$9.00
HPUD CFD 2005-1 (Facilities)	100.0000%	\$832.00	\$871.00	\$974.00
HPUD CFD 2005-1 (Services)	100.0000%	\$56.00	\$56.00	\$56.00
HESD CFD 2005-1 Special Tax A (HESD)	100.0000%	\$0.00	\$0.00	\$0.00
HESD CFD 2005-1 Special Tax B (CUHSD)	100.0000%	\$390.00	\$408.00	\$455.00
Total		\$3,036.96	\$3,106.10	\$3,459.41
Average Home Price	1/1/2009	\$144,338.31	\$145,339.95	\$162,109.16
Total Tax Rate		2.10%	2.14%	2.13%

*Source: Imperial County

- (vi) A table setting forth the estimated assessed value-to-lien ratios for all Taxable Property (as defined in the Rate and Method) within the District based upon (A) the most recent Special Taxes levy preceding the date of the Annual Report, (B) the assessed values of the Taxable Property in the District based on the Imperial County Assessor's most recent equalized tax roll, (C) the amount of direct and overlapping debt consistent with the table provided pursuant to item (v) above:

Assessed Value to Lien Summary					
Fiscal Year	County Assessed Value *	Special Tax Levy	Levy-to-Lien	Direct and Overlapping Debt	Value-to-Lien
2005-2006	\$14,516,281	\$-0-	n/a	\$2,355,000	6 :1
2006-2007	\$13,507,292	\$138,631	97 :1	\$2,355,000	6 :1
2007-2008	\$43,598,006	\$210,853	207 :1	\$2,310,000	19 :1
2008-2009	\$41,505,824	\$222,566	186 :1	\$2,265,000	18 :1
2009-2010	\$26,699,678	\$222,951	120 :1	\$2,220,000	12 :1

* As of January 1 of the year the Fiscal Year began.

- (vii) A table including a list of all taxpayers within the District which own property the District upon which five percent or more of the total Special Taxes for the most recently completed Fiscal Year have been levied, including (A) the assessor's parcel number of such taxpayer's property, (B) the percentage of Special Taxes payable by each taxpayer, and (C) a statement as to whether any of such taxpayers is delinquent in the payment of Special Taxes:

<u>Ownership >5%</u>	<u>2010-2011 Special Tax Levy</u>	<u>% of Special Tax Levy</u>
Heber Meadows I llc And Meadows I llc	\$ 53,968	24%
Coyne Martin D	\$ 10,080	5%
Owned by Others	\$ 158,097	71%
Total Levy 2010-2011	\$ 222,145	100%

*Source: Imperial County

- (viii) A table setting forth for the five most recent Fiscal Years in which Special Taxes were levied, the amount of Special Taxes levied in each Fiscal Year and the percentage delinquent as of June 30 of such Fiscal Year and as of the date of the Annual Report, and a description of the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes:

<u>Historical Levy and Delinquency History</u>			
<u>Fiscal Year</u>	<u>Annual Special Tax Levy</u>	<u>Amount Late or Delinquent 10/05/2010*</u>	<u>Amount Late or Delinquent</u>
2006-2007	\$ 138,631.00	\$ 1,433.00	1.0%
2007-2008	\$ 210,853.00	\$ 6,350.00	3.0%
2008-2009	\$ 222,566.00	\$ 2,867.60	1.3%
2009-2010	\$ 222,951.00	\$ 1,984.00	0.9%
Total	\$ 795,001.00	\$ 12,634.60	1.6%
2010-2011	\$ 222,145.00	n/a	n/a

*Source: Imperial County Direct Charges Report and Direct Collection Report

The amount on deposit in the Reserve Account has been, and currently is, at least equal to the Reserve Requirement, so the Heber Public Utility District and CFD 2005-1 currently have no obligation under such indenture to commence foreclosure proceedings with respect to any of the parcels in CFD 2005-1 with delinquent Special Taxes.

With respect to delinquencies on parcels, the Heber Public Utility District, for itself and on behalf of CFD 2005-1, has commenced certain delinquency management actions with respect to such parcels. The delinquencies as to a majority of such parcels was paid relatively quickly after such actions, and with respect to approximately eight (8) of such parcels, foreclosure cases to collect the delinquencies are still pending.

- (ix) the date of issuance and the principal amount of any Parity Bonds (as defined in the Indenture) and a copy of any appraisal delivered in connection with such issuance: **(None)**
- (x) any information not already included under (i) through (ix) above that the District is required to file in its annual report to the California Debt and Investment Advisory Commission pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended: **(None Reportable)**

Reporting of Significant Events (Continuing Disclosure Section 5): The Heber Public Utility District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Heber Public Utility District Bonds, if material:

- (a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:
 - (i) Principal and interest payment delinquencies **(None)**;
 - (ii) Non-payment related defaults **(None)**;
 - (iii) Unscheduled draws on debt service reserves reflecting financial difficulties **(None)**;
 - (iv) Unscheduled draws on credit enhancements reflecting financial difficulties **(None)**;
 - (v) Substitution of credit or liquidity providers, or their failure to perform **(None)**;
 - (vi) Adverse tax opinions or events adversely affecting the tax-exempt status of the Bonds **(None)**;
 - (vii) Modifications to rights of security holders **(None)**;
 - (viii) Unscheduled bond calls **(Mandatory Prepayment of one (1) parcel)**;
 - (ix) Defeasances **(None)**;
 - (x) Release, substitution or sale of property securing repayment of the securities **(None)**; and
 - (xi) Rating changes **(None)**.

Notices: Notices should be sent in writing to the following addresses. The following information may be conclusively relied upon until changed in writing:

District: Heber Public Utility District
1078 Dogwood Road
Suite 103
P.O. Box "H"
Heber, California 92249
(760) 482-2440 (760) 353-9951 Fax

Dissemination Agent: Wells Fargo Bank, National Association
707 Wilshire Boulevard
17th Floor
Los Angeles, California 90017
(213) 614-3328 (213) 614-3355 Fax

Trustee: Wells Fargo Bank, National Association
707 Wilshire Boulevard
17th Floor
Los Angeles, California 90017
(213) 614-3328 (213) 614-3355 Fax

Any subsequent statements regarding the Heber Public Utility District 2005 Series Special Tax Bonds other than a statement made by Heber Public Utility District, or the Trustee in an official release or subsequent notice or annual report, published in a financial newspaper or other publication general circulation and/or filed with the municipal securities rulemaking board or a nationally recognized municipal securities information repository, are not authorized by Heber Public Utility District or the Trustee. Neither the Heber Public Utility District nor the Trustee shall be responsible for the accuracy, completeness or fairness of any such unauthorized statement.

This report is being filed pursuant to the Disclosure Agreement and does not purport to contain all material information with respect to the 2005 Series Bonds or the financial condition of Heber Public Utility District. Neither Heber Public Utility District nor the Trustee has any obligation to update this report other than as expressly provided in the Disclosure Agreement.

Heber Public Utility District



**311 Loch Lomond
Rancho Mirage, California 92270-5607**

Phone: (760) 202-1060

Fax: (760) 202-1070

GGMS@Earthlink.net

Special Tax Progressive Collection

	<u>Action Date</u>
First Installment (late December 11th)	December
Paid / Unpaid Report from County	February
Delinquency Report to the City	March
Reminder Letter sent to Property Owner	March
Second Installment (late April 11th)	April
Paid / Unpaid Report from County	May
Delinquency Report to the City	May
Reminder Letter sent to Property Owner	June
Unpaid Installments (Delinquent July 1st)	July
Reminder Letter sent to Property Owner	July
Notice of Collection Letter sent to Property Owner	August
Judicial Foreclosure Begins	October