

In the opinion of Best Best & Krieger LLP, San Diego, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, the interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purpose and is not a specific preference item for purposes of the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

\$5,110,000
HI-DESERT WATER DISTRICT
(San Bernardino County, California)
Water Revenue Refunding Bonds, Series 2013

Dated: Date of Delivery

Due: September 1, as shown on inside cover

Capitalized terms used but not defined in this cover page have the meanings set forth herein.

Authority for Issuance. The bonds captioned above (the "Bonds") are being issued by the Hi-Desert Water District (the "District") under an Indenture of Trust, dated as of April 1, 2013 (the "Indenture"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the "Trustee").

Use of Proceeds. The Bonds are being issued to provide funds to (i) defease and refund on a current basis the District's outstanding Prior Obligations (as defined herein); (ii) provide for a Reserve Policy; and (iii) pay the costs of issuing the Bonds. See "THE REFUNDING PLAN."

Security for the Bonds. The Bonds are payable from and secured by the District's pledge of Net Revenues under the Indenture, defined generally as gross revenues received from the District's water transportation, treatment and distribution system (the "Water System"), less maintenance and operation and maintenance expenses of the Water System. See "SECURITY FOR THE BONDS."

Additional Parity Bonds and Contracts. The District may issue Parity Bonds and additional Contracts on the terms herein and conditions set forth in the Indenture. See "SECURITY FOR THE BONDS – Parity Bonds."

Bond Terms; Book-Entry Only. The Bonds will bear interest at the rates shown below, payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2013, and will be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple of \$5,000. The Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – General Provisions."

Redemption. The Bonds are subject to optional and mandatory redemption prior to maturity. See "THE BONDS – Redemption."

NEITHER THE BONDS NOR THE OBLIGATION OF THE DISTRICT TO PAY PRINCIPAL OF OR INTEREST THEREON CONSTITUTE A DEBT OR A LIABILITY OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF NET REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE DISTRICT.

MATURITY SCHEDULE
(See Inside Cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE BONDS.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Best Best & Krieger LLP, San Diego, California, Bond Counsel. Certain legal matters will also be passed upon for the District by Best Best & Krieger LLP, San Diego, California, as Disclosure Counsel, and Best Best & Krieger LLP, Ontario as District Counsel. Certain legal matters will be passed upon for the Trustee by its counsel. It is anticipated that the Bonds will be delivered in definitive form through DTC on or about May 2, 2013.

Southwest Securities, Inc.