

DEXTER S. WILSON, P.E.
ANDREW M. OVEN, P.E.
STEPHEN M. NIELSEN, P.E.
NATALIE J. FRASCHETTI, P.E.

MEMORANDUM

806-001

TO: Jon Rilling, Accretive Investments, Inc.

FROM: Natalie J. Frascchetti, P.E., Dexter Wilson Engineering, Inc.
Dexter S. Wilson, P.E., Dexter Wilson Engineering, Inc.

DATE: June 9, 2015

SUBJECT: Emergency Water Conservation Consistency Analysis



Introduction

This analysis is provided to show that the proposed Lilac Hills Ranch (LHR) development project is consistent with the temporary, emergency Executive Order (EO) B-29-15 issued by Governor Brown on April 1, 2015. That EO, and related State Water Resources Control Board (SWRCB) regulations adopted May 5, 2015, mandate various water conservation restrictions to achieve a statewide 25% reduction in potable water usage through February 2016. (The EO and the SWRCB resolution and regulations are found at http://www.swrcb.ca.gov/waterrights/water_issues/programs/drought/emergency_mandatory_regulations.shtml, and are incorporated by reference). Further, the Valley Center Municipal Water District's (VCMWD) current water conservation regulations mandate significant reductions in customer potable water usage.

As explained below, the proposed LHR project is consistent with the emergency water conservation regulations mandated by the SWRCB and VCMWD. The Lilac Hills Ranch Project intends to fully comply with all water conservation regulations required by the VCMWD and State (emergency or otherwise).

This analysis is not a modification or change to the project's Water Supply Assessment and Verification Report (WSAV), or to the VCMWD's adopted Urban Water Management Plan (UWMP). Those documents, and the conclusions in them, remain valid and unchanged as discussed below. The VCMWD issued a letter supporting this statement on June 5, 2015 (attached Exhibit A).

Note that the project EIR references the water demands calculated in the project's 2014 Water Technical Report. There were minor adjustments made to the project's water demand between completion of the 2012 WSAV and the 2014 Water Technical Report due to minor adjustments in the land use plan. Exhibit B provides a comparison of these numbers. The remainder of this document refers to the demand numbers in the WSAV as certified by the VCMWD Board. This is a conservative approach over using the more recent Water Technical Report demand numbers as the demands calculated in the WSAV are higher than those calculated in the Water Technical Report.

Background

- **EO Goal:** The primary goal of the Governor's EO (as applied to the LHR project) is to achieve a 25% reduction in water use across the state as compared to the amount utilized in 2013. The reduction amount required of each urban water supplier is determined based on per capita water use whereby those areas with high per capita use are to achieve proportionally greater reductions than those with low use.
- **VCMWD Target Reduction (Gallons/Capita/Day (GPCPD)):** Consistent with the EO, the SWRCB issued emergency water conservation regulations on May 5, 2015, which delineate the percentages of conservation required compared to 2013 use. The conservation percentages were determined based on per capita water demand during the period July through September 2014, and range from 8 percent to 36 percent whereby those water suppliers with the greatest per capita water demand (215 GPCPD and greater) are required to conserve the most (36 percent) and those with the lowest per capita water use (65 GPCPD and less) are required to conserve the least (8 percent). (See SWRCB Regulations Section 865(c)(3-10).) Based on this criteria, the SWRCB

determined that VCMWD's per capita water usage during the applicable period is 291 GPCPD; thus, requiring the VCMWD to reduce its service area potable water use by a 36% reduction relative to its 2013 water use.

- **EO Prohibitions:** In addition to the water use reduction requirements, the SWRCB emergency regulations (Section 864(a)) prohibit all end-users from engaging in the following activities:
 - Applying potable water to outdoor landscapes in a manner which causes runoff,
 - Using hoses to wash motor vehicles unless the hose has a shut-off nozzle,
 - Applying water to driveways or sidewalks,
 - Using a fountain or other water feature where the water does not circulate,
 - Applying potable water to outdoor landscapes during and within 48 hours after measureable rainfall,
 - Serving drinking water other than upon request in food/drink establishments,
 - Irrigating with potable water ornamental turf on public street medians,
 - Irrigating with potable water landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development,

- **Existing (2013) LHR Use (Acre-Feet (AF)):** For existing use, LHR project obtained 2013 potable water usage numbers from VCMWD on April 23, 2015, for all of the parcels that comprise the proposed development site (the list of APNs are provided in Exhibit C). The 2013 imported potable water use of the LHR parcels totaled 366 AF.

- **Projected LHR Future Use (Acre-Feet/Year (AFY)):** For future use, the WSAV analyzed a project water demand of 967 AFY (with conservation). More specifically, the WSAV analyzed a potable (imported) water demand of

487 AFY to supply interior and exterior residential uses, interior commercial uses, and interior institutional uses (289 AFY for interior potable use, 169 AFY for exterior potable use, and 30 AFY for exterior non-potable use). The LHR project will rely on groundwater (191 AFY) and recycled water (289 AFY) to provide the remainder of the exterior demands. See the attached Appendix A of the WSAV (Exhibit D).

- **Projected LHR Future Use (GPCPD):** Based on the WSAV estimated project population of 4,470, the projected total imported water use/demand (487 AFY) is estimated to be 97 GPCPD.¹ When evaluating *interior* potable water use only (289 AFY), the use is estimated to be 58 GPCPD².
- **Projected LHR Population:** The estimated project population of 4,470 utilized throughout this analysis is consistent with the estimated project population of 4,470 utilized in the WSAV. The EIR project population estimate is 5,180. Utilizing a lesser population results in a greater per capita water usage rate; thus, utilizing the estimated population of 4,470 is a conservative a preferable approach to the analysis.

Project Regulations for Water Conservation Compliance with EO, SWRCB, and VCMWD

A. District-Wide Analysis

1. **Current VCMWD Water Usage (GPCPD):** As the EO requires water use reductions statewide to be achieved by urban water suppliers, compliance with the EO and regulations related to the project was analyzed on a District-wide level. Per the regulations, the District's current potable water usage rate is 291 GPCPD.

¹ 487 AFY divided by 365 days per year times 325,900 gallons per AF divided by 4,470.

² 289 AFY divided by 365 days per year times 325,900 gallons per AF divided by 4,470.

2. **Projected VCMWD Water Usage With LHR Assuming Current District Usage Rate (GPCPD):** Using a population estimate for the District of 25,785 (2010 UWMP, Table 3-1) and a projected LHR project population of 4,470 using water at a rate of 58 GPCPD, the proposed project (without emergency conservation) would result in a decrease in the overall District water usage rate from 291 GPCPD to 257 GPCPD³, thereby providing the District with approximately one-third of the required 36% reduction⁴. Thus, based on current VCMWD usage rates, the LHR project would help lower those rates towards meeting the target reduction.

3. **Projected VCMWD Water Usage With LHR Assuming Target District Usage Rate (GPCPD):** The District's current potable water usage rate is 291 GPCPD. Based on the 36% reduction, the District's usage rate would decrease to 186 GPCPD. Using a population estimate for the District of 25,785 (2010 UWMP, Table 3-1) and projected LHR project population of 4,470 using water at a rate of 58 GPCPD, and assuming District rates at the target 186 GPCPD, the LHR project would further decrease the overall District water usage rate to 167 GPCPD (an additional 10% reduction over mandatory 36% reduction⁵. Thus, with VCMWD meeting its target rate reductions, the LHR project would contribute to further lowering those rates.

B. Project Specific Analysis

1. **LHR Target Usage Rate (GPCPD):** The SWRCB emergency regulations do not apply to proposed new development; instead, they apply to end users and urban water suppliers. However, to the extent that the EO and regulations could be interpreted as requiring water use reductions statewide to be achieved by new development at the individual project-level, compliance with the EO and regulations at the project-level also was analyzed. Utilizing the 2013 base year potable usage of 366 AFY and applying of the 36% reduction, the annual

³ 291 GPCPD times 25,785 population + 58 GPCPD times 4,470 population = 257 GPCPD times 30,249 pop

⁴ 291 GPCPD minus 36% reduction is 186 GPCPD, a difference of 105 GPCPD. 291 GPCPD minus 257 GPCPD is 34 GPCPD. 34 GPCPD/105 GPCPD is 32% or approximately one third of the required reduction.

⁵ 186 GPCPD times 25,785 population + 58 GPCPD times* 4,470 population = 167 GPCPD times 30,249 pop.
186 GPCPD – 167 GPCPD = 19 GPCPD. 19 GPCPD/186 GPCPD = 10%

potable water use by the project parcels would be limited to 234 AFY. Based on proposed project population, the project would be required to achieve a target of 47 GPCPD.

2. LHR Will Achieve Target Rate: As calculated previously, the estimated interior potable water use by the project is estimated to be 58 GPCPD. It is reasonable and achievable to assume the LHR project will achieve the target of 47 GPCPD based on the following:

a. **Eliminate Exterior Usage.** Regulations require new construction to utilize drip or microspray systems in addition to requirements developed by the Building Standards Commission and the Department of Housing and Community Development for exterior irrigation with potable water. This requirement would drastically reduce (or eliminate) the exterior potable water needs. The project could make several assumptions regarding this use that would effectively eliminate the demand while the regulations are in effect. For example, either (1) the project could choose to forgo any exterior irrigation with potable water while in an emergency scenario, (2) restrict exterior irrigation to that which could only be supported with rain water or grey water catchment on an individual homeowner basis, or (3) work with VCMWD to permit the use of recycled water on single family residences (which would require recycling of wastewater outside of what is generated by the LHR project). Since implementation of any of these approaches would effectively eliminate the *exterior* potable water demand, the remaining potable water demand would be 289 AFY or 58 GPCPD.

b. **VCMWD Response Plan.** The 58 GPCPD does not consider the implementation of Article 230 of the VCMWD Administrative Code, the District's Water Supply Shortage Response Plan. The District is presently in Stage 2 of this plan. Stage 1 of this plan consists of a voluntary 10% demand reduction among other things. Stage 2 transitions from voluntary to mandatory water conservation measures to achieve up to 20% water savings.

- c. Pre-Drought Demand Calculation. The calculation of the potable water demand requirement of 58 GPCPD is a “pre-drought” number, meaning the demand does not consider implementation of the water restrictions themselves that are contained in the emergency regulations.
- d. Additional Project Features. Additional features the project could utilize to further reduce water demands include:
 - 1. Installation of dual flush toilets
 - 2. Installation of composting toilets
 - 3. Pedal-controlled faucets
 - 4. Use of rain water collection systems
 - 5. Use of flushless urinals in commercial spaces
 - 6. Establishment of a car wash that utilizes groundwater or recycled water
- e. Achievable Reduction. Of the urban water suppliers listed in the SWRCB regulations, four are achieving GPCPD of 47 or less demonstrating that the target not only is achievable but it is expected that these four agencies save an additional 8%. Further, the 2014 residential water usage in San Francisco, before application of emergency water restriction measures, was about 49 GPCPD. (See San Francisco Public Utilities Commission Water Supply Update at <http://sfwater.org/index.aspx?page=760>.)

C. Compliance with Regulations

- 1. The LHR project will comply with all SWRCB and VCMWD regulations, emergency, or otherwise that are applicable and in effect at the time of building permit issuance.
- 2. As discussed in the WSAV, interior water conservation project design features include:
 - a. Interior water conservation features:

1. High efficiency clothes washers
 2. High efficiency dishwashers
 3. Low flush toilets
 4. Low flow water faucets and showerheads
 5. Tankless water heaters
 - b. Exterior water conservation features:
 1. Weather-based irrigation controllers
 2. Low water use landscaping (xeriscape)
 3. Restrictions limiting turf use and encouraging artificial turf
 - c. Additional conservation features:
 1. Installation of “smart” meters with leak detection capability
 2. Individually metered multi-family units
3. As applicable, the LHR project would incorporate the EO water conservation requirements (http://www.swrcb.ca.gov/waterrights/water_issues/programs/drought/emergency_mandatory_regulations.shtml), which include:
 - a. Contribute its fair share toward achieving a statewide 25% reduction in potable urban water usage through February 28, 2016.
 - b. Prohibit irrigation with potable water of ornamental turf on public street medians.
 - c. Prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems.
4. As applicable, the LHR project would follow all SWRCB usage restrictions (see http://www.swrcb.ca.gov/waterrights/water_issues/programs/drought/emergency_mandatory_regulations.shtml), which include the following prohibitions:
 - a. The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.

- b. The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;
- c. The application of potable water to driveways and sidewalks; and
- d. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;
- e. The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall;
- f. The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeteria's, bars, or other public places where food or drink are served and/or purchased;
- g. The irrigation with potable water of ornamental turf on public street medians; and
- h. The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.
- i. To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.
- j. Immediately upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to Section 865, shall either:
 - 1. Limit outdoor irrigation of ornamental landscapes or turf with potable water to nor more than two days per week; or
 - 2. Reduce potable water usage supplied by sources other than a water supplier by 25 percent for the months of June 2015

through February 2016 as compared to the amount used from those sources for the same months in 2013.

- k. The taking of any action prohibited in Section 864, subdivision (a) or the failure to take any action required in subdivisions (b) or (c), is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.
5. As applicable, the LHR project would comply with all VCMWD usage restrictions, which include:
- a. Limiting outdoor ornamental or turf grass irrigation to two days per week.
 - b. Stop washing down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
 - c. Stop water waste resulting from inefficient landscape irrigations, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscape, roadways, or structures.
 - d. Irrigate residential and commercial landscape before 10:00 a.m. and after 4:00 p.m. only.
 - e. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.
 - f. Irrigate nursery and commercial grower's products before 10:00 a.m. and after 4:00 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.
 - g. Use re-circulated water to operate ornamental fountains.

- h. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation.
 - i. Repair all water leaks within five (5) days of notification by the District unless other arrangements are made with the General Manager.
 - j. Repair all leaks within seventy-two (72) hours of notification by the District unless other arrangements are made with the General Manager.
 - k. Use recycled or non-potable water for construction purposes when available and economically feasible as determined by the applicant for the temporary construction water account.
6. SWRCB enforcement of the emergency regulations includes end user fines of up to \$500 per day for not adhering to specific prohibitions (Section 864(d)). In addition, VCMWD water conservation enforcement measures in Article 230 will ensure that the LHR complies with various water conservation mandates.

D. Continued Viability of Water Supply

- A. The SDCWA and the VCMWD will continue to have a viable supply of water. The San Diego County Water Authority has worked diligently over the past decades to develop a diverse water supply for the region. While the SDCWA has taken steps to assist its member agencies in compliance with the Executive Order, the SDCWA stands confidently with respect to its available supply as stated in their May 7, 2015 News Release regarding the Emergency Regulations,

“Local investments in reliable water supplies such as the Carlsbad Desalination Project and independent water transfers from the Imperial Valley will allow the Water Authority to offset most of the reduction in supplies from MWD in fiscal year 2016. That means the Water

Authority expects to have enough water supplies to meet almost all of the typical demands by its member agencies for the year starting July 1. However, Water Authority member agencies are under state orders to reduce water use by 12 to 36 percent regardless of available water supplies.

The Water Authority's longstanding supply allocation methodology during periods of shortage accounts for MWD's allocations and locally controlled water supplies. Based on that calculation, municipal and industrial deliveries to the Water Authority's member agencies will be reduced by approximately 1 percent compared to projected 'normal' demands during fiscal year 2016."

- B. The LHR project WSAV and the VCMWD UWMP remain valid per the June 5, 2015 letter from VCMWD (Exhibit A).

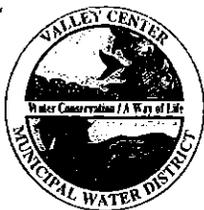
Conclusion

The LHR project is consistent with and will adhere to any existing and new water conservation regulations from the EO, SWRCB, and VCMWD.

NF:ck

EXHIBIT A

May 2015 Letter from VCMWD



VALLEY CENTER MUNICIPAL WATER DISTRICT

A Public Agency Organized July 12, 1954

Board of Directors
Gary A. Broomell
President
Robert A. Polito
Vice President
Merle J. Aleshire
Director
Charles W. Stone, Jr.
Director
Randy D. Haskell
Director

June 5, 2015

Mr. Mark Slovick
Land Use Environmental Planner
Planning and Development Services, County of San Diego
5510 Overland Avenue, Suite 310
San Diego, CA 92123

RECEIVED

JUN 08 2015

BY: _____

Subject: Comments on the May 29, 2015 Draft Emergency Water Conservation Consistency Analysis by Natalie Frascchetti and Dexter Wilson, of Dexter Wilson Engineering, Regarding the Proposed Lilac Hills Project

Dear Mr. Slovick;

You have asked us to review and comment on the above referenced document herein after referred to as "Draft Analysis," (copy attached). The document is detailed and lengthy, so rather than address each and every point, we will address the overall issue of how Governor Brown's Executive Order B-29-15 impacts Valley Center Municipal Water District and potentially the proposed Lilac Hills Ranch Development (LHR).

I. Summary Comments

Comprehensive and Generally Accurate - The Draft Analysis is a very comprehensive and generally accurate assessment of the Governor's Executive Order with current and potential extended impacts on VCMWD and LHR. Also accurately explained are the various mandatory use provisions reflecting actions by the SWRCB, SDCWA and VCMWD.

Consistent with the Water Supply Assessment Verification Report (WSAV) - Though the District did not specifically test the calculations concerning LHR Future Use in Acre Feet, GPCD, the Project Population, the LHR project specific GPCD and its potential impact on VCMWD's overall average GPCD, the calculations and conclusions seem reasonable and consistent with the LHR WSAV dated October 2012 and certified by VCMWD.

LHR to Meet Building Standards Requirements - VCMWD assumes that LHR will incorporate the many water efficiency features in the design of its structures, outfitting of residential and commercial units with appliances, landscape and landscape irrigation systems as currently required by law, or will soon be implemented by the State Building Standards Commission under the directive of Governor Brown and the County of San

Diego through its land use and building permitting process. See attached "Finding of Emergency of the California Building Standards Commission (CBSC)."

All Wastewater Will be Reclaimed for Beneficial Use - Finally, all wastewater generated by LHR will be treated to advanced tertiary levels and then put to beneficial use on the project for slope and common area landscape irrigation.

Water Supply Conditions in the Future - Unknown at this time however, is how long will the current drought last, how long will the current SWRCB, SDCWA and VCMWD mandatory use provisions be in place, and what will happen if the current drought continues for another or several more years. Due to these unknowns, it is very difficult to predict what the water supply scenario will be at the point in time the LHR begins to actually develop and require water and wastewater service from VCMWD. Certain, however, is the fact that LHR and other developments will have to comply with whatever mandatory water use provisions are in place at any given time in the future; up to and including interim new meter moratoriums if indeed warranted by future water supply conditions.

II. Governor's Executive Order B-29-15 ("Executive Order") and the State Water Resources Control Board Regulations

The Executive Order (B-29-15) issued on April 1, 2015 called for a 25% (1.3 MAF) mandatory reduction in water consumption statewide. The Governor also directed the State Water Resources Control Board to develop and implement statewide regulations which would achieve those levels of reduction, taking into consideration varying levels of gallons per day, per capita across the state.

Also included in the Executive Order were directives to the Department of Water Resources to update the Statewide Model Landscape Ordinance, as well as assist in the implementation of programs to facilitate removal of 50 million square feet of turf grass. There were also additional directives to the SWRCB to implement regulations to determine how new developments would be landscaped and irrigated with drip or micro-spray technology. This directive was subsequently passed on to the California Building Standards Commission. Finally, the SWRCB was directed to assist retail water agencies in developing and implementing water rates, charges, fees and fine structures to encourage conservation.

The SWRCB Regulatory Framework was issued on April 7, 2015, the Draft Regulations were issued on April 18, 2015, the Final Draft Regulations were issued April 28, 2015 and the Final Regulations were adopted by the SWRCB on May 5, 2015.

III. Impact of Executive Order on Valley Center Municipal Water District

The current impact of the Final Regulations on VCMWD is as follows:

SWRCB Regulations Implementation - On a monthly basis, between June 1, 2015 and February 25, 2016 (270 days) the District will be required to reduce its Total Potable Water Production (TPWP) by 36% compared to the domestic/commercial TPWP for the same months in Calendar 2013. This percentage of reduction is based on the District's domestic/commercial Gallons Per Capita per Day (GPCD) as measured between July and September of 2014. This number was then used to place the District in the highest conservation category, 36%. Since that time, the District has lowered domestic/commercial use to 170 GPCD; however, under the current regulations that will not change the TPWP reduction requirement for the current regulatory term. A lower GPCD could be beneficial if the regulations are extended into a second 270-day period and possibly amended to recognize changes in GPCD during the initial regulatory period.

Commercial Agriculture was exempted in the final regulations adopted by the SWRCB from the specific percentage of domestic/commercial potable water production imposed on domestic/commercial use customers, but is subject to locally imposed water conservation requirements determined appropriate by the retail water supplier.

District Water Supply Shortage Response Level – Based upon the supply that is currently available from the SDCWA, the melded supply reduction from the SDCWA is 10.4% (the weighted average of 1.4% for domestic and 15% for TSAWR), which is contained within the Level 2 - Water Supply Shortage Alert category. The District will remain at that response level until the melded supply reduction is eliminated or is increased beyond 20%.

The specific impact on the District's customer classes is as follows:

Domestic/Commercial Customers – At this time Domestic/Commercial customers will be required to comply with all of the mandatory use provisions previously adopted by the VCMWD Board of Directors, and updated in response to actions by the SWRCB and the SDCWA. These can be found in Article 230 of the District's Administrative Code (see attached copy), in the VCMWD Board Memorandum dated May 18, 2015 (copy attached), and are accurately described in the subject Draft Analysis. It is anticipated that customer compliance with the mandated use restrictions will allow the District to meet its TPWP reduction requirement.

Non-compliance with mandatory water use provisions by individual customers will result in a series of progressive enforcement actions, including and up to a \$1,000 fine and flow restrictions. If this approach is not successful in allowing the District to meet its total potable water production reduction, the District will consider implementing customer specific monthly water use allocations enforced with over-use commodity based penalties, as well as the non-compliance penalties referenced above.

SDCWA - Transitional Special Agricultural Water Rate (TSAWR) Customers – Based upon the terms of this TSAWR Program, the water use reduction to this customer classification is based upon the supply reduction imposed on the SDCWA by

MWD, which is currently 15% compared to FY 2013-2014 usage. If MWD changes this reduction level, reductions to TSAWR customers will change accordingly. Compliance with the reduction levels is achieved through the application of overuse penalties established by MWD, and passed through the SDCWA and VCMWD to the participating customers.

Commercial Agricultural – Full Price (CAFP) - Though paying full price and not subject to the TSAWR 15% reduction, customers self-identifying in this classification will be subject to a 10% reduction compared to usage in FY 2013-2014, enforced with overuse penalties less onerous than those imposed on TSAWR participants which have received the pricing benefit of the TSAWR differential.

IV. Current Impact of Executive Order on the Lands Intended for the Lilac Hills Development – Present Time

Assuming the water use on the subject properties is roughly the same as that identified in the Water Supply Assessment Verification Report dated October 2012, of the 513 AF used on the properties, 483 AF were purchased through the TSAWR Program and 30 were purchased as domestic, full price supply; then the impact of the current regulations would be as follows:

Domestic-Full Price Water:

- **Domestic/Commercial Uses** – Water used for domestic/commercial purposes would be subject to the current mandatory use restrictions, or future more stringent specific use allocation requirements, up to a 36% reduction.
- **Commercial Agriculture-Full Price (CAFP)** – Water use for this classification will be reduced by 10% compared for usage in FY 2013-2014, and overuse will be subject to financial penalties.

TSAWR – As explained above, water use in this classification will be required to reduce usage by 15% compared to usage in FY 2013-2014. Based upon TSAWR usage amounts discussed in the WSAV of 483 AF, a 15% mandatory reduction would result in 410 AF being available for use on those properties for agricultural purposes.

V. Future Impact on Lilac Hills Development if Current Regulations are in place at the Time of Development

If the current conditions, regulations and requirements were to be in place at the time the LHR Development moves forward, the following factors would be in play:

SWRCB- California Building Standards/Updated Model Landscaping Ordinance - At the directive of the Governor's Executive Order, the California Building Standards Commission Emergency Building Regulations was directed to develop and adopt new building standards to reduce water waste. Further, the Department of Water Resources

was directed to update the California Model Landscape Ordinance as guidance to cities and counties concerning possible modifications to local and regional landscape requirements. It is assumed that LHR will be required through the land-use design and building permit process to comply with the revised state building standards and whatever new or modified requirements will come from the updated Model Landscape Ordinance.

Level 2, Water Alert and SDCWA Mandatory Use Provisions - Level 2 Water Supply Shortage Alert, provisions would still be in place, as follows:

- **Mandatory Use Provisions (SWRCB, SDCWA and VCMWD)** would be in place for all potable water used for turf grass and outside ornamental landscape.
- **Reclaimed Water** used for turf irrigation or ornamental landscape would be exempt from the provisions applying to potable water use, but would be controlled by the water use and run-off control provisions which would be contained in the reclaimed water operating permit issued for the development.
- **Potable Water** used for commercial agricultural purposes would be used under the provisions governing TSAWR and CAFP usage.
- **Water Meters** would continue to be issued. As there is not now, and assuming that there is not then, an actual water supply shortage emergency as defined by Water Code Section 350, the VCMWD Board has no legal basis to impose a meter moratorium. As such, the District will continue to sell water meters to LHR and other developments with the proviso that these meters would be given a minimum monthly allocation of 10 HCF, or 7,500 gallons; which for a family of three is 83 GPCD and for a family of 4 would be 62 GPCD. This would provide ample water for inside use but little for use on outside ornamental landscape.

This allocation could also be subject to a percentage reduction depending on water supply conditions.

VI. Concluding Remarks

With all of these short-term uncertainties at play, we must take a look back at the underpinnings of the WSAV report as those are the tangible and successful efforts of MWD and the SDCWA to plan and develop alternative water supplies to meet the long-term water needs of southern California and San Diego County. Despite the impact of short-term droughts and water supply shortages, in the long-term the District is confident that through the combined efforts of the state, MWD, the SDCWA and VCMWD, sufficient supplies will be available for its service area, including the LHR development.

Please feel free to contact my office if you should have additional questions or need additional information. My direct line is 760-735-4515 and my e-mail is garant@valleycenterwater.org.

Sincerely;

A handwritten signature in black ink, appearing to read 'GA', with a long horizontal stroke extending to the left.

Gary Arant
General Manager

cc: Jon Rilling, Accretive Development, LHR

Attachments

EXHIBIT B

Lilac Hills Ranch Water Demand Comparison

COMPARISON OF PROJECT WATER REQUIREMENTS		
Water Component	Quantity from 10-9-2012 WSAV	Quantity from 2-14-2014 Water Technical Study
Project Demand Without Conservation	1,290 AFY	1,246 AFY
Project Demand With Conservation	967 AFY	935 AFY
Project Supply		
Groundwater	191 AFY	191 AFY
Recycled Water	289 AFY	312 AFY
Imported Water	487 AFY	432 AFY
Total Project Supply	967 AFY	935 AFY
Existing Imported Water Use	513 AFY	513 AFY
AFY, acre-feet per year		

EXHIBIT C

**Lilac Hills Ranch
List of APNs**

Lilac Hills Ranch Assessor Parcel Numbers			
<u>No.</u>	<u>APN</u>	<u>No.</u>	<u>APN</u>
1	127-072-20	31	128-290-72
2	127-072-14	32	128-290-07
3	127-072-38	33	128-290-51
4	127-072-46	34	128-290-09
5	127-072-47	35	128-290-10
6	127-072-41	36	128-290-11
7	127-072-40	37	128-290-58
8	128-440-01	38	128-290-54
9	128-280-42	39	128-290-59
10	128-280-46	40	128-290-60
11	128-440-21	41	128-290-61
12	128-440-20	42	128-290-55
13	128-440-17	43	128-290-56
14	128-440-18	44	128-290-57
15	128-440-19	45	128-290-75
16	128-440-03	46	129-010-62
17	128-440-22	47	129-010-76
18	128-440-14	48	129-010-75
19	128-440-15	49	129-010-73
20	128-440-06	50	129-010-74
21	128-440-05	51	129-010-69
22	128-440-23	52	129-010-70
23	128-440-02	53	129-010-71
24	128-280-27	54	129-010-72
25	128-280-10	55	129-010-68
26	128-280-37	56	129-011-15
27	128-290-74	57	129-011-16
28	128-290-69	58	129-300-09
29	128-290-70	59	129-300-10
30	128-290-71		

EXHIBIT D

Lilac Hills Ranch Water Supply Assessment and Verification Appendix A

Lilac Hills Ranch

9-26-2012

Lilac Hills Ranch Potable and Non-Potable Water Use With Conservation										
Land Use	Pre-Conservation Water Use	Water Use With Conservation of 25%	Interior Demand %	Potable Water Demand	Exterior Demand %	Potable Water Demand	Non-Potable Water Demand	Total Potable Demand	Total Non-Potable Demand	Project Total Demand
Single Family	466,000	349,500	40	139,800	60	104,850	104,850 *	244,650	104,850	349,500
Senior Community	140,400	105,300	40	42,120	60	31,590	31,590 *	73,710	31,590	105,300
Multi-Family	104,353	78,265	40	31,306	60	14,088	32,871 *	45,394	32,871	78,265
Commercial/Mixed Use	39,428	29,571	40	11,828	60	-	17,742	11,828	17,742	29,571
Water Reclamation	5,599	4,199	40	1,680	60	-	2,520	1,680	2,520	4,199
Detention Basin	-	-	0	-	100	-	-	-	-	-
School	26,130	19,597	40	7,839	60	-	11,758	7,839	11,758	19,597
Private Recreation	4,199	3,150	40	1,260	60	-	1,890	1,260	1,890	3,150
Community Purpose	7,699	5,774	40	2,310	60	-	3,465	2,310	3,465	5,774
Assisted Living	12,365	9,274	40	3,709	60	-	5,564	3,709	5,564	9,274
Institutional	17,498	13,123	40	5,249	60	-	7,874	5,249	7,874	13,123
Park	35,007	26,255	40	10,502	60	-	15,753	10,502	15,753	26,255
Biological Open Space	-	-	0	-	100	-	-	-	-	-
Non-Circulating Road	-	-	0.0	-	0.0	-	-	-	-	-
Circulating Road	-	-	0.0	-	0.0	-	-	-	-	-
Common Areas/Ag	94,500	70,875	0.0	-	100.0	-	70,875	-	70,875	70,875
Manufactured Slopes	198,250	148,688	0.0	-	100.0	-	148,688	-	148,688	148,688
Total, gpd	1,151,427	863,570	-	257,603	-	150,528	455,440	408,131	455,440	863,570
Total, acf	1,290	967	-	289	-	169	510	457	510	967

Last four categories interior vs exterior demand % are weighted averages of all other land use categories. Exterior potable demand is SF and MF % of total demand.

* Non-potable water demand will be part of Common Area Irrigation

Dexter Wilson Engineering, Inc.

\\Pacific\Eng\806001\9-26-12.LHR Project Demands.xls\Int&Ext Use.With Conservation