

CAMPUS PARK WEST PROJECT

APPENDIX R

WATER SUPPLY ASSESSMENT

PDS2005-3813-05-001(SPA); PDS2005-3800-05-003(GPA);
PDS2005-3600-05-005(REZ); PDS2005-3100-5424(TM);
Log No. PDS2005-3910-05-02-009(ER);
State Clearinghouse No. 2009061043

for the

FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT

June 18, 2014

**ADDENDUM TO
CAMPUS PARK WEST
WATER SUPPLY ASSESSMENT**

TM 5424

PDS 2005-3100-5424, PDS2005-3813-05-001, PDS2005-3800-05-003,
PDS2005-3600-05-005, PDS2005-3910-05-02-009

October 31, 2013

In response to San Diego County Water Authority (Water Authority) comments following circulation of the Draft Subsequent Environmental Impact Report, the following text was provided for incorporation into the Project Water Supply Assessment (WSA). These changes are reflected in the text below and are hereby incorporated into this WSA.

The approved WSA by the Rainbow Municipal Water District (RMWD) Board assumed that the Water Authority's accelerated forecasted growth (AFG) water supply developed in the 2010 Urban Water Management Plan (UWMP) would be available in the near term for projects such as Campus Park West. Moreover, the Project was previously included as a proposed annexation by the Water Authority and RMWD in the 2005 UWMP. At a meeting on September 11, 2013 with RMWD, the Water Authority and Project representatives, it was noted that the 2010 UWMP AFG supply did not include the proposed annexation of the Project into RMWD. This was also noted in the Authority's comment letter. The discrepancy between the 2005 and 2010 UWMP is understood. It was apparent that at that time, RMWD did not provide Campus Park West information to the Water Authority, and as a result, the Water Authority was unable to incorporate the Project as a proposed annexation.

The Water Authority is required by California Water Code to update the 2010 UWMP every five years. For the 2015 UWMP, RMWD has made certain that the Proposed Project will be included as a proposed annexation. This is further supported by the RMWD's Board approval of a preannexation agreement on May 22, 2012, indicating its commitment and support to supply water to the Project, especially since portions of Campus Park West are currently within the RMWD service area.

The 2015 UWMP will not only include the Project as a proposed annexation, but will likely be approved and adopted prior to the Project requiring water service. The current Project schedule estimates that entitlements, design, construction and first occupancies would occur within 2015, at the earliest. Therefore, it seems reasonable to expect the Water Authority 2015 UWMP will account for the Project.

Should the 2015 UWMP be delayed or the Project be developed sooner, it seems reasonable that the Water Authority could rely on the fact that the Water Authority service area has seen a dramatic drop in water use since 2007 (almost 27 percent). For any short timeline gap between Project opening and approval of the 2015 UWMP, the Water Authority would reasonably be expected to meet the water demands of the Project. It is expected that this will allow inclusion of the Project into long-term demand assumptions used by the Water Authority for long-range forecasts, and that annexation into RMWD and the Water Authority service area will be approved.

All of this information as well as the RMWD May 2013 Preannexation agreement have been incorporated to EIR Appendix R, the Water Supply Assessment through this Addendum.

Attachments: RMWD Board Action and Preannexation agreement



BOARD ACTION

BOARD OF DIRECTORS

May 22, 2012

SUBJECT

DISCUSSION AND POSSIBLE ACTION REGARDING PREANNEXATION AGREEMENT BETWEEN RMWD AND PAPPAS INVESTMENTS

DESCRIPTION

Campus Park West, owned by Pappas Investments, lies outside the District's boundaries and Sphere of Influence. However, the District currently surrounds Campus Park West on all sides. The District has facilities available at the perimeter of Campus Park West.

At its December 2011 regular meeting the Board directed staff to work with Pappas Investments regarding water and sewer service capacity to the Campus Park West project. At its February 2012 regular meeting the Board reviewed a draft copy of the proposed pre-annexation agreement.

Staff has met with Pappas Investments and worked out the final details of the pre-annexation agreement. Staff has attached a copy of the final draft pre-annexation agreement for Board consideration. Pappas Investments is ready to execute the agreement upon acceptance by the Board.

It is staff's intent that this pre-annexation agreement will establish the basic conditions for any future annexation that may occur at the District.

POLICY

None

BOARD OPTIONS/FISCAL IMPACTS

1. Authorize District Board President to execute the Pre-Annexation Agreement with Pappas Investments.
2. Board option.

STAFF RECOMMENDATION

Staff Recommends Option 1


Brian Lee
District Engineer

May 22, 2012



RAINBOW MUNICIPAL WATER DISTRICT
3707 OLD HIGHWAY 395, FALLBROOK, CALIFORNIA 92028
TELEPHONE (760) 728-1178 FAX (760) 728-2575

PREANNEXATION AGREEMENT

THIS AGREEMENT ("Agreement") is made on this 22nd day of May 2012, by and between RAINBOW MUNICIPAL WATER DISTRICT, a California municipal water district ("District") and CAMPUS PARK WEST, a California corporation ("Developer"). Throughout this Agreement, District and Developer may be referred to collectively as the "Parties" and individually as a "Party".

RECITALS

WHEREAS, Developer is planning a development to be located within Sections 36, Township 9S, Range 3W and Sections 1 & 2, Township 10S, Range 3W San Bernardino Base and Meridian (the "Project"), and such development is referenced within records of the County of San Diego ("County"), State of California, as:

CAMPUS PARK WEST

County TPM: **5424**

Assessor's Parcel No(s): **108-121-14, 125-061-01, 125-063-07, 125-063-07 and 125-063-08**

Collectively referred to as the "Property."

WHEREAS, Developer has submitted, or in the near future will submit, an application with the County seeking to subdivide the Property, consisting of an approximately 107-acre Specific Plan area proposed to include multi-family residential uses, general commercial, and limited impact industrial/business professional uses. The Project includes four planning areas: Planning Area 1 will be for limited impact industrial/business professional uses of approximately 120,000 square feet; Planning Area 2 is to be multi-family residential development, consisting of approximately 320 units; Planning Area 3 is to consist of approximately 480,000 square feet of general

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commercial space; and Planning Area 4 will be comprised of approximately 28,000 square feet of general commercial uses.

WHEREAS, said Project will require water and sewer service to the Property;

WHEREAS, Developer has requested that District provide water and sewer service to the Property sufficient to support Developer's Project and the Parties have agreed that District will provide such water and sewer service to the Property following the Property's annexation into District and an amendment of District's Sphere of Influence and boundaries, as may be required, to provide such water and sewer service ("Amendment"), in accordance with applicable policies of District, and subject to the Developer's compliance with the terms and conditions of this Agreement; and

WHEREAS, District has existing water and sewer facilities and capacity available to serve the Property and is interested in exploring an expansion of its customer base.

AGREEMENT

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. COMPLIANCE WITH DISTRICT REGULATIONS. Developer will comply with District's policies and regulations including, without limitation, District's Water and Sewer Master Plan, Standard Requirements for Design of Domestic Water and Sanitary Sewer Facilities, and District Rules and Regulations concerning water and sewer service, as such plan, requirements, rules and regulations may be amended from time to time, the provisions of which are incorporated herein by reference.
2. ANNEXATION. Developer agrees to pay for all applicable and reasonable costs, fees and charges as may be incurred by District, and as may be necessary to initiate, pursue and complete the annexation and Amendment, including, but not limited to, Local Agency Formation Commission (LAFCO) fees, San Diego County Water Authority fees and charges, Metropolitan Water District fees and charges, study costs, District's costs of complying with the California Environmental Quality Act ("CEQA"), and making such other studies or assessments as may be required by law. District agrees to consider a resolution of application regarding the proposed Amendment and annexation within 60 days of completion of the legally required studies and receipt from Developer of a deposit of estimated fees, charges and costs as may be requested by District.

3. ANNEXATION FEE; DEPOSIT.

3.1. Developer agrees to pay District an annexation fee, contingent upon annexation to the District, subject to the terms of this Agreement, calculated in accordance with Exhibit A, attached, and subject to section 3.2 hereof, to include the Developer's pro rata share of all District water and sewer facility improvements located outside of the boundaries of the Property, which will be available to serve the Property upon annexation. This fee shall be deposited with District upon approval of the resolution of application for the annexation, and shall be held, in trust by District, until completion of the annexation. In the event the annexation is disapproved by LAFCO, the deposit shall be promptly returned, together with any interest thereon earned by District.

3.2. Following annexation, the Property may obtain water and sewer service on the same terms and conditions as available to other parcels within the District, subject to any specific terms and conditions in this Agreement. The annexation fee shall be calculated based on all acreage owned by Developer to be annexed to District, provided that to the extent Developer's Property includes any acreage which is enforceably restricted at the time of annexation to open space uses through a conservation easement, condition, or other covenant: (1) which prohibits irrigation of any kind, whether from wells or any other man-made source; (2) which easement, condition, or covenant would entitle such acreage to exemption from assessments imposed under Improvement District No. 1; and (3) which prohibits the erection of any structure which may require provision of sewer service, the annexation fee due based on such acreage shall not be applied by the District. Such restrictions, together with the amount of such deferred annexation fee shall be included in a declaration of restrictions to be recorded in favor of the District. Such declaration of restriction shall require payment of such fee and assessments under Improvement District No. 1, together with interest on the total amount at the rate of prime plus 2 percent per annum, calculated upon violation of any of the restrictions, as a condition to the District's obligation to provide water, sewer or other services to such acreage. District's annexation fee also shall not apply to portions of the Property already situated within the District's service area.

3.3. As a condition of annexation of the Property to the District, Developer shall consent to, and approve, of the annexation of the Property into Improvement District No. 1, and, at annexation, Developer shall voluntarily waive any rights it may have to object to such annexation, including any claim it may have that the extension of Improvement District No. 1 thereto, and the imposition of the current assessments levied thereunder on the Property at the existing rate of \$10.54 per acre, may be inconsistent with Proposition 218.

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3.4. If District changes the annexation fee calculation terms in other preannexation agreements or in other completed annexations to the District within five (5) years of the date of completion of the annexation of the Property and payment of annexation fees by Developer, and the annexation fee so calculated and actually paid under the new terms of another completed annexation is less than the amount actually paid by Developer on a per-acre basis (excluding the restricted acreage described in section 3.1 for which annexation fees are deferred), then the Developer shall have the right to demand and be paid a refund of the difference between the old and new annexation fees actually paid.

4. WATER RIGHTS. As a condition to completion of the annexation, Developer agrees to grant all overlying, riparian and other water rights, if any, in the Property to District. The District may require, as a condition of annexation, recordation of such a grant. The value, if any, of such rights shall not be included in the calculation of annexation fees for any purpose under this Agreement.

5. EXECUTION OF CONSTRUCTION AGREEMENT. This Agreement shall not grant Developer any specific rights to water or sewer services. Developer shall execute District's standard Developer Initiated Water and Sewer Facilities Construction Agreement, prior to the start of construction, for any facilities or infrastructure needed to provide water and sewer service to the Property or any part of the Project. An exemplar of the current standard Water System Construction Agreement is attached to this Agreement; however that exemplar is subject to change.

6. WATER SERVICE. Recognizing that smaller residential and commercial lot sizes create reduced water demands and that new building codes require significant water conservation, District agrees to make water service available through 5/8" and 3/4" meter-based capacity fees, when permitted by and consistent with District policies. Developer may, however, be required to purchase 1" or larger meters to meet fire flow requirements, as may be required by District or other agency regulations or standards.

7. SEWER SERVICE.

7.1. At the time of this Agreement, District has available 2,778 equivalent dwelling units ("EDUs") of sewer capacity for sale. Based on current District policy, one EDU is calculated to provide 180 gallons per day of sewer flow; however, this may change if District's policy is amended and approved by the District Board. District currently offers sewer capacity for sale on a "first come – first served" basis within the District.

7.2. If prior to May 1, 2017, District's sewer available capacity falls below 1,000 EDUs, as defined under current District policy, District will not hold any EDUs for the Developer, but District shall

provide Developer, by certified letter, a first right-of-refusal, before offering such capacity to the owner of any other parcel annexed into District after annexation of the Property, to purchase any remaining EDUs the Developer feels are necessary to complete the Project. District agrees to condition any subsequent annexations upon recognition of the rights of Developer under this paragraph. The Developer shall have sixty (60) calendar days from certified receipt of District's letter to purchase EDUs. After sixty (60) days, District shall offer remaining EDUs on a "first come – first served" basis and Developer shall have no superior rights over other subsequently annexed property owners when applying for EDUs. Developer's rights under this paragraph shall not be assignable, except in writing to a successor-in-interest to the entirety of the Property, who has agreed to comply with all of the provisions of this Agreement, as evidenced by a recorded instrument. The District shall be provided a copy of such instrument as a condition precedent to its obligation to honor its obligations under this paragraph. In the event the District's obligations or Developer's (or assignee's) rights under this paragraph are challenged by any third party on any basis, Developer shall be solely responsible for District's defense, and Developer agrees to defend, indemnify and hold harmless District against any cost, claim, or liability arising out of such a challenge.

7.3. Should capacity not be available at the time Developer wishes to purchase said capacity, Developer agrees to pay its fair share of all costs associated with making said capacity available, up to and including potential payment for expansion at the City of Oceanside's San Luis Rey Water Treatment Plant (SLRWTP) and/or other wastewater treatment disposal options, on the same basis as any other owner of property within the District. When the SLRWTP reaches 80 percent capacity District shall be responsible to complete a feasibility study on the next incremental expansion, including probable costs.

8. WATER AND SEWER TECHNICAL STUDY. Within sixty (60) days of the execution of this Agreement, Developer shall prepare and submit to District, for review and approval, a Water and Sewer Technical Study (Study) recommending on-site and off-site water and sewer facility improvements to be required to serve the Project. District will make available to Developer all the necessary information and hydraulics models, including any approved Campus Park Water/Sewer Technical Study serving adjacent properties, to perform the Study before or within the sixty (60) day timeframe reflected in this section. Upon approval of the Study and annexation to District, the Study shall serve as the governing and controlling document for all water and sewer system requirements within the Project area (the Property), provided that: (1) there have been no material changes in the Project or to the assumptions made in development of the Study; (2) District water supply and availability and sewer demands have not changed materially; and (3) five years have not elapsed after submission and approval of the Study by District.

9. INDEMNIFICATION AND DEFENSE. Developer shall indemnify, defend, and hold harmless District, its officers, agents and employees, from and against any and all claims, demands and litigation brought by third parties pertaining to or arising out of this Agreement, except that arising from the sole negligence of District (except as provided in section 7 hereof). District shall be entitled to pre-approve counsel selected by Developer

10. CEQA COMPLIANCE. District and Developer acknowledge that the County of San Diego (“County”) will undertake the preparation and completion of an environmental impact report (“EIR”) for the Project and that County is the lead agency with respect to the Project. Such EIR has been commenced, but not completed. District and Developer acknowledge District intends to rely upon the County EIR for the proposed annexation. No final discretionary approval by District shall be granted with respect to the proposed annexation unless and until the County has certified the EIR pursuant to the requirements of CEQA, including full consideration of the project alternatives and mitigation measures. District would utilize the certified EIR in considering whether or not to approve the proposed annexation. Nothing in this Agreement is intended, or shall be deemed, to affect District's independent judgment and analysis as required by CEQA. Further, District retains the sole discretion to make decisions under CEQA relative to the proposed annexation, including the decision not to proceed with said annexation. To the extent supplemental environmental studies are required by LAFCO for the annexation, District will oversee preparation of such studies, if any, and Developer will pay the costs for such supplemental studies.

11. DEVELOPMENT OF PROPERTY. The Parties acknowledge that Developer shall be the applicant, and the County shall serve as the lead agency, with respect to any and all permits, licenses, entitlements, grants, environmental documents or other documents that may be necessary for Developer's Project. Developer shall bear the sole expense for preparation of all environmental clearance documents (e.g., EIR) for the proposed development of the Property under CEQA.

12. ANNEXATION OF PROPERTY. District agrees that once the Project is approved by the County, it will initiate annexation of the Property into the District and an amendment to District's Sphere of Influence for the purpose of providing water and sewer service to the Property, so long as County approval occurs within five (5) years of the date of this Agreement. Developer agrees to fully cooperate with the processing of any approvals, plans, and documents in such annexation proceedings. Should the County's approval of the Project occur more than five (5) years after the date of this Agreement, the District may still initiate annexation, but is not required to do so. Nothing in this Agreement shall be

construed as a limitation on the exercise of discretion by District or the LAFCO as to whether to approve the annexation of the Property into the District.

13. TERMINATION. This Agreement may be terminated upon mutual agreement of the Parties in writing and signed by each Party within five (5) years of the date of this Agreement; and such mutual agreement shall not be unreasonably withheld. After five (5) years of the date of this Agreement, if LAFCO has not approved the annexation, either Party may terminate this Agreement by giving written notice to the other party.

14. FINANCING. The District may consider the use of public financing through a Financing District (defined in the next sentence) to finance public improvements included in or necessitated by the Project, such as water and sewer infrastructure, subject to the restrictions, if any, imposed under District Ordinance No. 95-1, if the creation of a Financing District is mutually beneficial to the Parties. A "Financing District" means any assessment district, special district, community facilities district, community services district improvement district, or other similar district, legal entity, or mechanism formed pursuant to the provisions of legislation in effect at the time the Financing District is formed. Examples include, but are not limited to, districts formed under the Municipal Improvements Acts of 1911 and 1913 and the Mello-Roos Community Facilities District Act of 1982.

15. REMEDIES.

15.1. Material Breach and Opportunity to Cure. Unless otherwise provided in this Agreement, Developer and District agree to attempt in good faith to resolve all issues arising out of or related to this Agreement before any resort to non-binding arbitration in accordance with Section 15.2 below. If either Party reasonably believes that the other Party is in material breach or material default of any terms or conditions of this Agreement, the non-defaulting Party shall provide written notice to the defaulting Party stating the basis for the claim of material breach or default. The defaulting Party shall have thirty (30) days within which to cure such breach, or, if such breach cannot reasonably be cured within thirty (30) days, an additional reasonable time period, so long as such cure has been commenced within such thirty (30) days and diligently pursued. If the defaulting Party fails to cure or is unable to cure the breach or default within such cure period, then either Party shall have the right to demand non-binding arbitration of the dispute in accordance with Section 15.2 below. If the defaulting Party receives a written notice of breach but denies the existence of any breach or default, then either Party shall have the right to demand non-binding arbitration of the dispute in accordance with Section 15.2 below, without awaiting the passage of any cure period.

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15.2. Non-Binding Arbitration of Disputes. Except as provided in Section 15.1 above, the Parties agree that all disputes arising out of or related to this Agreement shall be first submitted to non-binding arbitration conducted by a retired judge or justice. All arbitrations shall be conducted according to the American Arbitration Association Commercial Arbitration Rules or such other procedures as may be agreed upon by the Parties, except that the Parties hereby expressly retain all judicial rights to discovery. The arbitrator shall be selected by mutual agreement of the Parties to this Agreement within thirty (30) days of the request for arbitration, or in the absence of such agreement, in accordance with the then current procedures of the Judicial Arbitration and Mediation Services in San Diego County. Each Party shall present its case to the arbiter within thirty (30) days following the date of appointment of the arbiter, or as mutually agreed by the Parties. Each Party shall bear its own costs, and the costs of the arbitrator shall be divided equally between the Parties.

16. MISCELLANEOUS PROVISIONS.

16.1. Incorporation. All of the Recitals above are hereby incorporated by reference into this Agreement as though set forth fully herein.

16.2. No Joint Venture. Nothing in this Agreement is intended to create a joint venture, partnership, or common enterprise relationship of any kind between the Parties. The obligations of the Parties are the sole and several obligations of each Party.

16.3. Assignment and Succession of Rights and Obligations. This Agreement may not be assigned by Developer without District's prior written consent, which may not be unreasonably withheld. so long as the assignee is still pursuing the Project and the Developer assigns its interests in all aspects of the Project, and the entirety of the Property, to assignee This Agreement shall not bind assignees, including successors in interest, of Developer unless written notice is provided to District of the assignment, the assignee agrees to cure any outstanding violations of the Agreement, and District consents in writing, which consent will not be unreasonably withheld. The term "successors in interest" shall include purchasers to whom Developer sells all or any portion of the Property. Despite the foregoing, Developer shall have the right to assign, without District consent, the Agreement and its rights and obligations hereunder to any entity of which Developer or principals of Developer own or control a majority interest that acquires the entire Property that is the subject of this Agreement; provided that Developer is in full compliance with the terms of this Agreement at the time of the assignment and the assignee agrees to abide by all District rules and regulations and continue to pursue the Project.

16.4. Binding Effect. The Agreement shall inure to the benefit of and be binding upon the Parties and their respective purchasers, successors, heirs, and assigns.

16.5. Headings. The headings herein contained are inserted only as a matter of convenience and reference and are not meant to define, limit or describe the scope or intent of the Agreement or in any way affect the terms and provisions set forth herein.

16.6. Entire Agreement and Modification. This Agreement represents the entire understanding of the Parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein, and it shall not be amended, altered, or changed except by a written agreement signed by the Parties hereto and approved by District's Board of Directors. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda, or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement. Each Party further warrants and represents that it has not relied upon any oral statements or promises made by any representative of any Party in executing this Agreement.

16.7. Applicable Law. This Agreement and all questions related to its validity, interpretation, performance and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

16.8. Recordation. Either party may record this Agreement against the Property, however, District shall, upon request by Developer execute any document required to promptly release any subdivided lot created on the Property from this Agreement, provided: (1) such lot has been conveyed to the lot's ultimate user (or as part of the closing of escrow on the sale of such lot); and (2) Developer is in compliance with the terms of this Agreement. Developer agrees to pay the cost of any reconveyance fee charged therefore. The water rights recorded against the Property shall remain recorded against the Property.

16.9. Provisions Required by Law. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of any Party, this Agreement shall forthwith be physically amended to make such insertion

16.10. Force Majeure. Neither Party shall be considered to be in default as a result of its delay or failure to perform its obligations herein when such delay or failure arises out of causes beyond the reasonable control of the party. Such causes may include, but are not limited to, acts of God or the public enemy, acts of the state or the United States in either its sovereign or contractual capacity, fires, floods, epidemics, strikes, and unusually severe weather; but, in every case, delay or failure to perform must be beyond the reasonable control of and without the fault or negligence of the party.

16.11. No Waiver. The failure of either Party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of such Party's right to enforce any term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant or condition of this Agreement.

16.12. Independent Counsel. The Parties represent and warrant that they have been advised to consult independent legal counsel of their own choosing and have had a reasonable opportunity to do so prior to executing this Agreement.

16.13. Partial Invalidity. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

16.14. Jurisdiction, Forum, and Venue. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be located in the State of California, County of San Diego. District and Developer agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. District and Developer hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.

16.15. Signature Authority. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and execute this Agreement on behalf of the respective legal entities of Developer and District.

16.16. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

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RAINBOW MUNICIPAL WATER DISTRICT

DEVELOPER:

Name _____
Title _____
Date _____

Company:
By _____
Name _____
Title _____
Date _____

Counsel:
By _____
Name _____
Firm _____
Address _____

Telephone _____

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EXHIBIT A
ANNEXATION FEE

107 acres

\$10.54 per acre per year plus interest

\$ 1,127.78

| Balance Due | Year | Annual Fee | Interest @6% | ID#1 fee per acre |
|------------------|------|------------|--------------|-------------------|
| \$ 53,451 | 2012 | \$ 1,128 | \$ 52,323 | 10.54 |
| \$ 49,361 | 2011 | \$ 1,128 | \$ 48,233 | 10.54 |
| \$ 45,503 | 2010 | \$ 1,128 | \$ 44,375 | 10.54 |
| \$ 41,864 | 2009 | \$ 1,128 | \$ 40,736 | 10.54 |
| \$ 38,430 | 2008 | \$ 1,128 | \$ 37,302 | 10.54 |
| \$ 35,191 | 2007 | \$ 1,128 | \$ 34,063 | 10.54 |
| \$ 32,135 | 2006 | \$ 1,128 | \$ 31,007 | 10.54 |
| \$ 29,252 | 2005 | \$ 1,128 | \$ 28,124 | 10.54 |
| \$ 26,532 | 2004 | \$ 1,128 | \$ 25,404 | 10.54 |
| \$ 23,966 | 2003 | \$ 1,128 | \$ 22,839 | 10.54 |
| \$ 21,546 | 2002 | \$ 1,128 | \$ 20,418 | 10.54 |
| \$ 19,262 | 2001 | \$ 1,128 | \$ 18,135 | 10.54 |
| \$ 17,108 | 2000 | \$ 1,128 | \$ 15,980 | 10.54 |
| \$ 15,076 | 1999 | \$ 1,128 | \$ 13,948 | 10.54 |
| \$ 13,159 | 1998 | \$ 1,128 | \$ 12,031 | 10.54 |
| \$ 11,350 | 1997 | \$ 1,128 | \$ 10,222 | 10.54 |
| \$ 9,643 | 1996 | \$ 1,128 | \$ 8,516 | 10.54 |
| \$ 8,034 | 1995 | \$ 372 | \$ 7,661 | 3.48 |
| \$ 7,228 | 1994 | \$ 392 | \$ 6,836 | 3.66 |
| \$ 6,449 | 1993 | \$ 394 | \$ 6,055 | 3.68 |
| \$ 5,713 | 1992 | \$ 268 | \$ 5,445 | 2.50 |
| \$ 5,137 | 1991 | \$ 321 | \$ 4,816 | 3.00 |
| \$ 4,543 | 1990 | \$ 432 | \$ 4,111 | 4.04 |
| \$ 3,878 | 1989 | \$ 395 | \$ 3,483 | 3.69 |
| \$ 3,286 | 1988 | \$ 1,070 | \$ 2,216 | 10.00 |
| \$ 2,091 | 1987 | \$ 1,070 | \$ 1,021 | 10.00 |
| \$ 963 | 1986 | \$ 963 | - | 9.00 |

Assesment District Number One formed



CONTRACT NO.: _____

RAINBOW MUNICIPAL WATER DISTRICT
3707 OLD HIGHWAY 395, FALLBROOK, CALIFORNIA 92028
TELEPHONE (760) 728-1178 FAX (760) 728-2575

**WATER SYSTEM CONSTRUCTION AGREEMENT
(DEVELOPER INITIATED/CONTRACTOR INSTALLED)**

THIS AGREEMENT ("Agreement") is made on this ____ day of _____ 20__, by and between RAINBOW MUNICIPAL WATER DISTRICT, a public agency of the State of California, with its headquarters at Fallbrook, California, hereinafter designated as the "District" and Developer, represented by _____, located at _____ hereinafter designated as the "Developer", Telephone: (____) _____ and Contractor represented by _____, located at _____, hereinafter designated as the "Contractor", Telephone: (____) _____, all of whom may be individually referred to as a "Party" or collectively referred to as the "Parties."

WHEREAS, Developer is planning a development of ___ lot(s) located in Section __, Township _____, Range _____, San Bernardino Base and Meridian, and such development is referenced within records of the County of San Diego, State of California, as:

Parcel Map No.:
County TPM:
Assessor's Parcel No(s):

WHEREAS, said subdivision will require a water system to provide service to the lands referenced above; and

WHEREAS, Developer is desirous of having District provide water service to said lands and is willing to convey to District the water system after the construction thereof; and contingent upon

District's acceptance of such conveyance and to provide water service to said lands on the terms and conditions set forth herein; and

WHEREAS, this Agreement shall only be applicable to parcel maps,

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. COMPLIANCE WITH DISTRICT REGULATIONS. Developer will comply with District's policies and regulations including without limitation the District's Master Plan, Standard Requirements for Design of Domestic Water Facilities and District Rules and Regulations concerning water service. These regulations may be amended from time to time, the provisions of which are incorporated herein by reference. Nothing in this Agreement shall supersede any District policies or regulations.

2. DEPOSIT OF ESTIMATED COSTS. Developer shall deposit with District costs to cover necessary engineering, permits, inspection and system connection fees in an amount estimated by District. Developer's initial deposit shall be made not later than _____, and Developer shall make each subsequent deposit, if necessary as determined by District, within thirty (30) calendar days of Developer's receipt of notice from District that additional amounts are required to be deposited to cover estimated costs.

3. DEVELOPER'S PREPARATION OF DESIGN. Developer shall contract for the design to be prepared by a licensed engineer in the State of California experienced in the design of similar systems. Developer shall submit proof of design completion to District no later than _____.

4. DISTRICT APPROVAL OF CONSTRUCTION PLANS. The water facilities and improvements required to provide service to the subdivision shall comply with District's specifications. Construction plans shall be approved by the District prior to the commencement of construction..

5. CONTRACTOR QUALIFICATIONS. Developer intends to contract for the services of Contractor to construct the system, provided Contractor satisfies the requirements stated herein. Contractor shall be currently licensed by the State of California with either a specialty contractor, "C-34", pipeline license or a General Engineering Contractor, "A" license. Contractor shall be experienced in the construction of domestic water supply systems and shall have been reviewed by District and listed by District as a qualified contractor before a

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construction contract is signed between Developer and Contractor and actual system construction begins.

6. CONSTRUCTION. The entire cost of the construction of such water system shall be paid by Developer, unless otherwise agreed between Developer and District (such as the costs of oversizing any facility as may be required for the sole benefit of the District). Such construction shall be inspected by District personnel for conformance with the approved plans and specifications. Construction shall not begin until the "Notice to Proceed" is given by District nor until Developer, or other authorized party, completes a "Certification of Streets to Final Grade" for the streets in which water pipelines are to be constructed. District inspection is for the purpose of conformance of construction with District requirements, and not for compliance by Contractor with safety requirements. Inspection or final acceptance shall not constitute a waiver by District of any claims against Developer and/or Contractor for any defects in the work performed hereunder.

7. INDEMNIFICATION AND DEFENSE.

(a) To the fullest extent permitted by law, Developer and Contractor shall indemnify and hold harmless and defend the District, its directors, officers, employees, agents, consultants and authorized volunteers, and each of them from and against:

(i) Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including but not limited to District, Developer, Contractor, or any directors, officers, employees, agents, consultants and authorized volunteers of District, Developer or Contractor, and any damages to or destruction of property of any person, including but not limited to, District, Developer, Contractor or any of directors, officers, employees, agents, consultants, and authorized volunteers of District, Developer or Contractor, allegedly arising out of, related to, or in any manner directly or indirectly connected with the construction of the water and sewer system, including without limitation the work to be performed under this Agreement and/or the construction contract between Developer and Contractor, however caused, regardless of any negligence of the District or its directors, officers, employees, agents, consultants or authorized volunteers, except the sole negligence or willful misconduct of District, its directors, officers, employees, agents, consultants or authorized volunteers;

(ii) Any and all claims, demands, actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or in equity, of every kind or nature whatsoever, arising out of, resulting from or on account of any alleged violation of any governmental law or regulation, compliance of which is the responsibility of Developer or Contractor;

(iii) Any and all claims, demands, losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, which any of them may incur with respect to the alleged failure, neglect or refusal of Developer or Contractor to faithfully perform the work and all of Developer or Contractor's obligations under this Agreement, the construction contract between Developer and Contractor, or any related or subcontracts thereto. Such costs, including expenses and damages shall include all costs, including attorneys' fees incurred by the indemnified parties related to any claim, demand, lawsuit, arbitration, mediation or other proceeding.

(b) Developer and Contractor shall defend, at Developer and Contractor's own cost, expense and risk, any and all such aforesaid claims, demands, suits, actions, arbitrations, mediations or other proceedings of every kind that may be brought or instituted against District and/or its directors, officers, employees, agents, consultants and authorized volunteers. District shall approve the selection of legal counsel to defend it and/or its directors, officers, employees, agents, consultants or authorized volunteers. Developer and Contractor shall not agree without District's prior written consent to any settlement on District's behalf. District may, in its sole discretion, defend any and all such aforesaid claims, demands, suits, actions, arbitrations, mediations or other proceedings and Developer and Contractor shall be responsible to reimburse District and/or its directors, officers, employees, agents, consultants or authorized volunteers for all costs of defense incurred by each of them including attorneys' fees and reasonable costs, within thirty (30) days of receipt of an invoice.

(c) Developer and Contractor shall pay and satisfy any judgment, award, decree or other determination that may be rendered against District and/or its directors, officers, employees, agents, consultants or authorized volunteers, as a result of any and all such claims, demands, suits, actions, arbitrations, mediations or other proceedings whether legal, administrative or otherwise. Developer and Contractor shall reimburse District and/or its directors, officers, employees, agents, consultants or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity provided herein.

(d) Developer and Contractor's indemnification, hold harmless and defense obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Developer, Contractor, or any subcontractor, or any supplier or other persons under workers compensation acts, disability benefits acts or any other employee acts or the insurance required pursuant to this Agreement. Developer and Contractor's obligation shall not be restricted to insurance proceeds, if any, received by District or its directors, officers, employees, agents, consultants or authorized volunteers.

(e) This Paragraph regarding indemnification, hold harmless and defense obligations of Developer and Contractor shall survive the termination or expiration of this Agreement.

8. DEVELOPER GUARANTEES.

(a) Developer shall guarantee the completion of construction within six (6) months from District's issuance of a notice to proceed, provided that completion of construction and final inspection approval must occur prior to the expiration of the water commitments secured from District.

(b) Developer further guarantees that Developer shall comply with Paragraph 10 herein.

9. DEVELOPER'S PAYMENT OF DISTRICT'S COSTS. Developer agrees to pay all costs incurred by District as may be necessary to complete construction, including administrative costs, or to secure compliance with the provisions of Paragraph 10.

10. INSURANCE REQUIREMENTS. Contractor shall procure and maintain for the duration of the construction contract with Developer insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder, including construction of the water system, by Contractor, his agents, representatives, employees or subcontractors.

(a) **Commercial General Liability and Automobile Liability Insurance -** Contractor shall provide and maintain the following commercial general liability and automobile liability insurance:

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(i) **Coverage** - Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:

(1) Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)

(2) Insurance Services Office Business Auto Coverage (Form CA 0001), covering Symbol 1 (any auto)

(ii) **Limits** - Contractor shall maintain limits no less than the following:

(1) General Liability - Five million dollars (\$5,000,000) per occurrence for bodily injury, personal injury and property damage with five million dollars (\$5,000,000) products-completed operations aggregate and five million dollars (\$5,000,000) general aggregate.

(2) Automobile Liability - Five million dollars (\$5,000,000) for bodily injury and property damage each accident limit.

(iii) **Required Provisions** - The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(1) District, its directors, officers, employees, agents, consultants and authorized volunteers are to be given insured status (via ISO endorsement CG 2026, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; and automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to District, its directors, officers, employees, agents, consultants or authorized volunteers.

(2) For any claims related to the construction of the water system, Contractor's insurance shall be primary insurance as respects District, its directors, officers, employees, agents, consultants or authorized volunteers. Any insurance, self-insurance, or other coverage maintained by District, its directors, officers, employees, agents, consultants or authorized volunteers shall not contribute to it.

(3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to District, its directors, officers, employees, agents, consultants or authorized volunteers.

(4) Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(5) Each insurance policy required by this Agreement shall state, or be endorsed to state, that coverage shall not be canceled except after thirty (30) days (ten (10) days for non-payment of premium) prior written notice by U.S. mail has been given to District.

(6) The automobile liability policy is to contain, or be endorsed to contain the following provisions:

a. Pollution Liability - Broadened Coverage for Covered Autos using ISO Form CA 9948, or insurer's equivalent.

b. Endorsement for Motor Carrier Policies of Insurance for Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980 - Form MCS 90.

(7) In the event that the automobile liability policy contains an exclusion for Wrong Delivery of Liquid Products, ISO Form CA 2305, or insurer's equivalent, the general liability policy shall be endorsed to provide this coverage.

(8) Such liability insurance shall indemnify Contractor and his/her sub-contractors against loss from liability imposed by law upon, or assumed under contract by, Contractor or his/her sub-contractors for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

(9) The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, products liability, completed operations liability, and explosion.

(10) The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

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(b) **Workers' Compensation and Employer's Liability Insurance** - Contractor and all sub-contractors shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the construction site, in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Contractor shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee. The insurer shall agree to waive all rights of subrogation against District, its officers, officials, employees, agents, consultants and authorized volunteers for losses arising from work performed by Contractor.

(c) **Deductibles and Self-Insured Retentions** - Any deductible or self-insured retention which is greater than \$25,000 must be declared to and approved by District. At the option of District, the insurer shall either reduce or eliminate such deductibles or self-insured retentions or Contractor shall be required to provide to District proof of financial responsibility.

(d) **Forms and Companies Satisfactory to District** - All insurance shall be provided on policy forms and through companies satisfactory to District.

(e) **Acceptability of Insurers** - Insurance is to be placed with California admitted insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by District.

(f) **Evidences of Insurance** - Prior to execution of the construction contract with Developer, Contractor shall file with District a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this Agreement. Such evidence shall include an additional insured endorsement signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. Contractor shall, upon demand of District, deliver to District such policy or policies of insurance and the receipts for payment of premiums thereon.

(g) **Continuation of Coverage** - If any of the required coverages expire during the term of this Agreement, Contractor shall deliver the renewal certificate(s) including the general liability additional insured endorsement to District at least ten (10) days prior to the expiration date.

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(h) **Sub-contractors** – In the event that Contractor employs other contractors (sub-contractors) as part of the construction of the water and sewer system, it shall be Contractor's responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.

11. **WORKERS' COMPENSATION CERTIFICATION.** By his/her signature hereunder, Developer and Contractor confirm the following as their respective certifications:

I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance or the work of this agreement.

12. **BONDING REQUIREMENTS.** Contractor shall provide District with bonds no later than _____, as follows:

(a) A performance bond with corporate surety or sureties satisfactory to District's said performance bond being for not less than one hundred percent (100%) of the total contract price of the construction contract between Developer and Contractor.

(b) A bond to guarantee the performance of the installed domestic water system against failures of any type for one (1) year from the date of the filing of the "Notice of Completion". Said bond shall be in the amount of ten percent (10%) of the total contract price of the construction contract between Developer and Contractor and shall provide for the payment of all costs incurred by the District for the repair of such failures within the one (1) year guarantee period.

13. **LAWS, REGULATIONS AND PERMITS.** Developer and Contractor shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the construction of the water system unless expressly stated otherwise in this Agreement. Developer and Contractor shall be liable for all violations of the law in connection with work furnished by Developer and/or Contractor. If Developer or Contractor performs any work knowing it to be contrary to such laws, ordinances, rules or regulations and without giving notice to District, Developer and Contractor shall bear all costs arising there from.

14. **SAFETY.** In accordance with generally accepted practices, Developer and Contractor shall be solely and completely responsible for conditions of the jobsite, including safety of all persons and property during construction of the water and sewer system. Developer

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and Contractor shall execute and maintain his/her work so as to avoid injury or damage to any person or property. Any review, observation and/or inspection of the construction of the water and sewer system by District will not include review or observation of the adequacy of Developer and Contractor's safety measures in, on, or near the site of the work.

15. FINAL INSPECTION AND REQUIRED DOCUMENTATION. District's Inspector shall complete a "Notice of Final Inspection" when all work has been completed in accordance with District requirements and prior to the acceptance of said domestic water system by District. Also, Developer shall furnish to District any and all requested documents including but not limited to, the following:

(a) Easement Deed or Grant Deed to any rights-of-way or other real property interests necessary for roads, ingress and egress, and for maintenance and operation of the domestic water system;

(b) A Declaration by the Contractor that he has been paid in full and that all persons employed by the Contractor or who have furnished material for the construction of the water system have been paid in full;

(c) The executed Notice of Completion to be filed by District;

(d) A Grant Deed/Bill of Sale executed by Developer vesting title of said water system and appurtenances to District;

(e) A copy of the contract between Developer and Contractor or other documents which verify the actual cost of the domestic system as installed.

16. REQUIREMENTS FOR WATER SERVICE. District will not furnish water to the water system until the completed system passes final inspection by District, and Developer has fully complied with Paragraph 15. Following fulfillment of the terms and conditions herein and acceptance by District of said domestic water system, District will provide service to said lands in accordance with District's Rules and Regulations governing the provisions of such service.

17. TERMINATION. This Agreement may only be terminated upon mutual agreement of the Parties in writing and signed by each Party, provided however District may terminate this Agreement in the event Developer or Contractor fails to fulfill any obligation under

this Agreement by the required timeframes stated in this Agreement after written notice of the breach and an opportunity to cure of not less than ten (10) days.

18. ASSIGNMENT AND SUCCESSION OF RIGHTS AND OBLIGATIONS. This Agreement may not be assigned by Developer or Contractor without District's prior written consent. This Agreement shall not bind assignors, including successors in interest, of Developer or Contractor unless written notice is provided to District of the assignment, the assignee agrees to cure any outstanding violations of the Agreement, and District consents in writing, which consent will not be unreasonably withheld. The term "successors in interest" shall include purchasers to whom Developer sells the property.

19. HEADINGS. The headings herein contained are inserted only as a matter of convenience and reference and are not meant to define, limit or describe the scope or intent of the Agreement or in any way affect the terms and provisions set forth herein.

20. INTEGRATION/MODIFICATION. This Agreement represents the entire understanding of the Parties as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein, and it shall not be amended, altered or changed except by a written agreement signed by the Parties hereto.

21. APPLICABLE LAW. This Agreement and all questions related to its validity, interpretation, performance and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

22. PROVISIONS REQUIRED BY LAW. Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of any Party, this Agreement shall forthwith be physically amended to make such insertion.

23. PARTIAL INVALIDITY. If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

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24. JURISDICTION, FORUM AND VENUE. The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be located in the State of California, County of San Diego. District, Developer and Contractor agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. District, Developer and Contractor hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.

25. SIGNATURE AUTHORITY. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and execute this Agreement on behalf of the respective legal entities of Developer, Contractor and District.

26. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any Party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

RAINBOW MUNICIPAL WATER DISTRICT

DEVELOPER:

Name _____
Title _____
Date _____

Company:
By _____
Name _____
Title _____
Date _____

CONTRACTOR:

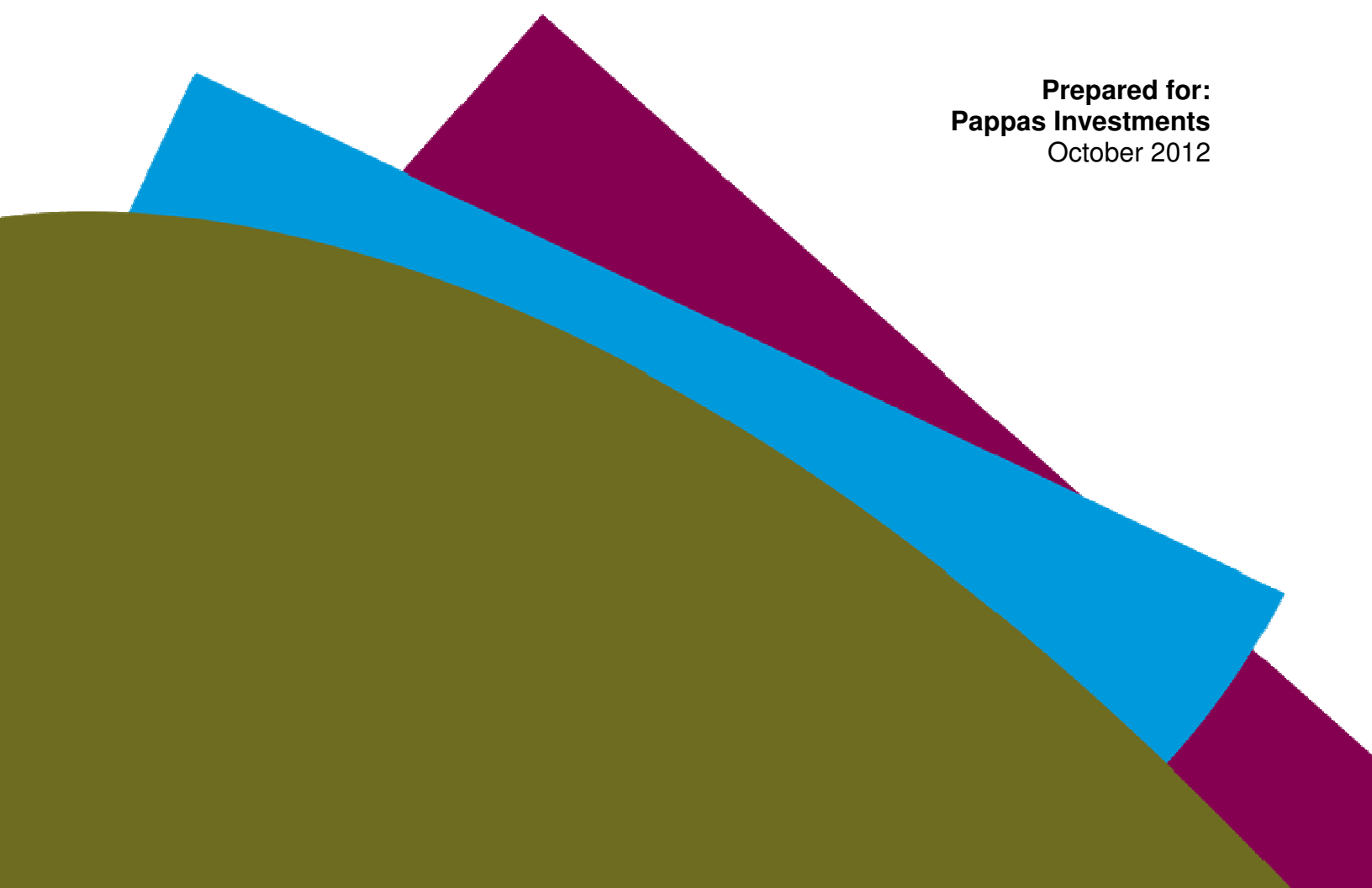
Company:
By _____
Name _____
Title _____
Date _____

12-25

Campus Park West Project

Water Supply Assessment

Prepared for:
Pappas Investments
October 2012



Campus Park West Project

Water Supply Assessment

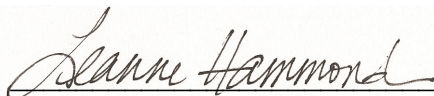
October 2012

Prepared for:
Pappas Investments
2020 L Street, 5th Floor
Sacramento, California 95811

Prepared by:

ATKINS

3570 Carmel Mountain Road, Suite 300
San Diego, California 92130
Atkins Project No.: 100030178



Leanne Hammond, P.E.
Project Engineer



WATER SUPPLY ASSESSMENT FOR THE CAMPUS PARK WEST PROJECT

October 2012

Executive Summary

The majority of Campus Park West (Project) is located within the San Luis Rey Municipal Water District (SLRMWD) sphere of influence and a small percentage is within the Rainbow Municipal Water District (District). The District is a member agency of the San Diego County Water Authority and provides both water and sewer services, whereas the San Luis Rey Municipal Water District manages groundwater resources of the San Luis Rey River, its sole source of water. Water and sewer service will therefore be provided to Campus Park West by the District, and specific provisions for service have been outlined in a pre-annexation agreement dated May 22, 2012. The Campus Park West project will initiate annexation into the District and an amendment to the District's Sphere of Influence once the project is approved by the Water Authority.

Currently the District relies solely on "imported water" provided by the San Diego County Water Authority via the Metropolitan Water District of Southern California. To comply with the requirements of SB 610 and SB 221, the water supply planning for the District, the County Water Authority and the Metropolitan Water District will be discussed.

Campus Park West is an unincorporated portion of northern San Diego County east of Interstate 15 at State Route 76 (SR 76), near the community of Fallbrook. A majority of the project area is within the boundary of SLRMWD; however, SLRMWD is not a retail provider. Therefore the District is the most logical water distributor for Campus Park West as the closest retail water provider in the area. The District relies on San Diego Association of Governments (SANDAG) projections for population and land use to incorporate future water demands into water planning documents including the Urban Water Management Plan (UWMP).

The proposed water demands for the Project are 296 acre-feet per year and are accounted for through the Accelerated Forecasted Growth demand increment of the Water Authority's UWMP.

This WSA Report assesses, demonstrates, and documents that sufficient water supplies are planned for and are intended to be available over a 20-year planning horizon, under normal conditions and in single and multiple dry years, to meet the projected demand of the project inclusive of its defined mitigation measures.

1. Purpose: Senate Bill 610 and 221

This Water Supply Assessment Report (WSA) is prepared on behalf of the Rainbow Municipal Water District (District) as the retail water provider for the Campus Park West Specific Plan Amendment (project). The project area is situated on 116.5 acres, subdivided into 23 lots for a mixed land use plan. The report provides a comprehensive review of current and projected water supplies including various factors affecting the availability of the San Diego County Water Authority (Water Authority).

The WSA is required by California law commonly known as Senate Bill (SB) 610 (specifically, Public Resources Code Section 21151.9 and California Water Code Sections 10631, 10656, 10657, 10910, 10911, 10912, and 10915). These requirements were instituted during the 2001 legislative session and became effective January 1, 2002. The law applies to projects larger than certain specified thresholds and that are subject to the California Environmental Quality Act (CEQA). The commercial floor space component of the Campus Park West project exceeds the specified threshold; and, therefore, is subject to the requirements of SB 610 for preparation of a WSA.

SB 221, a companion Senate Bill approved at the same time as SB 610, requires verification of water supplies as a condition of tentative map approval for residential subdivisions of 500 units or more. The Campus Park West project proposal contains fewer than 500 residential units; and, therefore, SB 221 is not applicable to the project.

After approval of this WSA, the report will be incorporated into the project EIR as a Water Supply Assessment report consistent with the requirements of the legislation enacted by SB 610. The District may cite the approved WSA Report as evidence that a sufficient water supply is available to serve the project inclusive of its defined mitigation measures.

2. Project Description

Project Location

The Campus Park West project site is located in an unincorporated area of San Diego County (County) in the Fallbrook Community Planning Area, approximately 6 miles southeast of downtown Fallbrook and 45 miles north of downtown San Diego. The project is comprised of approximately 116.5 acres (APN numbers 108-121-14, 125-061-01, 125-063-07, and 125-063-08) subdivided into 23 lots for a mixed-use land plan along the east side of Interstate 15 (I-15) and straddling Pala Road/State Route 76 (SR-76). The majority of the site, approximately 100 acres, is located north of Pala Road/SR-76 and approximately 17 acres are located south of Pala Road/SR-76. Pankey Road extends through the project site, and the Pala Mesa Drive I-15 overpass terminates at the project's western boundary. A vicinity map is provided on Figure 1-1.

Development to the west of the project includes the Pala Mesa Golf Resort and the surrounding residential development on the east side of I-15. A gas station and California Department of Transportation Park and Ride facilities are located southwest of the project site. A proposed mixed-use development project called Campus Park is located to the north and east, and the open space portion of Campus Park borders the eastern length of Campus Park West north of Pala Road/SR-76. Also, to the north is a proposed campus of Palomar Junior College and to the east is a planned master planned development known as Meadowood.

The main access to the project site will be from Pankey Road, which will be improved to extend north from SR-76 and connect with the Pala Mesa Drive overpass, providing access to the west side of Interstate 15. Pankey Road will serve as the main backbone road for the project.

Land Use

The Campus Park West Specific Plan Amendment identifies six Planning Areas (PA-1 through PA-6) which are shown on Figure 1-2. Proposed development includes residential, general commercial with a mixed-use core, and limited impact industrial land uses. The limited impact industrial and commercial uses are located adjacent to I-15 and SR-76 and the mixed use core is centrally located within the general commercial land use, allowing for a potential pedestrian-oriented linear marketplace. In addition to the developed areas there are open space areas, most of which are designated as Multiple Species Conservation Program (MSCP) open space. The proposed project has been included as a Hard-Lined Development Project in the final version of the North County MSCP Program.

Approximately 12.4 acres (4 lots) east of Pankey Road in PA-3 are designated for multi-family residential uses at a density of 20 dwelling units per acre (248 dwelling units). The general commercial area consists of 6 lots located west of the multi-family residential area in PA-2 and two lots in PA-4 and PA-5, which are located south of Pala Road/SR-76. The general commercial area totals approximately 52.4 acres and will contain approximately 503,500 square feet of commercial space. The mixed-use core is integrated into the general commercial land area in PA-2 and may contain a maximum of 35 dwelling units in addition to commercial and office space. PA-1 is located to the north of Pala Mesa Drive, west of Pankey Road and east of

I-15 and is the limited impact industrial area. This area consists of 4 lots totaling approximately 12.6 acres which may contain approximately 120,000 square feet of light industrial/office space. PA-6 is at the very south end of the project and includes only MSCP open space. Campus Park West includes three Home Owners Association (HOA) lots totaling 1.42 acres which are comprised of manufactured slopes, HOA maintained landscaped areas, and drainage facilities. There are four biological open space lots, including PA-6, which total approximately 31.0 acres. The proposed development per the Campus Park West Specific Plan Amendment is summarized in Table 2-1.

Table 2-1. Campus Park West Proposed Land Use Summary

| Land Use | Gross Acreage (ac) | Dwelling Units (DU) | Density (DU/ac) | Building Area (sq ft) |
|---------------------------------------|--------------------|---------------------|-----------------|-----------------------|
| Multi-Family Residential (PA-3) | 12.4 | 248 | 20 | |
| Commercial/Mixed Use (PA-2, -4 & -5) | 52.4 | | | 503,000 |
| Mixed Use residential (PA-2) | -- | 35 | 20 | |
| Light Industrial/Office (PA-1) | 12.6 | | | 120,000 |
| HOA - irrigation | 1.42 | | | |
| Biological Open Space (includes PA-6) | 31 | | | |
| Right-of-Way* | 6.7 | | | |
| Totals | 116.52 | 283 | | |

Projected Water Demands

Water demand projections for the proposed development are based on the number of residential dwelling units, land area or building size and corresponding unit demand factors for specific land use types from the District Domestic Water and Sanitary Sewer Construction Standards Manual (December 2011). The water use factors applicable to Campus Park West are provided in Table 2-2.

Table 2-2. Water Use Factors

| Land Use | Average Day Demand |
|------------------------------|---------------------|
| Multi-Family Residential | 300 gpd/DU |
| General Commercial/Mixed Use | 3,000 gpd/acre |
| Light Industrial/Office | 100 gpd/1,000 sq ft |
| Developed Parks | 4,000 gpd/acre |

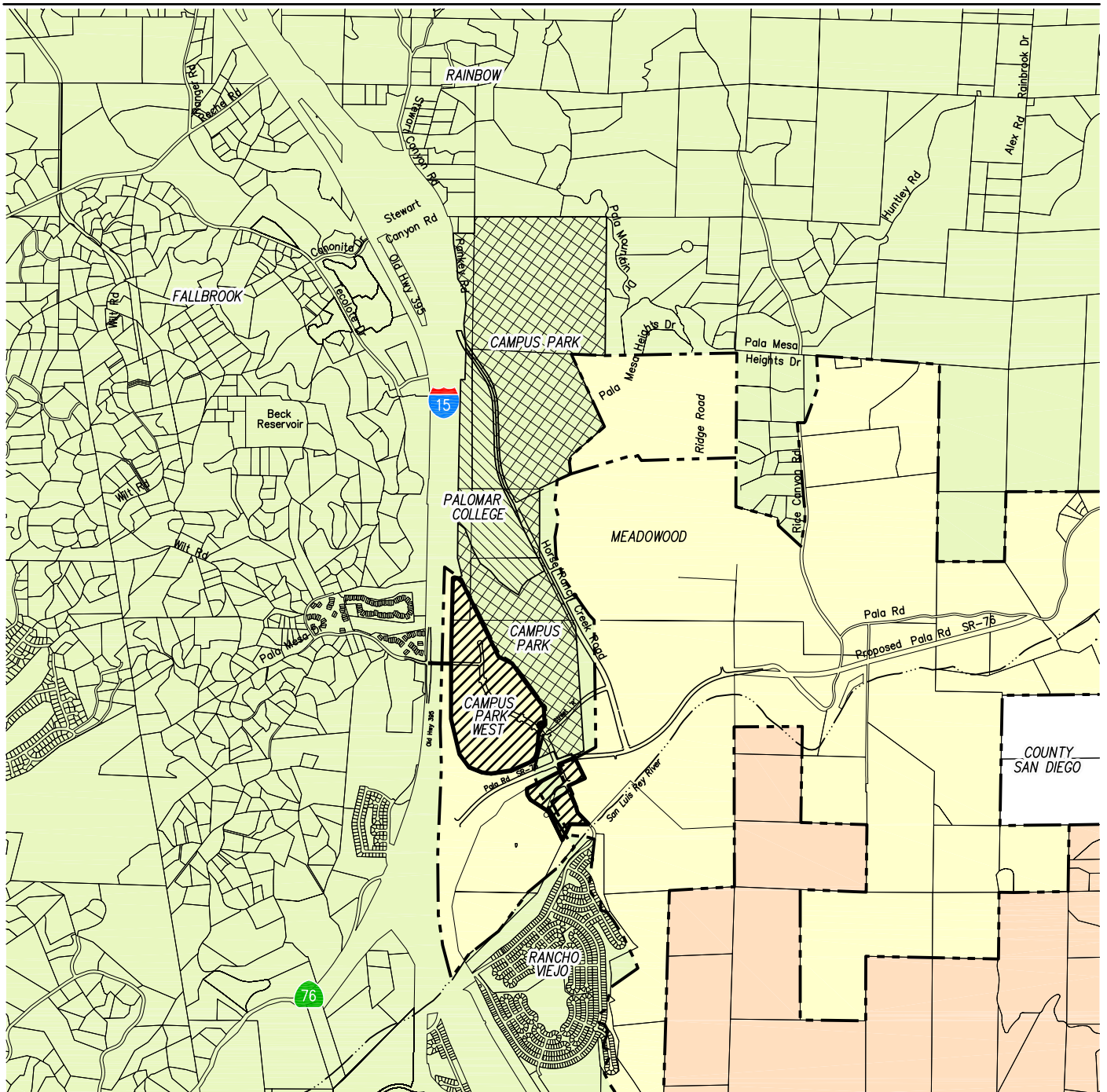
Projected water demands based on the water use factors and proposed development plan for Campus Park West are provided in Table 2-3. The total average day water is projected for be 0.261 MGD (296 acre-feet per year)

The projected water demand for Campus Park West is equivalent to 522.2 equivalent dwelling units (EDUs) of water demand based on one EDU equaling one single family residence with a demand of 500 gpd.

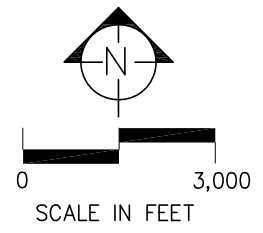
Table 2-3. Campus Park West Water Demand Projections

| Land Use | Gross Acreage | Max Square Footage/ Units | Unit Use Factor | Average Annual Demand | |
|--------------------------|---------------|---------------------------|--------------------|-----------------------|------------|
| | | | | gpd | gpm |
| Multi-Family Residential | 12.4 | 248 | 300 gpd/DU | 74,400 | 51.7 |
| Commercial/Mixed Use | 52.4 | 503,500 | 3,000 gpd/acre | 157,200 | 109.2 |
| Mixed Use residential | -- | 35 | 300 gpd/DU | 10,500 | 7.3 |
| Light Industrial/Office | 12.6 | 120,000 | 100 gpd/1,000 SF | 12,000 | 8.3 |
| HOA - irrigation | 1.42 | -- | 4,000 gpd/acre | 5,680 | 3.9 |
| Biological Open Space | 31 | -- | 0 gpd/acre | - | 0.0 |
| Right-of-Way* | 6.7 | -- | 4,000 gpd/net acre | 1,340 | 0.9 |
| Totals | 116.52 | | | 261,120 | 181 |

*Mostly pavement, with 5% of the area assumed irrigated (net acres)

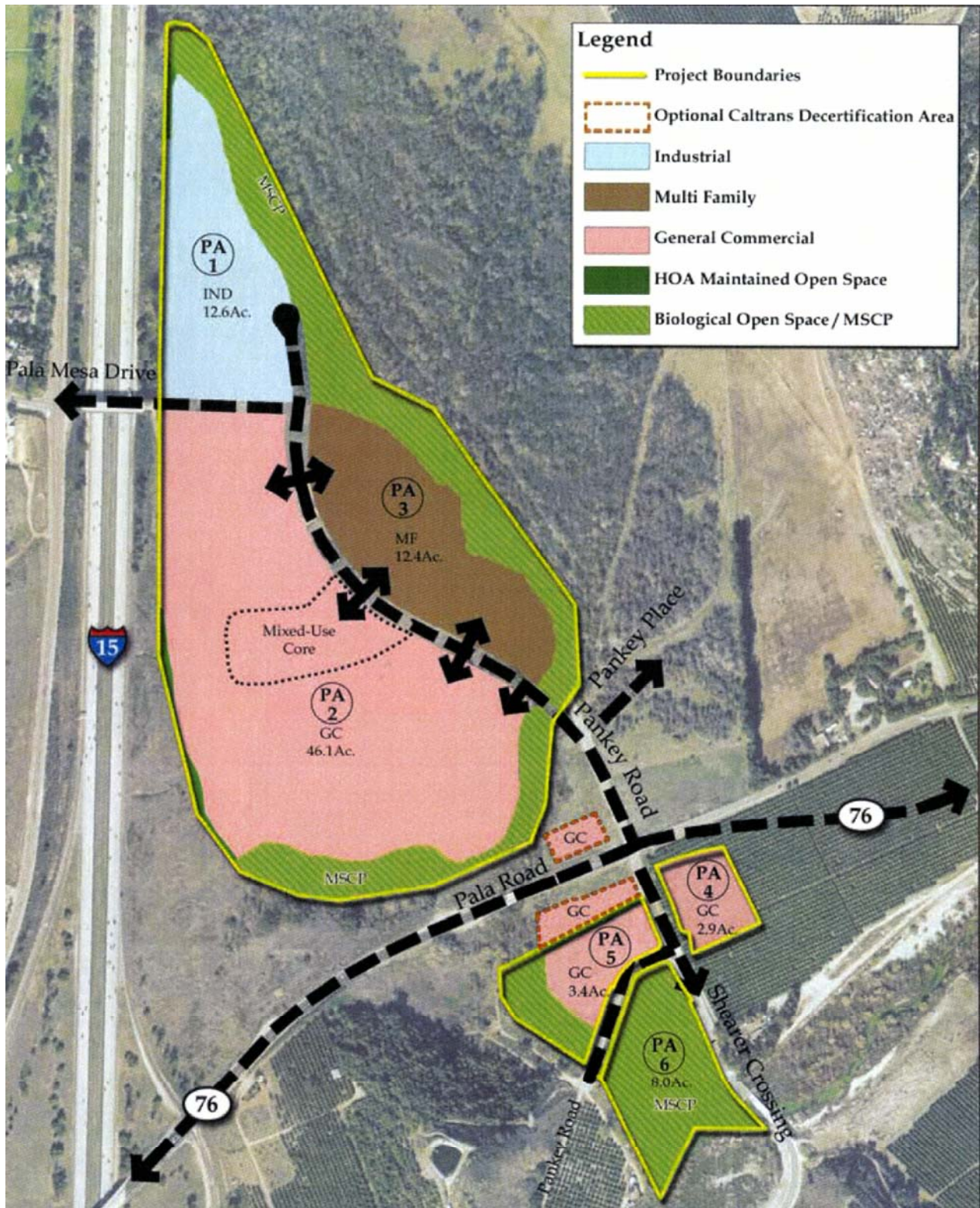


- WATER DISTRICT BOUNDARY
- RAINBOW MWD
- SAN LUIS REY MWD
- VALLEY CENTER MWD



CAMPUS PARK WEST VICINITY MAP

Figure 1-1



SOURCE: Project Design Consultants

CAMPUS PARK WEST LAND USE

Figure 1-2

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3. Rainbow Municipal Water District

Rainbow Municipal Water District (District) was formed in 1953 under the Municipal Water Act of 1911 (Section 7100 et. seq. of the California Water Code) and is a local government agency providing water and sewer services to unincorporated areas in the northern inland section of San Diego County. The District joined the Water Authority and Metropolitan the same year to acquire the right to purchase and distribute imported water. Water received for distribution to customers is entirely imported and therefore the District relies on the Water Authority and Metropolitan for data to project future demands.

Population within the District's service area was 19,495 in 2010 and is expected to increase to 27,238 by 2035 according to the Water Authority and SANDAG. A projection of the population is provided in Table 3-1.

Table 3-1. Population Projections

| Year | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 |
|-------------------------|--------|--------|--------|--------|--------|--------|
| Service Area Population | 19,495 | 19,944 | 20,696 | 22,520 | 24,904 | 27,238 |

Projection forecast by the Water Authority and SANDAG, 2010 Rainbow Urban Water Management Plan

Urban Water Management Plan

In accordance with the California Urban Water Management Planning Act, the District has prepared an Urban Water Management Plan (UWMP). The last update was completed in 2010 and was used to provide water demands and supply projections for this WSA.

Water Service Annexation

The portion of the project north of SR 76 is outside the Water Authority service area, and would need to annex to the Water Authority in order to receive water service from the Water Authority aqueduct system. The Water Authority Act (the section of the Water Code under which the Water Authority operates as a special district governmental agency) specifies that annexations into the Water Authority are at the discretion of the Water Authority Board of Directors.

The majority of Campus Park West is located within the San Luis Rey Municipal Water District sphere of influence and a small percentage is within the Rainbow Municipal Water District (District), as shown previously on Figure 1-1. The District is a member agency of the San Diego County Water Authority and provides both water and sewer services, whereas the San Luis Rey Municipal Water District manages groundwater resources of the San Luis Rey River, its sole source of water. Water and sewer service will therefore be provided to Campus Park West by the District, and specific provisions for service have been outlined in a pre-annexation agreement dated May 22, 2012. The Campus Park West project will initiate annexation into the District and an amendment to the District's Sphere of Influence once the project is approved by the Water Authority.

The District has existing water facilities in the vicinity of the Campus Park West project that have sufficient capacity to serve the project. Additionally, the supply capacity of the Water Authority and Metropolitan aqueduct connections are projected to be adequate for ultimate demands. Water supply facilities for Campus Park West will be integrated with proposed facilities for the Campus Park project to the north.

4. Historical and Projected Water Demands

The District's customer base is comprised of agricultural and domestic use. Historically, agriculture was a significant portion of the water demands. However, agriculture demand has significantly dropped due to drought conditions and supply restrictions from the State Water Project. An increase in the residential customer base is expected in the near future.

District Projected and Historical Water Demands

The District utilizes the Water Authority's projected demands based on the San Diego Association of Government's (SANDAG) most recent regional growth forecast to calculate future demands within their service area. This provides for consistency between San Diego County planning efforts and the Water Authority demand projections, thereby ensuring that adequate supplies are being planned for existing and future water users. SANDAG's growth forecasts are based on the land use planning policies of the cities within San Diego County, so planned growth is included in the water demand forecasts of the County. Sections 1 and 2 of the Water Authority's 2010 UWMP (June 2011) provide detail on the current population projection (in 5-year increments) as well as economic data utilized in their water supply planning.

Table 4-1. Historical Water Demands Purchased from the Water Authority

| Year | Estimated Potable Water Use (AFY) |
|------|-----------------------------------|
| 1995 | 21,000 |
| 1996 | 24,686 |
| 1997 | 24,817 |
| 1998 | 19,107 |
| 1999 | 25,403 |
| 2000 | 29,929 |
| 2001 | 27,427 |
| 2002 | 31,702 |
| 2003 | 28,881 |
| 2004 | 33,477 |
| 2005 | 25,252 |
| 2006 | 30,459 |
| 2007 | 33,305 |
| 2008 | 27,045 |
| 2009 | 26,420 |
| 2010 | 18,322 |

Source: Rainbow Municipal Water District 2010 UWMP (Table 6)

The District used the Water Authority's projections for normal, dry year and multiple dry years to determine future demands. The tables below summarize both the District's and the Water Authority's future demands with conservation. Conservation is discussed in Section 7.

Table 4-2. Normal Water Demand with Conservation

| Year | District (AFY) | Water Authority (AFY) |
|------|----------------|-----------------------|
| 2015 | 21,537 | 641,437 |
| 2020 | 21,070 | 676,375 |
| 2025 | 22,446 | 722,315 |
| 2030 | 24,078 | 758,954 |
| 2035 | 26,137 | 792,549 |

Source: Rainbow Municipal Water District 2010 UWMP (Table 10)

Table 4-3. Single Dry Year Water Demand with Conservation

| Year | District (AFY) | Water Authority (AFY) |
|------|----------------|-----------------------|
| 2015 | 23,045 | 681,850 |
| 2020 | 22,545 | 720,348 |
| 2025 | 24,017 | 769,689 |
| 2030 | 25,763 | 809,915 |
| 2035 | 27,967 | 846,553 |

Source: Rainbow Municipal Water District 2010 UWMP (Table 11)

Table 4-4. Multiple Dry Years Water Demand with Conservation

| Group | Year | District (AFY) | Water Authority (AFY) |
|-------|------|----------------|-----------------------|
| 1 | 2016 | 23,206 | 684,965 |
| | 2017 | 23,369 | 707,726 |
| | 2018 | 23,532 | 742,211 |
| 2 | 2021 | 22,703 | 726,025 |
| | 2022 | 22,862 | 754,233 |
| | 2023 | 23,022 | 793,297 |
| 3 | 2026 | 24,185 | 777,049 |
| | 2027 | 24,354 | 806,049 |
| | 2028 | 24,525 | 848,762 |
| 4 | 2031 | 25,943 | 816,466 |
| | 2032 | 26,125 | 848,206 |
| | 2033 | 26,308 | 888,263 |

Source: Rainbow Municipal Water District 2010 UWMP (Table 12)

5. Water Supply

The District's 2010 UWMP contains a comparison of projected supply and demands within its existing boundaries through the year 2035. Projected potable water resources to meet demands as planned are primarily supplied with imported water purchased from the Water Authority. The District currently has no local supply of potable water or groundwater resources.

The District's primary resource of potable water is imported through the Water Authority. Rainbow is a member agency of the Water Authority and Metropolitan. The District imports all of its potable water through seven turnouts located on the Metropolitan/Water Authority Aqueducts. The Water Authority in turn, currently purchases most of its water from Metropolitan. Due to Rainbow's dependency on these two agencies, this WSAV report includes information on the existing and projected supplies, supply programs, and related projects of the Water Authority and Metropolitan along with the demands and supplies within Rainbow's service area.

The information and conclusions presented in this report are based upon sources (Metropolitan and Water Authority) outside the control of the District; therefore, there is no affirmation regarding the validity of the projections or availability of future water supplies and the District takes no responsibilities.

Water Sources

- **Ground Water**

The District currently does not utilize groundwater as a source of water supply. A groundwater study within the Rainbow Valley was done in May 2005 and was enclosed in the 2005 UWMP. The study determined that the potential exists within the District to utilize groundwater as a supplemental water supply. The infrastructure necessary, such as reverse osmosis treatment to bring down high total dissolved solids (TDS) levels will be determined with future research. At such time the economic viability of such infrastructure will also be investigated. District is also looking into buying water rights from the City Carlsbad from the San Luis Rey River.

- **Recycled water**

The District currently does not generate nor distribute recycled water. Furthermore, due to the financial impacts of acquiring or producing recycled water and installing and maintaining a parallel recycled water transmission and distribution system, a recycled water system is not planned at this time. One option for recycled water in the future is the proposed Meadowood project to the east, which includes a wastewater treatment and reuse option for disposal. Should the development proposal be realized, the District could obtain recycled water from a Valley Center Municipal Water District owned and operated facility. In this scenario, a recycled water pipeline in Pankey Road could serve irrigation use within the project. Other options include recycled water from Fallbrook Public Utilities District or Valley Center Municipal Water District's Moosa Canyon plant with a recycled water pipeline extension to the District's Beck reservoir.

- **Desalination**

Desalination is a process under which saline water is separated from salt water to potable water. A reverse osmosis seawater desalination plant which will be constructed in the City of Carlsbad is a fully permitted private desalination project owned by Poseidon Resources LLC. The desalination plant's feasible output was determined to be 56,000 acre feet annually. The District considered an agreement with Poseidon to purchase water; however, the Water Authority will pursue an allocation. Due to the location of the District in respect to the plant, the District cannot directly receive the desalinated seawater. Development of desalinated sea water, brackish ocean water and brackish ground water as a long term supply is not a viable option for the District. Any such developments are to be done by the Water Authority, or private developers. The Water Authority has the ability of supplementing their overall water supply with desalinated water. Per their Regional Water Facilities Master Plan the Water Authority concludes that it should pursue seawater desalination "for a major portion of the (Water) Authority's supply portfolio". Sea water desalination is the preferred choice for a coastal regions since it can provide a source of water with abundant storage capacity, is not effected by hydrologic cycle, provides treated water and is becoming economically competitive to new imported water sources. The Water Authority has developed a seawater desalination program to evaluate seawater desalination possibilities for the County which is described in their 2010 updated UWMP. On September 27, 2012, the Water Authority approved a financing agreement with Poseidon to purchase the water from desalination plant.

- **Transfer and Exchange**

Transfers and exchanges are encouraged by the Act in order to improve the reliability and quality of the water supply. Water Authority has an agreement with IID to transfer 200,000 AFY of conserved water to San Diego region. The District has interconnections with the City of Oceanside and Fallbrook Public Utility District (FPUD) because of their close proximity. These interconnections are used for emergency supply. The District and FPUD have an emergency exchange agreement, which was enacted in 1986 to transfer water in an emergency event.

- **Water Supply Projects**

In 2010, District finished construction on two reservoir covers. The covers not only comply with California Department of Public Health (CDPH) regarding treated storage reservoirs, it also saves the District water losses due to evaporation. District is currently under construction on another reservoir cover which will contribute to the savings with a total of 78 AF/Y.

Supply Projections

The supply projections contained in the Water Authority and District 2010 UWMPs are summarized below in Table 5-1.

Table 5-1. Water Authority Water Supply Projections (AFY)

| Water Supply Source | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Imperial Irrigation | 70,000 | 10,000 | 190,000 | 20,000 | 20,000 | 20,000 |
| Groundwater Supplier Surface Diversion | 21,377 | 22,170 | 26,970 | 26,970 | 26,970 | 26,970 |
| Supplier Surface Diversion | 27,336 | 59,327 | 59,327 | 59,327 | 59,327 | 59,327 |
| Recycled Water | 28,065 | 39,920 | 44,344 | 49,425 | 53,256 | 57,032 |
| Desalination | 0 | 0 | 56,000 | 56,000 | 56,000 | 56,000 |
| Channel Lining | 80,200 | 80,200 | 80,200 | 80,200 | 80,200 | 80,200 |
| Total | 226,978 | 211,617 | 456,841 | 291,922 | 295,753 | 299,529 |

Source: Rainbow Municipal Water District 2010 UWMP (Table 4)

6. Availability of Sufficient Supplies

The District's water supply is dependent on the Water Authority as the wholesale water supplier. Therefore the water supply reliability assessment relies on the Water Authority's 2010 UWMP. Water Code section 10635 requires that every urban water supplier assess the reliability of its water services during normal, dry and multiple dry water years. The water supply and demand assessment compare the total projected water use with expected water supply over the next 20 years in five-year increments. The assessment contained in the 2010 UWMP projects reliability through the next 25 year to correspond with population growth forecasted by SANDAG.

The Water Authority's 2010 UWMP provides for a comprehensive planning analysis at a regional level and includes water use associated with accelerated forecasted residential development as part of its municipal and industrial sector demand projections. These housing units were identified by SANDAG in the course of its regional housing needs assessment, but are not yet included in existing general land use plans of local jurisdictions. The demand associated with accelerated forecasted growth is intended to account for SANDAG's land use development currently projected to occur between 2035 and 2050, but has the likely potential to occur on an accelerated schedule. SANDAG estimates that this accelerated residential development could occur within the planning horizon of the 2010 UWMP update. These units are not yet included in local jurisdictions' general plans, so their projected demands are incorporated at a regional level. When necessary, this additional demand increment shown in Table 6-1, termed Accelerated Forecasted Growth, can be used by member agencies to meet the demands of development projects not identified in the general land use plans, as part of general plan amendments, and/or new annexations.

Therefore, the near-term service for the proposed water demands of the Project can be accounted for in the Water Authority's 2010 UWMP accelerated forecasted growth demand increment. As documented in the Water Authority's 2010 UWMP, the Water Authority is planning to meet future and existing demands which include the demand increment associated with the accelerated forecasted growth. The Water Authority will also assist its member agencies in tracking the certified EIRs provided by the agencies that include water supply assessments that utilize the accelerated forecasted growth demand increment, to demonstrate adequate supplies for the development. In addition, the next update of the demand forecast for the Water Authority's 2015 UWMP will be based on SANDAG's most recently updated forecast, which will include the Project.

The forecasted normal year water demands compared with the projected supplies for the Water Authority are shown in Table 6-2. This demonstrates that with existing supplies and implementation of the projects discussed in the Water Authority's planning documents there will be adequate water supplies to serve the anticipated growth of the Project. Table 6-3 provides a comparison of single dry year supply with projected total water demands over the next 20 years in five-year increments. Multiple dry year scenarios are shown in Tables 6-4 through 6-6.

Table 6-1. Total Regional Baseline Demand Forecast (AFY)

| | 2015 | 2020 | 2025 | 2030 | 2035 |
|---|----------------|----------------|----------------|----------------|----------------|
| Baseline M&I Demand ^{1,2,3} | 590,731 | 661,415 | 728,574 | 788,174 | 839,417 |
| Baseline Agricultural Demand - Program | 30,358 | 27,164 | 26,531 | 25,927 | 25,324 |
| Baseline Agricultural Demand - Full Service | 2,500 | 22,370 | 21,849 | 21,352 | 20,854 |
| Near-Term Annexations ⁴ | 5,709 | 6,670 | 6,670 | 6,670 | 6,670 |
| Accelerated Forecasted Growth | 2,224 | 4,421 | 6,605 | 8,776 | 10,948 |
| Total Baseline Demand Forecast | 631,522 | 722,040 | 790,229 | 850,899 | 903,213 |

Source: Water Authority 2010 UWMP (Table 2-2)

¹ Includes approximately 12,000 AF of demand for Camp Pendleton – provided by base staff.

² Reflects passive historic conservation savings.

³ Includes increment of demand associated with the decay of historic active conservation program savings

(2015 = 7,111 AF; 2020 = 14,221 AF; post-2020 = 21,332 AF).

⁴Known near-term annexation demands include: Escondido (314 AF), Otay Ranch Village 13 and parcels East of Village 13 (2,361 AF), Peaceful Valley Ranch (70 AF), Sycuan Reservation (392 AF), Stoddard Parcel (2 AF), San Ysidro Mt. Parcel Village 17 (148 AF), Viejas (2,000 AF), Rincon (417 AF), Meadowood Development (460 AF), Pauma Ranch (76 AF) and Warner Ranch/Sycamore Ranch (430 AF). Including the demands for these parcels does not limit the Board's discretion to deny or approve these or other annexations not contemplated at this time.

Table 6-2. Water Authority Normal Year Demand and Supply Comparison (AFY)

| | 2015 | 2020 | 2025 | 2030 | 2035 |
|---|----------------|----------------|----------------|----------------|----------------|
| Water Authority Supplies | | | | | |
| IID Water Transfer ¹ | 100,000 | 190,000 | 200,000 | 200,000 | 200,000 |
| ACC and CC Lining Projects ² | 80,200 | 80,200 | 80,200 | 80,200 | 80,200 |
| Proposed Regional Seawater Desalination | 0 | 56,000 | 56,000 | 56,000 | 56,000 |
| Sub-Total | 180,200 | 326,200 | 336,200 | 336,200 | 336,200 |
| Member Agency Supplies | | | | | |
| Surface Water | 48,206 | 47,940 | 47,878 | 47,542 | 47,289 |
| Water Recycling | 38,660 | 43,728 | 46,603 | 48,278 | 49,998 |
| Groundwater | 11,710 | 11,100 | 12,100 | 12,840 | 12,840 |
| Groundwater Recovery | 10,320 | 15,520 | 15,520 | 15,520 | 15,520 |
| Sub-Total | 108,896 | 118,288 | 122,101 | 124,180 | 125,647 |
| Metropolitan Water District Supplies | 358,189 | 230,601 | 259,694 | 293,239 | 323,838 |
| Total Projected Supplies | 647,285 | 675,089 | 717,995 | 753,619 | 785,685 |

Source: Water Authority 2010 UWMP (Table 9-1)

¹Imperial Irrigation District Water Transfer

²All-American and Coachella Canals canal lining projects

Table 6-3. Water Authority Single Dry Year Demand and Supply Comparison

| | 2015 | 2020 | 2025 | 2030 | 2035 |
|---|----------------|----------------|----------------|----------------|----------------|
| Water Authority Supplies | | | | | |
| IID Water Transfer | 100,000 | 190,000 | 200,000 | 200,000 | 200,000 |
| ACC and CC Lining Projects | 80,200 | 80,200 | 80,200 | 80,200 | 80,200 |
| Proposed Regional Seawater Desalination | 0 | 56,000 | 56,000 | 56,000 | 56,000 |
| Sub-Total | 180,200 | 326,200 | 336,200 | 336,200 | 336,200 |
| Member Agency Supplies | | | | | |
| Surface Water | 17,932 | 17,932 | 17,932 | 17,932 | 17,932 |
| Water Recycling | 38,660 | 43,728 | 46,603 | 48,278 | 49,998 |
| Groundwater | 9,977 | 9,977 | 9,977 | 9,977 | 9,977 |
| Groundwater Recovery | 10,320 | 15,520 | 15,520 | 15,520 | 15,520 |
| Sub-Total | 76,889 | 87,157 | 90,032 | 91,707 | 93,427 |
| Metropolitan Water District Supplies | 430,431 | 305,101 | 338,501 | 376,023 | 409,389 |
| Total Projected Supplies | 687,520 | 718,458 | 764,733 | 803,930 | 839,016 |

Source: Water Authority 2010 UWMP (Table 9-2)

Table 6-4. Water Authority Multiple Dry Year Demand and Supply Assessment Three-Year Increments – 2012-2014 and 2016-2018 (AFY)

| | 2012 | 2013 | 2014 | 2016 | 2017 | 2018 |
|---|-----------|----------|-----------|----------|----------|----------|
| Member Agency Supplies | 69,597 | 84,440 | 103,907 | 78,943 | 93,408 | 112,499 |
| Water Authority Supplies | 170,200 | 180,200 | 180,200 | 236,200 | 236,200 | 266,200 |
| Metropolitan Allocation (Preferential Right) | 317,760 | 319,177 | 320,456 | 322,661 | 323,350 | 324,100 |
| Total Estimated Core Supplies w/o Storage Tanks | 557,557 | 583,817 | 604,563 | 637,804 | 652,958 | 702,799 |
| Total Demands w/ SBX7-7 ¹ Conservation | 658,381 | 679,509 | 711,241 | 682,338 | 705,461 | 740,326 |
| Potential Supply; (Deficit) or Surplus | (100,824) | (95,692) | (106,678) | (44,534) | (52,503) | (37,527) |
| Utilization Carryover Supplies | 40,000 | 40,000 | 30,000 | 44,534 | 40,000 | 30,000 |
| Total Projected Core Supplies with Utilization of Carryover Storage Supplies | 597,557 | 623,817 | 634,563 | 682,338 | 692,958 | 732,799 |
| Remaining Potential Supply, (Deficit) or Surplus, that will be handled through Management Actions | (60,824) | (55,692) | (76,678) | 0 | (12,503) | (7,527) |

Source: Water Authority 2010 UWMP (Table 9-3 and 9-4)

Table 6-5. Water Authority Multiple Dry Year Demand and Supply Assessment Three-Year Increments – 2021-2023 and 2026-2028 (AFY)

| | 2021 | 2022 | 2023 | 2026 | 2027 | 2028 |
|---|---------|---------|---------|----------|----------|----------|
| Member Agency Supplies | 87,732 | 100,719 | 118,331 | 90,367 | 103,114 | 120,486 |
| Water Authority Supplies | 336,200 | 336,200 | 336,200 | 336,200 | 336,200 | 336,200 |
| Metropolitan Allocation (Preferential Right) | 326,697 | 327,671 | 328,695 | 332,058 | 333,272 | 334,532 |
| Total Estimated Core Supplies w/o Storage Tanks | 750,629 | 764,590 | 783,226 | 758,625 | 772,586 | 791,218 |
| Total Demands w/ SBX7-71 Conservation | 724,294 | 751,800 | 790,177 | 772,892 | 801,649 | 844,137 |
| Potential Supply; (Deficit) or Surplus | 26,335 | 12,790 | (6,951) | (14,267) | (29,063) | (52,919) |
| Utilization Carryover Supplies | 0 | 0 | 6,951 | 14,267 | 29,063 | 40,000 |
| Total Projected Core Supplies with Utilization of Carryover Storage Supplies | 750,629 | 764,590 | 790,177 | 772,892 | 801,649 | 831,218 |
| Remaining Potential Supply, (Deficit) or Surplus, that will be handled through Management Actions | 26,335 | 12,790 | 0 | 0 | 0 | (12,919) |

Source: Water Authority 2010 UWMP (Table 9-5 and 9-6)

Table 6-6. Water Authority Multiple Dry Year Demand and Supply Assessment Three-Year Increments – 2031-2033 (AFY)

| | 2031 | 2032 | 2033 |
|---|----------|----------|----------|
| Member Agency Supplies | 92,051 | 104,807 | 122,188 |
| Water Authority Supplies | 336,200 | 336,200 | 336,200 |
| Metropolitan Allocation (Preferential Right) | 338,575 | 340,009 | 341,486 |
| Total Estimated Core Supplies w/o Storage Tanks | 766,826 | 781,016 | 799,874 |
| Total Demands w/ SBX7-71 Conservation | 811,421 | 842,947 | 882,795 |
| Potential Supply; (Deficit) or Surplus | (44,595) | (61,931) | (82,921) |
| Utilization Carryover Supplies | 44,595 | 40,000 | 30,000 |
| Total Projected Core Supplies with Utilization of Carryover Storage Supplies | 811,421 | 821,016 | 829,874 |
| Remaining Potential Supply, (Deficit) or Surplus, that will be handled through Management Actions | 0 | (21,931) | (52,921) |

Source: Water Authority 2010 UWMP (Table 9-7)

This report demonstrated that there are sufficient water supplies over a 20-year planning horizon to meet the projected water demands of the Project within the District and Water Authority service area. The Project water demands are included in the regional water resource planning documents of the Water Authority and Metropolitan Water District.

7. Water Shortage and Drought Management

Water Shortage Contingency Plan

District ordinance 08-01 addresses the possible water shortage scenarios in conjunction with the Water Authority Drought Management Plan. The sections within the ordinance discuss stages each with both Voluntary and Mandatory reduction of water usage. Subsections herein shall discuss various components of the water shortage contingency plan.

- **Stages of Action**

There are 4 different stages of water shortage scenarios within ordinance 08-01. Each stage has specific instructions for various water uses to be prohibited or to be restricted. Drought Response Level 1 is for periods when the District is notified that due to drought or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to 10 percent is required in order to ensure that sufficient supplies will be available to meet anticipated demands. Public outreach and conservation practices are promoted during Drought Response Level 1; however, cut backs are not mandatory. For Drought Response Level 2 there is a 20 percent reduction. There is a list of conservation practices which during Drought Response Level 1, are voluntary, and during Drought Response Level 2 are mandatory. Drought Response Level 3 and 4 require a 40 and more than 40 percent reduction, respectively.

- **Catastrophic Supply Interruption Plan**

A catastrophic water shortage occurs when a disaster, such as an earthquake, results in insufficient available water to meet the region's needs or eliminates access to imported water supplies. The Water Authority's Emergency Response Plan (ERP) and the Emergency Storage Plan (ESP) are developed to protect public health and safety and to prevent or limit economic damage that could occur from a severe shortage of water supplies. The ERP covers concepts such as the authorities, policies, and procedures associated with emergency response activities, emergency staffing, management, and organization required to assist in mitigating any significant emergency or disaster, mutual aid agreements and covenants that outline the terms and conditions under which mutual aid assistance will be provided and pre-emergency planning and emergency operations procedures. The ESP identifies and implements plans to acquire additional storage facilities.

For the District, it is important that the water stored in District reservoirs are monitored and proactively managed to not allow the volumes of all the reservoirs to drop to very low level. Practice should be to maintain at a minimum the required emergency fire flow storage within all reservoirs at all time. The District has developed an ERP which discusses actions the District will take during a catastrophic interruption of water supplies to ensure operation during such an event. Contingency plans are prepared for each event. Backup generators have been purchased and are easily wired into pump stations for quick connects in case of a power

ouage. Storage facilities are kept at an optima level in case of fire flow demands, aqueduct shutdowns, and general operation.

Water Use Efficiency Measures

- **Conservation Measures**

Demand Management Measures are methods or ways to conserve water through efficient tools, education and encouragement through incentives. Currently there are 14 best management practices (BMP's) that are promoted by California Urban Water Conservation Council (CUWCC). All of these BMP's are implemented by the Water Authority and the District is a participating member of the Water Authority program and the CUWCC. The District became a signatory to the Memorandum of Understanding (MOU) of the CUWCC in 2009. As a member of CUWCC, the District is required to submit a BMP report every 2 years regarding the implementation of the 14 BMPs. Refer to the Annual CUWCC BMP Report and Section 3 of the Water Authority 2010 UWMP for descriptions of current BMPs.

- **Water Survey Programs for Residential Customers**

The District has not developed an independent marketing strategy for single or multifamily residential water survey program to detect leaks; including toilets, toilet flappers and faucets, check flow rates; including showerheads, aerators and toilets, and other checks to determine efficient use of water and recommend or offer to replace with low flow devices. At present, RMWDs participation is limited to its association with the Water Authority program. The District should consider the initiation of a water survey program to increase the visibility of the District's programs. Such information can be supplied as a leaflet within the monthly water bill.

- **Residential Plumbing Retrofit**

The District, as a member of the Water Authority, participates in an incentive program for water conserving devices.

- **System Water Audits**

The District had a water pipe audit program that would perform leak detection on its pipelines. The last survey was done for FY 2004-2005. Currently, the District has not continued the program due to financial constraints. As leak detection technology improves the District will consider bring back the water system audits.

- **Commodity Rate Metering**

In 2010 the District retailed water at a commodity rate of \$2.55 for each unit of water for the first 6 units and \$2.60 a unit thereafter. A unit of water is equivalent to one Hundred Cubic Feet (HCF) or 748 gallons. Included in this rate are costs necessary to pay Metropolitan and the Water Authority for the costs of imported water.

- **Large Landscape Conservation**

The Water Authority has a large audit programs and services to assist in water use efficiency through new technology and education.

- **High Efficiency Washing Machines**

The District is a participating member of the Water Authority's Voucher Program to promote efficient machines through incentives for water saving devices.

- **Public Information Programs**

The Public information Program used public service announcements, brochures, newsletters in bills, demonstration gardens, special events and its speaker's bureau to give speeches as its medium to relay the message of conservation. Public can learn how outdoor irrigation can waste water, how the region uses recycled water and how to avoid polluting our local streams and bays.

- **School Education Programs**

The Water Authority has several programs available to school teachers and other youth programs to promote water education among local youth. The programs for teachers are grouped into elementary and secondary categories with 10 programs for K through 6 and 7 programs for 7 through 12th grades respectively. In addition to these grade specific programs, the Water Authority offers a badge program for youth organizations, mini-grants and Xeriscape gardening workshop for teachers, and does the exhibit at Reuben H. Fleet Center. These programs teach water-related activities and science experiments. In addition to highlighting water conservation issues and provides an understanding of California's water supply, these activities are designed to integrate math, science, art and language. Secondary school level programs emphasize on are water quality, water distribution, water conservation, the water cycle and fresh and salt water topics.

- **Conservation Programs for Commercial, Industrial and Institutional Accounts**

The Water Authority managed a Commercial Institutional Industrial (CII) Voucher Program for all participating member agencies. In July 2008, the Water Authority switched to Metropolitan's regional CII Save a Buck Program. These programs installed 56,000 CII water saving devices and saved 18,400 AF of water savings from 1993 to 2009.

- **Conservation Pricing**

The District is in preliminary stages of establishing a pricing schedule to promote water conservation and as such has yet to determine stepping points. Also being considered at the time is a rate structure that includes a different schedule for agricultural, industrial and domestic uses.

- **Wholesale Agency Programs**

All the programs with which the District participates are administrated by the Water Authority and in some instances by Metropolitan. Therefore this section is a summary of programs offered by the Water Authority. Other programs can be found in the Water Authority UWMP Section 3 Demand Management.

- **Water Conservation Coordinator**

The District has a water conservation coordinator and works with the Water Authority staff to coordinate water conservation related issues.

- **Water Waste Prohibition**

For most arid regions with limited water supply, water waste prohibition is an innate concept well understood and readily practiced. However that was not the case in Southern California with the abundant imported water from Colorado River, the area residents created water intense lush landscapes. With the increasing demand for water in the region, local governments and water districts created regulations to regulate water conservation. The District adopted an ordinance in 1990 to promote water conservation and created an emergency water management program. The ordinance, No 90-1, was later superseded by ordinance 91-5 which in turn was slightly amended with ordinance 91-8. Section 7 of the ordinance, "Water Conservation Stages", states that no customer shall waste or use district provided water unreasonably regardless of the conservation stage of a given time. Any violation of this ordinance is a misdemeanor which is punishable with imprisonment or fine.

- **Residential Ultra-Low Flush Toilet Replacement Programs**

The Water Authority implemented a financial incentive program for water conserving devices from 1991 to 2008. Vouchers were used to encourage replacement of water wasting devices to high efficient devices. The program replaced over 500,000 water-efficient toilets and other devices. In 2008, the Water Authority transitioned over to the regional SoCal WaterSmart rebate program.

- **20 Gallon Challenge**

Increased conservation is essential for residents, business and public agencies due to historic dry conditions and reduced water deliveries from the State Water Project. The Water Authority has developed a conservation campaign to increase the conservation methods called the 20 Gallon Challenge. The 20 Gallon Challenge is region wide, and promotes voluntary water conservation by pledging to save 20 gallons per person, per day to save water now to allow for water in storage for the coming years.

- **Determination of DMM Implementation**

DMM is determined through the evaluation of applications for loans and grants to the Department of Water Resource to implement DMM's identified in Section 6. The District is a signatory to the CWUCC MOU participating member of the Water Authority and Metropolitan's programs.

Conservation Management

Since the District's last UWMP in 2005, there have been some demographic changes due to recent droughts. Customers have had to decrease usage under implementation of a Stage 2 Drought by the District. Drought Management Planning is practiced by the District through cutbacks and restrictions of usage by its customers.

References

Rainbow Municipal Water District (June 2011) *Updated 2010 Urban Water Management Plan*

San Diego County Water Authority (June 2011) *2010 Urban Water Management Plan*