

Appendix H
Water Supply Assessment and Water Supply
Verification for the Hacienda at
Fairview Specific Plan Project

June 14, 2013

Mr. Eric Flodine, VP
Community Planning
Strata Equity Group, Inc.
4370 La Jolla Village Drive, Suite 960
San Diego, CA 9122

Re: Water Supply Assessment and Water Supply Verification for the Hacienda at Fairview Specific Plan Project

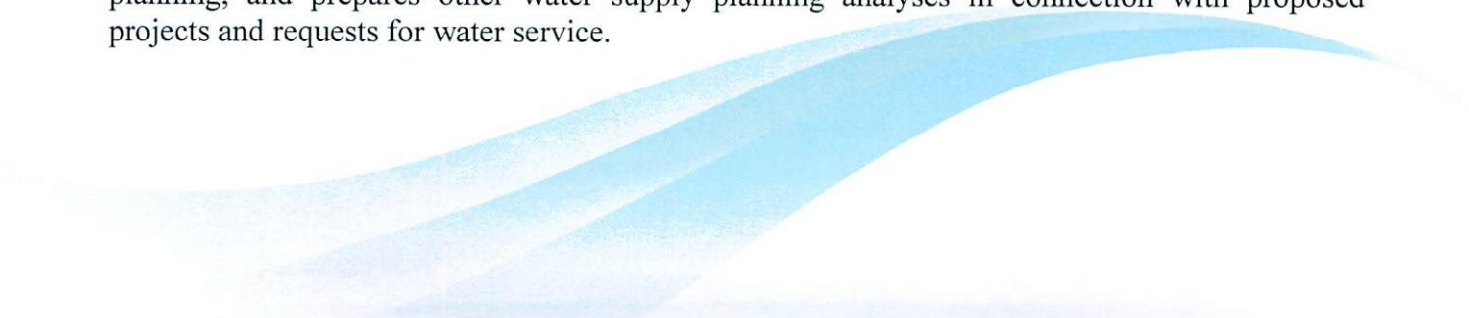
Dear Mr. Flodine:

As you may recall, in 2008, the Apple Valley Ranchos Water Company (“AVRWC”) prepared and adopted a Water Supply Assessment (“WSA”) in accordance with the WSA statute, California Water Code section 10910 et seq., for the proposed Hacienda at Fairview Specific Plan project (“Project”). A Water Supply Verification (WSV) was also prepared for this Project in accordance with Section 11010 of the Business and Professional Code, and Sections 66455.3, 66473.7, and 65867.5 of the Government Code. The WSA and WSV are combined as a single document.

As described in the WSA/WSV, the Project proposed to include residential, commercial, recreational and open space uses, providing up to 3,114 dwelling units and 200,000 square feet of commercial space. The WSA indicated that total water use for the Project would be 1,331.2 acre-feet per year (WSA/WSV, p. 10).

The County of San Bernardino (“County”) circulated a Draft Environmental Impact Report for the Project, including the WSA, from November 11, 2009 to January 11, 2010. The County received comments on the Draft EIR, including comments pertaining to water supply.

The Project and Final EIR will soon be considered for approval and certification by the County Board of Supervisors. County planning staff understands that various events have occurred since the WSA was issued that may have had the potential to affect the availability and reliability of statewide, regional and/or local water supplies. The County should also understand, however, that AVRWC continually evaluates such events and other water supply factors in relation to AVRWC’s current and projected water supply portfolio. As part of that process, for example, AVRWC updates its Urban Water Management Plan (“UWMP”) every five years in accordance with the Urban Water Management Planning Act, regularly undertakes capital improvement planning, and prepares other water supply planning analyses in connection with proposed projects and requests for water service.



We understand that County planning staff has carefully reviewed AVRWC's 2010 UWMP and the WSA/WVS. Below is a summary of our review of those documents.

A. 2010 Urban Water Management Plan. First, note that AVRWC prepared and adopted its 2010 UWMP in accordance with the UWMP Act, and that no challenges were filed against the Plan. Second, as noted above, the 2010 UWMP identifies and accounts for the various factors that have occurred since the WSA/WSV was issued that may have had the potential to affect the availability and reliability of AVRWC's water supplies. Third, the total projected water demands set forth in the 2010 UWMP account for total projected growth in AVRWC's service area, including the Project. Moreover, the 2010 UWMP concludes that AVRWC's total projected water supplies will be sufficient to meet its total projected water demands, which include the demands associated with the Project, during normal, single-dry and multiple-dry years over the next 20-year period and beyond.

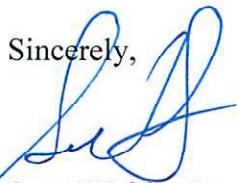
B. Water Supply Assessment/Water Supply Verification. Based on the information, analyses and conclusions contained in AVRWC's 2010 UWMP, we believe that the underlying water supply sufficiency conclusion of the WSA/WSV still applies to the proposed Project. In other words, the 2010 UWMP supports the previous conclusion in the WSA that the total projected water supplies available to AVRWC during normal, single-dry and multiple-dry years over the next 20-year horizon are sufficient to meet the projected demands of the proposed Project in addition to existing and planned future uses, including agricultural and manufacturing uses.

It should also be noted that with the acquisition of additional water supplies by our state water project contractor, Mojave Water Agency, AVRWC's water supply circumstances have improved since the WSA/WSV was approved. Therefore, long-term water supplies are projected to be somewhat greater than documented in the WSA/WSV.

In connection with the upcoming consideration of the Project, we understand that County planning staff requests that the AVRWC review the WSA/WSV and confirm matters presented in sections A and B above. We hereby confirm the currency and reliability of the WSA/WSV prepared for the Project.

If you have any questions regarding the above or would like additional information, please do not hesitate to contact me.

Sincerely,



Scott Weldy, General Manager
Apple Valley Ranchos Water Company

