

4. PUBLIC HEARINGS:

- 4.a. Adoption of a Resolution approving the Implementation Agreement with Garden Grove MXD, Inc. for the Waterpark Hotel project located 12681, 12641, and 12621 Harbor Boulevard, Garden Grove.  
(F: A-55.346)(XR: A-116.15)

Action: Public Hearing held. No Speakers.  
Resolution No. 26-13 adopted.

Motion: Jones Seconded: Dunn

Carried by the following vote:

Ayes:	(6)	Dunn, Guerrero, Harris, Jones, Mefford, Dalton
Noes:	(0)	None
Absent:	(1)	Delp

GARDEN GROVE OVERSIGHT BOARD

RESOLUTION NO. 26-13

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING AN IMPLEMENTATION AGREEMENT (WATER PARK DDA) BETWEEN THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT AND GARDEN GROVE MXD, INC.

WHEREAS, prior to February 1, 2012, the Garden Grove Agency for Community Development (herein referred to as the "Former Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council of the City of Garden Grove ("City"); and

WHEREAS, Assembly Bill 1x 26, chaptered and effective on June 27, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484, chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012 the Former Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Garden Grove Agency for Community Development (the "Successor Agency"); and

WHEREAS, the Successor Agency administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by a seven-member oversight board (the "Oversight Board"); and

WHEREAS, the Former Agency and the Developer entered into that certain First Amended and Restated Disposition and Development Agreement by and between the Former Agency and Garden Grove MXD, Inc. (the "Developer"), dated as of April 13, 2010, as amended from time to time (the "DDA") for the purpose of facilitating the development and operation by the Developer of a water park hotel on certain real property owned by the Successor Agency (defined in the DDA as the "Site") consisting of a minimum of six hundred (600) rooms and a water park, with a possible expansion of up to two hundred (200) additional rooms, and approximately 18,000 square feet of retail, including one (1) or more restaurants, as more specifically described in the Scope of Development (Exhibit C to the DDA); and

WHEREAS, initially capitalized terms used herein without definition shall have the meanings set forth in the DDA; and

WHEREAS, the Successor Agency has taken steps pursuant to the Dissolution Act to cause the DDA to be listed as an "enforceable obligation" of the Successor Agency; and

WHEREAS, on February 6, 2013, the Successor Agency received a Final and Conclusive Determination from the California Department of Finance with respect to the DDA in accordance with Section 34177.5(i) of the Dissolution Act; and

WHEREAS, the DDA, specifically Section 201 thereof, requires the Successor Agency to convey the Site to the Developer, subject to the satisfaction of certain Conditions Precedent set forth in Section 205 of the DDA; and

WHEREAS, pursuant to Section 408 of the DDA, the Successor Agency is obligated under the circumstances described therein to pay the Developer \$5,000,000 upon Commencement of Construction and \$42,000,000 thirty (30) days after the later of the date on which (i) the Hotel Opens for Business or (ii) the Certificate of Occupancy is issued for the Hotel (the "Remaining Covenant Consideration Due Date"); and

WHEREAS, the combination of the \$5,000,000 and \$42,000,000 is referred to in the DDA as "Covenant Consideration"; and

WHEREAS, the DDA provides that the Successor Agency shall, in accordance with the provisions of Section 408 thereof, issue its Tax Allocation Bonds to pay the \$42,000,000 portion of the Covenant Consideration (the "Remaining Covenant Consideration"); and

WHEREAS, Section 408 of the DDA recites that, "as a Condition Precedent to the Closing, the [Former Agency] and the Developer shall have reached agreement, in general conformity with Section 408.1 [of the DDA], each acting in their respective sole and absolute discretion, as to the scope of [Former Agency's] contingencies with respect to the [Former Agency's] obligation to issue Tax Allocation Bonds"; and

WHEREAS, the Successor Agency and the Developer desire to enter into the Implementation Agreement (Water Park DDA) ("Agreement") in substantially the form attached to this Resolution as Exhibit A and incorporated herein, which Agreement is intended to serve as the agreement required by Section 408 and referenced in the immediately preceding sentence; and

WHEREAS, the Successor Agency and Developer now desire to enter into the Agreement for the purpose of providing for the Conveyance of the Site pursuant to Section 34181(a) of the Dissolution Act and to establish, in accordance with Sections 408 and 408.1 of the DDA, the Successor Agency's contingencies to the issuance of Tax Allocation Bonds to pay the Remaining Covenant Consideration required by Section 408 of the DDA; and

WHEREAS, On October 8, 2013, The Successor Agency To The Garden Grove Agency For Community Development approved the Implementation Agreement by and between the Successor Agency and Garden Grove MXD, Inc.

WHEREAS, by this Resolution, the Oversight Board desires to approve the Agreement pursuant to Sections 34177(c) and 34181(a) of the Dissolution Act and authorizes the Successor Agency to transmit this Resolution and the Agreement to the State Department of Finance pursuant to Sections 34179(h) and 34181(f) of the Dissolution Act.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Agreement in substantially the form attached to this Resolution. The Successor Agency is directed to transmit said Agreement to the State Department of Finance for review pursuant to Sections 34179(h) and 34181(f) of the Dissolution Act.

Section 3. The Successor Agency is directed to petition the Department of Finance to provide written confirmation that its determination that the DDA and the Agreement together represent an enforceable obligation of the Successor Agency is final and conclusive and reflects the department's approval of subsequent payments made pursuant to the DDA and the Agreement, in accordance with Section 34177.5(i) of the Dissolution Act.

Section 4. This Resolution shall be effective immediately upon adoption.

Section 5. The Secretary to the Oversight Board shall certify to the adoption of this Resolution.

The foregoing Resolution was adopted by the Oversight Board this 16<sup>th</sup> day of October 2013.

ATTEST:

/s/ WILLIAM J. DALTON  
CHAIR

/s/ TERESA POMEROY, CMC  
DEPUTY SECRETARY

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) SS:  
CITY OF GARDEN GROVE )

I, TERESA POMEROY, Deputy Secretary of the Oversight Board to The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was adopted by the Oversight Board, at a Special Meeting held on the 16<sup>th</sup> day of October 2013, by the following vote:

AYES: MEMBERS: (6) DUNN, GUERRERO, HARRIS, JONES, MEFFORD, DALTON  
NOES: MEMBERS: (0) NONE  
ABSENT: MEMBERS: (1) DELP  
ABSTAIN: MEMBERS: (0) NONE

/s/ TERESA POMEROY, CMC  
DEPUTY SECRETARY

EXHIBIT "A"

- 3.b. Adoption of a Resolution approving a Comprehensive Plan of Finance for the approved outstanding debt of the former Garden Grove Agency for Community Development. (F: A-34.8)  
(XR: A-116.15)

Action: Resolution No. 22-13 adopted.  
Motion: Guerrero Seconded: Harris

Carried by the following vote:

Ayes:	(4)	Guerrero, Harris, Jones, Dalton
Noes:	(0)	None
Absent:	(2)	Dunn, Mefford
Abstain:	(1)	Delp

OVERSIGHT BOARD

RESOLUTION NO. 22-13

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE ISSUANCE AND SALE OF TAX ALLOCATION REFUNDING BONDS BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Garden Grove Agency for Community Development (the "Prior Agency") was a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under and pursuant to the provisions of the Community Redevelopment Law (Part 1 of Division 24 (commencing with Section 33000) of the Health and Safety Code of the State of California) (the "Law"), and the powers of the Prior Agency included the power to issue bonds for any of its corporate purposes; and

WHEREAS, a Redevelopment Plan for a redevelopment project known and designated as the Garden Grove Community Project (the "Redevelopment Project") has been adopted and approved by the City of Garden Grove and all requirements of law for and precedent to the adoption and approval of the Redevelopment Plan, as amended, have been duly complied with; and

WHEREAS, the Prior Agency has previously issued its 2003 Tax Allocation Refunding Bonds (Garden Grove Community Project) (the "2003 Bonds") in the original principal amount of \$57,025,000 for the purpose of refinancing other indebtedness of the Prior Agency and to finance redevelopment activities of the Prior Agency for the Redevelopment Project; and

WHEREAS, the Prior Agency has previously entered into a Credit Agreement with Union Bank of California, N.A., dated as of June 2, 2008 providing for a loan to the Agency in the amount of up to \$32 million (the "2008 Loan"), which 2008 Loan is secured by certain tax increment revenues of the Prior Agency for the Redevelopment Project; and

WHEREAS, on June 28, 2011, the California Legislature adopted ABx1 26 (the "Dissolution Act") and ABx1 27 (the "Opt-in Bill"); and

WHEREAS, the California Supreme Court subsequently upheld the provisions of the Dissolution Act and invalidated the Opt-in Bill resulting in the Prior Agency being dissolved as of February 1, 2012; and

WHEREAS, the powers, assets and obligations of the Prior Agency were transferred on February 1, 2012 to the Successor Agency to the Garden Grove Agency for Community Development (the "Successor Agency"); and



WHEREAS, on or about June 27, 2012, AB1484 was adopted as a trailer bill in connection with the 2012-13 California Budget; and

WHEREAS, AB1484 specifically authorizes the issuance of refunding bonds by the Successor Agency to refund outstanding bonds for the purpose of reducing debt service and to finance enforceable obligations pursuant to California Health and Safety Code Section 34177.5; and

WHEREAS, pursuant to Section 408 of that certain First Amended and Restated Disposition and Development Agreement (the "DDA"), dated as of April 13, 2010, by and between the Prior Agency and Garden Grove MXD, LLC (the "Developer") the Successor Agency is obligated to pay Forty-Two Million Dollars (\$42,000,000) (the "DDA Payment") to the Developer 30 days following the later to occur of (i) the date the Hotel Opens for business or (ii) the Certificate of Occupancy for the Hotel is issued (as those terms are defined in the DDA) (the "DDA Payment Deadline"); and

WHEREAS, the Successor Agency desires to issue bonds to fund the DDA Payment on or before the DDA Payment Deadline and to refund the 2003 Bonds; and

WHEREAS, the Successor Agency wishes at this time to issue bonds, in the principal amount of not to exceed Ninety-Eight Million Dollars (\$98,000,000) (the "2013 Bonds") in one or more series, secured by a pledge of property tax revenues authorized by California Health and Safety Code Sections 34177.5, subdivisions (a) and (c), and/or Section 34177.5(g) to refund the 2003 Bonds in their entirety and to generate proceeds sufficient to make the DDA Payment, all to the extent feasible on a parity with the 2008 Loan, and all pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

WHEREAS, the Successor Agency has previously approved all matters relating to the issuance and sale of the 2013 Bonds; and

WHEREAS, the Oversight Board desires to approve all matters relating to the issuance and sale of the 2013 Bonds as required by Sections 34177.5(f) and 34180 of the Health and Safety Code of the State of California.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, AS FOLLOWS:

1. Each of the foregoing recitals is true and correct.
2. The Oversight Board hereby approves and authorizes the issuance by the Successor Agency to the Garden Grove Agency for Community Development of

the 2013 Bonds in an aggregate principal amount of not to exceed Ninety-Eight Million Dollars (\$98,000,000) for the purpose set forth in the recitals hereof.

3. To the extent the Successor Agency Director determines, based on the advice of Bond Counsel, that the sale of the 2013 Bonds (or any series thereof) will be facilitated by a judgment supporting the validity of the 2013 Bonds (or such series), the issuance of the 2013 Bonds (or such series) may be made subject to a prior judicial determination of the validity of the 2013 Bonds (or such series), the Indenture (or two Indentures of Trust, if applicable) and related matters and this Board hereby authorizes the filing of an action to determine the validity of the 2013 Bonds, the Indenture (or two Indentures of Trust, if applicable) and related matters in the Superior Court of Orange County, under the provisions of Sections 860 *et seq.* of the Code of Civil Procedure of the State of California. In such event, the City Attorney and Bond Counsel are hereby authorized and directed to prepare and cause to be filed and prosecuted to completion all proceedings required for the judicial validation of the 2013 Bonds (or such series), the Indenture(s) and related matters.

4. The Chair of the Oversight Board and the other officers and members of staff having responsibility for the affairs of the Successor Agency to the Garden Grove Agency for Community Development are hereby authorized to execute such documents and certificates necessary to assist the Successor Agency in the issuance of the 2013 Bonds.

5. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was adopted by the Oversight Board this 14<sup>th</sup> day of August 2013.

ATTEST:

WILLIAM J. DALTON  
CHAIR

TERESA POMEROY, CMC  
DEPUTY SECRETARY

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) SS:  
CITY OF GARDEN GROVE )

I, TERESA POMEROY, Deputy Secretary of the Oversight Board to The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was adopted by the Oversight Board, at a Regular Meeting held on the 14<sup>th</sup> day of August 2013, by the following vote:

AYES:       MEMBERS: (4) HARRIS, GUERRERO, JONES, DALTON  
NOES:       MEMBERS: (0) NONE  
ABSENT:     MEMBERS: (2) DUNN, MEFFORD  
ABSTAIN:   MEMBERS: (1) DELP

TERESA POMEROY, CMC  
DEPUTY SECRETARY

Resolution in Support of  
a Financing Concept for  
the Water Park Hotel  
Project

04/09/2013

RESOLUTION IN SUPPORT OF A FINANCING CONCEPT FOR THE WATER PARK HOTEL PROJECT (F: A-116.15)(XR: A-34.1)

Staff report dated April 9, 2013, was introduced and reviewed by staff. Speakers: Chad McWhinney and Trae Rigby, Water Park Hotel developers.

RESOLUTION NO. 9173-13

It was moved by Council Member Jones, seconded by Council Member Nguyen, and carried by unanimous vote that full reading of Resolution No. 9173-13 be waived, and said Resolution entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE IN SUPPORT OF A FINANCING CONCEPT FOR THE WATER PARK HOTEL PROJECT, be and hereby is adopted.

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9173-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
IN SUPPORT OF A FINANCING CONCEPT FOR THE WATER PARK HOTEL PROJECT

WHEREAS, the Garden Grove Agency for Community Development and Garden Grove MXD, LLC (an affiliate of Developer), entered into that certain First Amended and Restated Disposition and Development Agreement dated April 13, 2010 ("DDA"), amending and restating in its entirety that certain Disposition and Development Agreement dated May 12, 2009;

WHEREAS, the development and operation of the Project is in the vital and best interest of the City and the welfare of its residents. The development and operation of the Project will result in substantial benefits to City, which includes (i) elimination of blight, (ii) job creation and enhanced revenues to City resulting from construction and operation of the Project, including property taxes, sales taxes, and transient occupancy taxes, and (iii) enhanced marketability that is likely to extend out-of-town leisure and convention visitors' lengths of stay in City as a result of additional attractions and high-quality retail shopping and dining opportunities;

WHEREAS, by virtue of California AB 1X 26 and AB 1484, various law suits throughout the State of California ("State"), State Department of Finance announcements and actions and certain other uncertainties, Developer's affiliate has been unable to proceed with the Project (as defined in the DDA) as a result of which several "force majeure" extensions to the timeline in the Scope of Development pursuant to Section 602 of the DDA are applicable;

WHEREAS, a comprehensive financing plan which takes into account all major issues, including funding availability, is necessary for the Project (the "Comprehensive Financing Plan"). City has worked carefully with Developer to ensure that sufficient funding can be obtained within the timeframe required. Attached as Exhibit A is a non-binding term sheet provided by Guggenheim outlining a portion of the financing structure for the Project among a joint powers authority to be formed by the City, the Developer and Guggenheim dated March 29, 2013 ("Term Sheet"); and

WHEREAS, the purpose of this Resolution is to affirm the City Council's support of the Comprehensive Financing Plan, including the aspect of the Comprehensive Financing Plan generally outlined in the Term Sheet, and give direction to staff with respect to the implementation of the City's potential participation in the Comprehensive Financing Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove that this Resolution reflects City's broad conceptual agreement to the general plan outlined in the Term Sheet and does not constitute a binding commitment to the terms contained in Term Sheet. Staff is hereby directed to implement the DDA

in accordance with its terms and to take steps to implement the Comprehensive Financing Plan as generally set forth in the Term Sheet.

Adopted this 9<sup>th</sup> day of April 2013.

ATTEST:

/s/ BRUCE A. BROADWATER  
MAYOR

/s/ KATHLEEN BAILOR, CMC  
CITY CLERK

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS:  
CITY OF GARDEN GROVE )

I, KATHLEEN BAILOR, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on the 9<sup>th</sup> day of April 2013, by the following vote:

AYES:    COUNCIL MEMBERS:   (5) BEARD, JONES, NGUYEN, PHAN, BROADWATER  
NOES:    COUNCIL MEMBERS:   (0) NONE  
ABSENT:  COUNCIL MEMBERS:   (0) NONE

/s/ KATHLEEN BAILOR, CMC  
CITY CLERK

## Exhibit A

### Indicative Term Sheet

**City of Garden Grove**  
**Great Wolf Resort Project ("Project")**  
\$43,000,000\* Bond Anticipation Notes

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- Executive Summary**
- The Garden Grove Agency for Community Development (the "Redevelopment Agency") and Garden Grove MXD, LLC (the "Developer"), an entity created and controlled by McWhinney Holdings ("Sponsor") have entered into a Disposition and Development Agreement (the "DDA") related to a to be built 600-room hotel to be developed as a Great Wolf Resort Hotel (the "Project"). The City of Garden Grove (the "City") is wholly supportive of the Project and has also been working with the Developer to bring the Project to fruition.
  - The DDA, among other things, required a Project cost contribution from the Redevelopment Agency in an amount of \$47 million, \$42 million of which was to be delivered as set forth below.
  - Following the dissolution of redevelopment agencies pursuant to AB 1x26 and AB 1484 (the "Dissolution Acts"), the City, in its capacity as the Successor Agency to the Redevelopment Agency ("Successor Agency"), has sought and received a Final and Conclusive determination from the California Department of Finance ("DOF") that the DDA is an Enforceable Obligation, as that term is used in the Dissolution Acts.
  - The Sponsor has indicated that its various financing sources have required committed capital at the start of the construction of the Project. In order to achieve this objective, the City and the Sponsor have agreed to pursue a bond anticipation note transaction, as summarized below, that is intended to be taken out with the proceeds of a TAB, or, if and to extent proceeds are not available from the TAB, a Revenue Bond as described below.

### The Bond Anticipation Notes

- Issuer**
- A JPA formed by the City (the "Issuer")
- Structure**
- Bond Anticipation Notes ("BANs")
  - [30] Month Term
  - Semi-annual interest payments
  - Principal due at maturity
  - Subject to the Issuer entering into an Agreement with Sponsor to fund the Issuer's capitalized interest obligation and assigning its rights under Sections 408, 408.1 and 408.2 of the DDA, capitalized interest shall be funded from the proceeds of the BANs, through the term of the BANs.



Indicative Term Sheet  
City of Garden Grove – Great Wolf Resort Project

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- BANs will not be subject to early optional redemption
- Tax-exempt, non-AMT
- Form of Offering**
  - Private placement by Guggenheim Securities LLC (“Guggenheim”) to affiliates of Guggenheim and/or investor clients of Guggenheim.
- Economic Terms**
  - Coupon and pricing structure would be determined at a time no earlier than 30 days from closing. An indicative rate in the current market is approximately 5%. The interest rate will be reflective on a non-investment grade credit issued as a private placement. The rate may also include an original issue discount.
  - Investor(s) shall retain the option, but not the obligation, to purchase a minimum of 50% of the Bonds, as defined below, at then market rates.
  - Guggenheim shall be obligated to acquire current Union Bank obligations on terms to be agreed upon.
- Uses of Funds**
  - Capitalized Interest in the full amount necessary to cover interest through BAN term
  - Costs of issuance including a private placement fee payable to Guggenheim of 1.5% of the par amount of the BANs
  - Balance of the proceeds going towards the project payment to be deposited into the Senior Lender construction fund (the “Construction Fund”).
- Issuance**
  - Issuance will occur concurrently with the funding of the balance of Sponsor’s construction loan.

**Security for the BANs**

- Security Provisions**
  - BANs will be secured by all funds on deposit with the Trustee, and the portion of the BAN proceeds deposited with the Senior Lender, both held for the benefit of the BANs
  - The “Project Conditions” as defined below
  - The “Issuer Commitments” as defined below
  - The “City Commitments”, as defined below
  - The “Sponsor Commitments” as defined below
  - The “Developer Commitments” as defined below
- The Project Conditions**
  - Moneys on deposit in the BANs construction fund will be held in trust until the tests for release have been met (the “Release Tests”) which would include the following:
    - The Developer is not in default under any of its other agreements, as certified by the Developer and its counsel
    - No mechanic liens exist on the property

**Indicative Term Sheet**

**City of Garden Grove – Great Wolf Resort Project**

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- The Project is compliance with all permits and other City and/or other governmental permits and conditions, as certified by the Developer and its counsel
  - An independent engineer, with obligations to the Issuer and/or the Senior Lender, certifies that the Construction Fund deposit amount represent the remaining funds required to complete the Project pursuant to plans and specifications. If the remaining Project costs are higher than the funds on deposit in the Construction Fund, the Developer will be required to deposit the short fall into the Construction Fund necessary to rebalance the Project funding. The additional deposit will be required to be used first in its entirety before the Construction Fund would be released.
  - The Project will have Guaranteed Maximum Price contract(s) by experienced and credit worthy, bonded contractor(s) before construction commences
  - At closing, the Developer and Sponsor will evidence the fully committed capital necessary to complete the Project which would include the amounts on deposit in the Construction Fund
- Successor Agency and City Commitments**
- If legally possible and marketable, thirty (30) days after the Developer and Sponsor receive a certificate of occupancy for the Project (the “DDA Trigger”), the Successor Agency will issue tax allocation bonds (the “TABs”) secured by Tax Increment/Trust Fund Payments in an amount (including customary reserves and costs) necessary to redeem the BANS.
- Issuer Commitment**
- If TABs are sold, the Issuer will use such proceeds to discharge the obligation under the BANS. If and to the extent the TABs are insufficient to fully discharge the BANS, the City will, subject to validation and marketability, issue revenue bonds (the “Bonds”) at market rates at the time of issuance in an amount sufficient to repay the BANS, when due, pursuant to their terms. The Bonds will be secured by the Measured General Fund Payments, as defined and described below.
  - The proceeds of the TABs will be delivered to the Issuer who, in turn, will use the proceeds to repay the BANS.
  - In the event Bonds are issued, the City will pay, subject to annual appropriation from the City’s General Fund, an amount each year equal to the lesser of (i) annual debt service on the Bonds less the annual amount received in debt service payments on the TABs and (ii) the amount of taxes levied on the Project and collected by the City (such amounts include hotel and occupancy taxes). Above amounts are defined as “Measured General Fund Payments.” This transaction will require an opinion of counsel which opinion will be based on a validation judgment if such judgment is achieved. In such event, the Issuer will assign its right under Sections 408, 408.1, and 408.2 of the DDA to the City.

Indicative Term Sheet

City of Garden Grove – Great Wolf Resort Project

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| <b>Developer Commitments</b> | <ul style="list-style-type: none"><li>▪ Developer pledges all of its rights under the DDA to the Trustee as security for the BANS. Such pledge is released when the BANS have been redeemed in their entirety, pursuant to their terms.</li><li>▪ The Developer acknowledges that it will not seek to receive any of the proceeds of the TABS or the Bonds and that such proceeds by the Issuer to the City when received will be used to redeem the BANS or pledged to the City.</li></ul>  |
| <b>Sponsor Commitments</b>   | <ul style="list-style-type: none"><li>▪ The Sponsor will enter into a contractual agreement with the BAN owner(s) committing itself to purchase the BANS from the owner(s) in an amount necessary to redeem the BANS in their entirety, pursuant to their terms, in the event the Developer has failed to achieve the DDA Trigger prior to the maturity date of the BANS. The Issuer and City will expressly be made Third Party Beneficiaries of such agreement.</li><li>▪ The Sponsor will provide evidence of its continued ability to make such a purchase to the owner(s), City and Issuer.</li></ul> |
| <b>Default</b>               | <ul style="list-style-type: none"><li>▪ If the BANS are not redeemed in their entirety pursuant to their terms at maturity, it is a default.</li><li>▪ If a default is declared, a default rate will apply at a level TBD on the unpaid balance and continue to accrue at such rate until paid. The obligor in such event is TBD.</li><li>▪ Trustee would seek to pursue all other remedies under the BAN indenture.</li></ul>   |
| <b>Conditions Precedent</b>  | <ul style="list-style-type: none"><li>▪ Legal documentation</li><li>▪ Validation and unqualified legal opinion from Bond Counsel on the transaction including its exemption from state and federal taxes and exemption from the alternative minimum tax</li><li>▪ Other customary closing certificates and documents</li><li>▪ Agreement as to the Economic Terms and "TBD" terms</li></ul>  |

**IMPORTANT INFORMATION**

This Term Sheet is for discussion purposes only. This Term Sheet is not meant to be a commitment, nor shall it be construed as an offer or commitment of Guggenheim Securities or any of its affiliates to enter into a transaction or an acceptance of such offer by the City, Successor Agency, Issuer, Sponsor or Developer. Moreover, it does not attempt to describe all terms and conditions of a transaction, nor does it suggest the phrasing of document clauses. Instead, it is intended to outline certain basic business terms around which a transaction could be structured. Any subsequent commitment of Guggenheim Securities or any of its affiliates will be subject to further discussion, full due diligence and delivery of all documentation, legal opinions, certifications and warranties and other materials usual and customary for like transactions and market conditions at the time.

**CITY OF GARDEN GROVE**

**INTER-DEPARTMENT MEMORANDUM**

To: Matthew J. Fertal   From: Kingsley Okereke

Dept: City Manager   Dept: Finance

Subject: A RESOLUTION OF THE CITY                             Date: April 9, 2013  
 COUNCIL OF THE CITY OF  
 GARDEN GROVE IN SUPPORT OF  
 A FINANCING CONCEPT FOR THE  
 WATER PARK HOTEL PROJECT

OBJECTIVE

The purpose of this report is to request that the City Council consider the adoption of the attached Resolution supporting the financing concept for the Water Park Hotel Project ("Project") and directing staff to (1) implement the Disposition and Development Agreement ("DDA") with Garden Grove MXD Inc. in accordance with the DDA terms and (2) to take steps to implement the financing provisions as generally set forth in the Term Sheet, as attached (Attachment 2).

BACKGROUND/DISCUSSION

On April 13, 2010, the Garden Grove Agency for Community Development and Garden Grove MXD, LLC, entered into that certain First Amended and Restated Disposition and Development Agreement, amending and restating in its entirety that certain DDA dated May 12, 2009.

As of today, California AB 1X 26 and AB 1484, various lawsuits throughout the State of California, State Department of Finance announcements and actions and uncertainties, the Developer has been unable to proceed with the Project, resulting in several "force majeure" extensions of the Project's timeline.

While it remains the intention of the Successor Agency to sell tax allocation bonds to fulfill its obligation under the DDA, the Developer has determined that the \$42,000,000 required to be paid by the Agency pursuant to the DDA following the issuance of a certificate of occupancy for the hotel is needed earlier than the time set forth in the DDA. The Developer has proposed that a joint powers authority be formed by the City to issue bond anticipation notes secured by the revenue stream to which the Developer is entitled under Section 408 of the DDA with interest thereon during construction being paid for by the Developer. This process is outlined in the Term Sheet attached hereto as Exhibit A and incorporated herein by reference pursuant to which the following is proposed.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
IN SUPPORT OF A FINANCING CONCEPT FOR THE WATER PARK HOTEL PROJECT

April 9, 2013

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1. The Developer assigns to a joint powers authority to be formed by the City ("JPA") all of its rights under Section 408 of the DDA to receive the \$42,000,000 from the Successor Agency following the issuance of the certificate of occupancy for the Hotel.
2. Because this issuance is earlier than that required by the DDA the Developer has agreed to cover interest carry on the BAN.
3. If and to the extent that the TABS are unavailable for repayment of the BANs then, in that event, City will issue its revenue bonds secured by payment from the general fund in an amount equal to the Transient Occupancy Tax generated by the Hotel.

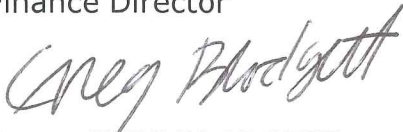
The proposed Resolution is to affirm the City Council's support of the Term Sheet and to give direction to staff with respect to the implementation of the DDA and Term Sheet. In this respect, the Resolution reflects the City's support of the financial concept outlined in the Term Sheet but does not constitute a binding commitment to the terms contained in the Term Sheet.

RECOMMENDATION

Staff recommends that the City Council:

- Approve the Attached Resolution of the City Council of the City of Garden Grove in support of a financing concept for the Water Park Hotel Project.

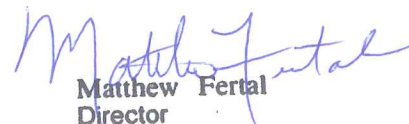
KINGSLEY OKEREKE  
Finance Director



By: GREG BLODGETT  
Senior Project Manager

Attachment 1: Resolution  
Attachment 2: Term Sheet

Recommended for Approval



Matthew Ferial  
Director

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
IN SUPPORT OF A FINANCING CONCEPT FOR THE WATER PARK HOTEL PROJECT

WHEREAS, the Garden Grove Agency for Community Development and Garden Grove MXD, LLC (an affiliate of Developer), entered into that certain First Amended and Restated Disposition and Development Agreement dated April 13, 2010 ("DDA"), amending and restating in its entirety that certain Disposition and Development Agreement dated May 12, 2009;

WHEREAS, the development and operation of the Project is in the vital and best interest of the City and the welfare of its residents. The development and operation of the Project will result in substantial benefits to City, which includes (i) elimination of blight, (ii) job creation and enhanced revenues to City resulting from construction and operation of the Project, including property taxes, sales taxes, and transient occupancy taxes, and (iii) enhanced marketability that is likely to extend out-of-town leisure and convention visitors' lengths of stay in City as a result of additional attractions and high-quality retail shopping and dining opportunities;

WHEREAS, by virtue of California AB 1X 26 and AB 1484, various law suits throughout the State of California ("State"), State Department of Finance announcements and actions and certain other uncertainties, Developer's affiliate has been unable to proceed with the Project (as defined in the DDA) as a result of which several "force majeure" extensions to the timeline in the Scope of Development pursuant to Section 602 of the DDA are applicable;

WHEREAS, a comprehensive financing plan which takes into account all major issues, including funding availability, is necessary for the Project (the "Comprehensive Financing Plan"). City has worked carefully with Developer to ensure that sufficient funding can be obtained within the timeframe required. Attached as Exhibit A is a non-binding term sheet provided by Guggenheim outlining a portion of the financing structure for the Project among a joint powers authority to be formed by the City, the Developer and Guggenheim dated March 29, 2013 ("Term Sheet"); and

WHEREAS, the purpose of this Resolution is to affirm the City Council's support of the Comprehensive Financing Plan, including the aspect of the Comprehensive Financing Plan generally outlined in the Term Sheet, and give direction to staff with respect to the implementation of the City's potential participation in the Comprehensive Financing Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove that this Resolution reflects City's broad conceptual agreement to the general plan outlined in the Term Sheet and does not constitute a binding commitment to the terms contained in Term Sheet. Staff is hereby directed to implement the DDA in accordance with its terms and to take steps to implement the Comprehensive Financing Plan as generally set forth in the Term Sheet.

Exhibit A  
Term Sheet

## Indicative Term Sheet

**City of Garden Grove**  
**Great Wolf Resort Project (“Project”)**

\$43,000,000\* Bond Anticipation Notes

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**Executive Summary**

- The Garden Grove Agency for Community Development (the “**Redevelopment Agency**”) and Garden Grove MXD, LLC (the “**Developer**”), an entity created and controlled by McWhinney Holdings (“**Sponsor**”) have entered into a Disposition and Development Agreement (the “**DDA**”) related to a to be built 600-room hotel to be developed as a Great Wolf Resort Hotel (the “**Project**”). The City of Garden Grove (the “**City**”) is wholly supportive of the Project and has also been working with the Developer to bring the Project to fruition.
- The DDA, among other things, required a Project cost contribution from the Redevelopment Agency in an amount of \$47 million, \$42 million of which was to be delivered as set forth below.
- Following the dissolution of redevelopment agencies pursuant to AB 1x26 and AB 1484 (the “**Dissolution Acts**”) , the City, in its capacity as the Successor Agency to the Redevelopment Agency (“**Successor Agency**”), has sought and received a Final and Conclusive determination from the California Department of Finance (“**DOF**”) that the DDA is an Enforceable Obligation, as that term is used in the Dissolution Acts.
- The Sponsor has indicated that its various financing sources have required committed capital at the start of the construction of the Project. In order to achieve this objective, the City and the Sponsor have agreed to pursue a bond anticipation note transaction, as summarized below, that is intended to be taken out with the proceeds of a TAB, or, if and to extent proceeds are not available from the TAB, a Revenue Bond as described below.

**The Bond Anticipation Notes**

**Issuer**

- A JPA formed by the City (the “**Issuer**”)

**Structure**

- Bond Anticipation Notes (“**BANs**”)
- [30] Month Term
- Semi-annual interest payments
- Principal due at maturity
- Subject to the Issuer entering into an Agreement with Sponsor to fund the Issuer’s capitalized interest obligation and assigning its rights under Sections 408, 408.1 and 408.2 of the DDA, capitalized interest shall be funded from the proceeds of the BANs, through the term of the BANs.



- BANs will not be subject to early optional redemption
  - Tax-exempt, non-AMT
- Form of Offering**
- Private placement by Guggenheim Securities LLC (“**Guggenheim**”) to affiliates of Guggenheim and/or investor clients of Guggenheim.
- Economic Terms**
- Coupon and pricing structure would be determined at a time no earlier than 30 days from closing. An indicative rate in the current market is approximately 5%. The interest rate will be reflective on a non-investment grade credit issued as a private placement. The rate may also include an original issue discount.
  - Investor(s) shall retain the option, but not the obligation, to purchase a minimum of 50% of the Bonds, as defined below, at then market rates.
  - Guggenheim shall be obligated to acquire current Union Bank obligations on terms to be agreed upon.
- Uses of Funds**
- Capitalized Interest in the full amount necessary to cover interest through BAN term
  - Costs of issuance including a private placement fee payable to Guggenheim of 1.5% of the par amount of the BANs
  - Balance of the proceeds going towards the project payment to be deposited into the Senior Lender construction fund (the “**Construction Fund**”).
- Issuance**
- Issuance will occur concurrently with the funding of the balance of Sponsor’s construction loan.

### **Security for the BANs**

- Security Provisions**
- BANs will be secured by all funds on deposit with the Trustee, and the portion of the BAN proceeds deposited with the Senior Lender, both held for the benefit of the BANs
  - The “**Project Conditions**” as defined below
  - The “**Issuer Commitments**” as defined below
  - The “**City Commitments**”, as defined below
  - The “**Sponsor Commitments**” as defined below
  - The “**Developer Commitments**” as defined below
- The Project Conditions**
- Moneys on deposit in the BANs construction fund will be held in trust until the tests for release have been met (the “**Release Tests**”) which would include the following:
    - The Developer is not in default under any of its other agreements, as certified by the Developer and its counsel
    - No mechanic liens exist on the property

Indicative Term Sheet  
City of Garden Grove – Great Wolf Resort Project

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- The Project is compliance with all permits and other City and/or other governmental permits and conditions, as certified by the Developer and its counsel
- An independent engineer, with obligations to the Issuer and/or the Senior Lender, certifies that the Construction Fund deposit amount represent the remaining funds required to complete the Project pursuant to plans and specifications. If the remaining Project costs are higher than the funds on deposit in the Construction Fund, the Developer will be required to deposit the short fall into the Construction Fund necessary to rebalance the Project funding. The additional deposit will be required to be used first in its entirety before the Construction Fund would be released.
- The Project will have Guaranteed Maximum Price contract(s) by experienced and credit worthy, bonded contractor(s) before construction commences
- At closing, the Developer and Sponsor will evidence the fully committed capital necessary to complete the Project which would include the amounts on deposit in the Construction Fund

**Successor Agency  
and City  
Commitments**

- If legally possible and marketable, thirty (30) days after the Developer and Sponsor receive a certificate of occupancy for the Project (the “**DDA Trigger**”), the Successor Agency will issue tax allocation bonds (the “**TABS**”) secured by Tax Increment/Trust Fund Payments in an amount (including customary reserves and costs) necessary to redeem the BANS.

**Issuer Commitment**

- If TABs are sold, the Issuer will use such proceeds to discharge the obligation under the BANS. If and to the extent the TABs are insufficient to fully discharge the BANS, the City will, subject to validation and marketability, issue revenue bonds (the “**Bonds**”) at market rates at the time of issuance in an amount sufficient to repay the BANS, when due, pursuant to their terms. The Bonds will be secured by the Measured General Fund Payments, as defined and described below.
- The proceeds of the TABS will be delivered to the Issuer who, in turn, will use the proceeds to repay the BANS.
- In the event Bonds are issued, the City will pay, subject to annual appropriation from the City’s General Fund, an amount each year equal to the lesser of (i) annual debt service on the Bonds less the annual amount received in debt service payments on the TABS and (ii) the amount of taxes levied on the Project and collected by the City (such amounts include hotel and occupancy taxes). Above amounts are defined as “**Measured General Fund Payments.**” This transaction will require an opinion of counsel which opinion will be based on a validation judgment if such judgment is achieved. In such event, the Issuer will assign its right under Sections 408, 408.1, and 408.2 of the DDA to the City.

**Indicative Term Sheet**  
**City of Garden Grove – Great Wolf Resort Project**

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**Developer  
Commitments**

- Developer pledges all of its rights under the DDA to the Trustee as security for the BANS. Such pledge is released when the BANS have been redeemed in their entirety, pursuant to their terms.
- The Developer acknowledges that it will not seek to receive any of the proceeds of the TABS or the Bonds and that such proceeds by the Issuer to the City when received will be used to redeem the BANS or pledged to the City.

**Sponsor  
Commitments**

- The Sponsor will enter into a contractual agreement with the BAN owner(s) committing itself to purchase the BANS from the owner(s) in an amount necessary to redeem the BANS in their entirety, pursuant to their terms, in the event the Developer has failed to achieve the DDA Trigger prior to the maturity date of the BANS. The Issuer and City will expressly be made Third Party Beneficiaries of such agreement.
- The Sponsor will provide evidence of its continued ability to make such a purchase to the owner(s), City and Issuer.

**Default**

- If the BANS are not redeemed in their entirety pursuant to their terms at maturity, it is a default.
- If a default is declared, a default rate will apply at a level TBD on the unpaid balance and continue to accrue at such rate until paid. The obligor in such event is TBD.
- Trustee would seek to pursue all other remedies under the BAN indenture.

**Conditions Precedent**

- Legal documentation
- Validation and unqualified legal opinion from Bond Counsel on the transaction including its exemption from state and federal taxes and exemption from the alternative minimum tax
- Other customary closing certificates and documents
- Agreement as to the Economic Terms and “TBD” terms

**IMPORTANT INFORMATION**

This Term Sheet is for discussion purposes only. This Term Sheet is not meant to be a commitment, nor shall it be construed as an offer or commitment of Guggenheim Securities or any of its affiliates to enter into a transaction or an acceptance of such offer by the City, Successor Agency, Issuer, Sponsor or Developer. Moreover, it does not attempt to describe all terms and conditions of a transaction, nor does it suggest the phrasing of document clauses. Instead, it is intended to outline certain basic business terms around which a transaction could be structured. Any subsequent commitment of Guggenheim Securities or any of its affiliates will be subject to further discussion, full due diligence and delivery of all documentation, legal opinions, certifications and warranties and other materials usual and customary for like transactions and market conditions at the time.

Indicative Term Sheet

**City of Garden Grove**  
**Great Wolf Resort Project ("Project")**  
\$43,000,000\* Bond Anticipation Notes

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**Executive Summary**

- The Garden Grove Agency for Community Development (the "Redevelopment Agency") and Garden Grove MXD, LLC (the "Developer"), an entity created and controlled by McWhinney Holdings ("Sponsor") have entered into a Disposition and Development Agreement (the "DDA") related to a to be built 600-room hotel to be developed as a Great Wolf Resort Hotel (the "Project"). The City of Garden Grove (the "City") is wholly supportive of the Project and has also been working with the Developer to bring the Project to fruition.
- The DDA, among other things, required a Project cost contribution from the Redevelopment Agency in an amount of \$47 million, \$42 million of which was to be delivered as set forth below.
- Following the dissolution of redevelopment agencies pursuant to AB 1x26 and AB 1484 (the "Dissolution Acts"), the City, in its capacity as the Successor Agency to the Redevelopment Agency ("Successor Agency"), has sought and received a Final and Conclusive determination from the California Department of Finance ("DOF") that the DDA is an Enforceable Obligation, as that term is used in the Dissolution Acts.
- The Sponsor has indicated that its various financing sources have required committed capital at the start of the construction of the Project. In order to achieve this objective, the City and the Sponsor have agreed to pursue a bond anticipation note transaction, as summarized below, that is intended to be taken out with the proceeds of a TAB, or, if and to extent proceeds are not available from the TAB, a Revenue Bond as described and defined below.

**The Bond Anticipation Notes**

**Issuer**

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- BANs will not be subject to early optional redemption
  - Tax-exempt, non-AMT
- Form of Offering**
- Private placement by Guggenheim Securities LLC (“**Guggenheim**”) to affiliates of Guggenheim and/or investor clients of Guggenheim.
- Economic Terms**
- Coupon and pricing structure would be determined at a time no earlier than 30 days from closing. An indicative rate in the current market is approximately 5%. The interest rate will be reflective on a non-investment grade credit issued as a private placement. The rate may also include an original issue discount.
  - Investor(s) shall retain the option, but not the obligation, to purchase a minimum of 50% of the Bonds, as defined below, at then market rates.
  - Guggenheim retains the right, but not the obligation, to serve as the underwriter for the Bonds, as defined below.
- Uses of Funds**
- Capitalized Interest in the full amount necessary to cover interest through BAN term
  - Costs of issuance including a private placement fee payable to Guggenheim of 1.5% of the par amount of the BANs
  - Balance of the proceeds going towards the project payment to be deposited into the Senior Lender construction fund (the “**Construction Fund**”).
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- The Project Conditions**
- Moneys on deposit in the BANs construction fund will be held in trust until the tests for release have been met (the “**Release Tests**”) which would include the following:
    - The Developer is not in default under any of its other agreements, as certified by the Developer and its counsel
    - No mechanic liens exist on the property

- The Project is compliance with all permits and other City and/or other governmental permits and conditions, as certified by the Developer and its counsel
- An independent engineer, with obligations to the Issuer and/or the Senior Lender, certifies that the Construction Fund deposit amount represent the remaining funds required to complete the Project pursuant to plans and specifications. If the remaining Project costs are higher than the funds on deposit in the Construction Fund, the Developer will be required to deposit the short fall into the Construction Fund necessary to rebalance the Project funding. The additional deposit will be required to be used first in its entirety before the Construction Fund would be released.
- The Project will have Guaranteed Maximum Price contract(s) by experienced and credit worthy, bonded contractor(s) before construction commences
- At closing, the Developer and Sponsor will evidence the fully committed capital necessary to complete the Project which would include the amounts on deposit in the Construction Fund

**Successor Agency  
and City  
Commitments**

- If legally possible and marketable, thirty (30) days after the Developer and Sponsor receive a certificate of occupancy for the Project (the “**DDA Trigger**”), the Successor Agency will issue tax allocation bonds (the “**TABS**”) secured by Tax Increment/Trust Fund Payments in an amount (including customary reserves and costs) necessary to redeem the BANs.

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- The proceeds of the TABs will be delivered to the Issuer who, in turn, will use the proceeds to repay the BANs.
- In the event Bonds are issued, the City will pay, subject to annual appropriation from the City’s General Fund, an amount each year equal to the lesser of (i) annual debt service on the Bonds less the annual amount received in debt service payments on the TABs and (ii) the amount of taxes levied on the Project and collected by the City (such amounts include hotel and occupancy taxes). Above amounts are defined as “**Measured General Fund Payments.**” This transaction will require an opinion of counsel which opinion will be based on a validation judgment if such judgment is achieved. In such event, the Issuer will assign its right under Sections 408, 408.1, and 408.2 of the DDA to the City.

Indicative Term Sheet  
City of Garden Grove – Great Wolf Resort Project

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**Developer  
Commitments**

- Developer pledges all of its rights under the DDA to the Trustee as security for the BANS. Such pledge is released when the BANS have been redeemed in their entirety, pursuant to their terms.
- The Developer acknowledges that it will not seek to receive any of the proceeds of the TABS or the Bonds and that such proceeds by the Issuer to the City when received will be used to redeem the BANS or pledged to the City.

**Sponsor  
Commitments**

- The Sponsor will enter into a contractual agreement with the BAN owner(s) committing itself to purchase the BANS from the owner(s) in an amount necessary to redeem the BANS in their entirety, pursuant to their terms, in the event the Developer has failed to achieve the DDA Trigger prior to the maturity date of the BANS. The Issuer and City will expressly be made Third Party Beneficiaries of such agreement.
- The Sponsor will provide evidence of its continued ability to make such a purchase to the owner(s), City and Issuer.

**Default**

- If the BANS are not redeemed in their entirety pursuant to their terms at maturity, it is a default.
- If a default is declared, a default rate will apply at a level TBD on the unpaid balance and continue to accrue at such rate until paid. The obligor in such event is TBD.
- Trustee would seek to pursue all other remedies under the BAN indenture.

**Conditions Precedent**

- Legal documentation
- Validation and unqualified legal opinion from Bond Counsel on the transaction including its exemption from state and federal taxes and exemption from the alternative minimum tax
- Other customary closing certificates and documents
- Agreement as to the Economic Terms and “TBD” terms

**IMPORTANT INFORMATION**

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- 4.a. Director Fertal provided information received from the Department of Finance concerning the Waterpark Hotel.  
(F: A-116.15)

AMENDMENT TO THE AGREEMENT WITH J & G INDUSTRIES FOR  
DEMOLITION OF STRUCTURES AT THE FUTURE WATER PARK HOTEL SITE

(R: A-116.15) (F: 55- J&G Industries)  
XR:

Staff report dated November 27, 2012, was introduced.

It was moved by Member Dalton, seconded by Member Beard, and carried by unanimous vote that the Notice of Completion, dated May 22, 2012, for the asbestos abatement and demolition of six structures located at 12581 through 12721 Harbor Boulevard, and 12601 and 12602 Leda Lane, Garden Grove, be and hereby is rescinded; that the Contract Amendment effectuating a change order to J & G Industries Inc., in the amount of \$20,400, for the removal of the swimming pool be and hereby is approved; that the Director is authorized to increase the contract sum with J & G Industries, Inc. to \$410,150 to cover the cost of this change order; and the Director is authorized to execute a contract amendment for the change order on behalf of the Successor Agency and make minor modifications as appropriate thereto.

RESOLUTION APPROVING THE WATER PARK HOTEL PROJECT AS AN ENFORCEABLE OBLIGATION TO BE INCLUDED ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 (F: A-46.1.SA)(XR: A-116.15)

Staff report dated July 31, 2012, was introduced and reviewed by staff.

RESOLUTION NO. 9-12

It was moved by Member Broadwater, seconded by Member Beard, and carried by unanimous vote that full reading of Resolution No. 9-12 be waived, and said Resolution entitled A RESOLUTION OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT CONFIRMING THE DETERMINATION THAT THE FIRST AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE FORMER AGENCY AND GARDEN GROVE MXD, INC., IS AN ENFORCEABLE OBLIGATION PROPERLY INCLUDED ON THE RECOGNIZED OBLIGATION PAYMENTS SCHEDULE, be and hereby is adopted.

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO. 9-12

A RESOLUTION OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT CONFIRMING THE DETERMINATION THAT THE FIRST AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE FORMER AGENCY AND GARDEN GROVE MXD, INC., IS AN ENFORCEABLE OBLIGATION PROPERLY INCLUDED ON THE RECOGNIZED OBLIGATION PAYMENTS SCHEDULE

WHEREAS, the City of Garden Grove, Acting as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") is acting as Successor Agency to the Garden Grove Agency for Community Development ("Former Agency") pursuant to ABx1 26, which added Parts 1.8 and 1.85 to Division 24 of the Health & Safety Code ("Dissolution Act"); and

WHEREAS, the Former Agency entered into a First Amended and Restated Disposition and Development Agreement ("DDA") with Garden Grove MXD, LLC, which assigned its rights to Garden Grove MXD, Inc. ("Developer"), dated as of April 13, 2010 (prior to the effective date of the Dissolution Act); and

WHEREAS, the Former Agency and the Successor Agency included the DDA as an enforceable obligation on the Enforceable Obligation Payment Schedules and as a current obligation in the Recognized Obligation Payment Schedule for the period of January 1, 2012 to June 30, 2012 and for the period July 1, 2012 to December 31, 2012 prepared pursuant to the Dissolution Act; and

WHEREAS, the Successor Agency now intends to include the DDA as an enforceable obligation on the Recognized Obligation Payment Schedule for the period of January 1, 2013 to June 30, 2013 ("ROPS III") which is anticipated to be adopted by the Successor Agency on July 24, 2012; and

WHEREAS, upon approval of the ROPS III by the Successor Agency, the ROPS III will be submitted to the Oversight Board for approval and transmitted to the County Administrative Officer, County Auditor-Controller, State Controller's Office, and State Department of Finance, all pursuant to Sections 34177(I) and 34180(g) of the Health & Safety Code; and

WHEREAS, Health & Safety Code Section 34189(a), added by the Dissolution Act, provides that, "[c]ommencing on the effective date of [the Dissolution Act], all provisions of the Community Redevelopment Law that depend on the allocation of tax increment to redevelopment agencies, including, but not limited to, Sections 33445, 33640, 33641, 33645, and subdivision (b) of Section 33670, shall be inoperative"; and

WHEREAS, Health & Safety Code Section 34173(b), added by the Dissolution Act, provides that, "[e]xcept for those provisions of the Community Redevelopment Law that are repealed, restricted, or revised pursuant to [the Dissolution Act], all

authority, rights, powers, duties, and obligations previously vested with the former redevelopment agencies, under the Community Redevelopment Law, are hereby vested in the successor agencies." (emphasis added); and

WHEREAS, Health & Safety Code Sections 34167(d)(5) and 34171(d)(1)(E), added by ABx1 26, define "enforceable obligation" to include "[a]ny legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy"; and

WHEREAS, Health & Safety Code Section 34177(c), added by ABx1 26, requires the Successor Agency to "[p]erform obligations required pursuant to any enforceable obligation"; and

WHEREAS, the DDA was duly approved and fully executed prior to the effective date of the Dissolution Act; and

WHEREAS, the DDA is a legally binding and enforceable agreement that does not violate the debt limit or public policy; and

WHEREAS, in order to meet its obligations under the DDA, the Successor Agency will be required to enter into future agreements, including an implementation agreement as contemplated under Section 408 of the DDA; and

WHEREAS, the Successor Agency reaffirms the provisions of the DDA which provides that, in consideration for the construction by the Developer of the Project (as defined in the DDA) and provided Developer is not in Breach and/or Default thereunder, the Successor Agency shall pay to the Developer the all cash sum of Forty-Seven Million Dollars (\$47,000,000) as follows:

1. Five Million Dollars (\$5,000,000) is to be paid concurrently with the "Commencement of Construction of the Parking Structure" as defined in the DDA. This cost will be included on a future Recognized Obligation Payment Schedule, consistent with the timing of the Successor Agency's obligation to make this payment upon the Commencement of Construction of the Parking Structure.
2. Forty-Two Million Dollars (\$42,000,000) is to be paid thirty (30) days after the later of the date on which (i) the Hotel Opens for Business or (ii) the Certificate of Occupancy for the Hotel is issued by the City. Pursuant to Section 408 of the DDA, the Successor Agency intends to issue bonds or other obligations to pay the net amount of Forty-Two Million Dollars (\$42,000,000) to the Developer as set forth in the DDA. If and to the extent such obligations are issued prior to completion of the Hotel, debt service on such obligations shall not be payable from the Trust Fund (as described below).

WHEREAS, in order to meet the debt service on the obligations described above, the Successor Agency will receive an allocation from the Redevelopment Property Tax Trust Fund ("Trust Fund") of approximately \$4,200,000 per year for 20 years. The annual debt service amount will be included on subsequent Recognized Obligation Payment Schedules beginning in the period prior to the Hotel opening; and

WHEREAS, the DDA requires the Successor Agency to convey the 12 acre Site to the Developer for the Project at no cost to the Developer; and

WHEREAS, the DDA requires the Successor Agency to pay certain Agency Improvements Costs in the amount of \$1,500,000. These Agency Improvements Costs are anticipated to be included on the ROPS III being considered by the Successor Agency concurrently herewith. The "Agency Improvements" are defined in the DDA to include: Street improvements, relocation benefits to eligible occupants, demolition, all offsite infrastructure, roadway and traffic improvements, and traffic mitigation measures; and

WHEREAS, due to uncertainty created by the passage of the Dissolution Act, the Developer has endured a period of enforced delay and will therefore need to amend and extend the Schedule of Performance in the DDA to accommodate this delay.

WHEREAS, by this Resolution, the Successor Agency desires to confirm its prior determination that the DDA is an enforceable obligation of the Former Agency and the Successor Agency and to further confirm its intent to include amounts due thereunder on the applicable ROPS.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The Successor Agency hereby finds and determines that the DDA is an enforceable obligation pursuant to Health & Safety Code Sections 34167(d)(5) and 34171(d)(1)(E) and confirms its intent to include amounts required to be paid by the Successor Agency under the DDA between January 1, 2013 and June 30, 2013 on the ROPS III.

Section 3. This Resolution shall be effective immediately upon adoption.

Section 4. The Secretary on behalf of the Successor Agency shall certify to the adoption of this Resolution.

Adopted this 31<sup>st</sup> day of July 2012.

ATTEST:

/s/ STEVEN R. JONES  
CHAIR

/s/ KATHLEEN BAILOR, CMC  
SECRETARY

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS:  
CITY OF GARDEN GROVE )

I, KATHLEEN BAILOR, Secretary of The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was duly adopted by the Successor Agency, at a meeting held on the 31<sup>st</sup> day of July 2012, by the following vote:

AYES:       MEMBERS: (5) BEARD, BROADWATER, DALTON, NGUYEN, JONES  
NOES:       MEMBERS: (0) NONE  
ABSENT:     MEMBERS: (0) NONE

/s/ KATHLEEN BAILOR, CMC  
SECRETARY

RESOLUTION APPROVING THE WATER PARK HOTEL PROJECT AS AN ENFORCEABLE OBLIGATION TO BE INCLUDED ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 (F: A-46.1SA) (XR: A-116.15)

This matter was continued to July 31, 2012.



3. ITEMS FOR CONSIDERATION:

- 3.a. Reconsideration of the appropriateness of inclusion of financial obligations under the Disposition and Development Agreement with Garden Grove MXD, Inc. dated April 13, 2010 (the "DDA") on the Recognized Obligation Payment Schedule for the Period January 1, 2012, to June 30, 2012 (the "First ROPS") and for the period July, 2012, to December, 2012 (the "Second ROPS") (F: A-46.1.OB)(XR: A-116.15)

Action: Resolution No. 5-12 adopted.

Motion: Jones      Seconded: Guerrero

Carried by the following vote:

Ayes: Guerrero, Jones, Mefford, Dalton

Noes: None

Absent: Dunn

Abstain: Delp, Nguyen

3. ITEMS FOR CONSIDERATION

- 3.b. First Implementation Agreement with respect to the First Amended and Restated Disposition and Development Agreement with Garden Grove MXD, LLC for the construction of a water park hotel and restaurants on the 10.3-acre redevelopment site on Harbor Boulevard, Garden Grove. (F: A-55.346)  
(XR: A-116.15) (XR: A-46.10B)

Action: Pulled.

FIRST IMPLEMENTATION AGREEMENT WITH RESPECT TO THE FIRST AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT WITH GARDEN GROVE MXD, LLC FOR THE CONSTRUCTION OF A WATER PARK HOTEL AND RESTAURANTS ON THE 10.3-ACRE REDEVELOPMENT SITE ON HARBOR BOULEVARD, GARDEN GROVE (F: A-55.346) (XR: A-116.15) (XR: A-46.1SA) (XR: A-46.1OB)

This matter was pulled from consideration.

Appropriate Funds  
Necessary for the Water  
Park Hotel Project's  
Parking Structure

02/14/2012

APPROPRIATE FUNDS NECESSARY FOR THE WATERPARK HOTEL PROJECT'S  
PARKING STRUCTURE (F: A-116.15) (XR: A-46.1SA)

Staff report dated February 14, 2012, was introduced and reviewed by staff.

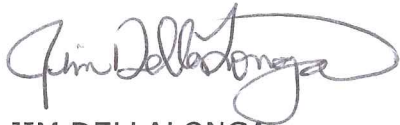
It was moved by Member Broadwater, seconded by Member Beard, and carried by unanimous vote that pursuant to Section 408 of the Disposition and Development Agreement with Garden Grove MXD, Inc., the Successor Agency forthwith set aside, in a restricted fund, five million dollars (\$5,000,000), be and hereby is approved.



RECOMMENDATION

Staff recommends that:

- The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development adopt the attached Resolution approving the appropriation of funds for the Waterpark Hotel Project's parking structure, an Enforceable Obligation pursuant to the Disposition and Development Agreement by and between the former Garden Grove Agency for Community Development and Garden Grove MXD, Inc., and making certain findings in connection therewith.



JIM DELLALONGA

Senior Project Manager/Department Administrative Officer

Attachment 1: Resolution of the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development

**Recommended for Approval**



**Matthew Fertal  
City Manager**

RESOLUTION NO.

A RESOLUTION OF THE CITY OF GARDEN GROVE AS SUCCESSOR  
AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY  
DEVELOPMENT TO APPROPRIATE FUNDS NECESSARY FOR THE  
WATERPARK HOTEL PROJECT'S PARKING STRUCTURE

WHEREAS, the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development (Successor Agency) as part of the Enforceable Obligation Payment Schedule and Recognized Obligation Payment Schedule (ROPS) is planning for short term expenditures of an Enforceable Obligation; and

WHEREAS, pursuant to the Disposition and Development Agreement with Garden Grove MXD, Inc. and the Garden Grove Agency for Community Development for the Waterpark Hotel project, the Successor Agency is obligated to contribute \$5 million as the Successor Agency's share of the cost of the parking structure associated with the project.

NOW, THEREFORE, BE IT RESOLVED that the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development appropriates \$5 million specifically for the Successor Agency's share of the Waterpark Hotel Parking Structure pursuant to the Disposition and Development Agreement with Garden Grove MXD, Inc.

NOW, BE IT FURTHER RESOLVED that the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development delegates authority to the Director to assign fund balances within the Successor Agency as appropriate.





APPROPRIATION OF FUNDS FOR THE WATERPARK HOTEL PROJECT'S PARKING  
STRUCTURE, ON THE 11.7-ACRE REDEVELOPMENT SITE ON HARBOR BOULEVARD

February 14, 2012

Page 2

FINANCIAL IMPACT

None.

RECOMMENDATION

Staff recommends that:

The Successor Agency forthwith set aside, in a restricted fund, Five Million Dollars (\$5,000,000) pursuant to Section 408 of the DDA.



Greg Blodgett  
Senior Project Manager

Development Bond  
Inducement Resolution  
for Tax Exempt Bonds for  
the Water Park Hotel  
Project

04/12/2011

DEVELOPMENT BOND INDUCEMENT RESOLUTION FOR TAX EXEMPT BONDS  
FOR THE WATER PARK HOTEL PROJECT (F: A-116.15) (XR: A-55.346)  
(XR: 43.4)

Staff Report dated April 12, 2011, was introduced and reviewed by staff.

RESOLUTION NO. 696

It was moved by Member Jones, seconded by Member Nguyen, and carried by unanimous vote that full reading of Resolution No. 696, be waived, and said Resolution entitled A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS AND TO REIMBURSE THE CITY FROM PROCEEDS OF SUCH OBLIGATIONS FOR COSTS INCURRED PRIOR TO ISSUANCE (GARDEN GROVE MXD, INC. WATER PARK HOTEL PROJECT GRANT), be and hereby is adopted.

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

RESOLUTION NO. 696

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS AND TO REIMBURSE THE CITY FROM PROCEEDS OF SUCH OBLIGATIONS FOR COSTS INCURRED PRIOR TO ISSUANCE (GARDEN GROVE MXD, INC. WATER PARK HOTEL PROJECT GRANT)

WHEREAS, the Garden Grove Agency for Community Development (the "Issuer") desires to finance the costs associated with certain Covenant Consideration, as such term is defined in that certain First Amended and Restated Disposition and Development Agreement dated April 13, 2010 (the "DDA") between the Agency and Garden Grove MXD, LLC, (the "Project") an executed copy of which is on file with the City Clerk's Office;

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which may be excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE, THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. The DDA describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$47,000,000, with respect to the Project.

SECTION 3. This Resolution is being adopted on or prior to the date (the "Expenditures Date or Dates") that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

SECTION 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is

changed to "three years" and the limitation of the previous sentence beginning with "; provided, . . . ." is not applicable.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This Resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, the Garden Grove Agency for Community Development is not aware of the previous adoption of official intents that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 of this Resolution do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

SECTION 8. This Resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the Garden Grove City Hall, City Clerk's Office, 11222 Acacia Parkway, Garden Grove, CA 92842.

SECTION 9. All the recitals in this Resolution are true and correct and the Garden Grove Agency for Community Development so finds, determines, and represents.

Adopted this 12<sup>th</sup> day of April 2011.

ATTEST:

/s/ BRUCE A. BROADWATER  
CHAIR

/s/ KATHLEEN BAILOR, CMC  
SECRETARY

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS:  
CITY OF GARDEN GROVE )

I, KATHLEEN BAILOR, Secretary of the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was duly adopted by the Garden Grove Agency for Community Development, at a meeting held on the 12<sup>th</sup> day of April 2011, by the following vote:

AYES:       MEMBERS: (5) DALTON, DO, JONES, NGUYEN, BROADWATER  
NOES:       MEMBERS: (0) NONE  
ABSENT:     MEMBERS: (0) NONE

/s/ KATHLEEN BAILOR, CMC  
SECRETARY

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

Garden Grove Agency for Community Development

To: Matthew Fertal From: Economic Development  
Dept: Director  
Subject: DEVELOPMENT BOND INDUCEMENT Date: April 12, 2011  
RESOLUTION FOR TAX EXEMPT  
BONDS FOR THE WATER PARK HOTEL  
PROJECT

OBJECTIVE

The purpose of this report is to request the Garden Grove Agency for Community Development (the "Agency") to adopt an Inducement Resolution to initiate process allowing the Agency to issue \$47 million of bonds in relation to the construction of the Water Park Hotel.

BACKGROUND/DISCUSSION

On May 12, 2009, at a joint meeting of the City Council and the Agency, the Disposition and Development Agreement (the "DDA") between the Agency and Garden Grove MXD, Inc., a Colorado Corporation (the "Developer") was approved.

On April 13, 2010 at a joint meeting of the City Council and the Agency, the First Amended and Restated Disposition and Development Agreement between the Agency and the Developer was approved.

The DDA proposed the construction of approximately six hundred (600) rooms and a water park (the "Water Park Hotel" or "Hotel"), approximately 18,000 square feet of retail, including one or more restaurants, and a parking structure. The DDA has a Covenant Consideration for the Agency to provide the Developer an all cash sum of forty-seven million dollars (\$47,000,000). The Covenant consideration pursuant to the DDA is as follows: (a) five million dollars (\$5,000,000) concurrently with the commencement of construction of the parking structure, and (b) forty-two million dollars (\$42,000,000) thirty (30) days after the later of the date on which (i) the Hotel opens for business or (ii) the certificate of occupancy for the Hotel.

FINANCIAL IMPACT

The financial impact to the Agency is forty-seven million dollars (\$47,000,000).



RECOMMENDATION

It is recommended that the Agency take the following actions

- Adopt the attached Resolution authorizing the issuance of Agency debt not to exceed \$47 million in net funds;
- Authorize the Director to appoint Stradling, Yocca, Carlson, and Rauth as the Counsel for this assignment as described herein, for the amount not to exceed \$100,000; and
- Authorize the Director or his designee execute other necessary agreements to assemble the financing team including Underwriter, Trustee, Fiscal Agency, etc., to effectively ready the issuance of Agency Debt.



Greg Blodgett  
Sr. Project Manager

Attachment 1: Resolution

**Recommended for Approval**



**Matthew Fertal**  
Director

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS AND TO REIMBURSE THE CITY FROM PROCEEDS OF SUCH OBLIGATIONS FOR COSTS INCURRED PRIOR TO ISSUANCE (GARDEN GROVE MXD, INC. WATER PARK HOTEL PROJECT GRANT)

WHEREAS, the Garden Grove Agency for Community Development (the "Issuer") desires to finance the costs associated with certain Covenant Consideration, as such term is defined in that certain First Amended and Restated Disposition and Development Agreement dated April 13, 2010 (the "DDA") between the Agency and Garden Grove MXD, LLC, (the "Project") an executed copy of which is on file with the City Clerk's Office;

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which may be excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE, THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. The DDA describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$47,000,000, with respect to the Project.

SECTION 3. This Resolution is being adopted on or prior to the date (the "Expenditures Date or Dates") that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

SECTION 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement

may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, . . . ." is not applicable.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This Resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, the Garden Grove Agency for Community Development is not aware of the previous adoption of official intents that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 of this Resolution do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

SECTION 8. This Resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the Garden Grove City Hall, City Clerk's Office, 11222 Acacia Parkway, Garden Grove, CA 92842.

SECTION 9. All the recitals in this Resolution are true and correct and the Garden Grove Agency for Community Development so finds, determines, and represents.

Resolution Approving the  
Water Supply  
Assessment for the  
Proposed Water Park  
Hotel on Harbor Blvd.

11/23/2010

RESOLUTION APPROVING THE WATER SUPPLY ASSESSMENT FOR THE  
PROPOSED WATER PARK HOTEL ON HARBOR BOULEVARD (F: A-116.15)  
(XR: 24.12)

Staff report dated November 23, 2010, was introduced.

RESOLUTION NO. 9023-10

It was moved by Council Member Nguyen, seconded by Council Member Do, and carried by unanimous vote that full reading of Resolution No. 9023-10, be waived, and said Resolution entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THE WATER SUPPLY ASSESSMENT FOR THE PROPOSED WATER PARK HOTEL PROJECT, be and hereby is adopted.

RESOLUTION NO. 9023-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
APPROVING THE WATER SUPPLY ASSESSMENT FOR THE PROPOSED WATER PARK  
HOTEL PROJECT

WHEREAS, the City of Garden Grove has received an application for a proposed 605 room water park themed resort hotel with ancillary restaurant, retail, and meeting space uses to be developed on approximately 12 acres in an urbanized area in the city of Garden Grove located on the west side of Harbor Boulevard, north of Garden Grove Boulevard and south of Lampson Avenue, with addresses: 12581, 12591, 12681, and 12721 Harbor Boulevard, and 12602 and 12601 Leda Lane (Assessor Parcel Numbers: 231-441-27, 29, 39, and 40; 231-431-02 and 03) (Project);

WHEREAS, the City has received an application that includes a request for a General Plan Amendment to change the General Plan Land Use designations of two properties from Low Density Residential to International West Mixed Use; a zone change to establish a Planned Unit Development (PUD) zoning with development standards for the development of the hotel and water park; a Development Agreement for payment of development related fees; a Conditional Use Permit to allow for the sale of alcoholic beverages in the hotel and hotel restaurants; and a Tentative Parcel Map to reconfigure the existing six properties into three separate properties;

WHEREAS, California Public Resources Code Section 21151.9 and California Water Code Section 10910 et seq. require public water suppliers to provide a determination of available water supplies in a Water Supply Assessment for certain projects subject to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq., including for a proposed hotel having more than 500 rooms;

WHEREAS, the City of Garden Grove, Public Works Department Water Services Division, is the public water system responsible for serving the Project;

WHEREAS, the City of Garden Grove, Public Works Department Water Services Division has caused a Water Supply Assessment (WSA) to be prepared for the Project as required by California Public Resources Code Section 21151.9 and California Water Code Section 10910 et seq.;

WHEREAS, the City Council has examined and reviewed the WSA;

WHEREAS, the WSA states that at the end of the 20-year planning period for the WSA, city-wide water demand is projected to be approximately 30,333 acre-feet per year (AFY) without the proposed Project and 30,472 AFY with the proposed Project;

WHEREAS, the WSA states that the total projected net demand for the Project is 139 AFY;

WHEREAS, the WSA finds that additional net demand for the proposed Project is less than 0.5 percent of the total projected city-wide demand at the end of the 20-year planning period;

WHEREAS, the WSA states that the city's water supply sources are comprised of naturally and artificially recharged local groundwater in addition to imported water supplies;

WHEREAS, the WSA concludes that the total projected sources of water supplies available during normal, single dry, and multiple dry years during a 20 year projection will meet the projected water demand associated with the proposed Project in addition to existing and planned future land uses; and

WHEREAS, the WSA satisfies all requirements of California Public Resources Code Section 21151.9 and California Water Code Section 10910 et seq.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council hereby approves the Water Supply Assessment for the proposed 605 room water park themed resort hotel with ancillary restaurant, retail, and meeting space uses to be developed on approximately 12 acres in an urbanized area in the city of Garden Grove located on the west side of Harbor Boulevard, north of Garden Grove Boulevard and south of Lampson Avenue, with addresses: 12581, 12591, 12681, 12721 Harbor Boulevard, and 12602 and 12601 Leda Lane (Assessor Parcel Numbers: 231-441-27, 29, 39, and 40; 231-431-02 and 03), which is on file in the City Clerk's Office.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

Adopted this 23<sup>rd</sup> day of November 2010.

ATTEST:

/s/ WILLIAM J. DALTON  
MAYOR

/s/ KATHLEEN BAILOR, CMC  
CITY CLERK

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE     ) SS:  
CITY OF GARDEN GROVE )

I, KATHLEEN BAILOR, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on the 23<sup>rd</sup> day of November 2010, by the following vote:

AYES:       COUNCIL MEMBERS:   (5) BROADWATER, DO, JONES, NGUYEN, DALTON  
NOES:       COUNCIL MEMBERS:   (0) NONE  
ABSENT:     COUNCIL MEMBERS:   (0) NONE

/s/ KATHLEEN BAILOR, CMC  
CITY CLERK



**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Matthew J. Fertal	From:	Keith G. Jones
Dept:	City Manager	Dept:	Public Works
Subject:	WATER SUPPLY ASSESSMENT FOR PROPOSED WATER PARK HOTEL ON HARBOR BOULEVARD	Date:	November 23, 2010

OBJECTIVE

To request City Council approval of a Resolution approving the Water Supply Assessment for the proposed Water Park Hotel on Harbor Boulevard.

BACKGROUND

The City, as the local public water supplier, is required to prepare and approve a water supply assessment prior to considering the approval of certain development projects. The Public Works Department's Water Services Division has caused a water supply assessment to be prepared for the proposed Water Park Hotel project to be located in the easterly portion of the City, on the west side of Harbor Boulevard, north of Garden Grove Boulevard and south of Lampson Avenue. The Planning Commission and City Council will consider approval of the Water Park Hotel project at future meetings.

DISCUSSION

The City has received an application for the approval of a proposed 605 room water park themed resort hotel with ancillary restaurant, retail and meeting space uses to be located on approximately 12 acres (the "Project"). The proposed Project site is located on the west side of Harbor Boulevard, north of Garden Grove Boulevard and south of Lampson Avenue, with addresses: 12581, 12591, 12681, and 12721 Harbor Boulevard, and 12602 and 12601 Leda Lane (Assessor Parcel Numbers: 231-441-27, 29, 39, and 40; 231-431-02 and 03).

The Water Services Division, is the public water system responsible for serving the proposed Project, and has caused a Water Supply Assessment to be prepared for the Project (the "WSA"). The WSA analysis includes the following:

1. The total net demand for the Project is 139 acre feet per year ("AFY").
2. In fiscal year 2009/2010, the City's water demand was approximately 25,820 AFY, which is actually 3,480 AFY less than what was projected in the 2005 Urban Water Management Plan and 3,972 AFY less than projected in the City's 2008 Water Master Plan, meaning that City businesses and residents are using substantially less water than was originally forecast; and

3. Based on adjusted existing demand, city-wide water demand at the end of the 20 year planning period in fiscal year 2029/2030 is projected to be approximately 30,472 AFY, including the Project.
4. The City's water supply sources include groundwater and imported surface water.
5. Based on the studies and reports of the Orange County Water District and the Metropolitan Water District of Southern California, the City's groundwater and imported water supplies are anticipated to remain stable.
6. The total projected sources of water supplies available during normal, single dry, and multiple dry years during a 20 year projection will meet the projected water demand associated with the proposed Project in addition to existing and planned future land uses.

The WSA will be included in the environmental review prepared for the Project pursuant to the California Environmental Quality Act ("CEQA"). The City Council's approval of the WSA does not constitute approval of the Project. The environmental review prepared for the Project pursuant to CEQA, shall be considered at future meetings of the Planning Commission and City Council.

FINANCIAL IMPACT

There is no financial impact to the City.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached Resolution approving the Water Supply Assessment for the Proposed Water Park Hotel project on Harbor Boulevard.

  
KEITH G. JONES  
Public Works Director

  
By: David E. Entsminger  
Water Services Manager

**Recommended for Approval**

  
Matthew Fertal  
City Manager

Attachment: Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
APPROVING THE WATER SUPPLY ASSESSMENT FOR THE PROPOSED WATER PARK  
HOTEL PROJECT

WHEREAS, the City of Garden Grove has received an application for a proposed 605 room water park themed resort hotel with ancillary restaurant, retail, and meeting space uses to be developed on approximately 12 acres in an urbanized area in the city of Garden Grove located on the west side of Harbor Boulevard, north of Garden Grove Boulevard and south of Lampson Avenue, with addresses: 12581, 12591, 12681, and 12721 Harbor Boulevard, and 12602 and 12601 Leda Lane (Assessor Parcel Numbers: 231-441-27, 29, 39, and 40; 231-431-02 and 03) (Project);

WHEREAS, the City has received an application that includes a request for a General Plan Amendment to change the General Plan Land Use designations of two properties from Low Density Residential to International West Mixed Use; a zone change to establish a Planned Unit Development (PUD) zoning with development standards for the development of the hotel and water park; a Development Agreement for payment of development related fees; a Conditional Use Permit to allow for the sale of alcoholic beverages in the hotel and hotel restaurants; and a Tentative Parcel Map to reconfigure the existing six properties into three separate properties;

WHEREAS, California Public Resources Code Section 21151.9 and California Water Code Section 10910 et seq. require public water suppliers to provide a determination of available water supplies in a Water Supply Assessment for certain projects subject to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq., including for a proposed hotel having more than 500 rooms;

WHEREAS, the City of Garden Grove, Public Works Department Water Services Division, is the public water system responsible for serving the Project;

WHEREAS, the City of Garden Grove, Public Works Department Water Services Division has caused a Water Supply Assessment (WSA) to be prepared for the Project as required by California Public Resources Code Section 21151.9 and California Water Code Section 10910 et seq.;

WHEREAS, the City Council has examined and reviewed the WSA;

WHEREAS, the WSA states that at the end of the 20-year planning period for the WSA, city-wide water demand is projected to be approximately 30,333 acre-foot per year (AFY) without the proposed Project and 30,472 AFY with the proposed Project;

WHEREAS, the WSA states that the total projected net demand for the Project is 139 AFY;

WHEREAS, the WSA finds that additional net demand for the proposed Project is less than 0.5 percent of the total projected city-wide demand at the end of the 20-year planning period;

WHEREAS, the WSA states that the city's water supply sources are comprised of naturally and artificially recharged local groundwater in addition to imported water supplies;

WHEREAS, the WSA concludes that the total projected sources of water supplies available during normal, single dry, and multiple dry years during a 20 year projection will meet the projected water demand associated with the proposed Project in addition to existing and planned future land uses; and

WHEREAS, the WSA satisfies all requirements of California Public Resources Code Section 21151.9 and California Water Code Section 10910 et seq.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

SECTION 1: The foregoing recitals are true and correct.

SECTION 2: The City Council hereby approves the Water Supply Assessment for the proposed 605 room water park themed resort hotel with ancillary restaurant, retail, and meeting space uses to be developed on approximately 12 acres in an urbanized area in the city of Garden Grove located on the west side of Harbor Boulevard, north of Garden Grove Boulevard and south of Lampson Avenue, with addresses: 12581, 12591, 12681, 12721 Harbor Boulevard, and 12602 and 12601 Leda Lane (Assessor Parcel Numbers: 231-441-27, 29, 39, and 40; 231-431-02 and 03), which is on file in the City Clerk's Office.

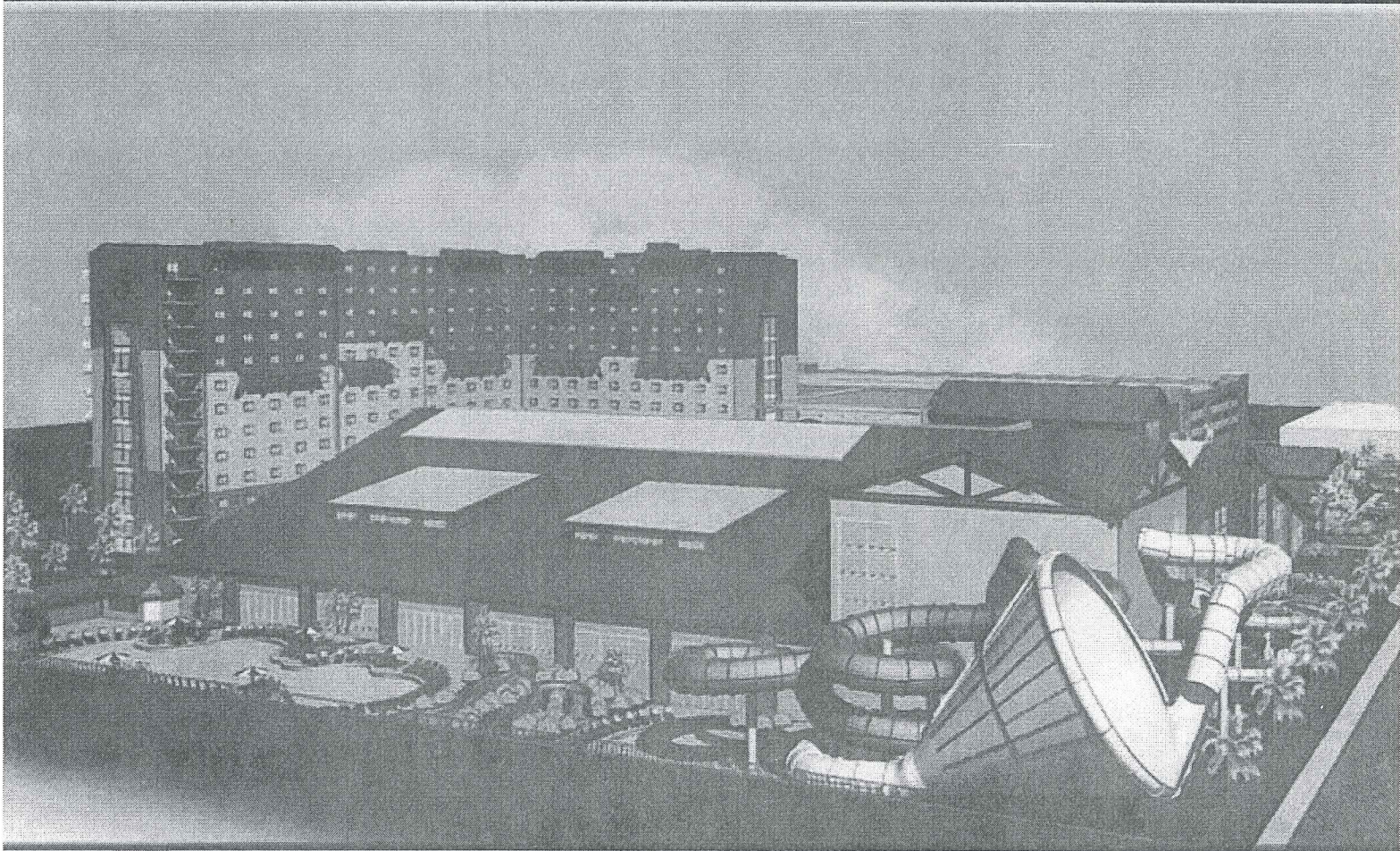
SECTION 3: The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect.

IN CONNECTION WITH  
AGEND ITEM NO. 6.g.

# WATER PARK HOTEL WATER SUPPLY ASSESSMENT

*Prepared for:*  
*McWhinney and City of Garden Grove*

**October 2010**



*Prepared by:*

**PSOMAS**

# WATER PARK HOTEL WATER SUPPLY ASSESSMENT

October 28, 2010

Prepared for:  
**MCWHINNEY**  
and  
**CITY OF GARDEN GROVE**



Prepared by:  
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## ABBREVIATIONS/ACRONYMS

AB	Assembly Bill
AF	Acre-feet
AFY	Acre-feet per year
BEA	Basin Equity Assessment
BPP	Basin Production Percentage
CAWCD	Central Arizona Water Conservation District
CEQA	California Environmental Quality Act
CRA	Colorado River Aqueduct
CVP	Central Valley Project
CVWD	Coachella Valley Water District
DWR	California Department of Water Resources
EIR	Environmental Impact Report
ESA	Endangered Species Act
FY	Fiscal Year
GMP	Groundwater Management Plan
gpcd	Gallons per capita per day
gpd	Gallons per day
GWRS	Groundwater Replenishment System
HGL	Hydraulic grade line
IID	Imperial Irrigation District
IRP	Integrated Resources Planning
ksf	Thousand square feet
LRP	Local Resources Program
LTFP	Long Term Facilities Plan
MAF	Million acre-feet
Metropolitan, MWD	Metropolitan Water District of Southern California
MPR	Master Plan Report
MGD	Million gallons per day
MWDOC	Municipal Water District of Orange County
OCSD	Orange County Sanitation District
OCWD	Orange County Water District
PVID	Palo Verde Irrigation District
QSA	Quantification Settlement Agreement
RA	Replenishment Assessment
RUWMP	Regional Urban Water Management Plan
SAR	Santa Ana River
SB	Senate Bill
SCAG	Southern California Association of Governments
SDCWA	San Diego County Water Authority
sf	Square feet
SNWA	Southern Nevada Water Authority

SSS	Seasonal Shift Storage
SWP	State Water Project
SWRCB	State Water Resources Control Board
TAF	Thousand Acre-Feet
UWMP	Urban Water Management Plan
WSA	Water Supply Assessment
YCWA	Yuba County Water Agency

**CITY OF GARDEN GROVE  
WATER PARK HOTEL WSA**

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**EXECUTIVE SUMMARY**

This Water Supply Assessment (WSA) has been prepared for the City of Garden Grove Water Park Hotel Project (the "Proposed Project") in accordance with applicable sections of the Public Resources Code and California Water Code as referenced in Senate Bill 610. The Proposed Project includes a 605-room water park themed resort hotel with ancillary restaurant, retail and meeting space uses on approximately 12 acres located in an urbanized area in the City of Garden Grove, Orange County. The project site is entirely surrounded by development, which consists of commercial, residential, and retail uses.

The purpose of this WSA is to provide information to verify that there is sufficient water supply to the City to provide for the Proposed Project now and into the future. This WSA evaluates the additional water demands that will need to be served by the City as a result of the development of the Proposed Project.

***Water Demand***

In 2009/10, the City's water demand was approximately 25,820 acre-feet per year (AFY), which was actually 3,480 AFY less than what was projected in the 2005 Urban Water Management Plan (UWMP) and 3,972 less than projected in the City's 2008 Water Master Plan. These totals include unaccounted for water. The 2009/10 demand is also 3,206 AFY less than what was actually used in 2005/06 (four years ago). In essence, this means that City businesses and residents are using substantially less water than was originally forecast, which is likely due to the fact that (i) the previous UWMP and Water Master Plan conservatively over-estimated water demand, and (ii) development has slowed due to the economic downturn, (iii) water demand is being reduced due to effective conservation efforts being undertaken by the City and consumers and due to more stringent codes and more efficient appliances (e.g., high-efficiency clothes washing machines, low flow toilets, more efficient landscape irrigation, etc.); (iv) the City adopted substantial water rate increases over the past few years; (v) 2009/10 was the first year Metropolitan Water District of Southern California (Metropolitan) enacted its Water Allocation Plan; and (vi) precipitation was above average in 2009/10.

At the end of the 20-year planning period for this WSA, as required by SB 610, City water demand for 2029/30 is projected to be approximately 30,472 AFY. This projection in future demand for the City was based on an adjusted existing demand, taking into account conservation and detailed development and water demand projections included in the 2008 Water Master Plan, including the Proposed Project.

The total water demand for the Proposed Project is 167.4 acre-feet per year (AFY) for the proposed hotel and ancillary uses on the Project site. Taking this 167.4 AFY of water

demand for the proposed new uses and subtracting out 28.7 AFY of existing water use (as reflected in the 2005 UWMP) from land uses on the existing site to be removed; the total net new demand for the Proposed Project is 138.7 AFY.

### *Supply Projections*

The City's sources of supply consist of groundwater and imported surface water. Over the past five years, the City has received, on average, 69 percent of its water supply from its groundwater wells that access the Orange County Groundwater Basin and 31 percent from imported water from the Metropolitan Water District of Southern California (Metropolitan). That five-year period included approximately 4,300 acre-feet more In Lieu Groundwater made available from Metropolitan than Conjunctive Use Program (CUP) water withdrawn from the basin (see further discussion in Section 5.3.2). In 2009/10, the City received approximately 64 percent of its water supply from groundwater and 36 percent from imported water, with 2,884 acre-feet of CUP water.

Analysis of water supply projections for the City demonstrates that projected supplies will meet demand through fiscal year 2029/30. These projections consider water development programs and projects as well as water conservation, as described in the City's 2005 UWMP and Section 5 of this WSA. The City's groundwater and imported water supplies are anticipated to remain stable based on studies and reports of the Orange County Water District (OCWD) and the Metropolitan Water District of Southern California (Metropolitan), respectively. Statewide water planning is also considering current dry conditions and Bay Delta pumping scenarios, which are also discussed in Section 5.

Based on the expected long-term average Basin Production Percentage (BPP), the City's water supply projection assumes that up to 62 percent will be groundwater, and the remaining 38 percent will be imported during normal, single-dry, and multiple dry years, consistent with Orange County Water District (OCWD) conservative planning estimates. Both the imported water and groundwater sources have been confirmed as reliable by Metropolitan and OCWD, respectively. Additionally, analyses of normal, single-dry, and multiple-dry year scenarios also demonstrate the City's ability to meet demand during the 20-year analysis period.

Moreover, should extraordinary circumstances require it, the City can meet its water demand by (1) increasing production of groundwater beyond the BPP up to the basin safe yield, (2) increasing imported water purchases from available storage programs, and/or (3) decreasing demand through water conservation measures. The latter method has proved effective in reducing citywide demands well below 10 percent as demonstrated during the recent Water Allocation Plan enacted by Metropolitan in 2009/10 and 2010/11 and passed through to the City by Municipal Water District of Orange County (MWDOC), the City's imported water wholesaler and Metropolitan member agency.

Reliability of future water supplies to the region will be ensured through continued implementation of the OCWD Groundwater Management Plan, OCWD's Long Term

Facilities Plan, local agency programs, and the combined efforts and programs among member agencies of Metropolitan and cooperative agencies. These agencies include all water wholesalers and retailers, the Orange County Sanitation District, the Santa Ana Regional Water Quality Control Board, and the Santa Ana Watershed Project Authority.

### *Conclusion*

The information included in this water supply assessment identifies a sufficient and reliable water supply for the City, now and into the future, including a sufficient water supply for the Proposed Project. These supplies are also sufficient to provide for overall City-wide growth at the rate projected in the City's 2008 Water Master Plan.

Existing infrastructure is adequate to provide the estimated water demand to the Project; however, in order to efficiently locate utilities adjacent to the hotel frontage, a replacement water line is proposed to be constructed along the site's frontage in conjunction with development of the site. Additionally, an internal fire loop will be constructed around the site to provide adequate fire fighting capability to all structures located on the parcel.

## 1.0 INTRODUCTION

### *Water Park Hotel – General Description/Location*

The Water Park Hotel (Proposed Project or Project) is a proposed 605-room water park themed hotel with ancillary restaurant, retail and meeting space uses interior to the hotel and an exterior restaurant to be constructed on an approximately 12-acre site. The Proposed Project will serve as a family-oriented resort hotel serving visitors to Orange County and southern California. All of the support uses except one free-standing restaurant will be designed to serve hotel guests needs and the water park will be available to hotel guests only. The water park will be partially indoor and partially outdoor. The site also includes a five-level parking structure.

The site currently includes six assessor parcels owned by the City of Garden Grove located on the west side of Harbor Boulevard between Garden Grove Boulevard and Lampson Avenue. Regional access to the site is via Harbor Boulevard from State Route 22 approximately  $\frac{3}{4}$  of a mile to the south and from Interstate 5 approximately  $2\frac{1}{4}$  miles to the north. The Project site is approximately  $1\frac{3}{4}$  miles south of the Disneyland Resort and is entirely surrounded by existing development, which consists of commercial, residential and retail uses.

### *Purpose of this Water Supply Assessment (WSA)*

The purpose of this WSA is to provide information to ascertain if there is sufficient water supply available to the City to provide for the Proposed Project now and in the future. This WSA develops the additional water demands that will need to be served by the City as a result of the proposed Water Park Hotel project. This additional demand is then added to the other projected demands on the City over the next 20 years and compared to available supplies. The proposed land use and commensurate additional water demand requires the preparation of a new WSA in conjunction with the environmental documentation for the Project.

## **2.0 LEGISLATION**

Because of the size of the Proposed Project, the State of California's Senate Bill (SB) 610 requires that a WSA be completed to evaluate the potential affects of the proposed development on current and future water supplies. Prior to recordation of a final tract or parcel map, a Water Supply Verification in accordance with SB 221 may be required. In addition to the threshold triggering the requirement of a WSA at 500 residential dwelling units or more, one of the other thresholds is 500 hotel rooms. The following outlines the requirements of SB 610.

### **2.1 SB 610 – Costa – Water Supply Planning**

SB 610 was adopted into law on October 9, 2001. It mandates that a city or county approving certain projects subject to CEQA (i) identify any public water system that may supply water for the project, and (ii) request the public water system to prepare a specified water supply assessment. The assessment is to include the following:

1. A discussion of whether the public water system's total projected water supplies available during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system's existing and planned future uses, including agricultural and manufacturing.
2. The identification of existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project and water received in prior years pursuant to those entitlements, rights, and contracts.
3. A description of the quantities of water received in prior years by the public water system under the existing water supply entitlements, water rights, or water service contracts.
4. A demonstration of water supply entitlements, water rights, or water service contracts by the following means:
  - a. Written contracts or other proof of entitlement to an identified water supply.
  - b. Copies of a capital outlay program for financing the delivery of a water supply that has been adopted by the public water system.
  - c. Federal, state, and local permits for construction of necessary infrastructure associated with delivering the water supply.
  - d. Any necessary regulatory approvals that are required in order to be able to convey or deliver the water supply.



5. The identification of other public water systems or water service contract holders that receive a water supply or have existing water supply entitlements, water rights, or water service contracts, to the same source of water as the public water system.
6. If groundwater is included for the supply for a proposed project, the following additional information is required:
  - a. Review of any information contained in the Urban Water Management Plan (UWMP) relevant to the identified water supply for the proposed project.
  - b. Description of any groundwater basin(s) from which the proposed project will be supplied. Adjudicated basins must have a copy of the court order or decree adopted and a description of the amount of groundwater the public water system has the legal right to pump. For non-adjudicated basins, information on whether the DWR has identified the basin as over-drafted or has projected that the basin will become over-drafted if present management conditions continue, in the most current bulletin of DWR that characterizes the condition of the basin, and a detailed description of the efforts being undertaken in the basin to eliminate the long-term overdraft condition.
  - c. Description and analysis of the amount and location of groundwater pumped by the public water system for the past five years from any groundwater basin which the proposed project will be supplied. Analysis should be based on information that is reasonably available, including, but not limited to, historic use records.
  - d. Description and analysis of the amount and location of groundwater projected to be pumped by the public water system from any groundwater basin by which the proposed project will be supplied. Analysis should be based on information that is reasonably available, including, but not limited to, historic use records.
  - e. Analysis of the sufficiency of the groundwater from the basin(s) from which the proposed project will be supplied.

The WSA shall be included in any environmental documentation prepared for the project. The WSA may include an evaluation of any information included in that environmental documentation. A determination shall be made whether the projected water supplies will be sufficient to satisfy the demands of the project, in addition to existing and planned future uses.

Additionally, SB 610 requires new information to be included as part of an UWMP if groundwater is identified as a source of water available to the supplier. Information must include a description of all water supply projects and programs that may be undertaken to meet total projected water use. SB 610 prohibits eligibility for funds from specified bond acts until the plan is submitted to the State.

## **3.0 THE WATER PARK HOTEL**

### **3.1 Proposed Project Description**

The Proposed Project area is located in an urbanized area in the City of Garden Grove, Orange County. *Figure 3.1* shows the Proposed Project's regional location, with the conceptual site plan shown on *Figure 3.2*. The Proposed Project includes a 605-room hotel; a water park totaling 130,000 square feet (sf) (100,000 sf inside the hotel and 30,000 sf outside); 18,000 sf of retail use, 11,000 sf of restaurant/snack bar space inside the hotel; 23,000 sf of meeting/conference rooms; and one free-standing 8,000 sf restaurant structure on a pad site adjacent to the hotel proper with an additional 1,500 sf of patio dining space. All of the ancillary uses above, with the exception of the adjacent restaurant, would be oriented to serve, hotel guests only. The Proposed Project would also house a five-level parking structure with 1,050 spaces.

As mentioned previously, the Proposed Project site consists of six existing assessor parcels, all currently under ownership of the City of Garden Grove. Two of the smaller parcels on the northwest of the site are single family residences at the end of a cul-de-sac, Leda Lane. The northernmost small parcel adjacent to Harbor Blvd. is an existing bar, with the small site immediately south of this an old carpet outlet store that has been abandoned since early 2009. The larger parcel in the middle of the site is an old hotel site that was demolished in approximately 2003. Finally, the larger parcel to the south is a 173-space Recreational Vehicle Park that had 113 spaces occupied when the City acquired the parcel in 2005 and is currently down to 40 occupied spaces.

The hotel and free-standing restaurant are both planned to open in Spring 2013 and all existing water demands on-site are assumed to be gone by at least one year prior to that time.

### **3.2 Proposed Project Water Demands**

A general assumption has been made that the demands for the Proposed Project were not included in the City's 2005 UWMP and all new demands would need to be added to the demand projections included in that document. This assumption is not entirely accurate as existing demands within the Proposed Project site area were accounted for in the 2005 UWMP, along with all of the other existing demands within the City, so any water use associated with existing parcels (all planned to be phased out/demolished and replaced with the Proposed Project demands will generate a credit against water demand included in the 2005 UWMP for the Proposed Project. Therefore, water meter readings for the past five years, related to existing parcels were compiled and are included in Appendix A. Table 3.1 summarizes the existing water use as they would have been reflected in the 2005 UWMP. It should be noted that the two single family residences on Leda Lane were previously served by a private well and not converted to the City system until October of 2008 so they are not included in Table 3.1.

Additionally, the old hotel on the larger, middle assessor parcel has not received any City water since 2003 and is therefore not included. Finally, the carpet outlet store only used approximately 8 billing units (800 cubic feet) per year which is insignificant and also not included.

**Table 3.1  
Water Use Breakdown on Project Site – Year 2005  
(Acre-Feet per Year (AFY))**

	<b>Water Use</b>
Humdinger Bar – 12581 Harbor Blvd	0.5
RV Park – 12721 Harbor Blvd	28.2
<b>Total</b>	<b>28.7</b>

The Proposed Project is somewhat atypical and therefore, water demand factors for typical hotel rooms can not be readily utilized. The Project proponent has indicated the average water demand for the hotel and all ancillary uses, excluding the free standing restaurant, will be 140,000 gallons per day. This is based on information provided by Great Wolf Resorts who has constructed and operates 12 of these family-focused water park hotels in the United States and Canada since 1997.

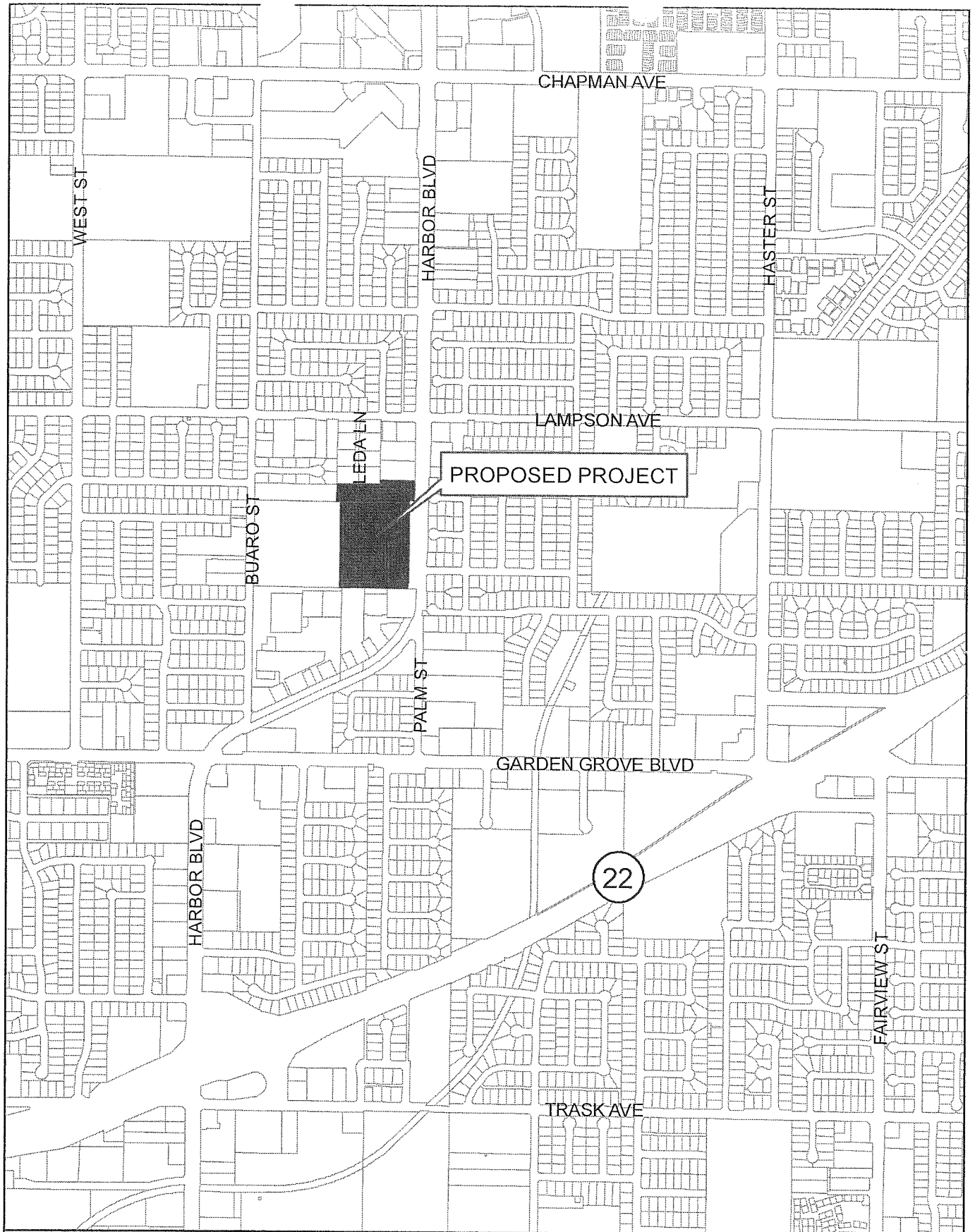
In order to test the reasonableness of this demand estimate, we have compared water use data gathered from three hotels in Anaheim from meter reads averaged over a recent five-year period totaling 2,350 rooms. These hotels averaged 167 gallons per day per room with one hotel, the Anaheim Hilton, having a significant amount of conference room and banquet space. The Hilton had an 11% higher room demand than the next highest hotel with more nominal ancillary uses so it is logical to assume the more typical hotels would average about 10% less or 150 gallons per room per day. The 140,000 gallons per day demand estimate provided by the Project proponent works out to 231 gallons per room per day based on the 605 rooms in the hotel. Because of the additional water demands associated with operation of the water park versus a typical hotel's much smaller swimming pool and the higher people per room occupancies of this hotel due to its family-focused theme, the demand estimate appears to be appropriate, if not slightly conservative. The demand for the freestanding restaurant is estimated using Los Angeles County Sanitation District demand factors of 1,000 gallons per day per 1,000 square feet of dining space. Based on the above discussion, the estimated total water demand projections for the Proposed Project are included in Table 3.2.

**Table 3.2  
Estimated Water Demand for Proposed Project**

		Water Demand	
		gpd	AFY
Water Park Hotel	605 rooms	140,000	156.8
Free Standing Restaurant	9,500 sf	9,500	10.6
<b>Total</b>		<b>149,500</b>	<b>167.4</b>

Taking the 167.4 acre-feet per year (AFY) of water demand for the Proposed Project from Table 3.2 and subtracting out the 28.7 AFY of existing water use that was included in the existing uses in the 2005 UWMP and will no longer be a draw on the water system once the Project is constructed; the total net new demand for the Proposed Project is 138.7 AFY.

Existing infrastructure is adequate to provide the estimated water demand to the Project, however, in order to efficiently locate utilities adjacent to the hotel frontage, a replacement water line will be constructed along the site's frontage. Additionally, an internal fire loop will be constructed around the site to provide adequate fire fighting capability to all locations on the parcel.

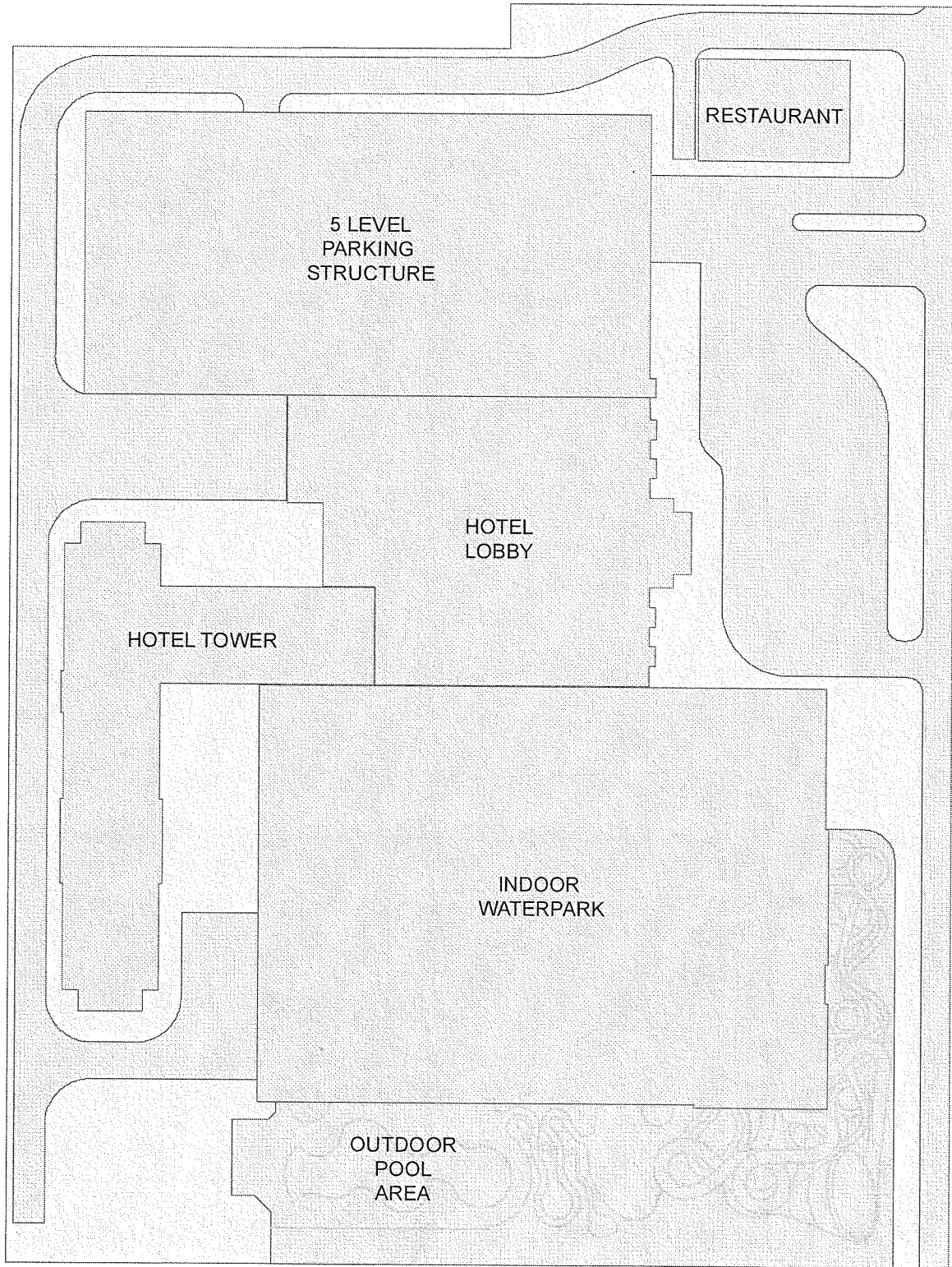


0 500 1,000  
Feet

PSOMAS



CITY OF GARDEN GROVE  
WATER PARK HOTEL WSA  
REGIONAL LOCATION  
FIGURE 3.1



0 50 100 Feet



PSOMAS



CITY OF GARDEN GROVE  
 WATER PARK HOTEL WSA  
 CONCEPTUAL SITE PLAN  
 FIGURE 3.2

## 4.0 CITY OF GARDEN GROVE WATER DEMAND AND SUPPLIES

### 4.1 *Overview of Supply and Demand*

The City currently obtains water from the following primary water sources: (1) naturally and artificially recharged local groundwater, and (2) imported water. In addition, the City of Garden Grove Water Services Division maintains eight emergency interconnections with adjacent water retailers that are temporarily utilized on an as-needed basis.

Over the past five years, the City has received, on average, 69 percent of its water supply from its groundwater wells that access the Orange County Groundwater Basin and 31 percent from imported water from the Metropolitan Water District of Southern California (Metropolitan). Those years included a slightly higher volume of In Lieu Groundwater made available from Metropolitan than Conjunctive Use Program water used (see further discussion in Section 5.3.2) The Orange County Groundwater Basin is managed by the Orange County Water District (OCWD). Current and planned improvements, as discussed in Section 4.4 of the City's 2005 UWMP, will increase the efficient and reliable use of both water sources. Each of the sources of water for the City are briefly discussed in this section and more fully discussed in the subsequent sections.

#### *Population Growth*

Based on the State of California, Department of Finance 2010 population projections, Garden Grove's population density was approximately 9,866 people per square mile (May 2010). The City of Garden Grove currently provides water to both residents and businesses within a service area of approximately 17.8 square miles.

The population in Garden Grove was approximately 123,307 in 1980, and grew approximately 42.4% to 2010's population of 175,618 people. Based on the City's 2005 UWMP, Garden Grove's water service area population was projected to increase to approximately 189,445 by the year 2030. Since the 2005 UWMP, the Southern California Association of Governments (SCAG) adopted a more recent forecast (2008 Regional Transportation Plan, May 2008). This SCAG forecast is based on projections developed by the Center for Demographic Research, California State University Fullerton and for the City of Garden Grove for Year 2030, the new projected population is 192,315 and for Year 2035 is 192,532<sup>1</sup>. Table 4.1, below, shows this most recent population data from SCAG.

---

<sup>1</sup> SCAG 2008 Regional Transportation Plan growth forecast adopted by the Regional Council in May 2008. City totals are the sum of small area data.

**Table 4.1  
Water Service Area Population – Past, Current and Projected**

Year	2005	2010	2015	2020	2025	2030	2035
City of Garden Grove	171,201	175,618	185,264	188,623	190,409	192,315	192,532

*Water Demand*

Population increases alone are not necessarily a good representation of increasing water demand. Non-residential growth adds water demand without increasing population. Also, future water conservation can reduce per capita demand factors. From 2005 to 2010, population increased by 4,417 or 2.6% but water demand decreased substantially, by over 5,000 AFY (over 16% decrease). Some of this was due to water conservation efforts of the City (park irrigation reductions) and its residents due to the water allocation program under effect from Municipal Water District of Orange County and Metropolitan going into its second straight year. Despite rising population, water use has decreased in five of the past six years and is trending downward. Some of this conservation could subside and per capita demand could rise slightly above its current low if and when the regional water picture becomes more stable and the economy improves.

The City's 2008 Water Master Plan projected water demand using three different methods including (1) population growth; (2) land use-based projections; and (3) historical consumption trending. The method recommended in the 2008 Water Master Plan was land use-based projections where statistical information on proposed development projects was utilized to develop water demand projections based on unit water duty factors. The land use projections utilized in the 2008 Water Master Plan included 5,900 hotel rooms and 139,000 square feet of restaurants in the Harbor Boulevard Development Plan Area so the Proposed Project would have been included in these projections. The Harbor Blvd. Development Land Use Plan and statistics are included in Appendix B.

Starting with existing citywide water use in 2007, the Water Master Plan accounted for 1 million gallons per day or 1,120 AFY of conservation, based primarily on the City's landscape irrigation demand reduction efforts. However, it was indicated in the 2008 Water Master Plan that the City should revisit these demand projections and water conservation estimates during the preparation of the 2010 UWMP. Since this WSA is being prepared prior to the completion of the 2010 UWMP, this WSA will become the vehicle to reanalyze the citywide demand projections. Based on the resounding response by City residents and businesses to cut water consumption over the last three-year period, demands have decreased substantially. Some of this reduction can be attributed to the economy coupled with City water rate increases of 40% in 2007, 20% in 2008 and 7.5% in 2009. Regarding the impact of weather on demand, 2009 rainfall was approximately 30% below average, but 2010 had approximately 30% more rainfall than average, which reduces irrigation water use, especially in the current water allocation atmosphere when people are diligent about turning off their sprinkler systems during wet periods. As stated



previously, the 2008 Water Master Plan projected a drop in demand in 2008 due to the City park irrigation demand savings and then increase each year thereafter, based on development growth.

Based on additional permanent water demand management measures that have reduced demand each of the last three years, it is recommended that the 2010 demand figure projected in the 2008 Water Master Plan be dropped by another 1,000 AF. This demand is still 11.5% above the actual 2010 demand, but more in line with what is felt to be a normal year demand.

Going forward, it is recommended that the same land use-based demand projections developed in the 2008 Water Master Plan, generating an additional demand of 1,680 AFY from 2010 to 2030 be utilized. Using that rationale, the citywide demand projections for the next 20 years would be as shown in Table 4.2. These projections should also be utilized in the City's 2010 UWMP.

**Table 4.2 Water Demand Projections (AFY)**

	2010	2015	2020	2025	2030
<b>Actual Use<sup>1</sup></b>	25,820				
<b>2008 Master Plan<sup>2</sup></b>	29,792	30,240	30,688	31,024	31,472
<b>Revised Projection<sup>3</sup></b>	28,792	29,240	29,688	30,024	30,472

1) Total Production, includes unaccounted-for system losses

2) From Table ES.1 of 2008 Water Master Plan

3) 1,000 AFY removed from 2008 Water Master Plan projection

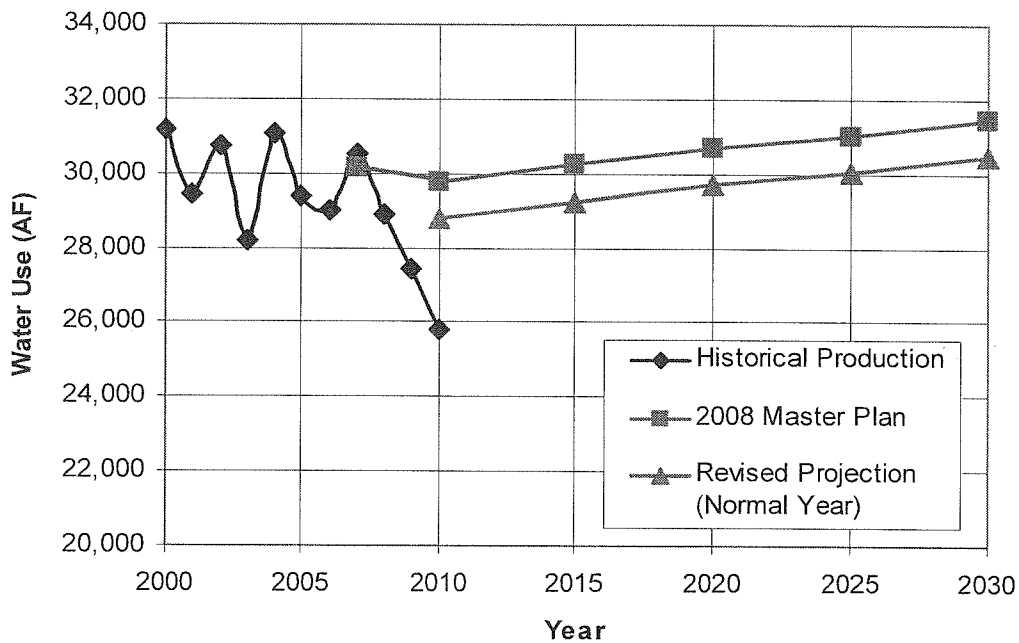
Table 4.3 shows historic water production by source for the past five years and total water sales. Water demand is satisfied from groundwater and imported water. The variance between the Water Supply and Water Sales figures is the result of system losses or unaccounted-for-water. The City has an unaccounted-for-water loss of about 4.5% based on the average system losses experienced by the City over the past five-year period. The American Waterworks Association states that the average unaccounted-for-water loss is approximately 10 percent. This water loss occurs due to meter inaccuracies, fire suppression, fire flow testing, hydrant and pipe flushing, pipeline breaks, etc.

**Table 4.3**  
**City of Garden Grove Historical**  
**Production by Source with Sales (AFY)**

Source	2005/06	2006/07	2007/08	2008/09	2009/10
Groundwater	18,576	21,116	23,115	18,939	16,527
Imported Water	10,449	9,426	5,812	8,508	9,293
<b>Total Water Supply</b>	<b>29,025</b>	<b>30,542</b>	<b>28,927</b>	<b>27,447</b>	<b>25,820</b>
<b>Total Water Sales</b>	<b>28,174</b>	<b>28,944</b>	<b>27,620</b>	<b>26,150</b>	<b>24,470</b>

Figure 4.1 illustrates a combination of historical water production with the demand projections from the 2008 Water Master Plan and the Recommended Revised Projections.

**Figure 4.1**  
**Historical Production & Water Demand Projections**



***Demand and Supply Comparison***

Table 4.4 shows the projected water demand and supply for the City of Garden Grove for a normal year utilizing the projection described above. Since this projection is modified from the 2008 Water Master Plan projection, land use-based methodology, it does include the Proposed Project (as a part of the Harbor Blvd. Development Plan Area) so the net Proposed Project demand of 139 AFY (total demand from Table 3.2 minus existing 2005 demand from Table 3.1) is subtracted out from the citywide demand in the 2015 fiscal year projection to reflect the 2013 Proposed Project opening and shown separately from there on into the future. The total City demand without the Proposed Project (first line under Demand in Table 4.4) was taken from Table 4.2 above with the net Proposed Project demand removed. Supply projections are based on groundwater production equal to 62% of the projected water demand and imported water supplying the remaining 38% demand. These supply projections are discussed in Section 5.4 of this report and do not represent the total supply capacity, but rather the projected supply needed to meet projected demands, as regional water suppliers to the City of Garden Grove including Metropolitan Water District and Municipal Water District of Orange County show surplus water supplies will be available.

**Table 4.4  
Projected Water Demand and Supply  
City of Garden Grove, including the Proposed Project  
(AFY)**

<b>Water Sources</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
<b>SUPPLY</b>					
Imported	10,941	11,111	11,281	11,409	11,579
Groundwater	17,851	18,129	18,407	18,615	18,893
<b>Total Potable Supply</b>	<b>28,792</b>	<b>29,240</b>	<b>29,688</b>	<b>30,024</b>	<b>30,472</b>
<b>DEMAND</b>					
Total City Demand	28,792	29,101	29,549	29,885	30,333
Additional Proposed Project Demand	0	139	139	139	139
<b>Total Demand</b>	<b>28,792</b>	<b>29,240</b>	<b>29,688</b>	<b>30,024</b>	<b>30,472</b>

## 4.2 Groundwater

The information in this section is intended to furnish the information required by Water Code section 10910(f).

The primary source of water for the City is the Orange County Groundwater Basin (Basin). The Basin underlies the north half of Orange County beneath broad lowlands. A description of the Coastal Plain of the Basin or DWR's Groundwater Basin Number 8-1, dated September 2001, states that the Basin underlies a coastal alluvial plain in the northwestern portion of Orange County. The Basin covers an area of approximately 350 square miles, bordered by the Coyote and Chino Hills to the north, the Santa Ana Mountains to the northeast, the Pacific Ocean to the southwest, and terminates at the Orange County line to the northwest, where its aquifer systems continue into the Central Basin of Los Angeles County.<sup>2</sup>

The Basin is dominated by a deep structural depression containing a thick accumulation of fresh water-bearing imbedded marine and continental sand, silt and clay deposits. The sediments containing easily recoverable fresh water extend to approximately 2,000 feet in depth. Although water bearing aquifers exist below that level, reduced water quality and pumping make these materials economically unviable at present. Upper, middle and lower aquifer systems are recognized in the Basin with well production yields ranging from 500 to 4,500 gallons per minute, but are generally 2,000 to 3,000 gallons per minute.<sup>3</sup>

The aquifers comprising the Basin form a complex series of interconnected sand and gravel deposits. The Basin holds millions of acre feet of water, of which about 1.25 to 1.5 million AF is available for use.<sup>4</sup> To ensure that the Basin is not overdrawn, OCWD recharges the Basin with local and imported water. Groundwater conditions in the Basin are influenced by the natural hydrologic conditions. The Basin is recharged primarily by four sources: (1) local rainfall, which varies due to the extent of the annual seasonal precipitation; (2) storm and base flows from the Santa Ana River, which includes recycled wastewater from treatment plants in Riverside and San Bernardino Counties; (3) imported water; and (4) highly treated recycled wastewater. The Basin generally operates as a reservoir in which the net amount of water stored is increased in wet years to allow for manageable overdrafts in dry years. According to OCWD's Engineer's Report for fiscal year 2008/2009, total groundwater production from the Basin in OCWD's jurisdiction was 324,147 AF, which was an 11.5% decrease from the previous year.

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<sup>2</sup> DWR's Bulletin 118-1 Basin Description for Coastal Plain of Orange County Groundwater Basin Number 8-1. September 5, 2001.

<sup>3</sup> DWR's Bulletin 118-1 Basin Description for Coastal Plain of Orange County Groundwater Basin Number 8-1. September 5, 2001.

<sup>4</sup> Orange County Water District 2020 Master Plan Report. Chapter 3, Orange County Groundwater Basin Hydrology. 2000.

The production capability of the Basin has increased as a result of wastewater reclamation and the blending of waters of different qualities to produce high-quality potable water for public distribution.

The most recent example of a highly successful OCWD wastewater reclamation project is the construction and operation of OCWD's new water-purification plant, which is designed to turn wastewater into drinking water. This new Groundwater Replenishment System (GWRS) project has been praised by the environmental community because these types of projects reduce the amount of energy needed to transport water from the northern part of the state to the southern part of the state, thereby reducing greenhouse gas emissions. OCWD's GWRS program is being emulated throughout the State and in other parts of the country. This OCWD GWRS currently treats and recharges up to 70 million gallons per day of wastewater back into the Basin for future potable use. This equates to the recycling of over 72,000 AFY of wastewater back into the Basin for future extraction and potable use.

A treatment plant expansion of 30 million gallons per day is currently in the design process by OCWD, and it will increase the recharge capacity of the GWRS to 90,000 AFY. The treatment system is being laid out so that it could eventually be expanded to 130 million gallons per day.

As stated, the Orange County Groundwater Basin is managed by the OCWD, a special district created by the State Legislature in 1933 pursuant to the OCWD Act, an uncodified statutory scheme set forth in the State's Water Code. The Basin is unadjudicated. All pumpers within the basin are permitted to pump from the Basin, but OCWD is charged with managing the groundwater basin. OCWD manages the Basin largely through the Basin Production Percentage (BPP) that it establishes each water year.

The BPP is set based on groundwater conditions, availability of imported water supplies, ideal precipitation, Santa Ana River runoff, and basin management objectives. In essence, the BPP represents a set percentage identifying the amount of groundwater all pumpers in the basin can pump without paying a high "pumping tax" or Basin Equity Assessment to OCWD (described below). Thus, for example, if OCWD establishes a BPP of 65%, all pumpers within the Basin, including the City, can supply 65% of their water needs from groundwater supplies at a cost significantly less than the cost of imported water. The BPP is a major factor for the City in determining the cost of groundwater production. Groundwater production equal to or less than the BPP pays a replenishment assessment (RA). Funds collected by OCWD through RA payments made by all producers in the basin are used to fund groundwater replenishment and recharge programs aimed at ensuring the long-term viability and stability of the Basin.

If groundwater production greater than the BPP occurs, a Basin Equity Assessment (BEA) is charged against the producer on the amount of groundwater extracted beyond the BPP. The BEA is an additional fee (i.e., a higher "pumping tax") paid on each AF of water pumped above the BPP, making the total cost of that water to Garden Grove equal

to the cost of Tier 2 imported water from Metropolitan, plus well production costs.<sup>5</sup> Thus, the BPP creates pricing incentives to ensure that groundwater producers pump within the framework established by the BPP.

Like funds collected by OCWD through the RA, funds collected by OCWD through the BEA are also used to fund groundwater replenishment, and recharge and recycling programs aimed at ensuring the long-term viability and stability of the Basin. The programs funded by the RA and the BEA include all of the groundwater replenishment, recharge, and recycling programs discussed above.

Basin recharge occurs largely in the following recharge basins: (i) Warner Basin, a 50-foot deep recharge basin located next to the Santa Ana River (SAR) at the intersection of the 55 and 91 freeways; (ii) Burris Pit, located between Lincoln Avenue and Ball Road; (iii) Kraemer Basin, located adjacent to Burris Pit, and (iv) Santiago Creek. A large portion of the recharge of the OCWD groundwater basin comes from water flowing in the Santa Ana River (SAR) south of the Prado Dam, which is located in San Bernardino County, just east of the Orange County jurisdictional boundary. With the exception of contractual rights conveyed to Bryant Ranch landowners in east Yorba Linda which have contractual rights to approximately 2,800 AFY of SAR water, OCWD has the legal rights to all of the SAR flow south of the Prado Dam. (See OCWD v. City of Chino, et al, (Civ. Case No. 117628), Judgment and Settlement Documents.)

As set forth in DWR Bulletin 118 and in the 2006-2007 OCWD Engineer's Report, the Orange County Groundwater Basin is a managed basin and not in a state of overdraft. The Orange County Groundwater Basin is one of the richest and most plentiful sources of groundwater in the entire State, containing approximately 1.25 to 1.5 million AF of water available for use at the present time, and millions of acre-feet that could possibly be produced in the future.<sup>6</sup>

As part of its Basin management function, OCWD operates an extensive groundwater monitoring program whereby OCWD routinely tests all groundwater production wells located within the Basin in compliance with Title 22 of the California Administrative Code. OCWD maintains a sophisticated laboratory whereby chemists test the well water for traces of pollution, hydrocarbons, pesticides, and other chemical components. OCWD's laboratories process tens of thousands of samples a year, and perform hundreds of thousands of analyses a year. As part of its monitoring and management duties, OCWD has developed and adopted a Groundwater Management Plan which is a program to increase water supplies and increase monitoring and groundwater contamination cleanup.

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<sup>5</sup> Metropolitan charges a Tier 1 water rate to recover the cost of maintaining a reliable amount of supply and a Tier 2 rate to include the cost of developing additional supply to encourage efficient use of local resources. As an example, Metropolitan's Tier 1 rate for treated water as of January 1, 2010 is \$701 per acre-foot and the Tier 2 rate for treated water is \$811 per acre-foot.

<sup>6</sup> Orange County Water District 2020 Master Plan Report. Chapter 3, Orange County Groundwater Basin Hydrology. 2000.

In 2009/2010, the City of Garden Grove produced groundwater for potable use from 11 existing wells located throughout the City as set forth in Section 5 (Figure 5.1). The City's existing wells range in depth from 900 to 1,100 feet, with production varying from 1,000 gpm to 4,500 gpm and total system capacity of approximately 31,000 gpm (excludes Well 24 and 28 based on inactive status). Groundwater produced at these wells is easily accessible to City water distribution and storage facilities. For the location of each of the City's wells, refer to Section 5, Figure 5.1.

Section 5 of this WSA sets forth various groundwater production scenarios as required by the Water Code (Single Dry Year and Multiple Dry Years), and these latter tables and accompanying text should be reviewed for an understanding of how groundwater production by the City may be affected by hypothetical future conditions. This additional information set forth in Section 5 will furnish some of the additional information pertaining to the sufficiency of the groundwater basin in various pumping scenarios as required by Water Code section 10910(f)(5).

#### **4.3 Imported Water (Surface Water) - Metropolitan**

The information in this section is intended to furnish the information required by Water Code section 10910(d).

Metropolitan provides imported water supplies to the City through the City's Metropolitan member agency, Municipal Water District of Orange County. Metropolitan is the wholesale water agency that serves supplemental imported water from northern California through the State Water Project (SWP) and the Colorado River to 26 member agencies located in portions of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura Counties, of which MWDOC is one.

The construction of the SWP was authorized by the State Legislature in 1951. Eight years later, the Legislature passed the Burns-Porter Act, which provided a mechanism for bonds to be issued to pay for the construction of certain portions of the SWP facilities. The DWR has entered into contracts with water districts and regional agencies (SWP Contractors) specifying the amount of SWP water to be delivered to each SWP Contractor. Each SWP Contractor was provided with a contract amount and capacity rights to the SWP aqueduct and storage system in return for payments intended to cover operation and maintenance, bondholder obligations, and repayment of moneys loaned from the California Water Fund. DWR water supply contracts contemplate that the SWP would deliver 4.2 million AFY to 29 SWP Contractors. Although the SWP is not fully constructed and cannot yet deliver the full 4.2 million AFY in all years, the SWP has fully met SWP Contractors' water needs twelve out of the 17 years following 1992 (the end of a six year drought). The dry years include 1994, 2001, and 2007 through 2009. Of SWP water deliveries, about 70 percent is delivered to SWP urban contractors and about 30 percent is delivered to SWP agricultural contractors. Kern County Water Agency and Metropolitan are the largest Contractors with DWR for SWP water.<sup>7</sup>

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<sup>7</sup> See, generally Bulletin No. 132-06 and latter supplements to Bulletin No. 132.

From a statewide perspective, the maximum capacity of the overall SWP transportation system is generally limited by the capacity of the system pumps. The capacity of the California Aqueduct is 10,300 cubic feet per second (cfs) at its northern end, and 4,480 cfs below the Edmonston pumping plant (1,000 cfs equates to approximately 82.6 acre-feet per hour, 1,980 acre-feet per day and 725,000 AFY). If these transportation rates were maintained for a full year, they would result in the transport of approximately 7.2 million acre-feet near the Delta and 3.2 million acre-feet to users in Southern California.<sup>8</sup>

Demand can have a significant effect upon the reliability of a water system. For example, if the demand occurs only three months in the summer, a water system with a sufficient annual supply but insufficient water storage may not be able to reliably meet the demand. If, however, the same amount of demand is distributed over the year, the system could more easily meet the demand because the need for water storage is reduced. Because the City of Garden Grove overlies the Orange County Groundwater Basin and can utilize the Basin to smooth out seasonal peaks, its imported water reliability is enhanced.

Metropolitan's SWP imported water is stored at Castaic Lake on the western side of their service area and at Silverwood Lake near San Bernardino. Metropolitan water imported from the Colorado River via the Colorado River Aqueduct (CRA) is stored at Diamond Valley Lake and Lake Mathews in Riverside County.

Through the 1996 Integrated Resources Plan and subsequent updates, Metropolitan has worked toward identifying and developing water supplies to provide 100 percent reliability. Due to competing needs and uses for all of the water sources and regional water operation issues, Metropolitan undertook a number of planning processes: the Integrated Resources Planning (IRP) Process, the Water Surplus and Drought Management (WSDM) Plan, the Strategic Planning Process, the Regional Urban Water Management Plan, and most recently, the Report on Metropolitan Water Supplies: A Blueprint for Water Reliability. Combined, these documents provide a framework and guidelines for optimum water planning into the future. Reliability of Metropolitan's supply is further discussed in Section 5.0, Reliability of Water Supplies.

Metropolitan member agencies receive imported water at various delivery points along their system, and pay for it at tiered and/or uniform rates established by the Board, depending on the class of service. Metropolitan has recently increased its ability to supply water, particularly in dry years, through implementation of storage and transfer programs. Metropolitan's 26 member agencies deliver to their customers a combination of groundwater, local surface water, recycled water and imported water purchased from Metropolitan. For some member agencies, Metropolitan supplies all the water used within their service area, while others obtain varying amounts of water from Metropolitan to supplement local supplies. Metropolitan has provided between 45 and 60 percent of the municipal, industrial and agricultural water used in its service area.<sup>9</sup>

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<sup>8</sup> DWR, Bulletin No. 132-05, December 2006.

<sup>9</sup> Metropolitan Water District of Southern California, Draft Regional Urban Water Management Plan, August 2010.



Historical water demands in the Metropolitan service area increased from 3.14 million acre feet (MAF) in 1980 to 3.93 MAF in 1990. Total water use is projected to grow from its current 4.03 MAF in 2010 to a projected 4.23 MAF in 2030.<sup>10</sup> For the Orange County service area, according to Metropolitan, demands are projected to increase approximately 1 percent between 2010 and 2030.<sup>11</sup> Table 4.5 shows the historic and projected total retail water demands for Metropolitan's Orange County service area. The water demand forecasts account for water savings resulting from plumbing codes, price effects, and actual and projected implementation of water conservation Best Management Practices as mandated by Senate Bill x7-7.<sup>12</sup>

**Table 4.5  
Total Retail Water Demand in Metropolitan's  
Service Area for Orange County - Includes  
Municipal and Industrial, and Agriculture (AF)**

County	Actual			Projected					
	1995	2000	2005	2010	2015	2020	2025	2030	2035
Orange	577,000	660,000	629,000	631,000	653,000	636,000	637,000	638,000	638,000

Source: Draft Regional Urban Water Management Plan for the Metropolitan Water District of Southern California, Appendix A.1-5 Demand Forecast. August 2010.

#### **4.4 Municipal Water District of Orange County**

The City of Garden Grove obtains its access to Metropolitan water through Municipal Water District of Orange County (MWDOC), its Metropolitan member agency.

MWDOC supplies the City with treated water conveyed through four metered connections, with a total capacity of 22,500 gallons per minute. All of the infrastructure and programs are in place and no further regulatory permits are required to permit MWDOC to convey imported water to these facilities for use by the City. A description of the amount of imported Metropolitan water delivered to the City in the past and anticipated to be delivered to the City in the future under a variety of scenarios is set forth in Section 5 of this WSA.

MWDOC was formed by Orange County voters in 1951 under the Municipal Water District Act of 1911 to provide imported water to much of Orange County. MWDOC is the second largest member agency of Metropolitan, providing imported water to 30 retail water agencies and cities. It serves 2 million people in 600 square miles of service area.

<sup>10</sup> Metropolitan Water District of Southern California, Draft Regional Urban Water Management Plan, August 2010.

<sup>11</sup> Metropolitan Water District of Southern California, Draft Regional Urban Water Management Plan, August 2010.

<sup>12</sup> Metropolitan Water District of Southern California, Draft Regional Urban Water Management Plan, August 2010.

Approximately 50% of the water requirement in Orange County depends on imported water coming from two sources: The Colorado River Aqueduct and the State Water Project. Historical retail water usage in the MWDOC service area has been increasing over time to a high of 0.530 MAF in 2006/07 (excluding basin replenishment but including agricultural, recycled water and non-potable water use), primarily due to growth within the service area. In recent years, retail water usage in the MWDOC service area has been dropping, due primarily to the southern California water picture; to 0.488 MAF in 2008/09 (the last non-water allocation year) and to 0.448 MAF in 2009/10 (the first year of Metropolitan's Water Allocation Plan).

#### **4.5 Recycled Water**

In the 2005 UWMP the City did not expect to have any direct recycled water projects within the City's service area for the next 25 years because of the lack of a source of reclaimed wastewater. The City of Garden Grove currently does not own or operate wastewater treatment facilities. Wastewater generated in Garden Grove is transported via large trunk sewer mains approximately 5 miles to the Orange County Sanitation District's (OCSD) facilities located in the cities of Fountain Valley and Huntington Beach. Indirectly, the City is part of a reclamation program by participating in the reclamation projects of OCWD and the OCSD. OCWD currently utilizes recycled water generated from the OCSD wastewater treatment facilities, treats it further and uses it for regional recycled water projects, sea water intrusion barriers, and groundwater recharge.

## **5.0 RELIABILITY OF WATER SUPPLIES**

This section provides a description of Metropolitan's, MWDOC's, OCWD's, and the City of Garden Grove's efforts in securing adequate water supply as well as reliability of the region and the City's normal, single dry year, and multiple dry year water supplies.

The Southern California region faces a challenge in satisfying its water requirements and securing its firm water supplies. Increased environmental regulations and the competition for water from outside the region have resulted in reduced supplies of imported water. Continued population and economic growth correspond to increased water demands within the region, putting an even larger burden on local supplies.

Reliability is a measure of a water system's expected success in managing water shortages. Reliability planning requires information about the following: (1) expected frequency and severity of shortages; (2) how additional water management measures are likely to affect the frequency and severity of shortages; and (3) how available contingency measures can reduce the impact of shortages when they occur. The reliability of the City's water supply is currently dependent on the reliability of both groundwater managed by OCWD and imported water supplies managed and delivered by MWDOC. Despite the ongoing water supply challenges within the region, the goal and statutory mission of these agencies are to identify and develop projects to meet the water demands in the region. Sections 5.1 and 5.2 discuss these agencies, their roles in water supply reliability, and the near and long-term efforts they are involved with to ensure future reliability of water supplies to the City and the region as a whole.

State funding has been made available, through California voters' approval, to increase reliability of state water supplies. In March 2000, California voters approved Proposition 13, which authorized the State to issue \$1.97 billion of its general obligation bonds for water projects. Additionally, California voters approved Proposition 50 in November 2002 and Proposition 84 in November 2006, which authorized the issuance by the State of \$3.4 billion and \$5.4 billion, respectively, of its general obligation bonds for water projects. Types of water projects eligible for funding under Propositions 13, 50, and 84 include water conservation, groundwater storage, water treatment, water quality, water security and Colorado River water management projects, many of which are within the scope of the California Plan.

### **5.1 *Metropolitan Water District of Southern California***

Metropolitan was formed in the late 1920's. Collectively, charter members recognized the limited water supplies available within the region, and realized that continued prosperity and economic development of Southern California depended upon the acquisition and careful management of an adequate supplemental water supply. This foresight made the continued development of Southern California possible.

Metropolitan acquires water from Northern California via the State Water Project (SWP) and from the Colorado River to supply water to most of Southern California. As discussed above, as a wholesaler, Metropolitan has no retail customers, and distributes treated and untreated water directly to its 26 member agencies. One such member agency is the Municipal Water District of Orange County (MWDOC), of which the City of Garden Grove is one of its 30 member agencies.

Through the 1996 Integrated Resources Plan and subsequent updates, Metropolitan has worked toward identifying and developing water supplies to provide 100 percent reliability. Due to competing needs and uses for all of the water sources and regional water operational issues, Metropolitan undertook a number of planning processes: the Integrated Resources Planning (IRP) Process, the Water Surplus and Drought Management (WSDM) Plan, the Strategic Planning Process, the Report on Metropolitan Water Supplies: A Blueprint for Water Reliability, and most recently, the Draft 2010 Regional Urban Water Management Plan. Combined, these documents provide a framework and guidelines for optimum water planning into the future.

The reliability and operational issues related to Metropolitan's various sources of supply are discussed in detail by major source in the subsequent sections. It should be noted that some of the recent issues surrounding operational limitations in supply related to species protection and Delta issues are considered by Metropolitan to be somewhat short-term in nature and are not affecting the overall 20-year planning period that is being considered in this WSA document.

### ***5.1.1 State Water Project***

The SWP is owned and operated by the California Department of Water Resources (DWR). The reliability of the SWP impacts Metropolitan's member agencies' ability to plan for future growth and supply. On an annual basis, each of the 29 SWP contractors, including Metropolitan, request an amount of SWP water based on their anticipated yearly demand. In most cases, Metropolitan's requested supply is equivalent to its full Table A Amount,<sup>13</sup> currently at 1,911,500 AFY, and in certain wetter years additional supply may be made available. The full Table A amount is defined as the maximum amount of imported water to be delivered and is specified in the contract between the DWR and the contractor. After receiving the requests, DWR assesses the amount of water supply available based on precipitation, snow pack on northern California watersheds, volume of water in storage, projected carry over storage, and Sacramento-San Joaquin Bay Delta regulatory requirements. Due to the uncertainty in water supply, contractors are not typically guaranteed their full Table A Amount, but instead a

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<sup>13</sup> Two types of deliveries are assumed for the SWP contractors: Table A and Article 21. Table A Amount is the contractual amount of allocated SWP supply, set by percentage amount annually by DWR; it is scheduled and uninterruptible. Article 21 water refers to the SWP contract provision defining this supply as water that may be made available by DWR when excess flows area available in the Delta (i.e., Delta outflow requirements have been met, SWP storage south of the Delta is full, and conveyance capacity is available beyond that being used for SWP operations and delivery of allocated and scheduled Table A supplies). Article 21 water is made available on an unscheduled and interruptible basis and is typically available only in average to wet years, generally only for a limited time in the later winter.

percentage of that amount based on the available supply. Table 5-1 lists the historical SWP deliveries to Metropolitan and the delivery's percentage compared to the full Table A amount. Once the percentage is set early in the water year, the agency can count on that amount of supply or more in the coming year. The percentage is typically set conservative and then held or adjusted upwards later in the year based on a reassessment of precipitation, snow pack, etc.

Litigation filed by several environmental interest groups (NRDC v. Kempthorne (Case No. 05CV01207-OWW-GSA); Pacific Coast Federation of Fishermen's Associations v. Gutierrez (Case No. 06CV00245-OWW)) has alleged that certain biological opinions and incidental take permits granted by state and federal agencies for water permits in the Sacramento-San Joaquin Bay Delta inadequately analyzed impacts on species listed as endangered under the Federal Endangered Species Act (ESA). In 2007, Federal District Judge Wanger issued a decision, finding the United States Fish and Wildlife Service's biological opinion for Delta smelt to be invalid. Judge Wanger issued an Interim Remedial Order and Findings of Fact and Conclusions of Law requiring that the SWP and Central Valley Project (CVP) operate according to certain specified criteria until a new biological opinion for the Delta smelt was issued by the United States Fish and Wildlife Service.

DWR bi-annually prepares a report on the current and future for SWP water supply conditions, if no significant improvements are made to convey water past the Sacramento-San Joaquin Delta (Delta) or to store the more variable run-off that is expected with climate change. The latest 2009 State Water Project Delivery Report (2009 Report) is the most current of these reports dated August 2010.

The 2009 Report shows a continuing erosion of the ability of the SWP to deliver water. For current conditions, the dominant factor for these reductions is the restrictive operational requirements contained in the federal biological opinions. For future conditions, it is these requirements and the forecasted effects of climate change.

Deliveries estimated for the 2009 Report are reduced by the operational restrictions of the biological opinions issued by the U.S. Fish and Wildlife Service in December 2008 and the National Marine Fisheries Service in June 2009 governing the SWP and CVP operations. To illustrate the effect of these operational restrictions, the median value estimated for the primary component of SWP Table A deliveries for Current Conditions in the 2005 Report is 3,170 thousand acre feet (taf); in the 2007 Report is 2,980 taf; and in the 2009 Report is 2,680 taf; for a reduction of almost 500 taf. For the 2009 studies, the changes in run-off patterns and amounts are included along with a potential rise in sea level. Sea level rise has the potential to require more water to be released to repel salinity from entering the Delta in order to meet water quality objectives established for the Delta. The effect of the operational restrictions in addition to the incorporation of potential climate change impacts amounts to an estimated reduction of 970 taf when the median value for annual SWP deliveries for Future Conditions in the 2005 Report (3,750 taf) is compared to the updated value in the 2009 Report (2,600 taf).

**Table 5.1  
SWP Deliveries to Metropolitan  
(AF)**

<b>Year</b>	<b>SWP Delivery</b>	<b>% of Full Table A Amount</b>
1981	826,951	43%
1982	856,996	45%
1983	385,308	20%
1984	501,682	26%
1985	740,410	39%
1986	756,142	40%
1987	769,603	40%
1988	957,276	50%
1989	1,215,139	64%
1990	1,457,676	76%
1991	624,861	33%
1992	746,991	39%
1993	663,390	35%
1994	845,305	44%
1995	451,305	24%
1996	642,871	34%
1997	724,393	38%
1998	521,255	27%
1999	790,538	41%
2000	1,442,615	75%
2001	1,119,408	59%
2002	1,413,745	74%
2003	1,560,569	82%
2004	1,792,246	94%
2005	1,720,350	90%
2006	1,911,500	100%
2007	1,146,900	60%
2008	669,025	35%
2009	764,600	40%
2010	955,750	50%

Source: Metropolitan's November 2005 Regional UWMP and DWR Website. 2010 data represents the initial allocation of 5% plus the subsequent notices to SWP Contractors on Feb. 23, Mar. 30, Apr. 22, May 3, May 20, and Jun 22, 2010 increasing the allocation to 15%, 20%, 30%, 40%, 45% and 50%, respectively. Metropolitan's full Table A amount is 1,911,500 AFY.

The DWR has altered the operations of the SWP to accommodate species of fish listed under the Federal and California Endangered Species Acts (ESAs). These changes in project operations have influenced the manner in which water is diverted from the Bay-Delta and SWP deliveries to the southern part of the State. Restrictions on Bay-Delta pumping beginning in 2008 under the Interim Remedial Order in *NRDC v. Kemphorne* have resulted in reduced deliveries of SWP water to Metropolitan. Based on initial estimates supplied by the DWR and considering the Interim Remedial Order, Metropolitan staff was estimating that it could lose up to 30 percent of its SWP supplies in 2008. The DWR considered these estimated losses in setting Metropolitan's and every other agency's 2008 SWP allocation. Actual curtailments of SWP water to Metropolitan in 2008 were based on fish abundance, weather, flow conditions in the Bay-Delta, numbers of fish salvaged at the project pumps, and how curtailments were to be divided between the SWP and CVP. Metropolitan's current measures to address potential water supply shortages and interruptions include calling for extraordinary conservation, cutting groundwater replenishment and agricultural water deliveries, maximizing groundwater production, acquiring additional supplies, and drawing from dry-year storage programs. Based on these issues, MWD's 2007 IRP (which was adopted in 2008) includes a forecast 22 percent reduction in SWP deliveries.

Based on DWR estimates of SWP deliveries under the Interim Remedial Order, and assuming an equal division of curtailments between the SWP and CVP,<sup>14</sup> Metropolitan has met firm demands in calendar years 2008, 2009 and 2010. However, Metropolitan has been withdrawing supplies from surface and groundwater storage to meet current demands. Anticipating that storage could be significantly reduced by the end of 2010, Metropolitan and its member agencies are calling for voluntary water conservation to lower demands and reduce drawdown from water storage. In fact on April 14, 2009, Metropolitan adopted a Level 2 Allocation, which equates to a 10 percent reduction in regional water supplies. Based on similar water supply conditions, this same level of allocation was adopted on April 13, 2010 for this current fiscal year by Metropolitan. If necessary, mandatory water allocations could be imposed in the future to cause further reductions in water use and reduce drawdown from water storage reserves. Metropolitan's member agencies and retail water suppliers in Metropolitan's service area also have the ability to implement water conservation and allocation programs, and some of the retail suppliers in Metropolitan's service area have initiated conservation measures.

In order to create a systemic solution to the issue facing the Delta (which have existed since the 1970's), Governor Schwarzenegger created the Delta Vision process, which is aimed at identifying long-term solutions to the conflicts in the Bay-Delta, including natural resource, infrastructure, land use and governance issues. The Delta Vision Blue Ribbon Task Force presented findings and recommendations for a sustainable Delta as a healthy ecosystem and water supply source on January 17, 2008. In addition, state and

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<sup>14</sup> Assuming an equal division of curtailments between the SWP and the CVP is conservative and may have the effect of overstating the amount of SWP curtailment. As an example, in January the Bureau of Reclamation, which operates the CVP, provided notice to agricultural customers that it intended to not provide any water deliveries to agricultural customers in 2009. Thus, in the short term it appears as though agricultural users which receive water through the CVP may suffer deeper water cuts as compared to water purveyors which receive water from the SWP.

federal resource agencies and various environmental and water user entities are currently engaged in the development of the Bay-Delta Conservation Plan, which is aimed at addressing ecosystem needs and securing long-term operating permits for the SWP. The Bay-Delta Conservation Plan process is scheduled for completion during the third quarter of 2009, with acquisition of appropriate permits and completion of the associated environmental impact statement/impact report. Recently, statewide officials have expressed support for the construction of the peripheral canal, which would alleviate some of the delta species considerations by transferring river water south before it reaches the Bay Delta.

The issues, such as the recent decline of some fish species in the Delta and surrounding regions and certain operational actions in the Delta, may impact Metropolitan's water supply from the Delta. SWP operational requirements may be further modified through the consultation process for new biological opinions for listed species under the Federal ESA or from the California Department of Fish and Game's actions regarding the California ESA. Decisions in current or future litigation, listings of additional species (such as the longfin smelt), or new regulatory requirements could adversely affect SWP operations in the future by requiring additional export reductions, releases of additional water from storage, or other operational changes impacting water supply operations. However, based on information provided by DWR and Metropolitan, a 22 to 30 percent cutback in SWP deliveries to the south could be foreseeable in the future years until statewide systemic solutions are provided.<sup>15</sup>

### **5.1.2 Colorado River Aqueduct**

The Colorado River was Metropolitan's original source of water after Metropolitan's establishment in 1928. Metropolitan has a legal entitlement to receive water from the Colorado River under a permanent service contract with the Secretary of the Interior. Water from the Colorado River or its tributaries is also available to other users in California, as well as to users in the states of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming (the "Colorado River Basin States"), resulting in both competition and the need for cooperation among these holders of Colorado River entitlements. In addition, under a 1944 treaty, Mexico has an allotment of 1.5 million acre-feet of Colorado River water annually, except in the event of extraordinary drought or serious accident to the delivery system in the United States, when the water allotted to Mexico would be curtailed. Mexico also can schedule delivery of an additional 200,000 acre-feet of Colorado River water per year if water is available in excess of the requirements in the United States and the 1.5 million acre-feet allotted to Mexico.

The Colorado River Aqueduct, which is owned and operated by Metropolitan, transports water from the Colorado River approximately 242 miles to its terminus at Lake Mathews in Riverside County. After deducting for conveyance losses and considering maintenance requirements, up to 1.2 million acre-feet of water a year may be conveyed

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<sup>15</sup> Metropolitan Water District of Southern California, 2007 IRP, October 2007, and Metropolitan Water District of Southern California, Appendix A, Water Revenue Refunding Bonds 2008, Series C, July 10, 2008.



through the Colorado River Aqueduct to Metropolitan's member agencies, subject to availability of Colorado River water for delivery to Metropolitan as described below.

California is apportioned the use of 4.4 million acre-feet of water from the Colorado River each year plus one-half of any surplus that may be available for use collectively in Arizona, California and Nevada. In addition, California has historically been allowed to use Colorado River water apportioned to, but not used by, Arizona and Nevada when such supplies have been requested for use in California. Under the 1931 priority system that has formed the basis for the distribution of Colorado River water made available to California, Metropolitan holds the fourth priority right to 550,000 acre-feet per year. This is the last priority within California's basic apportionment of 4.4 million acre-feet. In addition, Metropolitan holds the fifth priority right to 662,000 acre-feet of water, which is in excess of California's basic apportionment.

Until 2002, Metropolitan had been able to take full advantage of its fifth priority right as a result of the availability of surplus water and apportioned but unused water. However, Arizona and Nevada increased their use of water from the Colorado River, leaving no unused apportionment available for California since the late 1990s. In addition, a severe drought in the Colorado River Basin has reduced storage in system reservoirs, resulting in no surplus water being available since 2002. Prior to 2002, Metropolitan could divert over 1.2 million acre-feet in any year, but since that time, Metropolitan's deliveries of Colorado River water varied from a low of 633,000 acre-feet in 2006 to a high of 897,000 acre-feet in 2005. In 2007, Metropolitan received approximately 713,500 acre-feet of Colorado River water.

Metropolitan has taken steps to augment its share of Colorado River water through agreements with other agencies that have rights to use such water. Under a 1988 water conservation agreement (the "1988 Conservation Agreement") between Metropolitan and the Imperial Irrigation District (IID), IID has constructed and is operating a number of conservation projects that are currently conserving 105,000 acre-feet of water per year. In 2007, the conserved water augmented the amount of water available to Metropolitan by 85,000 acre-feet and, by prior agreement, to the Coachella Valley Water District (CVWD) by 20,000 acre-feet.

In 1992, Metropolitan entered into an agreement with the Central Arizona Water Conservation District (CAWCD) to demonstrate the feasibility of CAWCD storing Colorado River water in central Arizona for the benefit of an entity outside of the State of Arizona. Pursuant to this agreement, CAWCD created 80,909 acre-feet of long-term storage credits that may be recovered by CAWCD for Metropolitan. Metropolitan, the Arizona Water Banking Authority, and CAWCD executed an amended agreement for recovery of these storage credits in December 2007. In 2007, 16,804 acre-feet were recovered. Metropolitan has requested that 25,000 acre-feet be recovered in 2008, and expects to request the balance of the storage credits over the next several years. Water recovered by CAWCD under the terms of the 1992 agreement allows CAWCD to reduce its use of Colorado River water, resulting in Arizona having an unused apportionment.

The Secretary of the Interior is making this unused apportionment available to Metropolitan under its Colorado River water delivery contract.

In April 2008, Metropolitan's Board authorized the expenditure of \$28.7 million to join the CAWCD and the Southern Nevada Water Authority (SNWA) in funding the construction of a new 8,000 acre-foot off-stream regulating reservoir near Drop 2 of the All-American Canal in Imperial County. The reservoir will be constructed by the Bureau of Reclamation and is anticipated to be completed in late 2010. The Drop 2 Reservoir is expected to save up to 70,000 acre-feet of water per year by capturing and storing water that would otherwise be lost. In return for its funding, Metropolitan received 100,000 acre-feet of water that is stored in Lake Mead until recovered, with annual delivery of up to 34,000 acre-feet of water through 2010 and up to 25,000 acre-feet between 2011 and 2036. Besides the additional water supply, the new reservoir will add to the flexibility of Colorado River operations.

Metropolitan and the Palo Verde Irrigation District (PVID) signed the program agreement for a Land Management, Crop Rotation and Water Supply Program in August 2004. This program provides up to 118,000 acre-feet of water available to Metropolitan in certain years. The term of the program is 35 years. Fallowing of approximately 20,000 acres of land began on January 1, 2005. In 2005, 2006, 2007, 2008 and 2009 approximately 108,700, 105,500, 72,300, 94,300 and 102,200 acre-feet, respectively, of water were saved through these programs.<sup>16</sup>

With Arizona's and Nevada's increasing use of their respective apportionments and the uncertainty of continued Colorado River surpluses, in 1997 the Colorado River Board of California, in consultation with Metropolitan, IID, PVID, CVWD, the Los Angeles Department of Water and Power and the San Diego County Water Authority (SDCWA), embarked on the development of a plan for reducing California's use of Colorado River water to its basic apportionment of 4.4 million acre-feet when use of that basic allotment is necessary (California Plan). In 1999, IID, CVWD, Metropolitan and the State of California agreed to a set of Key Terms aimed at managing California's Colorado River supply. These Key Terms were incorporated into the Colorado River Board's May 2000 California Plan that proposed to optimize the use of the available Colorado River supply through water conservation, transfers from higher priority agricultural users to Metropolitan's service area and storage programs.

To implement these plans, a number of agreements have been executed. One such agreement, the Quantification Settlement Agreement (QSA), is a landmark agreement signed by the four California Colorado River water use agencies and the U.S. Secretary of the Interior, which will guide reasonable and fair use of the Colorado River by California through the year 2037. The QSA was authorized in October 2003 and defined Colorado River water deliveries to the four California agencies as well as facilitated transfers from agricultural agencies to urban users. The QSA is a critical component of the California's Colorado River Water Use Plan.

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<sup>16</sup> Metropolitan Water District of Southern California, Draft Regional Urban Water Management Plan, August 2010.

### **5.1.3 Water Transfer and Exchange Programs**

California's agricultural activities consume approximately 34 million acre-feet of water annually, which is 80 percent of the total water used for agricultural and urban uses and 40 percent of the water used for all consumptive uses. Voluntary water transfers and exchanges can make a portion of this agricultural water supply available to support the State's urban areas. Such existing and potential water transfers and exchanges are an important element for improving the water supply reliability within Metropolitan's service area and accomplishing the reliability goal set by Metropolitan's Board of Directors. Metropolitan is currently pursuing voluntary water transfer and exchange programs with state, federal, public and private water districts and individuals. The following are summary descriptions of some of these programs.

*Arvin-Edison/Metropolitan Water Management Program.* In December 1997, Metropolitan entered into an agreement with the Arvin-Edison Water Storage District (Arvin-Edison), an irrigation agency located southeast of Bakersfield, California. Under the program, Arvin-Edison stores water on behalf of Metropolitan. Up to 350,000 acre-feet of Metropolitan's water may be stored and Arvin-Edison is obligated to return up to 70,000 acre-feet of stored water in any year to Metropolitan, upon request. The agreement will terminate in 2035 unless extended.

*Semitropic/Metropolitan Groundwater Storage and Exchange Program.* In 1994 Metropolitan entered into an agreement with the Semitropic Water Storage District (Semitropic), located adjacent to the California Aqueduct north of Bakersfield, to store water in the groundwater basin underlying land within Semitropic. The minimum annual yield available to Metropolitan from the program is 31,500 acre-feet of water and the maximum annual yield is 223,000 acre-feet of water depending on the available unused capacity and the SWP allocation.

*California Aqueduct Dry-Year Transfer Program.* Metropolitan has entered into agreements with the Kern Delta Water District, the Mojave Water Agency (Demonstration Water Exchange Program) and the San Bernardino Valley Municipal Water District to ensure against regulatory and operational uncertainties in the SWP system that could impact the reliability of existing supplies. The total potential yield for the three agreements is approximately 115,000 acre-feet of water per year.

*Other Water Purchase, Storage and Exchange Programs in the San Joaquin and Sacramento Valleys.* Metropolitan has been negotiating water purchase, storage and exchange programs with other agencies in the Sacramento and San Joaquin Valleys. These programs will involve the storage of both SWP supplies and water purchased from other sources to enhance Metropolitan's dry-year supplies and the exchange of normal year supplies to enhance Metropolitan's water reliability and water quality, in view of dry conditions and potential impacts from the ESA cases discussed above. Metropolitan has entered into agreements to purchase water transfer supplies for 2008 totaling 41,743 acre-feet from Western Canal Water District, Richvale Irrigation District, South Feather Water and Power Agency and South Sutter Water District. In addition, Metropolitan is pursuing

water quality exchange partnerships with San Joaquin Valley agricultural districts, including the Friant Water Users Authority. The purpose of these partnerships is to improve the quality of water that Metropolitan receives via the California Aqueduct.

*Yuba River Accord.* Metropolitan entered into an agreement with the Department of Water Resources in December 2007 to purchase a portion of the water released by the Yuba County Water Agency (YCWA). YCWA was involved in a SWRCB proceeding in which it was required to increase Yuba River fishery flows. Metropolitan and other SWP contractors entered into agreements with the Department of Water Resources for purchase of portions of the water made available. Metropolitan's agreement allows Metropolitan to purchase 13,750 acre-feet to 35,000 acre-feet per year of water supplies in dry years through 2025.

*Metropolitan/Coachella/Desert Water Agency Exchange and Advance Delivery Agreement.* Metropolitan has agreements with the CVWD and the Desert Water Agency (Desert) that require Metropolitan to exchange its Colorado River water for those agencies' SWP entitlement water on an annual basis. Because Desert and Coachella do not have a physical connection to the SWP, Metropolitan takes delivery of Desert's and CVWD's SWP supplies and delivers a like amount of Colorado River water to the agencies. In accordance with an advance delivery agreement executed by Metropolitan, CVWD and Desert, Metropolitan delivers Colorado River water in advance to these agencies for storage in the Upper Coachella Valley groundwater basin. In years when supplies are needed to meet local demands, Metropolitan has the option to receive the water supply and must pay the associated SWP transportation costs and CVWD and Desert may use the stored water.

Historical imported water use by the City delivered by Metropolitan over the past five years is shown on Table 5.2, below. It should be noted that the first two years (2006-2007) were significantly higher than the past three as almost 11,000 AF of total In-Lieu water was taken in these two years from Metropolitan instead of Metropolitan recharging it into the Orange County Groundwater Basin. No In-Lieu water was available in the past three years and about 6,500 AF of Conjunctive Use Program water was taken out of the basin from previously recharged Metropolitan water.

**Table 5.2  
Garden Grove Historical Imported Water Use (AFY)**

2005/06	2006/07	2007/08	2008/09	2009/10
10,449	9,426	5,812	8,508	9,293

#### **5.1.4 Supply Management Strategies**

On the regional level, Metropolitan has taken a number of actions to secure a reliable water source for its member agencies. Metropolitan recently adopted a water supply allocation plan for dealing with potential shortages that takes into consideration the

impact on retail customers and the economy, changes and losses in local supplies, the investment in and development of local resources, and conservation achievements.<sup>17</sup> Additional actions taken by Metropolitan during the first half of 2008 include the adoption of a \$1.9 billion spending plan, increased rates and charges,<sup>18</sup> and the funding of a new reservoir to benefit Colorado River supply capabilities.<sup>19</sup> Metropolitan's approved budget for 2010/11 included rate increases of 7.5 percent with another 7.5 percent increase planned for 2011/12 to maintain these this spending for the improvement of water conveyance facilities, water transfers, and providing financial assistance to member agency's local conservation, recycling, and groundwater clean-up efforts<sup>20</sup>.

## **5.2 Orange County Water District**

As has been discussed previously throughout this WSA, the primary source of water for the City is the Orange County Groundwater Basin (Basin). OCWD is responsible for the protection of water rights to the Santa Ana River in Orange County as well as the management and replenishment of the Basin.<sup>21</sup> OCWD replenishes and maintains the Basin at safe levels while significantly increasing the Basin's annual yield by utilization of the best available technology. Other than recycled water, OCWD primarily recharges the Basin with water from the Santa Ana River and to a lesser extent with imported raw water purchased from Metropolitan. According to the OCWD's Groundwater Management Plan Update 2009 dated July 9, 2009, natural recharge accounted for 69,000 acre-feet and artificial recycled water injection and recharge accounted for 272,000 acre-feet in 2008.

As of January 2008, OCWD began recharging recycled water from the Groundwater Replenishment System (GWRS). The GWRS, the largest water purification project of its kind in the world, can currently produce up to 72,000 AFY of recycled water, and has increased Orange County's water independence by providing a locally controlled, drought-proof supply of safe, high-quality water. The EIR has been completed and design commenced for a GWRS Expansion Project to increase production to over 90,000 acre-feet per year. Other processes such as recycling of wastewater, conservation and water use efficiency programs, and creative water purchases have aided in replenishing the basin to desired levels to meet required demands.

As discussed previously, OCWD establishes the Basin Production Percentage (BPP) each water year. The BPP is set based on groundwater conditions, availability of imported water supplies, anticipated precipitation, Santa Ana River runoff, and basin management objectives. The BPP was initially established in 1969 and has ranged from 62 to 89 percent. The average BPP over its 42-year history is 71.1 percent. Based on discussions

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<sup>17</sup> Metropolitan Water District Press Release dated February 12, 2008.

<sup>18</sup> Metropolitan Water District Board Meeting, March 11, 2008, and Press Release of same date, regarding spending plan and adoption of rates and charges.

<sup>19</sup> Metropolitan Water District Board Meeting, April 8, 2008, and Press Release of same date, regarding new reservoir.

<sup>20</sup> Metropolitan Water District, Annual Budget, website [mwdh2o.com](http://mwdh2o.com).

<sup>21</sup> OCWD Groundwater Management Plan, 2004.

with OCWD staff and background analysis provided by OCWD dated September 2010, the current sustainable BPP was determined to be 62%. The current BPP could increase by approximately 4 percent as a result of the GWRS Expansion Project discussed above. Due to the continuing drought conditions and declining groundwater levels, OCWD adopted a 62% BPP for 2009/10. It was noted that the 2035 estimate could be plus or minus 5% based on a myriad of factors and an average projected BPP between 62% and 65 % was recommended for agency use in long-term planning.

As discussed previously, the BPP is a major factor for the City in determining the cost of groundwater production. For groundwater production equal to or less than the BPP, groundwater producers, including Garden Grove, pay a replenishment assessment. If groundwater production greater than the BPP occurs, a Basin Equity Assessment (BEA) will be assessed. The BEA is an additional fee paid on each acre foot (AF) of water pumped above the BPP, making the total cost of that water to Garden Grove equal to the cost of Tier 2 imported water from Metropolitan.

Total water demand within Orange County Water District (OCWD) was 456,913 AF for the 2008-09 water year (beginning July 1, 2008 and ending June 30, 2009)<sup>22</sup>. In the same period, groundwater production (including In-lieu Program water, but excluding groundwater production used to supply the Talbert Barrier) for the water year totaled 324,147 AF.<sup>23</sup> For the water year, a total of 28,425 AF of supplemental water was used for the purpose of groundwater replenishment and barrier maintenance to prevent seawater intrusion from occurring in areas of the groundwater basin adjacent to the Pacific Ocean in Huntington Beach, Costa Mesa, and Fountain Valley.<sup>24</sup>

For the water year ending June 30, 2009, the “annual overdraft” (annual basin storage decrease without supplemental replenishment water) was 100,200 AF.<sup>25</sup> The accumulated basin overdraft on June 30, 2009 was 347,000 AF.<sup>26</sup> Average precipitation within the basin was 78 percent of normal during the water year, totaling 10.47 inches.<sup>27</sup>

Based on the groundwater basin conditions for the water year ending June 30, 2009, OCWD may purchase up to 108,000 AF of water for groundwater replenishment during the ensuing year, under provisions of the District Act. Since the formation of OCWD in 1933, OCWD has made substantial investment in facilities, basin management and water rights protection, resulting in the elimination and prevention of adverse long-term “mining” overdraft conditions. OCWD continues to develop new replenishment supplies, recharge capacity and basin protection measures to meet projected production from the basin during average/normal rainfall and drought periods.<sup>28</sup> OCWD has invested in

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<sup>22</sup> Orange County Water District, *2008-2009 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District*, February 2010.

<sup>23</sup> Orange County Water District, *2008-2009 Engineer's Report*, February 2010.

<sup>24</sup> Orange County Water District, *2008-2009 Engineer's Report*, February 2010.

<sup>25</sup> Orange County Water District, *2008-2009 Engineer's Report*, February 2010.

<sup>26</sup> Orange County Water District, *2008-2009 Engineer's Report*, February 2010.

<sup>27</sup> Orange County Water District, *2008-2009 Engineer's Report*, February 2010.

<sup>28</sup> Orange County Water District, *2008-2009 Engineer's Report*, February 2010.

seawater intrusion control (injection barriers), recharge facilities, laboratories and basin monitoring to effectively manage the basin. Some of these programs include:

Recharge Facilities - OCWD currently owns and operates approximately 1,000 acres of recharge spreading facilities located in cities of Anaheim and Orange adjacent to the SAR and Santiago Creek. OCWD has built a recharge system that provides the majority of water supplied by the District. The 17 major facilities in the Anaheim/Orange area are grouped into four major components: the Main River System, the Off-River System, the Deep Basin System, and the Burris Pit/Santiago System. Each system has a series of percolation spreading basins, either shallow or deep, whose sidewalls and bottoms allow for percolation into the underlying aquifer.

Seawater Intrusion Barriers - OCWD's Talbert Barrier is composed of a series of injection wells that span the 2.5-mile-wide Talbert Gap between the Newport and Huntington mesas. The Talbert Barrier wells can inject approximately 42 mgd of water into four aquifer zones. Injecting water through the wells forms a hydraulic barrier to seawater that would otherwise migrate inland toward areas of groundwater production.

The Alamitos seawater intrusion barrier is composed of a series of injection wells that span the Los Angeles/Orange County line in the Seal Beach-Long Beach area. It is operated by the Los Angeles County Department of Public Works (LACDPW) in cooperation with OCWD and the Water Replenishment District (WRD). The source of this water is a blend of purified wastewater from WRD and potable supplies from Metropolitan. Also, the Alamitos Barrier System includes four extraction wells located seaward of the injection barrier to create a pumping trough to remove the degraded brackish groundwater.

Groundwater Monitoring – OCWD has one of the most sophisticated groundwater monitoring programs in the country. The District runs more than 350,000 analyses of water from more than 650 wells every year. OCWD performs nearly 50 percent more water quality tests than it is required to do in order to ensure the highest water quality possible. In 2004, OCWD completed a 10-year, \$10 million Santa Ana River Water Quality and Health Effects Study, which demonstrated the safety of SAR water as a source for recharging the groundwater basin. A panel of nationally recognized experts provided an independent review of the study and validated its positive results.

### **5.2.1 OCWD Long Term Facilities Plan (LTFP)**

OCWD has prepared a draft LTFP to evaluate potential basin and water quality enhancement projects that may be implemented in the 20-year planning period. The LTFP was proposed to do the following:

- Evaluate projects to cost effectively increase the amount of sustainable basin production and protect water quality

- Develop an implementation program for the recommended projects
- Establish the basin's future maximum (target) annual production amount and correspondingly how much new recharge capacity would be required
- Estimate impacts to potential future RA rates and long-term BPPs
- Evaluate potential annexations

Due to difficulties related to the annexation of new lands, annexation was removed from the draft LTFP and subsequent EIR and the revised LTFP has been adopted by the OCWD Board as a planning document.

The LTFP utilizes information recently developed in OCWD's Groundwater Management Plan and Recharge Development Study. The LTFP includes a master list of developed and proposed projects. The various projects are grouped into five categories: (1) recharge facilities, (2) water source facilities, (3) basin management facilities, (4) water quality management facilities, and (5) operational improvements facilities. Each project is evaluated using criteria such as technical feasibility, cost, institutional support, functional feasibility, and environmental compliance. The LTFP includes an implementation plan for the 28 recommended projects over the 20 year planning period.

### **5.2.2 OCWD Groundwater Management Plan (GMP)**

OCWD recently published its Draft GMP, 2009 Update. The 2009 GMP updates an earlier version, finalized in March 2004. The GMP 2009 Update provides information on District operations, lists projects completed since publication of the 2004 report, and discusses plans for future projects and operations. Over fifteen major projects completed between 2004 and 2008 have improved District operations, increased groundwater recharge capacity, and improved water quality.<sup>29</sup> The GMP complies with SB 1938, passed in 2002, which includes a list of items to be included in a GMP. The GMP's objectives include (1) protecting and enhancing groundwater quality, (2) cost-effectively protecting and increasing the basin's sustainable yield, and (3) to increase the efficiency of OCWD's operations.<sup>30</sup> Various programs, policies, goals, and projects are defined in the GMP to assist OCWD staff in meeting these objectives. The potential projects described in the GMP are discussed in further detail in the LTFP. The GMP describes the following:

- Background and purpose of the GMP
- Hydrogeology of the basin
- Range of activities and management programs, including groundwater monitoring, groundwater quality management, production management, recharge water supply, and improvement projects

<sup>29</sup> Orange County Water District, Groundwater Management Plan Update, July 9, 2009.

<sup>30</sup> Orange County Water District, Groundwater Management Plan Update, July 9, 2009.



- Historical and future water demands and integrated demand/supply management strategies
- Financial management programs
- Recommendations for continued proactive basin management

### **5.2.3 OCWD 2020 Water Master Plan Report (Water MPR)**

OCWD's 2020 Water Master Plan Report (MPR) describes local water supplies and estimates their availability extending to the year 2020. Specifically, OCWD states in their 2020 Water MPR that significant water supply sources will be available in the future for potable, non-potable, and recharge purposes. The 2020 Water MPR discusses source waters such as imported water from Metropolitan, base flows from the Santa Ana River, treated wastewater through the OCWD/OCSD GWRS program, and possibly desalinated ocean water. The local supplies' availability and projections from the 2020 Water MPR have been revised and are being pursued with the LTFP.

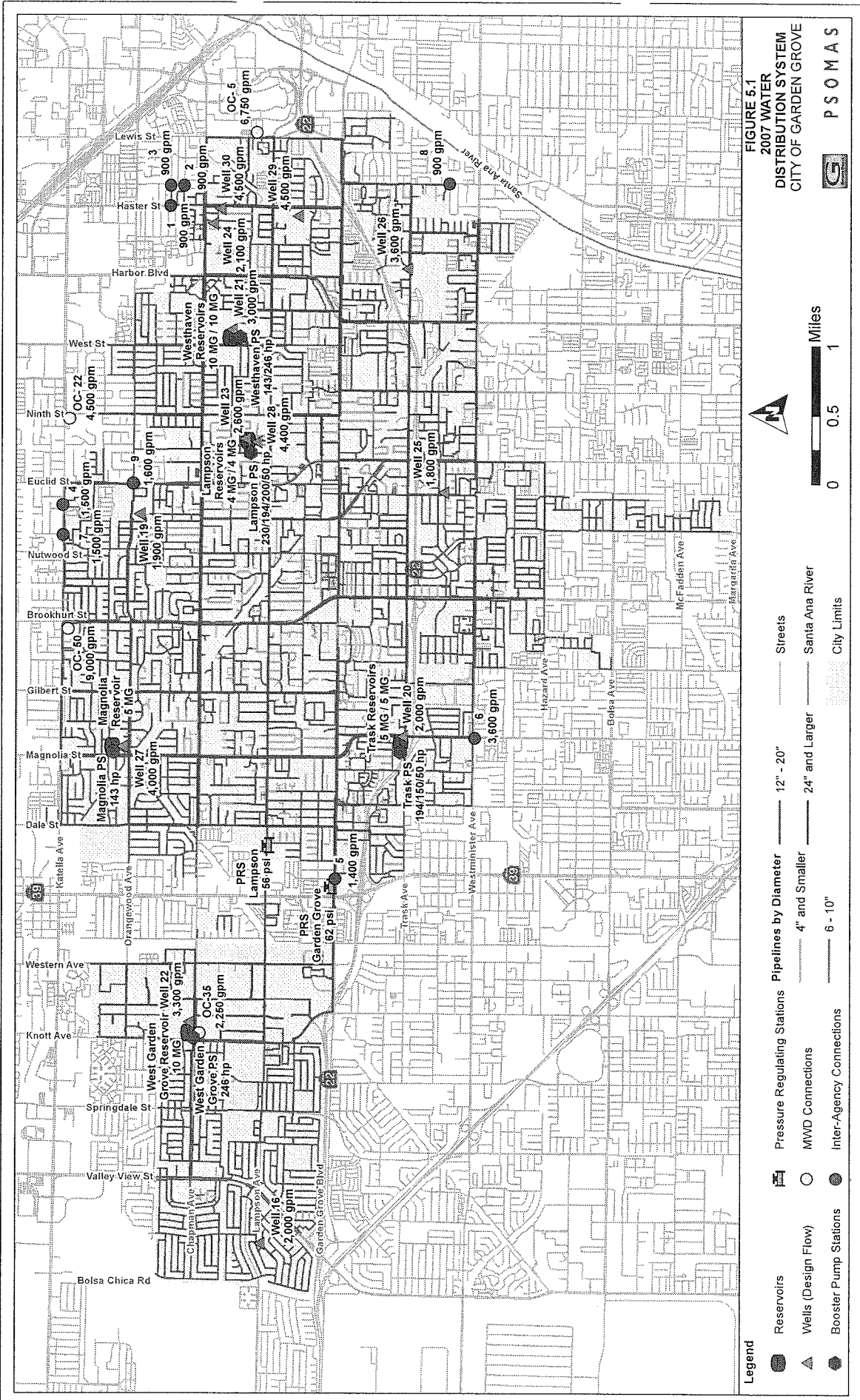
## **5.3 City of Garden Grove**

### **5.3.1 Water System**

Today, the City of Garden Grove's Water Services Division provides water service to approximately 175,600 persons within its 18.2-square mile service area. The service area and City boundary are generally contiguous. A map of the City's service area is shown in Figure 5.1. The City's basic water services include single family residential, multi-family residential and general services (i.e., commercial, industrial, municipal, and institutional consumers).

Today the Water Services Division has 433 miles of transmission and distribution mains, 8 reservoirs with a capacity of 53 million gallons, 11 active groundwater wells with a combined production capacity of about 30,400 gallons per minute (gpm), 5 booster pumping stations, 2 pressure regulating stations, and 4 imported water connections, where the City receives water from MWDOC. A distribution map from the City's 2008 Water Master Plan showing key transmission mains, wells, reservoirs, and pumping stations is also shown in Figure 5.1.

The water system service area has elevations ranging from 25 feet above mean sea level (MSL) in the west portion of the City to 130 feet above MSL. In order to provide appropriate operation pressures for this range of elevations, the water system is divided into two pressure zones. The lowest pressure zone operates at a static hydraulic grade line (HGL) elevation of 200 feet above MSL and the highest pressure zone has a static HGL elevation of 220 feet above MSL.



Source: City of Garden Grove Water System Master Plan, Carolin, September 2008

### **5.3.2 Past and Current Efforts**

Reliability is a measure of a water system's expected success in managing water shortages. The City has strategies to manage water demand with respect to frequency and magnitude of supply deficiencies. The City recognizes water conservation as a priority in its water use planning. The long-term goal of the City's water conservation program is to achieve and maintain water use efficiency in the City of Garden Grove Water Services Division's service area. Specific objectives for achieving this goal include the following:

- Elimination of wasteful practices in water use;
- Continued development of information on both current and potential water conservation practices; and
- Ongoing implementation of conservation practices

The City participates in a number of conservation activities in southern California on a regional level. Municipal Water District of Orange County (MWDOC) implements regional conservation programs, such as school education programs, on behalf of the City. Additionally, the City recently completed a program to install Evapotranspiration (ET) irrigation controllers, or weather-based controllers, at a number of City parks and plans to install drought tolerant landscaping and a more efficient irrigation system in the Brookhust Street median in 2010/2011.

On December 11, 1991, an agreement known as the "Memorandum of Understanding Regarding Water Conservation in California" (MOU) was signed in Sacramento. This agreement mandated the implementation of water conservation programs throughout the state known as Urban Water Conservation Best Management Practices (BMPs). Currently, there are 14 BMP's. The City became a signatory to the agreement in December 2000. One of the City's obligations as a signatory to the MOU is to submit a BMP Retail Water Agency Report filing to the California Urban Water Conservation Council (CUWCC) every two years. The City's most recent BMP Summary Report filing with CUWCC for 2007-2008 is included in Appendix C.

The City passed Ordinance No. 2751 on July 14, 2009, which amended and updated the City's water conservation program to add additional water conservation measures mandated by Metropolitan. The purpose of this ordinance is to provide a permanent mechanism that allows the City to deal with extended water shortages in a timely, systematic way. On February 9, 2010, the City passed Ordinance No. 2769, which amended Title 9 (Zoning Ordinance) of the Municipal Code to incorporate landscape water efficiency requirements into Title 9. And on March 23, 2010, the City passed Ordinance No. 2770, which extended the authorization for the use of artificial turf from strictly residential to all zoning categories subject to specified standards. All of these actions have, and will continue to provide for the more efficient use of water within the City's service area.

Another method of increasing water reliability is Metropolitan's Long-Term In Lieu Groundwater Storage Program, which the City has consistently participated in when this water has been made available by Metropolitan. The major goals of this program include the following: (1) achievement of greater water supply reliability through increased conjunctive use of imported and local water supplies; and (2) reduction of member agencies' dependence on deliveries from Metropolitan during times of shortage. The Long-Term Storage credits apply to water that is imported in lieu of groundwater pumping. For each acre-foot of Long-Term Storage water claimed, the City is provided discounts from Metropolitan and OCWD, resulting in a unit cost of Long-Term Storage water approximately equivalent to the unit cost of pumped groundwater. But, this provides significant benefits to the Orange County Groundwater Basin as overall water levels are increased, thus enhancing regional water supply reliability.

The City has the ability to certify for Groundwater Seasonal Shift Storage (SSS) and Groundwater Long-Term Storage credits. The following describes these programs the City participates in:

- Groundwater Seasonal Shift Storage credits are received when the City pumps additional groundwater during the summer months (May through September) and, correspondingly, imports from Metropolitan an identical quantity during the winter months (October through April), within a 12-month period. Metropolitan charges the City a discounted unit cost for the "shifted" imported quantity.
- The Long-Term Storage credit applies to water that is imported in lieu of groundwater pumping. For each acre-foot of Long-Term Storage water claimed, the City is provided discounts from Metropolitan and OCWD, resulting in a unit cost of Long-Term Storage water approximately equivalent to the unit cost of pumped groundwater. Although the Long-Term Storage Program is essentially cost-neutral for the City, it provides the following benefits: (1) water is imported when Metropolitan has an abundant supply; and (2) groundwater resources are conserved (i.e. the long-term import quantity would have been pumped from the groundwater if the City did not participate).

### ***5.3.3 Huntington Beach Sea Water Desalination Project***

As technology progresses, additional water supplies and facilities are being brought on line to further assure water supply reliability well into the future.

One recent example is the proposal by Poseidon Resources, Inc. to build a 50 million gallon per day (50 MGD) (56,000 AFY) seawater desalination project in Huntington Beach called the Huntington Beach Sea Water Desalination Facility. Poseidon Resources is working with local and state agencies to obtain the required permits to ensure proper safeguards to the community and environment. On September 7, 2010, a revised EIR was approved and on September 20, 2010, a Coastal Development Permit and Tentative Parcel Map for the project were approved by the Huntington Beach City Council. Construction could begin in 2011 and the facility could be operational in 2013.

The City of Garden Grove has been participating in the Poseidon workshops since October 2009. In January 2010, the City Council approved signing a Letter of Intent, a Confidentiality Agreement, and signing a Memorandum of Understanding between the Orange County retailers and Poseidon. All three of these documents are non-binding. The City has told Poseidon that they would consider an agreement to purchase 5,000 to 10,000 acre-feet annually, from the seawater desalination plant to be constructed at their site in Huntington Beach. This water would be provided to Garden Grove either by direct delivery or by exchanges with another retailer, involving groundwater or imported water.

#### **5.4 Dry Year Reliability Comparison**

##### ***Metropolitan Supplies and Demands***

As previously noted, the City of Garden Grove obtains its imported water from MWDOC who is their Metropolitan member agency. As a part of its Integrated Water Resources Plan Implementation Report process (IRP)<sup>31</sup>, and more recently in its Draft 2010 Regional Urban Water Management Plan (RUWMP), August 2010, Metropolitan chose the year 1977 as the single driest year since 1922, and the years 1990-1992 as the driest multiple (3) years over that same period. These years were selected because they represent the timing of the least amount of available water resources from the SWP, a major source of Metropolitan's supply.

Concurrently and following the preparation of its 2010 RUWMP, Metropolitan has been preparing a 2010 IRP Update, which was adopted by the Metropolitan Board of Directors on October 12, 2010.

Based on Metropolitan's Draft 2010 RUWMP and 2010 IRP, Table 5.3 summarizes Metropolitan's current imported supply availability and demand projections for average year, single dry year, and multiple dry years over the 20-year period beginning in 2015 and ending in 2035. The supply projections include current programs and programs under development as well as in-region storage and programs. Reference is made to Metropolitan's Draft 2010 RUWMP for a description of these programs under development, but they include only programs Metropolitan is confident can be implemented and do not include other more speculative programs, like the Poseidon Huntington Beach desalination plant. Even if the programs under development are removed, there are surpluses in all years and scenarios listed below. Demands are firm demands on Metropolitan and also include commitments for IID-SDCWA transfers and canal lining.

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<sup>31</sup> Metropolitan develops Integrated Water Resources Plans (IRPs), which lay out how Metropolitan will secure and provide water to its customer base. These IRPs utilize hydrological and other data provided by DWR and are updated periodically through IRP Report Updates to reflect changing conditions.

**Table 5.3**  
**Metropolitan's Regional**  
**Water Supply/Demand Reliability Projections (AFY)**

Region Wide Projections	2015	2020	2025	2030	2035
<b>Supply Information</b>					
Projected Supply During an Average Year <sup>[1]</sup>	3,835,000	4,113,000	4,776,000	4,639,000	4,510,000
Projected Supply During a Single Dry Year <sup>[1]</sup>	2,985,000	3,258,000	3,649,000	3,500,000	3,371,000
Projected Supply During Average of 3 Dry Year Period <sup>[1]</sup>	2,477,000	2,662,000	2,949,000	2,892,000	2,851,000
<b>Demand Information</b>					
Projected Demand During an Average Year <sup>[2]</sup>	1,908,000	1,797,000	1,806,000	1,846,000	1,895,000
Projected Demand During a Single Dry Year <sup>[2]</sup>	2,102,000	1,992,000	2,006,000	2,047,000	2,098,000
Projected Demand During Average of 3 Dry Year Period <sup>[2]</sup>	2,131,000	2,007,000	2,064,000	2,101,000	2,149,000
<b>Surplus Information</b>					
Potential Surplus During an Average Year	1,927,000	2,316,000	2,970,000	2,793,000	2,615,000
Potential Surplus During a Single Dry Year	883,000	1,266,000	1,643,000	1,453,000	1,273,000
Potential Surplus During Average of 3 Dry Year Period	346,000	655,000	885,000	791,000	702,000

[1] Projected supplies include current supplies and supplies under development. This data was obtained from Metropolitan's Draft 2010 RUWMP, August 2010, (Tables 2-9 through 2-11).

[2] Demand data obtained from Metropolitan's Draft 2010 RUWMP, August 2010, (Tables 2-9 through 2-11).

Metropolitan has had a long and successful track record in implementing resource management actions and measures to allow for consistency in available water supply in dry years. Some of these programs, segregated by category, have included the following:

**1. Conservation**

- Incentives to facilitate the installation of water conserving devices.
- Water savings through legislative measures.
- Pursuing specific implementation strategies outlined in Metropolitan's Conservation Strategy Plan, jointly developed with its member agencies.
- Total incentive payments for FY 2006/07 were \$15.4 million and for FY 2007/08 were \$18.1 million, which created 8,300 AF and 7,400 AF of new conserved water savings, respectively, bringing the total to 120,000 AF of conserved annual water savings, since 1991.

## **2. Local Resources (LRP)**

- Incentives of up to \$250 per acre-foot to expand water recycling and groundwater recovery programs.
- Eighty-six participating water recycling and groundwater recovery projects are expected to collectively produce about 363,000 AF per year once fully implemented.
- Since inception of the LRP in 1982, Metropolitan has provided more than \$244 million for the production of about 1.3 MAF of recycled water and recovered groundwater.

## **3. In-Basin Groundwater Storage**

- Metropolitan's dry-year conjunctive use programs with member and retail agencies provide more than 415,000 AF of additional storage within the service area with a contractual yield of more than 115,000 AF during dry conditions. Metropolitan has allocated \$52.4 million to these programs to date.
- Metropolitan has about 63,000 AF in supplemental storage locally through agreements with several member agencies.

## **4. In-Basin Surface Water Storage**

Metropolitan Reservoirs – Diamond Valley Lake, Lake Mathews and Lake Skinner  
Flexible Storage in DWR reservoirs – Castaic Lake, and Lake Perris

## **5. Colorado River Aqueduct**

- Metropolitan has implemented water management and transfer programs:
  - *Quantification Settlement Agreement – agreement allowing for agricultural conservation, water transfers, and potential surplus water availability (60,000 AF in FY 2006/07)*
  - *Imperial Irrigation District/Metropolitan Conservation Program (83,000 AF in FY 2006/07)*
  - *Palo Verde Irrigation District Land Management Program (86,000 AF in FY 2006/07)*

## **6. State Water Project**

- In June 2007 Metropolitan adopted the Delta Action Plan that sets a direction for Metropolitan to respond to the ongoing problems of the Bay-Delta ecosystem in a systematic approach to restore reliability to the SWP.
- Metropolitan manages five existing SWP storage programs located outside of its service area:
  - *Semitropic/Metropolitan Water Banking and Exchange Program (yield between 31,500 and 223,000 AFY)*
  - *Arvin-Edison Water Management Program (yield up to 75,00 AFY)*
  - *San Bernardino/Metropolitan Coordinated Operating Agreement (annual purchase of up to 20,000 AF and carryover storage of 50,000 AF)*

- *Kern Delta/Metropolitan Water Management Program (storage up to 250,000 AF and return up to 50,000 AFY)*
- *Mojave/Metropolitan Demonstration Water Exchange Program*

In its 2007 IRP, MWD identified and stated that it intends to continue implementing many of these same programs and has also identified additional resource management actions. Some of these programs include the following:

**1. Conservation**

- Program refinements: more options, streamlined administrative processes, upgraded and new incentives and more standardization across programs to increase program participation.
- Expanded incentives: new incentives added to facilitate installation of water conserving devices, grants and like funding from other agencies help expand incentives programs.
- New Programs: novel programs similar to Public Sector Water Efficiency Partnership Demonstration Program.

**2. Local Resources (LRP)**

- Metropolitan's pursuit of the development of seawater desalination through regional facilitation and funding.
- Updated policies allowing an open process to accept and review project applications on a continuous basis, with a goal of development of an additional 174,000 acre-feet per year of local water resources.

**3. In-Basin Groundwater Storage**

- Completion of the Groundwater Basin Assessment Study provides new information and a baseline for discussions focusing on how to move forward to meet goals for dry-year groundwater yield. Key findings indicate that as much as 3.2 million acre-feet of storage may be available in groundwater basins within the Metropolitan service area; however, much of this space is not currently utilized due to a number of factors including institutional disagreements and uncertainties, need for significant capital investments in conveyance, recharge, and/or extraction facilities, water quality considerations, etc.

**4. Colorado River Aqueduct**

- Metropolitan has begun negotiations with the Bureau of Reclamation for a long-term Intentionally Created Surplus program that will allow Metropolitan to store water in Lake Mead for delivery via the Aqueduct in dry years.

**5. State Water Project**

- Metropolitan is actively engaged in all proceedings regarding Delta operations to evaluate options to address Delta smelt impacts and other environmental concerns, the Delta Vision process and the Bay-Delta Conservation Plan process.



### *City of Garden Grove*

The City's water demand in fiscal year 2009/10 was 25,820 AF including unaccounted-for-water. By the year 2029/30, the City's water demand is projected to be 30,472 AFY, including the Proposed Project. As discussed in Section 4.1 of this report, more current information than what was included in the City's 2005 UWMP and even 2008 Water Master Plan, in terms of existing City-wide water use and future growth projections, was utilized to project future demands. Table 4.2, shown previously, depicts the revised projection for water demand in the City used in this section to evaluate future water supply reliability. Additional water demands generated by the Proposed Project are also considered in this analysis. As shown in the water supply and demand tables below (Tables 5.4 through 5.10), all projected Project demands can be met with estimated supply.

Reliability of a supply is impacted by climatic variation. To analyze the changes of reliability due to climate, this WSA utilizes data from the Municipal Water District of Orange County's 2005 UWMP. MWDOC used the period from 1922 through 2004 on which to base the hydrologic conditions that define climatic variations within the region and establish what constitutes the normal water year, the single dry water year, and the multiple dry water years. The single-dry year demand for the City is estimated to increase 5.5 percent from the normal water year (based on water year 1961), and multiple-dry year demands (three-year period) are estimated to increase 6.7, 3.7, and 5.5 percent from the normal water year demand, respectively (based on water years 1959 through 1961).

The OCWD Basin Production Percentage (BPP) is calculated by dividing groundwater basin pumping by total water demands. The BPP was initially established in 1969 and has ranged from a current low of 62 percent to 89 percent. For fiscal year 2008/09 the BPP was established at 69 percent. The BPP for 2009/10 and 2010/11 has been established at 62 percent, the lowest in its 42-year history (1976/77 was also 62 percent) primarily due to the fact that seven out of the past nine years have been drier than normal resulting in low groundwater levels. The average BPP for the past twenty years is 73 percent. Based on discussions with OCWD staff and background analysis provided in September 2010, a BPP for 2035 was projected to be 65 percent. This analysis also indicated that the BPP estimates could vary plus or minus 5 percent and recommended a conservative 62 percent for long-range planning. Based on this analysis, a conservative BPP of 62 percent is assumed to be a reasonable estimate for normal, single dry, and multiple dry years. However, during wet and normal years a higher BPP could be used, or the basin could be over pumped in dry years and recharged in wet years to even out drought conditions. The 62 percent BPP assumption for all conditions is thought to be reasonable and conservative. Importantly, and as has been stated above, the City or any producer can always pump groundwater above the BPP. If this occurs, the producer pays the BEA pump tax which is a higher payment, as compared to the RA, than is paid by a producer for groundwater produced within the BPP limits.

Demand on imported supply typically increases during dry years when the weather is hot and there is a decrease in local runoff. As discussed previously in this section, Metropolitan demonstrated it has developed flexible water supplies through transfers and storage programs designed to increase its resources during dry water year conditions. Table 5.3 above shows Metropolitan has projected sufficient supplies to meet demands within its service area through year 2035. Imported water supply to the City as set forth in Tables 5.4 through 5.10 is calculated as the difference of total demand less local groundwater supplies. Analysis shows that long-term groundwater and imported water are anticipated to remain stable to the City, based on OCWD and Metropolitan studies and reports.

Table 5.4 presents future normal year water demands based on growth factors developed in Section 4 of this WSA. Table 5.5 shows single-dry water year supply and demand projections and Tables 5.6 through 5.9 shows the multiple-dry water years projected supply and demand. In the multiple dry year scenarios, the first two years of each five-year period are assumed to be a normal years with the three dry years occurring in years three, four and five.

**Table 5.4  
City of Garden Grove  
Projected Water Supply and Demand  
Normal Year (AFY)**

Water Sources	2010	2015	2020	2025	2030
<b>Supply</b>	<b>Normal Water Years</b>				
Imported <sup>[1]</sup>	10,941	11,111	11,281	11,409	11,579
Local (Groundwater) <sup>[2]</sup>	17,851	18,129	18,407	18,615	18,893
<b>Total Supply</b>	<b>28,792</b>	<b>29,240</b>	<b>29,688</b>	<b>30,024</b>	<b>30,472</b>
<b>Demand</b>					
Total Demand without the Proposed Project <sup>[3]</sup>	28,792	29,101	29,549	29,885	30,333
Additional Net Proposed Project Demand <sup>[4][5]</sup>	0	139	139	139	139
<b>Total Demand</b>	<b>28,792</b>	<b>29,240</b>	<b>29,688</b>	<b>30,024</b>	<b>30,472</b>
<b>Supply/ Demand Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
[1] Equal to Total Demand minus Local Groundwater Supply.					
[2] This figure represents 62% of total Garden Grove water demand based on the anticipated BPP forecasts as discussed previously in this WSA.					
[3] This figure represents normal year demand based on the City of Garden Grove's 2008 Water Master Plan and updated to reflect recent (up to 2009/10) water use data, current growth projections, and excludes Additional Net Proposed Project Demand.					
[4] This figure represents <b>additional</b> net demand for the Proposed Project. Total Project normal year demand minus what was included in existing.					
[5] Proposed Project is assumed to be built out by 2013 and therefore included in 2015 and beyond.					

**Table 5.5  
City of Garden Grove  
Projected Water Supply and Demand  
Single Dry Year (AFY)**

Water Sources	2010	2015	2020	2025	2030
<b>Supply</b>	<b>Single Dry Years</b>				
Imported <sup>[1]</sup>	11,543	11,722	11,902	12,037	12,216
Local (Groundwater) <sup>[2]</sup>	18,833	19,126	19,419	19,639	19,932
<b>Total Supply</b>	<b>30,376</b>	<b>30,848</b>	<b>31,321</b>	<b>31,675</b>	<b>32,148</b>
<b>Demand</b>					
Total Demand without the Proposed Project <sup>[3]</sup>	30,376	30,702	31,174	31,529	32,001
Additional Proposed Project Demand <sup>[3][4][5]</sup>	0	147	147	147	147
<b>Total Single Dry Year Demand</b>	<b>30,376</b>	<b>30,848</b>	<b>31,321</b>	<b>31,675</b>	<b>32,148</b>
<b>Supply/ Demand Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
[1] Equal to Total Demand minus Local Groundwater Supply.					
[2] This figure represents 62% of total Garden Grove water demand based on the anticipated BPP forecasts as discussed previously in this WSA.					
[3] Single-dry year demand = normal year demand (from Table 5.4) x 105.5% (single-dry year demand factor developed by MWDOC in their 2005 UWMP).					
[4] This figure represents <b>additional</b> net demand for the Proposed Project. Total Project normal year demand minus what was included in existing.					
[5] Proposed Project is assumed to be built out by 2013 and therefore included in 2015 and beyond.					

**Table 5.6  
City of Garden Grove  
Projected Water Supply and Demand  
Multiple Dry Water Years 2011-2015 (AFY)**

Water Sources	2011	2012	2013	2014	2015
<b>Supply</b>	<b>Normal Years</b>		<b>Dry Years</b>		
Imported <sup>[1]</sup>	10,964	10,988	11,806	11,498	11,722
Local (Groundwater) <sup>[2]</sup>	17,889	17,928	19,262	18,760	19,126
<b>Total Supply</b>	<b>28,854</b>	<b>28,916</b>	<b>31,067</b>	<b>30,258</b>	<b>30,848</b>
<b>Demand</b>					
Total Demand without the Proposed Project <sup>[3]</sup>	28,854	28,916	30,919	30,114	30,702
Additional Proposed Project Demand <sup>[3][4][5]</sup>	0	0	148	144	147
<b>Total Multiple Year Demand</b>	<b>28,854</b>	<b>28,916</b>	<b>31,067</b>	<b>30,258</b>	<b>30,848</b>
<b>Supply/ Demand Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
[1] Equal to Total Demand minus Local Groundwater Supply.					
[2] This figure represents 62% of total Garden Grove water demand based on the anticipated BPP forecasts as discussed previously in this WSA.					
[3] Multi-dry year demand = normal year demand (from Table 5.4) x 106.7%, 103.7%, and 105.5% for Dry Years 1, 2, and 3, respectively (multiple-dry year demand factors developed by MWDOC in their 2005 UWMP).					
[4] This figure represents <b>additional</b> net demand for the Proposed Project. Total Project normal year demand minus what was included in existing.					
[5] Proposed Project is assumed to be built out by 2013 and therefore included in 2015 and beyond.					

**Table 5.7**  
**City of Garden Grove**  
**Projected Water Supply and Demand**  
**Multiple Dry Water Years 2016-2020 (AFY)**

Water Sources	2016	2017	2018	2019	2020
<b>Supply</b>	<b>Normal Years</b>		<b>Dry Years</b>		
Imported <sup>[1]</sup>	11,145	11,179	11,965	11,664	11,902
Local (Groundwater) <sup>[2]</sup>	18,184	18,240	19,521	19,030	19,419
<b>Total Supply</b>	<b>29,330</b>	<b>29,419</b>	<b>31,486</b>	<b>30,694</b>	<b>31,321</b>
<b>Demand</b>					
Total Demand without the Proposed Project <sup>[3]</sup>	29,191	29,280	31,338	30,549	31,174
Additional Proposed Project Demand <sup>[3][4][5]</sup>	139	139	148	144	147
<b>Total Multiple Year Demand</b>	<b>29,330</b>	<b>29,419</b>	<b>31,486</b>	<b>30,694</b>	<b>31,321</b>
<b>Supply/ Demand Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
[1] Equal to Total Demand minus Local Groundwater Supply.					
[2] This figure represents 62% of total Garden Grove water demand based on the anticipated BPP forecasts as discussed previously in this WSA.					
[3] Multi-dry year demand = normal year demand (from Table 5.4) x 106.7%, 103.7%, and 105.5% for Dry Years 1, 2, and 3, respectively (multiple-dry year demand factors developed by MWDOC in their 2005 UWMP).					
[4] This figure represents <b>additional</b> net demand for the Proposed Project. Total Project normal year demand minus what was included in existing.					
[5] Proposed Project is assumed to be built out by 2013 and therefore included in 2015 and beyond.					

**Table 5.8**  
**City of Garden Grove**  
**Projected Water Supply and Demand**  
**Multiple Dry Water Years 2021-2025 (AFY)**

Water Sources	2021	2022	2023	2024	2025
<b>Supply</b>	<b>Normal Years</b>		<b>Dry Years</b>		
Imported <sup>[1]</sup>	11,307	11,333	12,119	11,805	12,037
Local (Groundwater) <sup>[2]</sup>	18,448	18,490	19,773	19,260	19,639
<b>Total Supply</b>	<b>29,755</b>	<b>29,822</b>	<b>31,892</b>	<b>31,065</b>	<b>31,675</b>
<b>Demand</b>					
Total Demand without the Proposed Project <sup>[3]</sup>	29,616	29,683	31,744	30,921	31,529
Additional Proposed Project Demand <sup>[3][4][5]</sup>	139	139	148	144	147
<b>Total Multiple Year Demand</b>	<b>29,755</b>	<b>29,822</b>	<b>31,892</b>	<b>31,065</b>	<b>31,675</b>
<b>Supply/ Demand Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
[1] Equal to Total Demand minus Local Groundwater Supply.					
[2] This figure represents 62% of total Garden Grove water demand based on the anticipated BPP forecasts as discussed previously in this WSA.					
[3] Multi-dry year demand = normal year demand (from Table 5.4) x 106.7%, 103.7%, and 105.5% for Dry Years 1, 2, and 3, respectively (multiple-dry year demand factors developed by MWDOC in their 2005 UWMP).					
[4] This figure represents <b>additional</b> net demand for the Proposed Project. Total Project normal year demand minus what was included in existing.					
[5] Proposed Project is assumed to be built out by 2013 and therefore included in 2015 and beyond.					

**Table 5.9**  
**City of Garden Grove**  
**Projected Water Supply and Demand**  
**Multiple Dry Water Years 2026-2030 (AFY)**

Water Sources	2026	2027	2028	2029	2030
<b>Supply</b>	<b>Normal Years</b>		<b>Dry Years</b>		
Imported <sup>[1]</sup>	11,443	11,477	12,283	11,972	12,216
Local (Groundwater) <sup>[2]</sup>	18,670	18,726	20,040	19,534	19,932
<b>Total Supply</b>	<b>30,114</b>	<b>30,203</b>	<b>32,322</b>	<b>31,507</b>	<b>32,148</b>
<b>Demand</b>					
Total Demand without the Proposed Project <sup>[3]</sup>	29,975	30,064	32,174	31,362	32,001
Additional Proposed Project Demand <sup>[3][4][5]</sup>	139	139	148	144	147
<b>Total Multiple Year Demand</b>	<b>30,114</b>	<b>30,203</b>	<b>32,322</b>	<b>31,507</b>	<b>32,148</b>
<b>Supply/ Demand Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
[1] Equal to Total Demand minus Local Groundwater Supply.					
[2] This figure represents 62% of total Garden Grove water demand based on the anticipated BPP forecasts as discussed previously in this WSA.					
[3] Multi-dry year demand = normal year demand (from Table 5.4) x 106.7%, 103.7%, and 105.5% for Dry Years 1, 2, and 3, respectively (multiple-dry year demand factors developed by MWDOC in their 2005 UWMP).					
[4] This figure represents <b>additional</b> net demand for the Proposed Project. Total Project normal year demand minus what was included in existing.					
[5] Proposed Project is assumed to be built out by 2013 and therefore included in 2015 and beyond.					

## 6.0 CONCLUSION

In 2009/10, the City's water demand was approximately 25,820 AFY, which was actually 3,480 AFY less than what was projected in the 2005 Urban Water Management Plan and 3,972 less than what was projected in the 2008 Water Master Plan. These water demands include unaccounted for water. This means that City businesses and residents are using less water than was originally forecast, which is likely due to a number of factors including:

1. the 2005 UWMP and 2008 Water Master Plan conservatively over-estimated water demand
2. water demand is being reduced due to effective conservation efforts being undertaken by the City and its constituents and increased water efficiencies resulting from more stringent building codes and more efficient fixtures/appliances (e.g., high-efficiency clothes washing machines, low- and ultra low-flow toilets, waterless urinals, etc.)
3. 2009/10 was the first year Metropolitan enacted its Water Allocation Plan
4. the City adopted substantial water rate increases over the past few years
5. the overall economic downturn has had an impact on water demands
6. precipitation was above average for 2009/10

Given all of these factors it would not be prudent to use last year's actual water demand as a normal year demand for the purposes of projecting demands into the future. However, it is recognized that some of the reduction in demand over the past few years is, and will continue to be, permanent. Therefore, it is recommended that the projections included in the 2008 Water Master Plan, which included a detailed review of land use development projections and the corresponding additional water demand growth, be adjusted downward slightly at the initial (2010) period and then followed from 2010 into the future, in terms of additional water demand growth. At the end of the 20-year planning period for this WSA, City water demand for 2029/30 is projected to be approximately 30,472 AFY, including the Proposed Project.

Since the Proposed Project was a part of the Harbor Boulevard Development Area, which was included in the land use and water demand projections of the 2008 Water Master it can be considered included in these projections. The Proposed Project's estimated net additional demand of 139 AFY can then be subtracted from the 30,472 AFY generating a total 2030 demand without the Proposed Project of 30,333 AFY. It should be noted that the additional net demand for the Proposed Project is less than 0.5 percent of the total projected Citywide demand at the end of the 20-year planning period required to be analyzed for WSA purposes.

Analysis of water supply projections for the City demonstrates that projected supplies will meet demands through fiscal year 2029/30. These projections consider water development programs and projects as well as water conservation, as described in the City's 2005 UWMP and Metropolitan's Draft 2010 RUWMP, August 2010. Metropolitan's 2010 RUWMP projects significant surplus supply conditions in all



normal, single dry, and multiple dry year scenarios. Since the City's original demand projections that were provided to MWDOC, and in turn Metropolitan, were higher than the revised projections, their demand projections should be overstated and also included the Proposed Project demands. The City's groundwater and imported water supplies are anticipated to remain stable based on OCWD and Metropolitan studies and reports.

The City's water supply projection is based on utilizing up to 62 percent groundwater (normal, single dry and multiple dry years) based on an expected average long-term Basin Production Percentage, and its share of imported water is confirmed reliable by Metropolitan. Analysis of normal, single dry, and multiple dry year scenarios also demonstrate the City's ability to meet demand during the 20-year planning period.

Additionally, if extraordinary circumstances require, the City can meet its water demand by (1) increasing production of groundwater beyond the BPP up to the basin safe yield, (2) increasing imported water purchases, and/or (3) decreasing demand through water conservation measures, which has proved to be extremely effective over the past year plus under Metropolitan's Water Allocation Plan.

Reliability of future water supplies to the region will be ensured through continued implementation of the OCWD Groundwater Management Plan, OCWD's Long Term Facilities Plan, local agency programs, and the combined efforts and programs among member and cooperative agencies of Metropolitan. These agencies include all water wholesalers and retailers, the Orange County Sanitation District, the Santa Ana Regional Water Quality Control Board, and the Santa Ana Watershed Project Authority.

Collectively, the information included in this WSA identifies a sufficient and reliable water supply for the City, now and into the future, including a sufficient water supply for the Proposed Project.

## 7.0 REFERENCES

The following documents were used, in conjunction with discussions with the City of Garden Grove staff, in preparing this water supply assessment:

California State Department of Finance (DOF), *Series E-4 Population Data by City, 2000 to 2010*, April 2010.

City of Garden Grove, *Water Master Plan Report*, Carollo, September 2008

City of Garden Grove, *2005 Urban Water Management Plan*, Psomas, December 2005.

Department of Water Resources (DWR), *Bulletin 118-1 Basin Description for Coastal Plain of Orange County Groundwater Basin Number 8-1*, September 5, 2001.

DWR, *2009 State Water Project Delivery Reliability Report*, August 2010.

DWR, *2007 State Water Project Delivery Reliability Report*, August 2008.

Metropolitan Water District of Southern California (MWD), *Water Revenue Refunding Bonds, 2008 Series C, Appendix A*, July 2008.

Metropolitan Water District of Southern California (MWD), *Draft 2010 Regional Urban Water Management Plan for the Metropolitan Water District of Southern California*, August 2010.

Metropolitan Water District of Southern California (MWD), *Integrated Water Resources Plan Update*, October 2010.

Metropolitan Water District of Southern California (MWD), *2007 Integrated Water Resources Plan Implementation Report*, October 2007.

Metropolitan Water District of Southern California (MWD), *2006 Integrated Water Resources Plan Implementation Report*, October 2006.

Municipal Water District of Orange County (MWDOC), *Regional Urban Water Management Plan*, 2005.

Municipal Water District of Orange County (MWDOC), *South Orange County Water Reliability Study: Phase 2 System Reliability Plan*, September 2004.

Municipal Water District of Orange County (MWDOC) Website, Available:  
<http://www.mwdoc.com>. 2010.

Orange County Water District (OCWD), *Orange County Water District 2020 Master Plan Report*, 2000.

Orange County Water District (OCWD), *Engineer's Report*, 2008-2009.

Orange County Water District (OCWD), *Basin Production Percentages Projections for Urban Water Management Plans*, provided by John Kennedy, October 2010.

Orange County Water District (OCWD), The OCWD Act.

Orange County Water District (OCWD), OCWD v. City of Chino, et al, (Civ. Case No. 117628), Judgment and Settlement Documents.

Orange County Water District (OCWD), *Groundwater Management Plan Update 2009*, July, 2009.

**APPENDIX A**  
**EXISTING WATER DEMANDS ON PROJECT SITE**  
**(as included in 2005 UWMP existing use)**

---

**Customer**

Name: HUH, YOUNG CHIN  
(380309690)

Address: 13150 SEAVIEW LN,  
SEAL BEACH, CA 90740

Email: DL: A2479147

Phones: 7145372687

Credit: None.

Issues:

**Service**

Estimated Next Read: 11/07/2010 ✓

Service at: 12601 LEDA LN Map Loc: 48

Service id: 38030969 Housing units: 1

Current read: 410 Service type: single family home

Rate type: Metered Meter size: 1"

Meter serial: 67853563 Meter installed: 09/01/2008

Meter remarks: None.

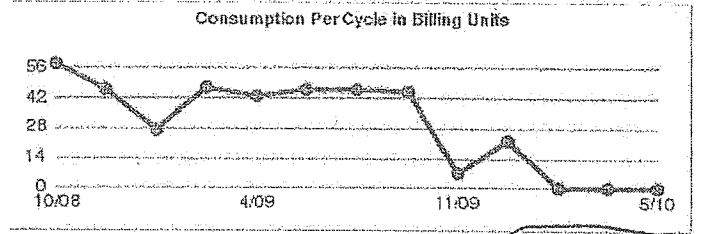
**Account**

balance: \$0.00

status: 5, 05/13/2010 to current

status: 4, 05/11/2010 to 05/13/2010

status: 2, 09/08/2008 to 05/11/2010



Remarks: [add remark](#) | [edit remarks](#)

03/31/2010 shawnam RR 392 PER REG, MTR OKAY. SENT BILL.

**Base Cons:**

year	cons
2010	27
2009	23
2008	10
2007	
2006	
2005	

[adjust](#) | [new](#)

**Consumption Summary:**

start	end	days	read	units	avg/per day
07/16/10	09/10/10	56	410	0	0.00
05/18/10	07/16/10	59	410	0	0.00
05/12/10	05/18/10	6	410	0	0.00
03/23/10	05/12/10	50	410	22	0.44
01/26/10	03/23/10	56	388	7	0.13
11/23/09	01/26/10	64	381	45	0.70
09/25/09	11/23/09	59	-336	46	0.78
07/30/09	09/25/09	57	-290	46	0.81
06/04/09	07/30/09	56	-244	43	0.77
04/08/09	06/04/09	57	-201	47	0.82
02/10/09	04/08/09	57	-154	27	0.47
12/05/08	02/10/09	67	-127	46	0.69
10/09/08	10/09/08	0	-81	23	23
10/09/08	12/05/08	57	-58	58	1.02

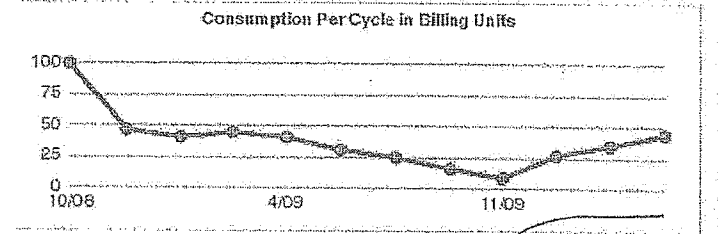
date	type	amount	balance
06/14/10	PAYMENT	-22.50	0.00
05/13/10	Deposit Refund	-85.00	22.50
05/13/10	Beginning Balance	-85.00	
05/13/10	Pre-paid Sewer Maintenance	24.52	107.50
05/13/10	Water Service Charge	28.90	82.98
05/13/10	Water Capital Improvement	1.94	54.08
05/13/10	Imported Water Fee	10.12	52.14
05/13/10	Water Tier 1 Use	42.02	42.02
05/13/10	BILLING	107.50	
04/05/10	PAYMENT Sewer	-71.95	0.00
03/26/10	Maintenance Fee	24.52	71.95
03/26/10	Water Service Charge	28.90	47.43
03/26/10	Water Capital Improvement	1.94	18.53
03/26/10	Imported Water Fee	3.22	16.59
03/26/10	Water Fee	7@0.46	

*On private well until Sept '08. Thereafter, not included in 2005 UWMP existing use.*

**Customer**  
 Name: TON, KATHLEEN  
 (380309740)  
 12602 LEDA LN,  
 Address: GARDEN GROVE, CA  
 92840  
 Email: DL: B5405255  
 Phones: 714-791-6673  
 714-791-6673  
 Credit Issues: None.

**Service**  
 Estimated Next Read: 11/07/2010 ✓  
 Service at: 12602 LEDA LN Map Loc: 50  
 Service id: 38030974 Housing units: 1  
 Current read: 493 Service type: single family home  
 Rate type: Metered Meter size: 1"  
 Meter serial: 67853579 Meter installed: 09/01/2008  
 Meter remarks: None.

**Account**  
 balance: \$162.81, due by:  
 10/27/2010  
 status: 2, 09/08/2008 to current,  
 Owner  
 Remarks: [add remark](#) | [edit remarks](#)  
 R/R 141, NO LKS IND PER  
 PRELIM 12/5/08 LM



date	type	amount	balance
09/15/10	Maintenance Fee	21.20	162.81
09/15/10	Service Charge	30.35	141.61
09/15/10	Capital Improvement Imported	1.94	111.26
09/15/10	Water Fee 44@0.46	20.24	109.32
09/15/10	Water Tier 1 Use 36@2.01	72.36	89.08
09/15/10	Water Tier 2 Use 8@2.09	16.72	16.72
09/15/10	BILLING	162.81	
08/09/10	PAYMENT Sewer	-139.94	0.00
07/20/10	Maintenance Fee	21.20	139.94
07/20/10	Service Charge	30.35	118.74
07/20/10	Capital Improvement Imported	1.94	88.39
07/20/10	Water Fee 35@0.46	16.10	86.45
07/20/10	Water Tier 1		

**Base Cons:**

year	cons
2010	16
2009	32
2008	10
2007	
2006	
2005	

**Consumption Summary:**

start	end	days	read	units	avg/per day
07/16/10	09/10/10	56	493	44	0.79
05/18/10	07/16/10	59	449	35	0.59
03/23/10	05/18/10	56	414	27	0.48
01/26/10	03/23/10	56	387	9	0.16
11/23/09	01/26/10	64	378	16	0.25
09/25/09	11/23/09	59	~362	25	0.42
07/30/09	09/25/09	57	~337	31	0.54
06/04/09	07/30/09	56	~306	41	0.73
04/08/09	06/04/09	57	~265	45	0.79
02/10/09	04/08/09	57	~220	41	0.72
12/05/08	02/10/09	67	~179	47	0.70
10/09/08	10/09/08	0	~132	32	32
10/09/08	12/05/08	57			

[adjust](#) | [new](#)

*On private well until Sept 08. Therefore, not included in 2005 UWMP existing use.*

APN: 23143103

Customer  
 Name: CITY OF GG%PACIFIC  
 HSNG MNGMNT  
 (413130432)  
 Address: 17541 17TH ST, TUSTIN, CA  
 92780  
 Email: DL:  
 Phones: 714-669-8553 MANNY  
 Credit: None.  
 Issues:

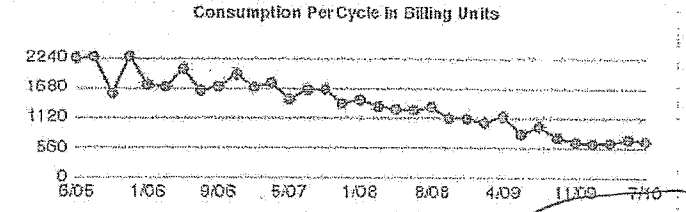
Account  
 balance: \$2,790.34, due by:  
 11/02/2010  
 status: 2, 07/18/2005 to current,  
 Owner

Remarks: [add remark](#) | [edit remarks](#)  
 TXID# 95-3559948  
 MGNMNT CO CHANGED TO  
 PACIFIC HOUSING 06/09 PER OLD  
 MNGMNT CO  
 OVERLAND P&C PROP 07/08/09 RP

date	type	amount	balance
09/21/10	Sewer Maintenance Fee	490.36	2,790.34
09/21/10	Water Service Charge	468.38	2,299.98
09/21/10	Water Capital Improvement Imported	28.98	1,831.60
09/21/10	Water Fee 690@0.46	317.40	1,802.62
09/21/10	Water Tier 1 Use 36@2.01	72.36	1,485.22
09/21/10	Water Tier 2 Use 214@2.09	447.26	1,412.86
09/21/10	Water Tier 3 Use 250@2.16	540.00	965.60
09/21/10	Water Tier 4 Use 190@2.24	425.60	425.60
09/21/10	BILLING	2,790.34	
08/11/10	PAYMENT Sewer	-2,898.34	0.00
07/26/10	Maintenance Fee Water	490.36	2,898.34
07/26/10	Service	468.38	2,407.98

Service  
 Estimated Next Read: 11/13/2010  
 Service at: 12721 HARBOR BLVD Map Loc:  
 Service id: 41313043 Housing units: 1  
 Current read: 78280 Service type: commercial  
 Rate type: Metered Meter size: 6"  
 Meter serial: 1360390 Meter installed: 07/01/2003  
 Meter remarks: None.

*Ry Parks*



Base Cons:		Consumption Summary:					
year	cons	start	end	days	read	units	avg/per day
2010	680	07/21/10	09/16/10	57	78280	690	12.11
2009	1120	05/25/10	07/21/10	57	77590	730	12.81
2008	1400	03/30/10	05/25/10	56	76860	660	11.79
2007	1635	01/29/10	03/30/10	60	76200	650	10.83
2006	1585	11/27/09	01/29/10	63	75550	680	10.79
2005	2485	09/30/09	11/27/09	58	~74870	760	13.10
		08/04/09	09/30/09	57	~74110	970	17.02
		06/09/09	08/04/09	56	~73140	830	14.82
		04/13/09	06/09/09	57	~72310	1160	20.35
		02/13/09	04/13/09	59	~71150	1050	17.80
		12/10/08	02/13/09	65	~70100	1120	17.23
		10/14/08	12/10/08	57	~68980	1125	19.74
		08/18/08	10/14/08	57	~67855	1335	23.42
		06/20/08	08/18/08	59	~66520	1280	21.69
		04/24/08	06/20/08	57	~65240	1290	22.63
		02/28/08	04/24/08	56	~63950	1340	23.93
		01/02/08	02/28/08	57	~62610	1465	25.70
		10/26/07	01/02/08	68	~61145	1400	20.59
		08/30/07	10/26/07	57	~59745	1660	29.12
		07/05/07	08/30/07	56	~58085	1655	29.55
		05/07/07	07/05/07	59	~56430	1480	25.08
		03/13/07	05/07/07	55	~54950	1780	32.36
		01/15/07	03/13/07	57	~53170	1700	29.82
		11/08/06	01/15/07	68	~51470	1935	28.46
		09/13/06	11/08/06	56	~49535	1710	30.54
		07/18/06	09/13/06	57	~47825	1635	28.68
		05/18/06	07/18/06	61	~46190	2045	33.52
		03/23/06	05/18/06	56	~44145	1705	30.45
		01/25/06	03/23/06	57	~42440	1745	30.61
		11/18/05	01/25/06	68	~40695	2275	33.46
		09/23/05	11/18/05	56	~38420	1585	28.30
		07/28/05	09/23/05	57	~36835	2260	39.65
		06/02/05	07/28/05	56	~34575	2245	40.09

*350 days 11,815*  
*Adjust (+ 15 days @ 31) + 465 net/year*  
*12,280*  
*28.2 ATP*

APN: 23144140

Customer  
 Name: HOMESTORE  
 OUTLET  
 (380312002)  
 12552 CAMUS LN #4,  
 Address: GARDEN GROVE, CA  
 92841  
 Email: DL: D1390286  
 Phones: 714-636-3176  
 Credit: None.  
 Issues:

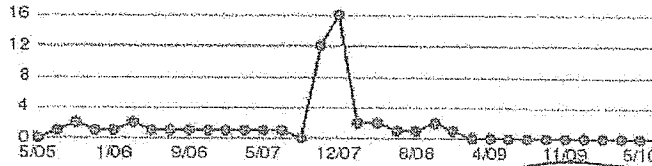
Account  
 balance: \$0.00  
 status: 5, 12/16/2008 to current  
 Remarks: [add remark](#) | [edit remarks](#)  
 FIRE DEPT RUNNING BURN  
 DRILLS @ THIS PROPERTY,  
 METER SHOULD  
 BE ABANDONED PER C/S THE  
 BUILDING IS BEING BURNT TO  
 THE  
 GROUND 09/23/09 RP  
 U/U 1 PER PRELIM LFT 48HR  
 NTC 02/12/09 RP

date	type	amount	balance
02/26/09	Refund	80.08	0.00
01/07/09	PAYMENT	-13.92	-80.08
12/22/08	PAYMENT	-80.08	-66.16
12/17/08	Closing Bill	2.25	13.92
12/17/08	Deposit Refund	-70.00	11.67
12/17/08	Sewer Billing	1.59	81.67
12/17/08	BILLING	1.59	
12/05/08	Water Billing	5.92	80.08
12/05/08	Capital Improvement	0.56	74.16
12/05/08	Increased Cost	0.27	73.60
12/05/08	Sewer Billing	3.33	73.33
12/05/08	BILLING	10.08	
11/12/08	Deposit	70.00	70.00

[Show all](#)

Service  
 Estimated Next Read: 11/11/2010  
 Service at: 12591 HARBOR BLVD Map Loc: 20  
 Service id: 38031200 Housing units: 1  
 Current read: 0 Service type: commercial  
 Rate type: Metered Meter size: 5/8"x3/4"  
 Meter serial: 9 Meter installed: 09/01/1990  
 Meter remarks: ABANDONED

Consumption Per Cycle in Billing Units



Base Cons:		Consumption Summary:					
year	cons	start	end	days	read	units	avg/per day
2010	0	07/16/10	09/14/10	60	0	0	0.00
2009	1	05/18/10	07/16/10	59	0	0	0.00
2008	1	03/23/10	05/18/10	56	0	0	0.00
2007	1	03/18/10	03/23/10	5	0	0	0.00
2006	1	01/26/10	03/18/10	51	0	0	0.00
2005	1	11/23/09	01/26/10	64	0	0	0.00
	<a href="#">adjust</a>   <a href="#">new</a>	09/25/09	11/23/09	59	-0	0	0.00
		07/30/09	09/25/09	57	-0	0	0.00
		06/04/09	07/30/09	56	-0	0	0.00
		04/08/09	06/04/09	57	-0	0	0.00
		02/10/09	04/08/09	57	-0	0	0.00
		12/16/08	02/10/09	56	-0	1	0.02
		10/10/08	12/05/08	56	-9999	2	0.04
		08/13/08	10/09/08	57	-9997	1	0.02
		06/17/08	08/13/08	57	-9996	1	0.02
		04/21/08	06/17/08	57	-9995	2	0.04
		02/25/08	04/21/08	56	-9993	2	0.04
		12/19/07	02/25/08	68	-9991	16	0.24
		10/24/07	12/19/07	56	-9975	12	0.21
		08/27/07	10/23/07	57	-9963	0	0.00
		07/01/07	08/27/07	57	-9963	1	0.02
		05/03/07	06/29/07	57	-9962	1	0.02
		03/08/07	05/03/07	56	-9961	1	0.02
		01/10/07	03/08/07	57	-9960	1	0.02
		11/03/06	01/10/07	68	-9959	1	0.01
		09/08/06	11/03/06	56	-9958	1	0.02
		07/13/06	09/08/06	57	-9957	1	0.02
		05/15/06	07/13/06	59	-9956	1	0.02
		03/20/06	05/15/06	56	-9955	2	0.04
		01/20/06	03/20/06	59	-9953	1	0.02
		11/15/05	01/20/06	66	-9952	1	0.02
		09/20/05	11/15/05	56	-9951	2	0.04
		07/23/05	09/20/05	59	-9949	1	0.02
		05/28/05	07/23/05	56	-9948	0	0.00

*~ 8 hrs per year  
not significant*



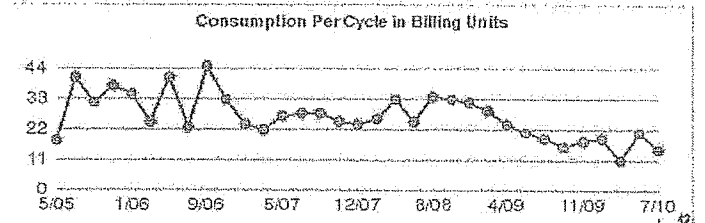
APN: 23144139

Customer  
 Name: THE HUMDINGER  
 (380311021)  
 11782 REVA DR,  
 Address: GARDEN GROVE, CA  
 92840  
 Email: DL: N4831588  
 Phones: 534-1634 DEDIOS,  
 FRANCISCO  
 Credit None.  
 Issues:

Service ~~Bar@~~  
 Estimated Next Read: 11/07/2010  
 Service at: 12581 HARBOR BLVD Map Loc: 13  
 Service id: 38031102 Housing units: 1  
 Current read: 5321 Service type: commercial *type*  
 Rate type: Metered Meter size: 1"  
 Meter serial: 43661640 Meter installed: 09/01/1993  
 Meter remarks: None.

Account  
 balance: \$0.00  
 status: 2, 12/11/1997 to current,  
 Owner

Remarks: [add remark](#) | [edit remarks](#)  
 NO DEP TO BE CHARGED ON  
 THIS ACCT, HAD OLD ACCT IN  
 GG SINCE 92 AB  
 CHANGE OF ADD PER  
 FRANCISCO DE DIOS 6/27/07 ER



Base Cons: Consumption Summary: *usage history*

year	cons	start	end	days	read	units	avg/per day
2010	16	07/16/10	09/10/10	56	5321	15	0.27
2009	25	05/18/10	07/16/10	59	5306	21	0.36
2008	22	03/23/10	05/18/10	56	5285	11	0.20
2007	23	01/26/10	03/23/10	56	5274	19	0.34
2006	18	11/23/09	01/26/10	64	5255	18	0.28
2005	17	09/25/09	11/23/09	59	~5237	16	0.27
adjust	new	07/30/09	09/25/09	57	~5221	19	0.33
		06/04/09	07/30/09	56	~5202	21	0.38
		04/08/09	06/04/09	57	~5181	24	0.42
		02/10/09	04/08/09	57	~5157	29	0.51
		12/05/08	02/10/09	67	~5128	32	0.48
		10/09/08	12/05/08	57	~5096	33	0.58
		08/13/08	10/09/08	57	~5063	34	0.60
		06/17/08	08/13/08	57	~5029	25	0.44
		04/21/08	06/17/08	57	~5004	33	0.58
		02/25/08	04/21/08	56	~4971	26	0.46
		12/19/07	02/25/08	68	~4945	24	0.35
		10/23/07	12/19/07	57	~4921	25	0.44
		08/27/07	10/23/07	57	~4896	28	0.49
		06/29/07	08/27/07	59	~4868	28	0.47
		05/03/07	06/29/07	57	~4840	27	0.47
		03/08/07	05/03/07	56	~4813	22	0.39
		01/10/07	03/08/07	57	~4791	24	0.42
		11/03/06	01/10/07	68	~4767	33	0.49
		09/08/06	11/03/06	56	~4734	45	0.80
		07/13/06	09/08/06	57	~4689	23	0.40
		05/15/06	07/13/06	59	~4666	41	0.69
		03/20/06	05/15/06	56	~4625	25	0.45
		01/20/06	03/20/06	59	~4600	35	0.59
		11/15/05	01/20/06	66	~4565	38	0.58
		09/20/05	11/15/05	56	~4527	32	0.57
		07/25/05	09/20/05	57	~4495	41	0.72
		05/26/05	07/25/05	60	~4454	18	0.30

date	type	amount	balance
09/22/10	PAYMENT	-90.54	0.00
09/15/10	Sewer Maintenance Fee	21.20	90.54
09/15/10	Water Service Charge	30.35	69.34
09/15/10	Water Capital Improvement Imported	1.94	38.99
09/15/10	Water Fee 15@0.46	6.90	37.05
09/15/10	Water Tier 1 Use 15@2.01	30.15	30.15
09/15/10	BILLING	90.54	
07/30/10	PAYMENT	-105.36	0.00
07/20/10	Sewer Maintenance Fee	21.20	105.36
07/20/10	Water Service Charge	30.35	84.16
07/20/10	Water Capital Improvement Imported	1.94	53.81
07/20/10	Water Fee 21@0.46	9.66	51.87

*354 days*  
 $189 \div 6 = 31.5$   
 $31.5 \times 11 \text{ days} \times 0.15 = 5.4$   
 $5.4 + 195 = 200.4$   
 0.5 AFY  
 9/27/2010 10:02 AM

*I dont have data on 12681 but I think it was the old Fire Station Inn listed at 12625 Harbor closed since 2003*

**Business License Info LookUp**  
12625 HARBOR BLVD

license number 182672

1. business name	GARDEN GROVE MXD, LLC	12. desc	REAL ESTATE DEVELOPER OF 12625 HARBOR BLVD
2. baddr	12625 HARBOR BLVD	13. maddr	2725 ROCKY MOUNTAIN AVE 200
3. bcsz	GARDEN GROVE, CA 92840	14. mcsz	LOVELAND, CO 80538
4. phone	970-962-9990	15. class	C
5. owner	HILL, DOUGLAS	16. start date	12.31.07
6. oaddr	2725 ROCKY MOUNTAIN AVE 200	17. cert	01/15/2010
7. ocsz	LOVELAND, CO 80538	18. notification	072464
8. ophone		19. expiration date	11/30/2010
9. lot		20. number of employees	
10. sic	6552	21. sqft	
11. total rental units		22. status	A

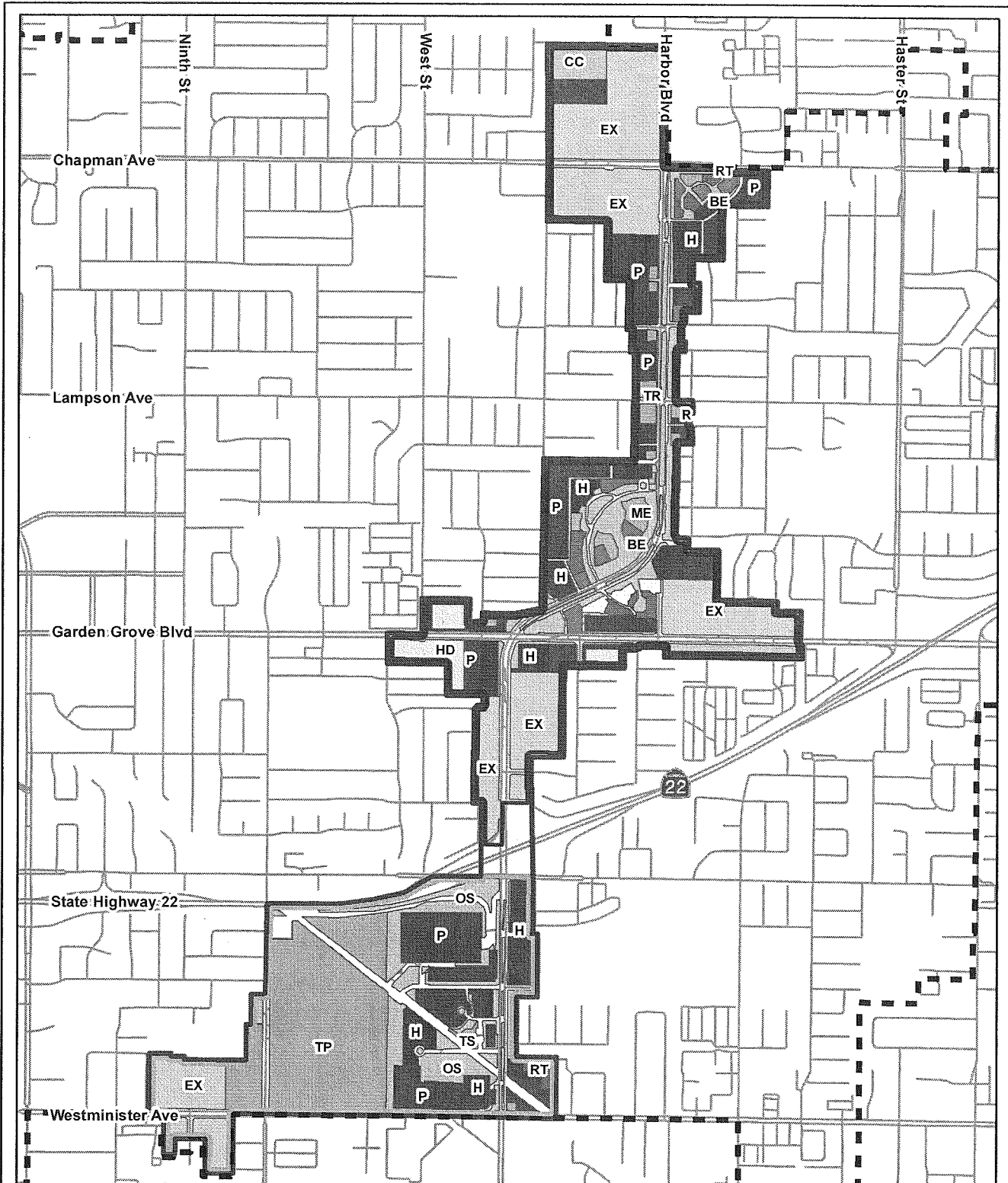
license number 109738

1. business name	FIRE STATION INN	12. desc	MOTEL
2. baddr	12625 HARBOR BLVD	13. maddr	2600 N MAIN ST
3. bcsz	GARDEN GROVE, CA 92840	14. mcsz	SANTA ANA, CA 92705
4. phone	534-4090	15. class	S
5. owner	TOGNAZZINI, TERRY	16. start date	
6. oaddr	12625 HARBOR BLVD	17. cert	11/26/2002
7. ocsz	GARDEN GROVE, CA 92840	18. notification	
8. ophone	530-2723	19. expiration date	10/31/2003
9. lot		20. number of employees	4
10. sic	7011	21. sqft	
11. total rental units	100	22. status	C 06/09/2003

*No water use since 2003. Therefore not included in 2005 UWMIP existing use.*

**APPENDIX B**  
**HARBOR BLVD. DEVELOPMENT LAND USE PLAN**  
**AND STATISTICS (from 2008 Water Master Plan)**

---



Legend		Harbor Blvd Development	
—	Streets	[Pattern]	High Density Housing (HD)
[Dashed Line]	City Limits	[Pattern]	Retail (RT)
[Pattern]	Specific Plan for the Harbor Boulevard Development	[Pattern]	Box Entertainment Venues (BE)
[Pattern]	Excluded from Focus Area A of General Plan 2030	[Pattern]	Music Entertainment (ME)
[Pattern]	Included in Focus Area A of General Plan 2030	[Pattern]	Large Scale Theme Restaurant (TR)
		[Pattern]	Sport/Game/Activity Recreation (SG)
		[Pattern]	Theme Park (TP)
		[Pattern]	Restaurant (R)
		[Pattern]	Hotel (H)
		[Pattern]	Convention Center (CC)
		[Pattern]	Parking (P)
		[Pattern]	Transit Station (TS)
		[Pattern]	Open Space (OS)
		[Pattern]	Existing Land Use
		[Pattern]	To Remain (EX)

**FIGURE 2.3**  
**LAND USE MAP FOR**  
**HARBOR BLVD. DEVELOPMENT**  
**SPECIFIC PLAN LAND USE**  
**WATER MASTER PLAN**  
**CITY OF GARDEN GROVE**

0 0.1 0.2 Miles

*General Plan 2030* does not apply the International West Mixed Use designation to portions of the Specific Plan for the Harbor Boulevard Development south of State Route 22, as the General Plan does not anticipate this area to be developed within the planning horizon. *General Plan 2030* states the International Designation will be applied to this area when development actively begins in this area [29]. While the Specific Plan includes a total of 402 acres, the portion of the Specific Plan north of State Route 22 totals 235 acres. Table 2.3 and Figure 2.3 include the entire area projected for redevelopment at build-out, with areas included in Focus Area A of *General Plan 2030* outlined separately on Figure 2.3.

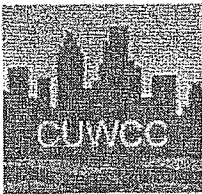
<b>LU Category</b>	<b>Land Use Description</b>	<b>Quantity</b>	<b>Unit</b>
ME	Musical Entertainment	165,000	ft <sup>2</sup>
TR	Large Scale Theme Restaurants	75,000	ft <sup>2</sup>
BE	Box Entertainment Venues	150,000	ft <sup>2</sup>
SG	Sport/Game Activity Recreation	205,000	ft <sup>2</sup>
Rest.	Restaurants	64,000	ft <sup>2</sup>
LC	Retail	245,271	ft <sup>2</sup>
H2AS	Mid Priced (All Suites)	500	rooms
H2EX	Mid Priced (Extended Stay)	400	rooms
H1EX	First Class (Extended Stay)	550	rooms
H2FS	Mid Priced (Full Service)	750	rooms
H1AS	First Class (All Suites)	700	rooms
H1FS	First Class (Full Service)	3,000	rooms
RC	Meeting Space Convention Center	300,000 <sup>(1)</sup>	ft <sup>2</sup>
HD	High Density Residential Housing	12	ac
RC	Theme Park	67	ac
TS	Transit Station	0.8	ac

*Handwritten notes:*  
 - A bracket groups the rows for H2AS through H1FS, with a note "5,900 rms".  
 - A bracket groups the rows for TR, BE, SG, and Rest., with a note "139,000 sf".

**Notes:**  
 Source: International West Land Use Map [7].  
 (1) Assumed to be 300,000 ft<sup>2</sup> versus 300 ft<sup>2</sup> mentioned in the land use map.

**APPENDIX C**  
**2007/2008 BMP REPORT SUMMARY FILING WITH CUWCC**

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**BMP 01 Coverage: Water Survey Programs for Single-Family and Multi-Family Residential Customers**

You are viewing coverage for:  
**BMP 01**  
**07-08**  
**YRs**  
 DN - UP

Reporting Unit:  
**City of Garden Grove**

◆ **MOU Exhibit 1 Coverage Requirement**  
 No exemption request filed  
 Agency Indicated "at least as effective as" implementation during report period? No

◀ **BMPs** ▶  
 DN - UP

A Reporting Unit (RU) must meet three conditions to satisfy strict compliance for BMP 1.

 **Print Report**

- Condition 1: Adopt survey targeting and marketing strategy on time
- Condition 2: Offer surveys to 20% of SF accounts and 20% of MF units during report period
- Condition 3: Be on track to survey 15% of SF accounts and 15% of MF units within 10 years of implementation start date.

 **Logout**

**Memorandum of Understanding**

**Test for Condition 1**

---

City of Garden Grove to Implement Targeting/Marketing Program by: 1999

	<u>Single-Family</u>	<u>Multi-Family</u>
Year City of Garden Grove Reported Implementing Targeting/Marketing Program:		
City of Garden Grove Met Targeting/Marketing Coverage Requirement:		

**Test for Condition 2**

---

			<u>Single-Family</u>	<u>Multi-Family</u>
Survey Program to Start by:	1998	Residential Survey Offers (%)	0.01%	
Reporting Period:	07-08	Survey Offers ≥ 20%	NO	NO

**Test for Condition 3**

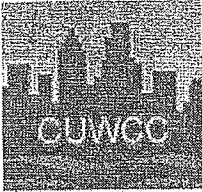
---

	Completed Residential Surveys
	<u>Single Family</u> <u>Multi-Family</u>
Total Completed Surveys 1999 - 2008:	2,948
Credit for Surveys Completed Prior to Implementation of Reporting Database	1,101

Total + Credit	4,049	
Residential Accounts in Base Year	28,659	14,974
City of Garden Grove Survey Coverage as % of Base Year Residential Accounts	14.13%	
Coverage Requirement by Year 10 of Implementation per Exhibit 1	13.50%	13.50%
City of Garden Grove on Schedule to Meet 10-Year Coverage Requirement	ON TRACK	NO

**BMP 01 COVERAGE STATUS SUMMARY:**  
 Water supplier is not currently on track to meet the coverage requirements for this BMP.





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**BMP 02 Coverage: Residential Plumbing Retrofit**

Reporting Unit:  
City of Garden Grove

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

An agency must meet one of three conditions to satisfy strict compliance for BMP 2.

Condition 1: The agency has demonstrated that 75% of SF accounts and 75% of MF units constructed prior to 1992 are fitted with low-flow showerheads.

Condition 2: An enforceable ordinance requiring the replacement of high-flow showerheads and other water use fixtures with their low-flow counterparts is in place for the agency's service area.

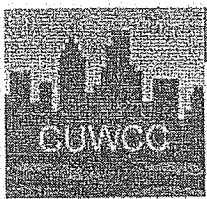
Condition 3: The agency has distributed or directly installed low-flow showerheads and other low-flow plumbing devices to not less than 10% of single-family accounts and 10% of multi-family units constructed prior to 1992 during the reporting period.

**Test for Condition 1**

Report Year	Report Period	Single-Family		Multi-Family	
		Reported Saturation	Saturation ≥ 75%?	Reported Saturation	Saturation ≥ 75%?
1999	99-00	60.00%	NO	65.00%	NO
2000	99-00	60.00%	NO	65.00%	NO
2001	01-02	68.00%	NO	60.00%	NO
2002	01-02	68.00%	NO	60.00%	NO
2003	03-04	91.70%	YES	79.90%	YES
2004	03-04	100.00%	YES	86.80%	YES
2005	05-06	95.00%	YES	95.00%	YES
2006	05-06	95.00%	YES	95.00%	YES
2007	07-08	95.00%	YES	93.00%	YES
2008	07-08	96.00%	YES	95.00%	YES

**Test for Condition 2**

Report Year	Report Period	City of Garden Grove has ordinance requiring showerhead retrofit?
1999	99-00	NO
2000	99-00	NO
2001	01-02	NO
2002	01-02	NO
2003	03-04	NO
2004	03-04	NO
2005	05-06	NO
2006	05-06	NO



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**BMP 03 Coverage: System Water Audits, Leak Detection and Repair**

Reporting Unit:  
**City of Garden Grove**

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

An agency must meet one of two conditions to be in compliance with BMP 3:

Condition 1: Perform a prescreening audit. If the result is equal to or greater than 0.9 nothing more needs be done.

Condition 2: Perform a prescreening audit. If the result is less than 0.9, perform a full audit in accordance with AWWA's Manual of Water Supply Practices, Water Audits, and Leak Detection.

**Test for Conditions 1 and 2**

Report Year	Report Period	Pre-Screen Completed	Pre-Screen Result	Full Audit Indicated	Full Audit Completed
1999	99-00	NO			NO
2000	99-00	NO			NO
2001	01-02	NO			NO
2002	01-02	NO			NO
2003	03-04	NO			NO
2004	03-04	NO			NO
2005	05-06	YES	90.0%	YES	NO
2006	05-06	YES	90.0%	YES	NO
2007	07-08	YES	97.0%	NO	NO
2008	07-08	YES	95.8%	NO	NO

**BMP 3 COVERAGE STATUS SUMMARY:**

Water supplier has met the coverage requirements for this BMP.

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**BMP 03**  
**07-08**  
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2007	07-08	NO
2008	07-08	NO

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**Test for Condition 3**

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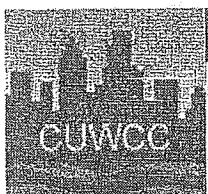
Reporting Period: 07-08

<u>1992 SF</u> <u>Accounts</u>	<u>Num. Showerheads Distributed to</u> <u>SF Accounts</u>	<u>Single-Family</u> <u>Coverage Ratio</u>	<u>SF Coverage Ratio</u> <u>&gt; 10%</u>
29,497			NO
<u>1992 MF</u> <u>Accounts</u>	<u>Num. Showerheads Distributed to</u> <u>MF Accounts</u>	<u>Multi-Family</u> <u>Coverage Ratio</u>	<u>MF Coverage</u> <u>Ratio &gt; 10%</u>
14,974			NO

---

**BMP 2 COVERAGE STATUS SUMMARY:**

Water supplier has met the coverage requirements for this BMP.



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**BMP 04 Coverage: Metering with Commodity Rates for all New Connections and Retrofit of Existing**

Reporting Unit:  
**City of Garden Grove**

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

For agencies signing the MOU prior to December 31, 1997:  
100% of existing unmetered accounts to be metered and billed by volume of use by July 1, 2009.

For agencies signing the MOU after December 31, 1997:  
- 100% of existing unmetered accounts to be metered and billed by volume of use by July 1, 2012 OR within six years of signing the MOU (whichever date is later).  
- All retrofits must be completed no later than one year prior to the requirements of state law (January 1, 2025).

**Test for Compliance**

Total Meter Retrofits Reported through 2008	0
No. of Unmetered Accounts in Base Year	0
Meter Retrofit Coverage as % of Base Year Unmetered Accounts	0.0%
Coverage Requirement by Year 10 of Implementation per Exhibit 1	90.0%
Reporting Unit on Schedule to meet Coverage Requirement	NO

**BMP 4 COVERAGE STATUS SUMMARY:**

Water supplier is not currently on track to meet the coverage requirements for this BMP.

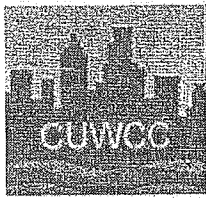
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**07-08**  
YRs  
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**BMP 05 Coverage: Large Landscape Conservation Programs and Incentives**

Reporting Unit:  
City of Garden Grove

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

An agency must meet three conditions to comply with BMP 5.

Condition 1: Develop water budgets for 90% of its dedicated landscape meter accounts within four years of the date implementation is to start.

Condition 2: (a) Offer landscape surveys to at least 20% of its CII accounts with mixed use meters each report cycle and be on track to survey at least 15% of its CII accounts with mixed use meters within 10 years of the date implementation is to start OR (b) Implement a dedicated landscape meter retrofit program for CII accounts with mixed use meters or assign landscape budgets to mixed use meters.

Condition 3: Implement and maintain customer incentive program(s) for irrigation equipment retrofits.

**Test for Condition 1**

Year	Report Period	BMP 5 Implementation Year	No. of Irrigation Meter Accounts	No. of Irrigation Accounts with Budgets	Budget Coverage Ratio	90% Coverage Met by Year 4
1999	99-00		197			NA
2000	99-00	1	197			NA
2001	01-02	2	310			NA
2002	01-02	3	310			NA
2003	03-04	4	310			NO
2004	03-04	5	310			NO
2005	05-06	6	263			NO
2006	05-06	7	306			NO
2007	07-08	8	317			NO
2008	07-08	9	331			NO

**Test for Condition 2a (survey offers)**

Select Reporting Period: 07-08  
 Large Landscape Survey Offers as % of Mixed Use Meter CII Accounts 0.6%  
 Survey Offers Equal or Exceed 20% Coverage Requirement NO

**Test for Condition 2a (surveys completed)**

Total Completed Landscape Surveys Reported through 07-08 15

Credit for Surveys Completed Prior to Implementation of

You are viewing coverage for:  
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Reporting Database	
Total + Credit	15
CII Accounts in Base Year	2,654
RU Survey Coverage as a % of Base Year CII Accounts	0.6%
Coverage Requirement by Year of Implementation per Exhibit 1	11.5%
RU on Schedule to Meet 10 Year Coverage Requirement	NO

**Test for Condition 2b (mixed use budget or meter retrofit program)**

<u>Report Year</u>	<u>Report Period</u>	<u>BMP 5 Implementation Year</u>	<u>Agency has mix-use budget program</u>	<u>No. of mixed-use budgets</u>
1999	99-00		NO	
2000	99-00	1	YES	
2001	01-02	2	NO	
2002	01-02	3	NO	
2003	03-04	4	NO	
2004	03-04	5	NO	
2005	05-06	6	NO	
2006	05-06	7	NO	
2007	07-08	8	NO	
2008	07-08	9	NO	

<u>Report Year</u>	<u>Report Period</u>	<u>BMP 4 Implementation Year</u>	<u>No. of mixed use CII accounts</u>	<u>No. of mixed use CII accounts fitted with irrig. meters</u>
1999	99-00		2,964	
2000	99-00	2	2,958	
2001	01-02	3	2,988	
2002	01-02	4	2,988	
2003	03-04	5	2,988	
2004	03-04	6	2,988	
2005	05-06	7	118	
2006	05-06	8	1,106	
2007	07-08	9	1,107	
2008	07-08	10	1,110	

**Test for Condition 3**

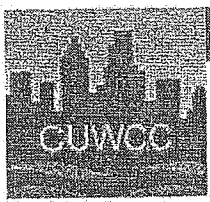
<u>Report Year</u>	<u>Report Period</u>	<u>BMP 5 Implementation Year</u>	<u>RU offers financial incentives?</u>	<u>No. of Loans</u>	<u>Total Amt. Loans</u>
1999	99-00		YES		
2000	99-00	1	YES		
2001	01-02	2	NO		
2002	01-02	3	NO		
2003	03-04	4	NO		
2004	03-04	5	NO		
2005	05-06	6	YES		

CUWCC BMP 05 Coverage Requirement Status

2006	05-06	7	YES		
2007	07-08	8	YES		
2008	07-08	9	YES		
<u>Report Year</u>	<u>Report Period</u>	<u>No. of Grants</u>	<u>Total Amt. Grants</u>	<u>No. of rebates</u>	<u>Total Amt. Rebates</u>
1999	99-00				
2000	99-00				
2001	01-02				
2002	01-02				
2003	03-04				
2004	03-04				
2005	05-06			4	\$ 36
2006	05-06			12	\$ 108
2007	07-08				
2008	07-08			3	\$ 767

**BMP 5 COVERAGE STATUS SUMMARY:**

Water supplier is not currently on track to meet the coverage requirements for this BMP.



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**BMP 06 Coverage: High-Efficiency Washing Machine Rebate Programs**

Reporting Unit:  
**City of Garden Grove**

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed  
 Agency indicated "at least as effective as" implementation during report period? No

An agency must meet two conditions to comply with BMP 6.

Condition 1: Offer a cost-effective financial incentive to customers for the purchase of high-efficiency washers with water factors of 9.5 or less.

Condition 2: Meet Coverage Goal (CG=Total Dwelling Units x 0.0768) by July 1, 2008. Agencies signing the MOU after July 1, 2003, shall have a prorated Coverage Goal, based on implementation period of less than 4.0 years.

**Test for Condition 1**

Agency offers rebates for residential high-efficiency washers with water factors of 9.5 or less: YES

**Test for Condition 2**

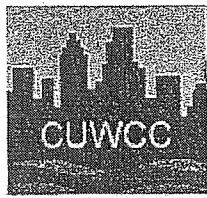
Coverage Goal: 2,371

Total Coverage Points Awarded (incl. past credit): 3,344

% of Coverage Goal: 141.04%

**BMP 06 COVERAGE STATUS SUMMARY:**  
 Water supplier has met the coverage requirements for this BMP.





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**BMP 07 Coverage: Public Information Programs**

Reporting Unit:  
**City of Garden Grove**

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

An agency must meet one condition to comply with BMP 7.

Condition 1: Implement and maintain a public information program consistent with BMP 7's definition.

**Test for Condition 1**

Year	Report Period	BMP 7 Implementation Year	RU Has Public Information Program?
1999	99-00	1	YES
2000	99-00	2	YES
2001	01-02	3	YES
2002	01-02	4	YES
2003	03-04	5	YES
2004	03-04	6	YES
2005	05-06	7	YES
2006	05-06	8	YES
2007	07-08	9	YES
2008	07-08	10	YES

**BMP 7 COVERAGE STATUS SUMMARY:**  
 Water supplier has met the coverage requirements for this BMP.

You are viewing coverage for:

**BMP 07**

**07-08**

**YRs**

DN - UP

**BMPs**

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**BMP 08 Coverage: School Education Programs**

You are viewing coverage for:  
**BMP 08**  
**07-08**  
**YRs**  
 DN - UP

**BMPs**  
 DN - UP

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Reporting Unit:  
**City of Garden Grove**

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

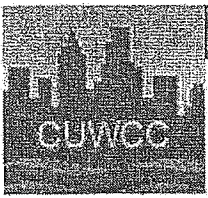
An agency must meet one condition to comply with BMP 8.

Condition 1: Implement and maintain a school education program consistent with BMP 8's definition.

**Test for Condition 1**

Year	Report Period	BMP 8 Implementation Year	RU Has School Education Program?
1999	99-00	1	NO
2000	99-00	2	YES
2001	01-02	3	YES
2002	01-02	4	YES
2003	03-04	5	YES
2004	03-04	6	YES
2005	05-06	7	YES
2006	05-06	8	YES
2007	07-08	9	YES
2008	07-08	10	YES

**BMP 8 COVERAGE STATUS SUMMARY:**  
 Water supplier has met the coverage requirements for this BMP.



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**BMP 09 Coverage: Conservation Programs for CII Accounts**

Reporting Unit:  
City of Garden Grove

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

An agency must meet two conditions to comply with BMP 9.

Condition 1: Agency has identified and ranked by use commercial, industrial, and institutional accounts.

Condition 2(a): Agency is on track to survey 10% of commercial accounts, 10% of industrial accounts, and 10% of institutional accounts within 10 years of date implementation to commence.

OR

Condition 2(b): Agency is on track to reduce CII water use by an amount equal to 10% of baseline use within 10 years of date implementation to commence.

OR

Condition 2(c): Agency is on track to meet the combined target as described in Exhibit 1 BMP 9 documentation.

**Test for Condition 1**

Ranked Commercial Use	YES
Ranked Industrial Use	YES
Ranked Institutional Use	YES

**Test for Condition 2a**

	Commercial	Industrial	Institutional
Total Completed Surveys Reported through 2008			
Credit for Surveys Completed Prior to Implementation of Reporting Databases	13	2	5
Total + Credit	13	5	5
CII Accounts in Base Year	1,836	617	201
RU Survey Coverage as % of Base Year CII Accounts	0.7%	0.8%	2.5%
Coverage Requirement by Year 9 of Implementation per Exhibit 1	7.7%	7.7%	7.7%
RU on Schedule to Meet 10 Year Coverage Requirement	NO	NO	NO

**Test for Condition 2b**

Year	Performance Target Savings (AF/yr)	Performance Target Savings Coverage	Performance Target Savings Coverage Requirement	Coverage Requirement Met
1999	59	0.8%	0.5%	YES

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**07-08**  
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BMPs  
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2000	59	0.8%	1.0%	NO
2001	59	0.8%	1.7%	NO
2002	59	0.8%	2.4%	NO
2003	59	0.8%	3.3%	NO
2004	59	0.8%	4.2%	NO
2005	73	1.0%	5.3%	NO
2006	73	1.0%	6.4%	NO
2007	85	1.1%	7.7%	NO
2008	86	1.1%	9.0%	NO

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**Test for Condition 2c**

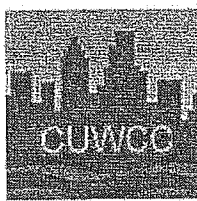

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Total BMP 9 Surveys + Credit	23
BMP 9 Survey Coverage	0.9%
BMP 9 Performance Target Coverage	1.1%
BMP 9 Survey + Performance Target Coverage	2.0%
Combined Coverage Equals or Exceeds Coverage Requirement?	NO

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**BMP 9 COVERAGE STATUS SUMMARY:**

Water supplier is not currently on track to meet the coverage requirements for this BMP.



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**BMP 11 Coverage: Conservation Pricing**

Reporting Unit:  
**City of Garden Grove**

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**07-08**

◀ **YRs** ▶  
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◀ **BMPs** ▶  
DN - UP

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**Memorandum of Understanding**

**MOU Exhibit 1 Coverage Requirement**



Agency indicated "at least as effective as" implementation during report period? No

Per June 13, 2007 revision, an agency must meet one condition to comply with BMP 11.

**Condition 1:** Agency shall maintain rate structure consistent with BMP 11's definition of conservation pricing. If agency provides retail sewer service, agency shall maintain rate structure for sewer service consistent with definition of conservation pricing for sewer service in Part II, Section in A.

Water Service

- Agencies signing the MOU prior to June 13, 2007, implementation shall commence no later than July 1, 2007.
- Agencies signing the MOU after June 13, 2007, implementation shall commence no later than July 1 of the year following the year the Agency signed the MOU.

Sewer Service

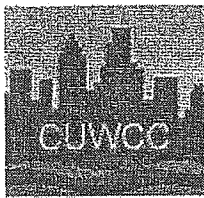
- Agencies signing the MOU prior to December 31, 1997, implementation shall commence no later than July 1, 2008.
- Agencies signing the MOU or becoming subject to the MOU after December 31, 1997, implementation shall commence no later than July 1 of the first year following the year the agency signed or became subject to the MOU.

**Test for Condition 1**

Agency is Fully Metered	YES
Agency Employed Conserving WATER Rate Structure	YES
Agency Provides Sewer Service	YES
Agency Employed Conserving SEWER Rate Structure	YES

**BMP 11 WATER COVERAGE STATUS SUMMARY:**  
Water supplier has met the coverage requirements for this BMP.

**BMP 11 SEWER COVERAGE STATUS SUMMARY:**  
Water supplier has met the coverage requirements for this BMP.



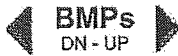
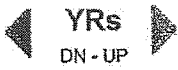
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**BMP 12 Coverage: Conservation Coordinator**

Reporting Unit:  
**City of Garden Grove**

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**07-08**  
**YRs**  
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**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

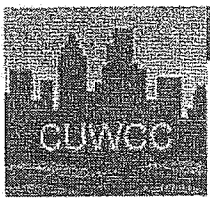
Agency shall staff and maintain the position of conservation coordinator and provide support staff as necessary.



**Test for Compliance**

Report Year	Report Period	Conservation Coordinator Position Staffed?	Total Staff on Team (incl. CC)
1999	99-00	YES	2
2000	99-00	YES	2
2001	01-02	YES	2
2002	01-02	YES	2
2003	03-04	YES	2
2004	03-04	YES	2
2005	05-06	YES	2
2006	05-06	YES	1
2007	07-08	YES	2
2008	07-08	YES	2

**BMP 12 COVERAGE STATUS SUMMARY:**  
 Water supplier has met the coverage requirements for this BMP.



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**BMP 13 Coverage: Water Waste Prohibition**

Reporting Unit:  
**City of Garden Grove**

You are viewing coverage for:  
**BMP 13**  
**07-08**  
**YRs**  
 DN - UP

**MOU Exhibit 1 Coverage Requirement**

No exemption request filed

Agency indicated "at least as effective as" implementation during report period? No

An agency must meet one condition to comply with BMP 13.

Implementation methods shall be enacting and enforcing measures prohibiting gutter flooding, single pass cooling systems in new connections, non-recirculating systems in all new conveyer car wash and commercial laundry systems, and non-recycling decorative water fountains.

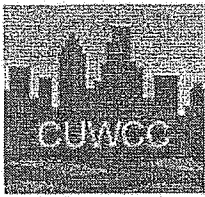


**Test for Condition 1**

**Agency or service area prohibits:**

Year	Gutter Flooding	Single-Pass Cooling Systems	Single-Pass Car Wash	Single-Pass Laundry	Single-Pass Fountains	Other	RU has ordinance that meets coverage requirement
1999	YES	NO	YES	NO	YES	YES	NO
2000	YES	NO	YES	NO	YES	YES	NO
2001	YES	NO	YES	NO	YES	YES	NO
2002	YES	NO	YES	NO	YES	YES	NO
2003	YES	NO	YES	NO	YES	YES	NO
2004	YES	NO	YES	NO	YES	YES	NO
2005	YES	NO	YES	NO	YES	YES	NO
2006	YES	NO	YES	NO	YES	YES	NO
2007	YES	NO	NO	NO	YES	YES	NO
2008	YES	NO	NO	NO	YES	YES	NO

**BMP 13 COVERAGE STATUS SUMMARY:**  
 Water supplier is not currently on track to meet the coverage requirements for this BMP.



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**BMP 14 Coverage: Residential ULFT Replacement Programs**

Reporting Unit:  
City of Garden Grove

You are viewing coverage for:  
**BMP 14**  
**07-08**

**MOU Exhibit 1 Coverage Requirement**



A Reporting Unit (RU) must meet one of the following conditions to be in compliance with BMP 14.

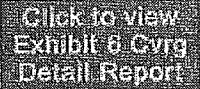


Condition 1: Retrofit-on-resale (ROR) ordinance in effect in service area.

Condition 2: Water savings from toilet replacement programs equal to 90% of Exhibit 6 coverage requirement.



An agency with an exemption for BMP 14 is not required to meet one of the above conditions. This report treats an agency with missing base year data required to compute the Exhibit 6 coverage requirement as out of compliance with BMP 14.

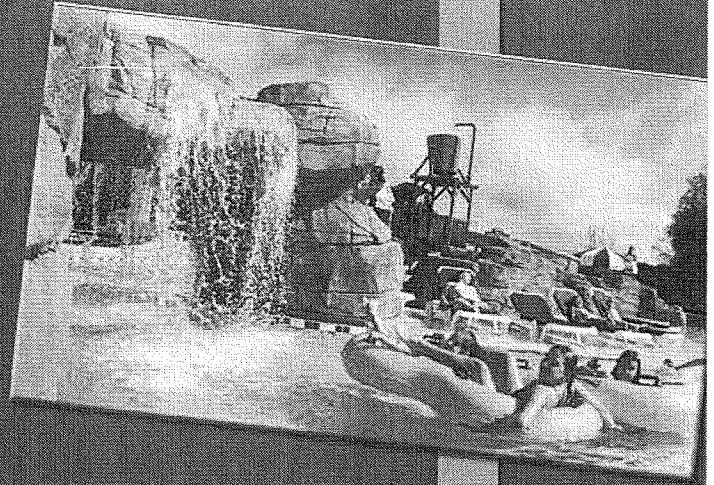


Coverage Year	BMP 14 Data Submitted to CUWCC	Exemption Filed with CUWCC	ROR Ordinance in Effect	Exhibit 6 Coverage Req'mt (AF)	Toilet Replacement Program Water Savings* (AF)
1999	YES	NO	NO		712.01
2000	YES	NO	NO		926.86
2001	YES	NO	NO		1206.74
2002	YES	NO	NO		1606.68
2003	YES	NO	NO		2095.59
2004	YES	NO	NO		2643.70
2005	YES	NO	NO		3175.23
2006	YES	NO	NO		3688.49
2007	YES	NO	NO		4183.50
2008	YES	NO	NO		4661.18

\*NOTE: Program water savings listed are net of the plumbing code. Savings are cumulative (not annual) between 1991 and the given year. Residential ULFT count data from unsubmitted forms are NOT included in the calculation.

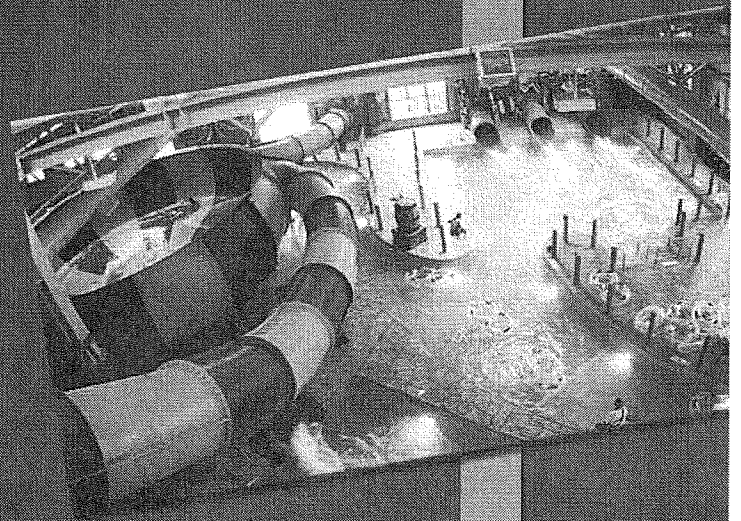
**BMP 14 COVERAGE STATUS SUMMARY as of 2009:**  
Water supplier has met the coverage requirements for this BMP.





# PSOMAS

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## Kathy Bailor

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**From:** Stacy Margolin  
**Sent:** Sunday, November 21, 2010 1:50 PM  
**To:** austenpell@sbcglobal.net; Kathy Bailor; David Barlag; bbmaese@gmail.com; Greg Blodgett; BobandDyan@sbcglobal.net; bryonholt@sbcglobal.net; bwright@tustinca.org; Rene Camarena; Dan Candelaria; carmorris@earthlink.net; Marti Carroll; Gus Castellanos; cbensonc@aol.com; Chris Chung; connie.margolin@gardengrovechamber.org; CONOLI@aol.com; Monica Covarrubias; debra.duran@landsberg.com; deede@newportpacific.com; Frank DeLaRosa; dianeofgg@aol.com; dicklobin@aol.com; doctorsnap@aol.com; don@dsigeneralcontractor.com; donn8@aol.com; dorisbailey@earthlink.net; dtortor567@sbcglobal.net; erlkrebs@aol.com; errol@giulianopeppers.com; Kitty Fox; Jennifer Goddard; Brent Hayes; Bob Higginbotham; Karl Hill; hydeho2@aol.com; idealwil@yahoo.com; Rosemarie Jacot; jenbrown1962@yahoo.com; jenet@grandmashope.org; jennifer.gallo@tenethealth.com; jerry.margolin@att.net; jessedjames@jamesmanagement.com; jhammersr@calrelo.net; Joey1618@gmail.com; jp10511@aol.com; jpkreitner@sbcglobal.net; juanm\_90620@yahoo.com; Charles Kalil; kruzin55@aol.com; kunidoc@aol.com; Jeff Kuramoto; Linh Le; leamock@bp.com; leeweegirl2@aol.com; lisa.beck@tenethealth.com; lori\_mcgee@hilton.com; lsmith@santa-ana.org; Don Lucas; lyndakrinke@yahoo.com; Elaine Maae; Shawna McDonough; Juan Medina; mgjd@sbcglobal.net; mikesandi43@gmail.com; Allison Mills; John Montanhez; mvega@acacia-services.org; nardinyoussef@yahoo.com; Monica Neely; p.obritz@yahoo.com; pat2038@gmail.com; Janet Pelayo; Danny Rodriguez; saimiw@gmail.com; Sandy.Thomas@fmb.com; Dana Saucedo; Sandra Segawa; siggcathy@yahoo.com; sigglindac@yahoo.com; silverztoyz@gmail.com; smargolin@sbcglobal.net; Mona Soares; speakerqueen@yahoo.com; stauffer@ggpd.org; Ben Stauffer; Maria Stipe; sukicart@aol.com; tstyalst@sbcglobal.net; Mark Uphus; Sylvia Uribe; Jeff VanSickle; Ding Victoria; Erin Webb; wswanstrom@hughes.net  
**Subject:** Grand Prize Drawing Winners

Soroptimist members were out in full force on Thursday, November 18th, 2010. Our meeting culminated with the drawing for the three cash prize winners. The lucky bookholders were drawn at random by members of Soroptimist International of Garden Grove who do not own a football book. Congratulations are in store for:

\$50.00 Cash Prize -- Cathy Standiford -- Owner of Book #20  
\$100.00 Cash Prize -- Mona Soares -- Owner of Book #48  
\$200.00 Grand Prize -- Shawna McDonough -- Owner of Book #85

Shawna was actually present at our meeting to witness her luck in person. Congratulations to you all and thank you for supporting Soroptimist International of Garden Grove. You can contact Kathy Bailor at (714) 741-5035 to collect your winnings.

MNF Games will continue until December 27, 2010. There are still plenty of chances to win! Next game is tomorrow, Denver Broncos vs. San Diego Chargers. Go Chargers!

**Stacy Margolin, MPA**  
**Administrative Analyst**  
**City of Garden Grove**  
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