Mono County Local Agency Formation Commission

PO Box 347 Mammoth Lakes, CA 93546 760.924.1800, fax 924.1801 commdev@mono.ca.gov PO Box 8 Bridgeport, CA 93517 760.932.5420, fax 932.5431 www.monocounty.ca.gov

SPECIAL MEETING AGENDA

Wednesday, February 7 – 3 p.m.

Town/County Conference Room, Minaret Village Mall, Mammoth Lakes, CA or videoconference at CAO Conference Room, Annex I, Bridgeport, CA

- 1. CALL TO ORDER
- 2. PUBLIC COMMENT
- 3. **MINUTES**: Minutes not available
- 4. APPOINT NEW EXECUTIVE DIRECTOR TO REPLACE RETIREE SCOTT BURNS
- **5. PUBLIC HEARING**: Consider Resolution R18-01 that would annex two undeveloped parcels (APNs 040-140-004 & -005) into the Mammoth Community Water District service area boundary. The parcels are located in the Snowcreek VIII Master Plan, Town of Mammoth Lakes.
- **6. ADJOURN** to next regular meeting: May 2, 2018

Mono County Local Agency Formation Commission

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STAFF REPORT

February 7, 2018

TO: Mono County LAFCO

FROM: Gerry Le Francois, Principal Planner

RE: Annexation of parcels 040-140-004 &- 005 into Mammoth Community Water District

Service Area

RECOMMENDATION

It is recommended that following a staff report and public hearing the Commission adopt Resolution R18-01 approving annexation #17-01 into the Mammoth Community Water District subject to all terms and conditions.

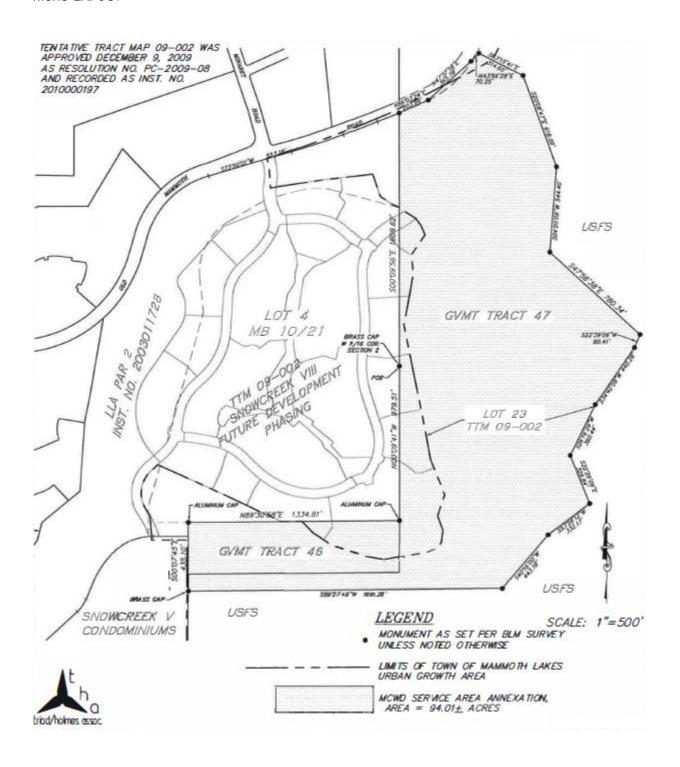
PROJECT DESCRIPTION/BACKGROUND

The Mammoth Community Water District (MCWD) contacted Mono LAFCO about annexation of two parcels of undeveloped land within the town of Mammoth Lakes and the MCWD Sphere of Influence. The subject properties, assessor parcel numbers 040-140-004 & -005, are in the Snowcreek VIII, Snowcreek Master Plan Update 2007 (Snowcreek VIII).



These two parcels (shaded) are undeveloped and uninhabited. Parcels 040-140-004 and -005 total approximately 94.01 acres that are proposed for annexation into the MCWD. MCWD

adopted Resolution 06-22-17-13 and submitted a formal application (see attachment 1) to Mono LAFCO.



The project was noticed to individual property owners within 300 feet of the property boundaries and to special districts. Staff has received approximately three phone calls regarding the annexation. No comment letters were received.

FACTORS OF CONSIDERATION PURSUANT TO GOVERNMENT CODE SECTION 56668:

- 1. *Population and growth*: The current population of the territory is zero, subject properties are within the town of Mammoth Lakes, and adjacent to existing /future development of Snowcreek Master Plan (Attachment 2).
- 2. Land Area: The total land area of the territory to be annexed is 94.01 acres.
- 3. *Topography*: The topography is generally flat with higher rolling terrain along the southern and western annexation boundary.
- 4. Present and Future Land Use: These parcels are included in the Snowcreek VIII, Snowcreek Master Plan Update. The current land use is vacant. Future land uses include a golf course, non-motorized summer and winter recreation, and equipment rental area (Outfitters' Cabin). See Attachment 2.
- 5. Surrounding Land Use: The parcels are adjacent to existing uses of Snowcreek Resort (residential/golf course/vacant) to the west, Mammoth Creek Park (open space) and Mammoth Creek Condos (residential) to the north, and public lands (open space/pack station/Sierra Meadows Ranch/propane facilities) managed by the Inyo National Forest to the east and south.
- 6. Landowners: The landowner is Snowcreek Investment Company II.
- 7. Assessed Value: The total assessed value of the vacant land for year 2017 is \$2.2 million (040-140-004 = \$730,800 and 040-140-005 = \$1,473,045).
- 8. Government Services, Availability, Adequacy and Structure: The subject territory is already being served by the Town of Mammoth Lakes. The annexation area is also served by Mammoth Unified School District, Cerro Coso Community College, Southern Mono Healthcare District, and Mammoth Lakes Fire Protection District.
- 9. Effects on Agriculture and Open-Space Lands and adjacent areas: The proposal could increase use of adjacent open-space lands managed by the Inyo National Forest, but these areas are already used by area residents and visitors for summer and winter recreation. The annexation area will align the district boundary with existing land use designations that allow for development subject to the Snowcreek VIII, Snowcreek Master Plan Update and FEIR.
- 10. *Boundaries*: The annexation of these parcels has been clearly defined (Attachment 1A); they align with the Snowcreek VIII and Snowcreek Master Plan Update.
- 11. Comments from affected agencies, landowners and the public: There were no comments from affected agencies or the public.
- 12. Correspondence: Staff has received no correspondence regarding this proposal.
- 13. Ability to provide services including revenues: MCWD has provided a plan of services, ensuring it has adequate infrastructure and capacity to serve the parcels under existing ordinances and service agreements (Attachment 1B & 1D).
- 14. *Timely Availability of Water Supplies*: MCWD District Water Supply Assessment listed this annexation as an anticipated action along with the District Water Supply Agreement with Snowcreek for the Snowcreek golf course and Snowcreek VIII common area landscaping

using recycled water when available. The district is pursuing upgrades to water treatment facilities that will improve water service availability (Attachment 1D).

- 15. Regional Housing Needs: This proposal should have a positive effect on regional housing needs, as the Snowcreek Master Plan and Development Agreement includes on-site affordable housing (TOML Housing Element p.2-14).
- 16. *Environmental Justice*: This proposal will have no adverse effect with respect to the fair treatment of people of all races and income. The parcels are currently vacant.
- 17. Consistency with city general plan, specific plan, and/or regional transportation plan: The proposed annexation area is consistent with Town of Mammoth Lakes General Plan, is part of the Snowcreek VIII, Snowcreek Master Plan Update and Final Environmental Impact Report adopted by the Town of Mammoth Lakes, and consistent with the Regional Transportation Plan, Chapter 4, Mammoth Lakes Mobility Element.

ENVIRONMENTAL REVIEW

The Town of Mammoth Lakes certified the FEIR for Snowcreek Master Plan Update (SCH 2006112015), which includes Snowcreek VIII, as the Lead Agency under the California Environmental Quality Act (CEQA). Mono LAFCO is a Responsible Agency under CEQA and needs to independently consider the FEIR, environmental effects, mitigation measures, and make the necessary findings of the project directly related to LAFCO's function. Mono LAFCO's function is to:

 coordinate, direct, and oversee logical and timely changes to local governmental boundaries, includes annexation and detachment of territory, incorporation of cities, formation of special districts, and consolidation, merger, and dissolution of districts.

Mono LAFCO, as a Responsible Agency, has considered the FEIR before taking action on the project. See Resolution R18-01.

ATTACHMENTS

- 1A) Mono LAFCO Resolution R18-01 (Annexation 17-01)
- 1B) MCWD Res 06-22-17-13 & Application
- 1C) Snowcreek VIII Proposed Development Areas
- 1D) Water Supply Assessment Letter

RESOLUTION RI8-01

A RESOLUTION OF THE MONO LOCAL AGENCY FORMATION COMMISSION (LAFCO) AMENDING THE SPHERE OF INFLUENCE AND ANNEXING PROPERTY TO THE MAMMOTH COMMUNITY WATER DISTIRCT

WHEREAS, the Mammoth Community Water District adopted a resolution of application to initiate proceedings before the Local Agency Formation Commission for Mono County (Commission) pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), the annexation of territory located within the County of Mono; and

WHEREAS, the Mammoth Community Water District currently provides water and sewer services for the Town of Mammoth Lakes and the Snowcreek Development; and

WHEREAS, the principal reason for the proposed Sphere of Influence amendment and annexation would allow Mammoth Community Water District to provide water and sewer services for the Snowcreek VIII Development; and

WHEREAS, a map of the proposal is set forth in Exhibit A & B, attached hereto and by this reference herein: and

WHEREAS, on February 7, 2018, this Commission considered the proposal and staff report of the Executive Officer, along with any public comment on the proposal.

NOW, THEREFORE, BE IT RESOLVED as follows:

- A. Pursuant to Government Code Section 56668.3, the Commission hereby finds and determines that: 1) this district annexation has not been terminated, and 2) the following factors have been considered by the Commission:
 - (a) the proposed annexation will be for the interest of future landowners and inhabitants within the Mammoth Community Water District annexation area;
 - (b) factors have been considered by the Commission as provided in Section 56668;
 - (d) No objections to this action have been raised by any affected agency; and
 - (e) Any other matters which the Commission deems material; and
- B. The Commission finds that the Town of Mammoth Lakes certified a Final Environmental Impact Report (FEIR) for the Snowcreek VIII Master Plan Update (SCH#2006112015) and the Commission has considered this FEIR under the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15096.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Commission directs staff to file a

notice of decision under CEQA Guidelines 15094 and Annexation.		
APPROVED and ADOPTED this 7th day of Fe AYES: NOES:	ebruary 2018, by the following vote:	
ABSENT:	APPROVED AS TO FORM	
CD Ritter LAFCO Secretary	Anne Larsen, LAFCO Counsel	DRAFT

EXHIBIT A

MAMMOTH COMMUNITY WATER DISTRICT SERVICE AREA ANNEXATION

TOWN OF MAMMOTH LAKES, MONO COUNTY, CALIFORNIA

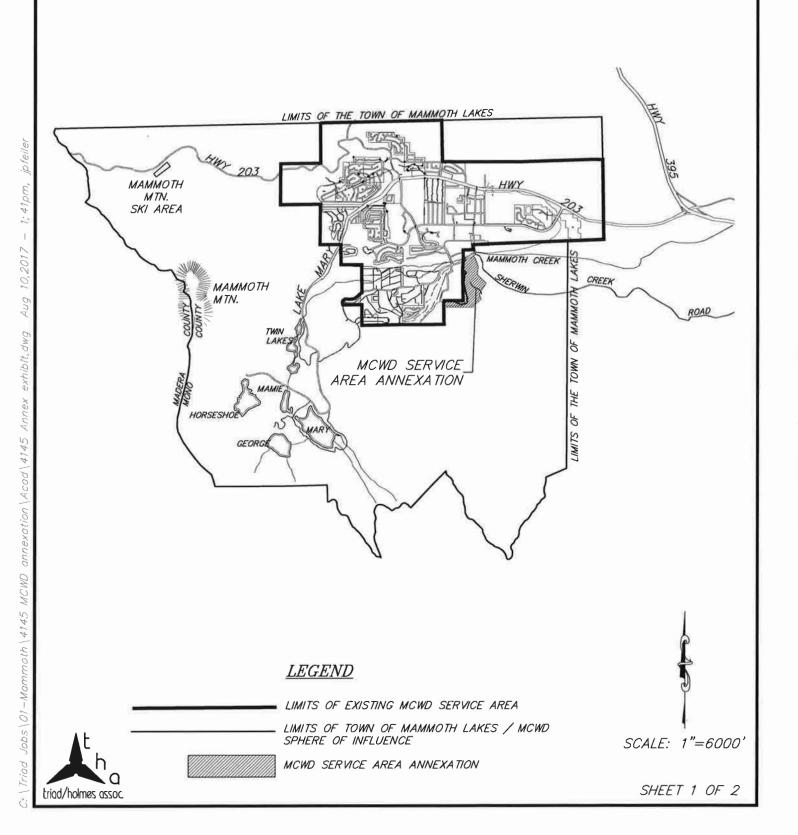
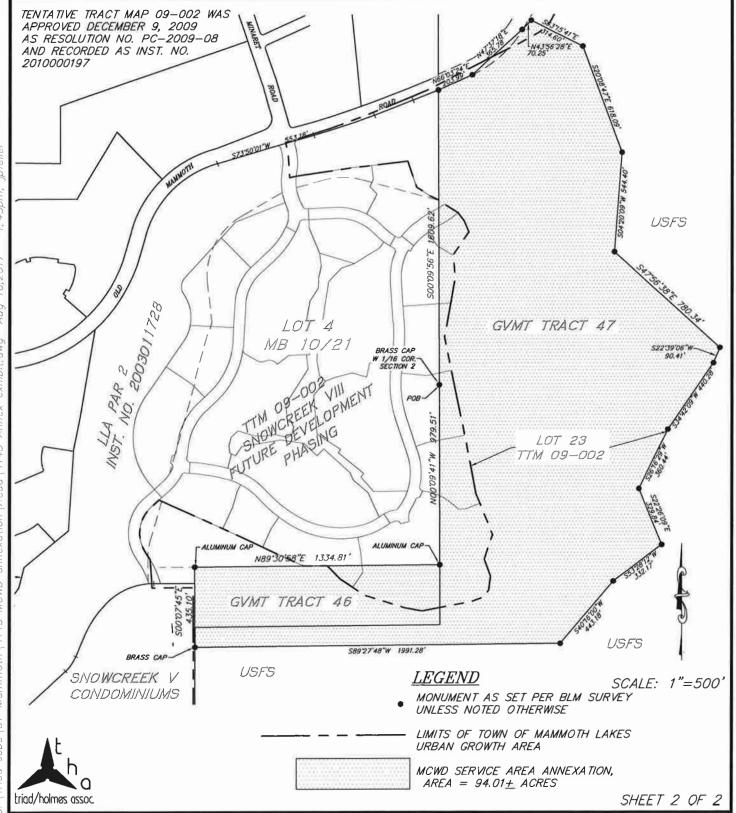


EXHIBIT B

MAMMOTH COMMUNITY WATER DISTRICT SERVICE AREA ANNEXATION

TOWN OF MAMMOTH LAKES, MONO COUNTY, CALIFORNIA



Aug exhibit, dwg Annex annexation | Acad | 4145 Jobs | 01-Mammoth | 4145 MCWD

RESOLUTION NO. 06-22-17-13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MAMMOTH COMMUNITY WATER DISTRICT MAKING APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION OF MONO COUNTY TO TAKE PROCEEDINGS FOR THE ANNEXATION OF TWO PARCELS INTO THE MAMMOTH COMMUNITY WATER DISTRICT

WHEREAS, the Mammoth Community Water District ("MCWD" or "District") desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for the annexation of two parcels that have requested inclusion within the District's territory; and;

WHEREAS, a notice of intent to adopt this resolution of application has not been given to each interested and subject agency;

WHEREAS, this proposal is consistent with the District's existing sphere of influence, and therefore there are no affected cities or districts within the meaning of Subdivision (a)(9) of Section 56700 of the Government Code except MCWD;

WHEREAS, the territory proposed to be annexed into MCWD is uninhabited and a map and description of the boundaries of the affected parcels are set forth in Exhibits A and B attached hereto and by this reference incorporated herein;

WHEREAS, it is desired to provide that the proposed annexation be subject to the following terms and conditions:

1. All costs incurred to complete the annexation, including but not limited to Mono LAFCO and the State Board of Equalization fees and expenses, will be paid by MCWD and reimbursed by the affected property owner at MCWD's cost pursuant to the Annexation and Funding Agreement Between MCWD and Snowcreek Investment Company II, LLC Requesting Annexation of Snowcreek Phase VIII Property to the District.

WHEREAS, the Town of Mammoth Lakes has adopted a final environmental impact report and addition to that report for this project, which includes an analysis of annexing the lands into MCWD for the purposes of providing water and wastewater services to the Snowcreek Phase VIII development project, and has approved the project with appropriate mitigation measures;

WHEREAS, the MCWD Board certifies, pursuant to Section 56663 of the Government Code, that the property in question is currently uninhabited and that the property owner has

consented to the annexation in writing, and therefore the District wishes to waive the notice and hearing and (or) election;

WHEREAS, in accordance with Government Code Section 56653, the Board hereby adopts a Plan for Services for this proposed annexation consistent with the Final EIR and Addition to FEIR certified by the Town of Mammoth Lakes and as provided for in the conceptual improvements for the approved Tentative Tract Map 2009-002.

NOW, THEREFORE, BE IT RESOLVED that this Resolution of Application is hereby adopted and approved by the Board of Directors of the Mammoth Community Water District and the Board hereby requests that the Local Agency Formation Commission of Mono County to take proceedings for annexing the two parcels shown in Exhibit B according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

BE IT FURTHER RESOLVED that the District General Manager is directed to file an executed copy of this Resolution of Application with the Mono LAFCO's Executive Officer, and is designated as the recipient of all LAFCO notices related to the proposed annexation.

PASSED AND ADOPTED by the Board of Directors of the Mammoth Community Water District on June 22, 2017, by the following vote:

AYES:

Directors Cage, Creasy, Domaille, Kaufman and Smith

NOES:

None None

ABSENT:

ABSTAIN: None

Thomas R. Smith

President, Board of Directors

ATTEST:

Patrick A. Hayes

Secretary, Board of Directors

Mono Local Agency Formation Commission Minaret Village Mall 437 Old Mammoth Road, Suite P 760-924-1800/760-924-1801fax email: comdev@monocounty.ca.gov DATE BOUNDARY
CHANGE APPLICATION
RECEIVED BY LAFCO
RECEIVED

AUG 10 2017

MONO COUNTY
Community Development

BOUNDARY CHANGE PROPOSAL APPLICATION

This application is designed to be used for all proposals received by the Commission. If a question is not applicable to your proposal, please note accordingly. Thank you for your cooperation and assistance in completing this application.

A) An application is hereby made for boundary changes (such as an annexation, detachment, or formation) involving the following cities and special districts:

Action: (ex. annex, detach)		Agency:		
Annex	to/from	Mammoth Community		
	to/from	Water District		
	to/from			
	to/from			
	to/from			
 a) This proposal includes: 1) 12 or more registered voters: 2) 100% consent of property owners: 		YES NO X		
C) Assessor's Parcel Numbers (Attach a list if necessary):				
0-140-004-000				
10-140-005-000				

D)	Is this proposal consistent with the adopted Sphere of Influence of all affected agencies? YES NO
E)	The following items <u>must</u> be submitted with this application:
	1) A <u>resolution of application</u> adopted by the affected city or special district (a <u>Hached</u>) OR A petition of landowners or registered voters.
	 2) One copy of a metes-and-bounds description of the perimeter of the subject territory. (a trached) 3) 1 copy of a plat map showing the subject territory AND the existing boundaries of the affected city or district. (see exhibit A and B of attached veso lution)
	JUSTIFICATION
A)	In as much detail as possible, please explain why this proposal is necessary <u>at this time</u> . (For example, a proposed development or existing residences might require services not currently provided or available.)
	see attached
B)	Is this change of organization proposed to carry out a development project? If so, describe the project. $\forall e \leq$

Snowcreek VIII, see attached EIR.	
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DESCRIPTION

A) Describe the general location and physical features of the territory included in this proposal. Refer to major roads, watercourses, and topographical features.

The annexation area is currently undereloped detailed description of the general location and physical features of the territory included in the proposal including major roads, water courses, and topographical described in the Draft and Final EIR for the Snowcreek Master Plan (incorporated by reference,) and Final EIR, 2008 www.ci. mammoth-lakes, ca. us/index. aspx? NID = 145

Boundary Change Application

Snowcreek VIII, see attached EIR
B) How many acres (or square miles) of territory are included in the proposal? 95.09 acres
C) How many people live in the subject territory? None
D) How many registered voters live in the subject territory? None
E) Proposed Land Use:
 Describe the anticipated development (type of buildings, number of units, number of permanent employees who will work in any new commercial or industrial projects).
see attached EIR
· · · · · · · · · · · · · · · · · · ·
2) If no development is planned at this time, would approval of this proposal increase the development potential of the property? YES NO NO N/A
If so, please indicate in terms of potential use, number of units, etc.

SPECIAL REVENUES
A) Does the city or special district have plans to establish any new assessment districts, service charges, or other means to pay for new or extended services to this area?
No , Snowcreek VIII, including the annexation area
after it is annexed into the District Service Area
Boundary, will be serviced by the District under
existing ordinances for service connections and the
existing ordinances for service connections and the water supply Agreement described in Justification
47
B) Will the area assume liability for any existing bonded debt upon annexation? YES \(\sum \) NO \(\sum \)
If so, please indicate taxpayer cost:

C) Will the territory be subject to any new or additional taxes, benefit charges, or fees? YES NO X If so, please explain: See Special Revenues A).				
INDEMNIFICATION				
LAFCO requires that applicants indemnify LAFCO from litigation costs as a condition of all approvals. Contact LAFCO staff if you have any questions.				
PROPONENT INFORMATION				
LAFCO will consider the person signing this application as the proponent of the proposed action(s). Notices and other communications regarding this application will be directed to the proponent at:				
Name: Jaha Podensena				

Address:	P.O. Box 597			
City:	Mammoth Lakes, CA		Zip:	93546
Phones:	Work: 760,934, 2596 x240 Fax: 760.934, 2143			
	Cell: 760.914.0156	Home:		
email:	1: jpedersen@mcwd.dst.ca.us			
Signature:	John Pederson			

Mcwb District Engineer

EXHIBIT A

MAMMOTH COMMUNITY WATER DISTRICT SERVICE AREA ANNEXATION

TOWN OF MAMMOTH LAKES, MONO COUNTY, CALIFORNIA

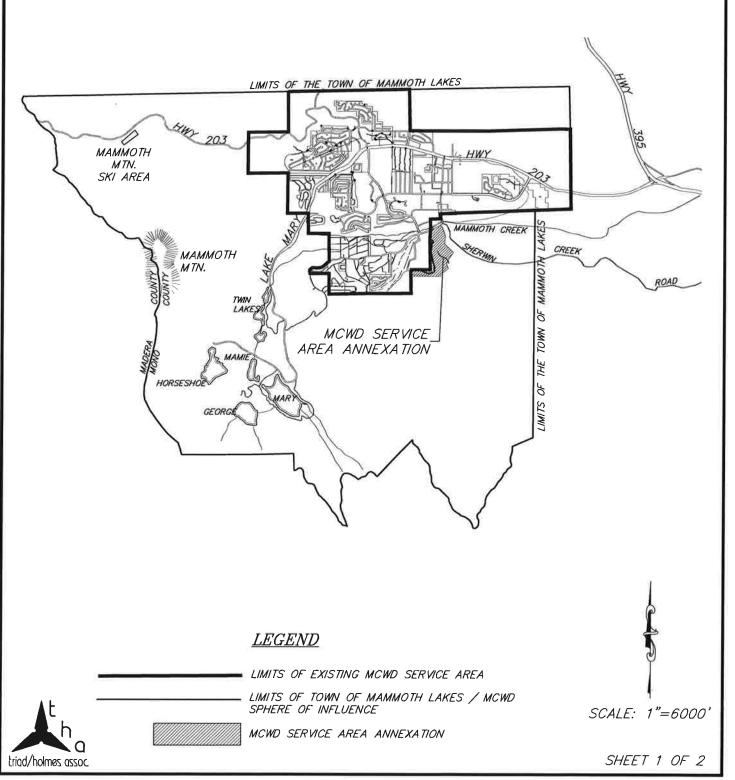
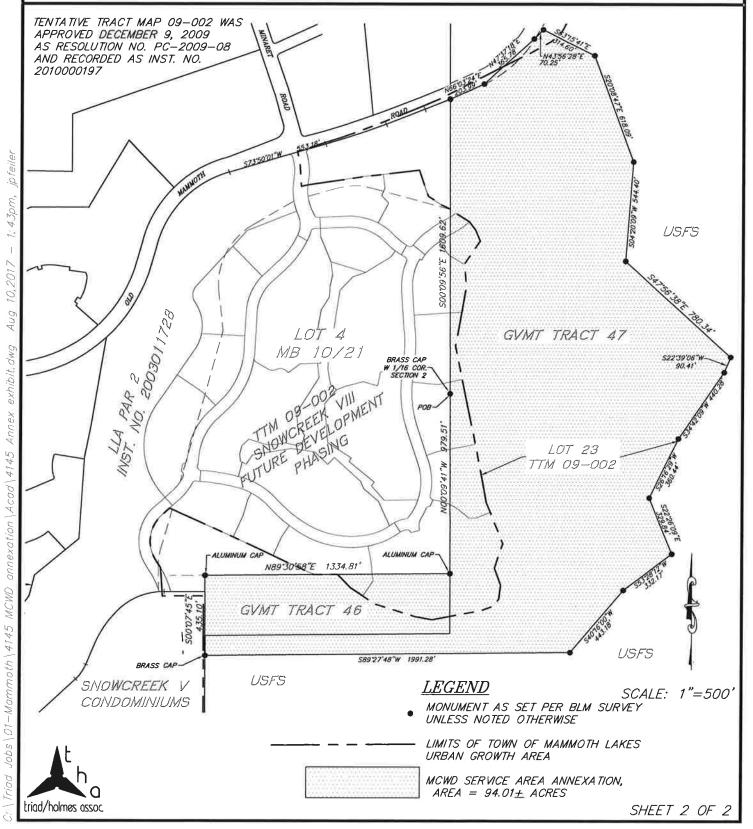


EXHIBIT B

MAMMOTH COMMUNITY WATER DISTRICT SERVICE AREA ANNEXATION

TOWN OF MAMMOTH LAKES, MONO COUNTY, CALIFORNIA



THE METES AND BOUNDS DESCRIPTION OF THE ANNEXATION AREA

GOVERNMENT Tract 46 and Tract 47 located in Section 2, Township 4 South, Range 27 East, Mount Diablo Base and Meridian, in the Town of Mammoth Lakes, County of Mono, State of California according to the Bureau Land Management plat entitled "TOWNSHIP 4 SOUTH, RANGE 27 EAST, OF THE MOUNT DIABLO MERIDIAN, CALIFORNIA, DEPENDENT RESURVEY, AND SURVEY OF TRACT 47", completed on January 28th, 2004, and referred to hereon as "BLM Survey", and more particularly described as follows:

BEGINNING at a point on the west boundary line of said Tract 47, said point being the center west sixteenth corner of said Section 2 and marked with a brass cap monument as shown on said BLM Survey. Said monument also being an angle point in common with a point on the east line of Lot 4 of Tract 36-166 as per map filed in Book 10 of Tract Maps at Pages 21 through 21D in the Office of the County Recorder of said County;

THENCE northerly along the west line of said Tract 47, North 00°09'56" West, 1609.62 feet to a brass cap as set per BLM Survey;

THENCE North 66°03'24" East, 203.99 feet to a brass cap as set per said BLM Survey;

THENCE North 47°37'18" East, 365.78 feet to a brass cap as set per said BLM Survey;

THENCE North 43°56'28" East, 70.25 feet to a brass cap as set per said BLM Survey;

THENCE South 63°15'41" East, 314.60 feet to a brass cap as set per said BLM Survey;

THENCE South 20°08'47" East, 618.09 feet to a brass cap as set per said BLM Survey;

THENCE South 04°20'09" West, 544.40 feet to a brass cap as set per said BLM Survey;

THENCE South 47°56'38" East, 780.34 feet to a brass cap as set per said BLM Survey;

THENCE South 22°39'06" West, 90.41 feet to a brass cap as set per said BLM Survey;

THENCE South 34°42'09" West, 440.28 feet to a brass cap as set per said BLM Survey;

THENCE South 26°16'29" West, 360.44 feet to a brass cap as set per said BLM Survey;

THENCE South 22°26'09" East, 329.84 feet to a brass cap as set per said BLM Survey;

THENCE South 53°28'12" West, 332.17 feet to a brass cap as set per said BLM Survey;

THENCE South 40°16'00" West, 443.18 feet to a brass cap as set per said BLM Survey;

THENCE South 89°27'48" West, 1991.28 feet to a brass cap as set per said BLM Survey marking the Southwest corner of said Tract 47;

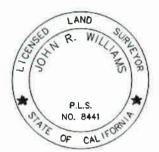
THENCE along the westerly line of said Tract 47 and also along the westerly line of said Tract 46, North 00°07'45" West, 435.10 feet to an aluminum cap as found per said BLM Survey marking the northwest corner of said Tract 46;

THENCE along the north line of said Tract 46 and also being the south line of said Lot 4, North 89°30'58" East, 1334.81 feet, to an aluminum cap as found per said BLM Survey marking the northeast corner of said Tract 46 and also being the southeast corner of said Lot 4,

THENCE northerly along the west line of said Tract 47 and the easterly line of said Lot 4, North 00°09'41" West, 979.51 feet to the POINT OF BEGINNING.

This description including Tracts 46 and 47 of said Bureau of Land Management Survey and containing 94.01 acres, more or less.

The basis of bearings used for this legal description is the bearing between found centerline monuments in Old Mammoth Road at the centerline intersection with Minaret Road and the monument found 399.29 feet southwest and shown as South 73°50'01" West per Tract Map No. 36-236A recorded in Book 10 of Tract Maps at Page 105 through 105F, in the Office of said County Recorder.



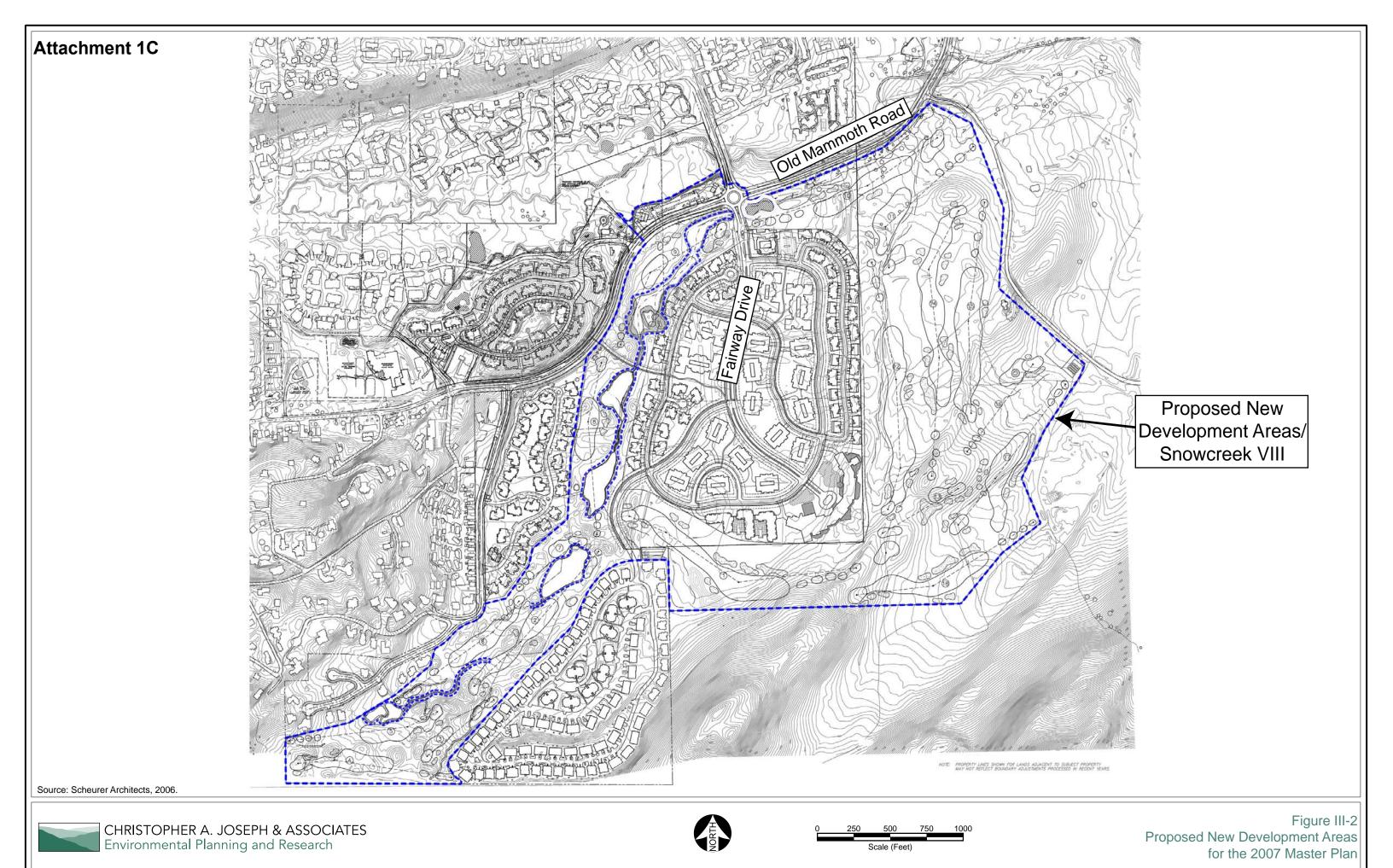
Legal Description Prepared Under the Supervision of

John R. Williams, P.L.S. No. 8441

Justification A)

An agreement with Snowcreek Investment Co. II (Owner) was executed with the Mammoth Community Water District (District) to initiate an annexation process with the Mono County Local Agency Formation Commission (LAFCO) to annex a part of the Snowcreek VIII development area that is currently outside the District Service Area boundary. These lands were acquired by the Owner in a land exchange with the United States Forest Service and are approved for development by the Town under the Snowcreek Master Plan. The attached Final Environmental Impact Report Addition for the Snowcreek VIII, Snowcreek Master Plan Update – 2007 Project (EIR) recognizes that this annexation is an action that would be completed after the update was approved (Section II, F Discretionary Actions). The District Water Supply Assessment (EIR, Appendix B) for this certified CEQA document listed this annexation as an anticipated action along with the District Water Supply Agreement with Snowcreek for the Snowcreek golf course and Snowcreek VIII common area landscaping using recycled water when available (Agreement). This is now an approved and executed water supply agreement that provides for the District to supply irrigation water to the existing Snowcreek golf course, proposed golf course expansion and Snowcreek VIII development common area landscaping including the annexation area.

Based on the tentative tract map for Snowcreek VIII phased development, the annexation area consists of approximately 90 % proposed golf course and 10% proposed multifamily and hotel uses. This annexation is a Condition of Approval for the Final Snowcreek VIII tract map (TM 2009-002). The District approved a Resolution of Application for this LAFCO application on June 22, 2017 (Resolution No. 06-22-17-13).



MAMMOTH COMMUNITY WATER DISTRICT

Post Office Box 597 Mammoth Lakes, California 93546 (760) 934-2596



May 12, 2009

Town of Mammoth Lakes Planning Division Attn: Jen Daugherty Post Office Box 1609 Mammoth Lakes, CA 93546



Re: Water Supply Assessment for Snowcreck Master Plan

Dear Ms. Daugherty,

This letter provides updated information to supplement previous correspondence regarding water supply from the Mammoth Community Water District (MCWD) to the Snowcreek VIII development. The updated information reflects water supply issues related to changes in the Snowcreek VIII Project (Project) layout since MCWD's last correspondence in January 2008, at which time the final EIR for the Project was issued. Our letter of January 2008 included two tables updating our Water Supply Assessment for the Project and confirming that MCWD had adequate existing and future water supply dedicated to serving the forecasted water supply requirements. Since the January 2008 final EIR issuance, two related steps in the review and approval for the Project have occurred, which require updating the water supply availability for the Project; the Snowcreek Neighborhood District Plan (NDP) was developed and adopted by the Town in December 2008, and an updated Snowcreek VIII Master Plan (Master Plan) was issued in April 2009.

The issue which results from changes to the Project, as reflected in the 2008 NDP and April 2009 Master Plan, is the location of a portion of the Project outside of both the existing MCWD legal boundaries and the lands covered under the Arcularius / Dempsey Agreements. Snowcreek is the successor to Arcularius/Dempsey under these agreements. See earlier correspondence for details on these agreements. Pursuant to these agreements, and in exchange for certain considerations, MCWD committed to providing water service to the specified property, up to a maximum number of units. The total units included in the April 2009 Master Plan is below the maximum per the Agreements. Therefore, the conclusions regarding adequate available water supply presented in MCWD's letter of January 2008 are still valid.

However, to ensure both adequate water supply availability and the legal commitment and ability to serve the full extent of the Project, revisions will be needed to both the

MCWD legal boundaries and the lands covered under the Arcularius/Dempsey Agreements. MCWD staff, subject to confirmation by the District Board of Directors (to be considered at the May 28th 2009 Board Meeting), intends to work with Snowcreek, LAFCO, and the Town to implement these changes as part of the remaining steps in permitting and approval for Snowcreek Phase VIII. We anticipate the following sequence of activities:

1. MCWD to seek LAFCO approval to extend MCWD's legal boundaries to enclose all lands within the Project, including the proposed golf course expansion.

2. MCWD and Snowcreek to approve an amendment to the Arcularius/Dempsey Agreements, extending the water service commitment to those units of the future development outside the current Agreement lands, and capping the total units of development based on the revised Master Plan.

3. MCWD and Snowcreek to execute a long term Recycled Water Supply Agreement, which addresses the non-potable water supply for the future golf course expansion. The irrigation demands for the future golf course are outside of the current District legal boundaries, and were not included in WSA. By using recycled water as the primary supply, the net impact of the future irrigation demands on potable sources (groundwater and surface water) will be offset.

If you have any questions regarding the above information, please contact me.

Sincerely,

Mammoth Community Water District

Greg Norby

General Manager