

**FUNDING RESERVE AGREEMENT  
(GOBERNADORA MULTI-PURPOSE BASIN)**

This Funding Reserve Agreement (Gobernadora Multi-Purpose Basin) (“**Agreement**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2015 (the “**Effective Date**”) by and between DMB San Juan Investment North, LLC, a Delaware limited liability company (“**DMBSJIN**”), and the County of Orange, a political subdivision of the State of California (“**County**”). DMBSJIN and County are sometimes individually referred to herein as a “**Party**” and collectively as the “**Parties**.”

**RECITALS**

A. On November 14, 2012, the Parties, together with the Santa Margarita Water District (“**SMWD**”), entered into the Gobernadora Multi-Purpose Basin Implementation Agreement (“**Implementation Agreement**”) concerning the roles, obligations, funding, and commitments relative to the design, construction, ownership, operation and maintenance of a joint use project commonly known as the “Gobernadora Multi-Purpose Basin” (“**GMB**” or “**Project**”).

B. As identified in the Implementation Agreement, the GMB will cover approximately between thirty-five (35) acres and forty (40) acres of land located in southern Orange County, California – specifically, an area located southerly of the Coto de Caza community and northerly of the Gobernadora Ecological Restoration Area (“**GERA**”). Said area is located within the Rancho Mission Viejo Planned Community, also referred to as the “**Ranch Plan**”. Implementation of the GMB will help to alleviate historic water quality problems attributable to Coto De Caza in the downstream areas including the GERA and San Juan Creek, and satisfy certain commitments set forth in EIR 589 as well as the Ranch Plan Development Agreement dated November 8, 2004, between the County and DMBSJIN and certain of its affiliates.

C. The GMB includes the following elements which are depicted in the plan attached hereto as **Exhibit A** and included herein by this reference: (i) an upper basin (“**Upper Basin**”) that will function/serve as a detention and water quality basin for surface water flows originating northerly of the GMB, and (ii) a lower basin (“**Lower Basin**”) that will function/serve as a retarding basin for peak drainage flows that spill over from the Upper Basin during heavy precipitation and water flow events.

D. In accordance with the Implementation Agreement, an Operation and Maintenance Manual (“**O&M Manual**”) will be prepared for the GMB (including all appurtenant structures). O&M responsibilities pertaining to the Lower Basin will be subject to the review and approval by the Parties.

E. In accordance with the Implementation Agreement, the County will accept title to the Lower Basin property as well as its associated on-going O&M responsibilities upon occurrence of certain events as set forth in the Implementation Agreement.

F. Pursuant to the Implementation Agreement, SMWD has assumed responsibility for permitting, design, and construction of the GMB, which is currently underway. Also, in accordance with the Implementation Agreement, following SMWD's completion of the GMB improvements, SMWD will have responsibility for permanent ownership and maintenance of the Upper Basin and the County will accept ownership and maintenance responsibilities for the Lower Basin as stipulated in Recital E above.

G. There have been significant modifications and refinements to the original design of the GMB which significantly increase potential O&M costs that were stated in the Implementation Agreement. Among these modifications (as shown on Exhibit A) are (i) the Upper Basin that is approximately 22 acres in size will now also function/serve as a peak flow retarding basin, (ii) the Lower Basin that is approximately 18 acres in size is split into two smaller basins that significantly increase the length of levees to be maintained, (iii) two (2) additional spillway structures as a result of the Lower Basin split, and (iv) mechanical features including the upper and lower inflatable rubber dams that require operation and maintenance and replacement after their limited service lives.

H. Additionally, the current design of the GMB embankments does not comply with certain County seismic design standards in relation to slope stability. Adherence to those design standards would cause construction costs to far exceed the benefit for value of improvements downstream of the GMB facility (habitable structures are not affected by the GMB facility any more than the existing conditions of San Juan Creek). Specifically, due to the potential for high groundwater levels in the area, adherence to those design standards would result in a significant increase in the projected cost of the GMB, as estimated by Pacific Advanced Civil Engineering, Inc. (PACE) and Goffman, McCormick and Urban Geotechnical, Inc. (GMU), consultants to RMV (defined below).

I. Studies by those same consultants have shown that the current design for the GMB achieves satisfactory performance for more likely seismic events, and that there would be no expected property/life loss from any design event. However, the studies also indicate that potential consequences/damage to the basin and its associated design features from seismic liquefaction could include (1) outlet pipe damage and vertical movement, (2) spillway cracking and settlement, (3) loss of usable storage volume capacity and freeboard, (4) access roadway and concrete ramp displacement, (5) asphalt cracking, (6) embankment slope damage and geometry deformation, (7) revctment rock displacement, (8) reinforced concrete structure damage and settlement/relocation, and (9) slide gate damage and misalignment.

J. Based on the above information, Orange County Public Works (“OCPW”) has accepted a design deviation shown on **Exhibit B** attached hereto and incorporated herein by this reference, to allow the GMB to be constructed using the current approved design. However, OCPW’s acceptance of a design deviation is subject to a condition requiring a reservation of funds to compensate the County in repairing the GMB facility in the event that any damage occurs from a seismic event that may be attributable to non-compliance with County seismic design criteria and provided that acceptance of the facility will be conditioned on an agreement approved by the County’s Board of Supervisors, as discussed in Recital M below.

K. The Parties have agreed that the required funding condition will be satisfied through the establishment of a special account by the County, into which specified amounts of money will be contributed by DMBSJIN or other Rancho Mission Viejo-related entities (collectively, “RMV”) or its assigns, over time, and held by the County in reserve until needed to cover the costs of repairs to the GMB (the “**Funding Reserve Account**”).

L. RMV has proposed to deposit into said Funding Reserve Account a specific, one-time dollar amount, payable in annual installments, as provided for in this Agreement.

M. The Parties have also agreed that acceptance of the Lower Basin by the County will be contingent on the approval of an amendment to the Implementation Agreement addressing the responsibilities and costs associated with the ownership and O&M of the Lower Basin as a result of significant modifications to the facility as described in Recital G above.

N. This Agreement is being entered into for the purpose of specifying the terms and conditions governing the establishment and funding of the Funding Reserve Account, and the use of funds from said account.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Acceptance of the Lower Basin. In addition to those conditions set forth in the Implementation Agreement, the Parties agree that the following conditions shall be met prior to County’s acceptance of the Lower Basin:

a. Funding Reserve Agreement. Approval and execution of this Agreement, which is being entered into by the Parties to set forth the rights and obligations to fund and use the Funding Reserve Account.

b. Implementation Agreement Amendment. An amendment to the Implementation Agreement shall be entered into which will set forth each respective party’s duties, responsibilities, and obligations relative to the ownership and O&M of the GMB, which

includes the Lower Basin, as a result of significant modifications to the GMB facility including but not limited to those identified in Recital G herein.

2. Effect on Implementation Agreement. This Agreement is only binding upon the Parties hereto, and except as expressly stated in this Agreement, the provisions of this Agreement are not intended to affect the Implementation Agreement, which shall remain unmodified and in full force and effect. In the event of a conflict between the Implementation Agreement, as may be amended, and this Agreement regarding the rights and obligations to fund and use the Funding Reserve Account, this Agreement shall prevail. The Parties also acknowledge that, pursuant to the Implementation Agreement, O&M Manuals will be prepared for the GMB. O&M responsibilities pertaining to the Lower Basin will be reviewed and approved by the Parties and SMWD.

3. Funding Reserve Account.

a. Establishment. Prior to acceptance of the Lower Basin, County shall establish an account to be used as the Funding Reserve Account. Said account shall be established and maintained consistent with all applicable County or other governmental laws, rules and regulations pertaining thereto. Interest shall accrue on monies held in the account at a rate equal to or greater than that of the gross rate of the Orange County Investment Fund, held by the Orange County Treasurer-Tax Collector.

b. Contributions. Based on an estimated repair cost of One Million Dollars, and equal sharing of this cost between RMV and County, RMV or its assigns shall pay the County the sum of Fifty Thousand Dollars (\$50,000.00) each year for ten years (*i.e.*, the total of contributions over the ten year period will be Five Hundred Thousand Dollars (\$500,000). The first annual payment shall be due and paid before County's acceptance of the Lower Basin, and each yearly payment thereafter shall be submitted on the yearly anniversary of the first annual payment. All payments shall be submitted to the Director of OC Public Works or his/her designee, who shall immediately deposit said funds into the Funding Reserve Account.

4. Use of Funds. All funds held in the Funding Reserve Account, including any and all accrued interest thereon, shall be used solely by the County, if and when County repairs damage to County's facilities, or portion thereof, within the GMB caused by any seismic event(s). All accrued interest can be used for routine maintenance purposes. No later than 30 days prior to withdrawal of any funds from the Reserve Funding Account, County shall notify DMBSJIN in writing of its intent to do so.

5. Transfer of Funds to Incorporated City. In the event of an incorporation and the GMB Lower Basin becoming an asset of the newly incorporated City, County shall take steps to ensure that the Orange County Local Agency Formation Commission (LAFCO) resolution identifies the City as the successor of the County and binds the City to the terms and conditions

of this Agreement. Within 60 days of said incorporation, County shall transfer the total remaining funds then held in the Funding Reserve Account to the City unless otherwise agreed to by mutual consent of the County and the City.

6. Term of Agreement. The term of this Agreement (“**Term**”) shall commence on the Effective Date and continue thereafter for the period of time during which the GMB is in operation. In the event County or the City as the successor to County determines that there is no longer a need for the GMB to remain in operation, any monies then remaining in the Reserve Funding Account shall be returned to the Party or Parties from whom such funds were obtained.

7. Limitation on Liability. DMBSJIN, its affiliates, successors and assigns only have those obligations expressly provided for in this Agreement (i.e., contribution of funding to the Funding Reserve Account) and have no responsibility under this Agreement for the design or construction of the repairs to the GMB contemplated hereunder and, therefore, no liability or obligation of any kind or nature in connection with said repairs. Other than the funding obligation expressly sets forth in this agreement, this Agreement is not intended to modify the obligations of the DMBSJIN, its affiliates, successors or assigns as set forth in Section 7.a.iv of the Implementation Agreement

8. Miscellaneous.

a. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. In that regard, RMV may assign its rights and obligations hereunder to any related or affiliated entity, or to the Rancho Mission Viejo Master Maintenance Corporation, without the consent of any other Party provided that DMBSJIN will be jointly and severally liable with the assignee. In the event of an incorporation and the GMB Lower Basin becomes an asset of the Incorporated City under this Agreement, the Incorporated City shall be the successor to the County. Other than the foregoing, no assignment of this Agreement by one Party shall be made or otherwise be valid without the written consent of the other Parties.

b. No Third-Party Rights. Nothing in this Agreement shall be deemed or otherwise construed as granting any rights, benefits or interests to any individual, entity or body who/that is not a Party to this Agreement.

c. Counterparts. This Agreement may be executed in two (2) or more counterparts, and each such counterpart shall be deemed an original.

d. Captions. The captions of the various Sections in this Agreement are for convenience and organization only, and are not intended to be any part of the body of this Agreement, nor are they intended to be referred to in construing the provisions of this Agreement.

e. Notices. Any notice or other written instrument required or permitted by this Agreement to be given by one Party to the other Part(y/ies) shall be deemed received when either personally served or forty-eight (48) hours after being deposited in the U.S. Mail, postage prepaid, registered or certified and addressed as follows:

If to DMBSJIN: DMB San Juan Investment North, LLC  
c/o Rancho Mission Viejo, LLC  
28811 Ortega Highway  
San Juan Capistrano, CA 92675  
Attn: Senior Vice President, Planning & Entitlements

If to County: County of Orange  
OC Public Works  
300 S. Flower Street  
Santa Ana, CA  
Attn: Director of OC Public Works  
Re: Gobernadora Multi-Purpose Basin  
Funding Reserve Agreement

f. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the rights and obligations to fund and use the Funding Reserve Account. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all Parties hereto. Further, none of the Parties to this Agreement shall be bound by any representation, warranty, promise, statement or information provided by any Party unless expressly set forth herein.

g. Attorney's Fees. In any action or proceeding to enforce or interpret any provision of this Agreement, or where any provision hereof is validly asserted as a defense, each Party shall bear its attorney's fees.

h. Jurisdiction and Venue. The Parties hereto agree that this Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court.


i. Authority. The Parties represent and warrant that this Agreement has been duly authorized and executed and constitutes the legally binding obligation of the respective organization or entity, enforceable in accordance with its terms.


IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed this Amendment by affixing their signatures on the dates indicated below.

**“DMBSJIN”**

DMB San Juan Investment North, LLC,  
a Delaware limited liability company

By: Rancho Mission Viejo, LLC,  
a Delaware limited liability company  
Its: Authorized agent and manager

By:   
Its: Chief Operating Officer  
Date: \_\_\_\_\_

By:   
Its: SVP – Planning & Entitlement  
Date: \_\_\_\_\_

**“SMWD”**

Santa Margarita Water District,  
a California water district

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**“County”**

COUNTY OF ORANGE

Date: \_\_\_\_\_

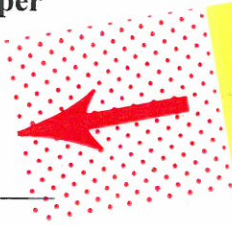
By: \_\_\_\_\_  
Chairman of the Board of Supervisors  
Orange County, California

**Signed and certified that a copy of this document  
has been delivered to the Chair of the Board per  
G.C. Section 25103, Reso 70-155.**

**Attest:**

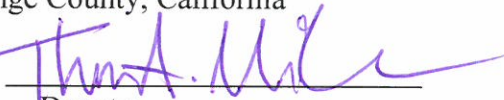
Date: \_\_\_\_\_

\_\_\_\_\_  
Clerk of the Board of Supervisors  
County of Orange, California



Date: \_\_\_\_\_

APPROVED AS TO FORM  
Office of the County Counsel  
Orange County, California

By:   
Deputy



**EXHIBIT A**

**Modified Plan for GMB**

**[see following page]**

EXHIBIT A

MODIFIED PLAN FOR GMB



**EXHIBIT B**

**Letter of Request for Deviation, Gobernadora Multipurpose Basin**

[see following page]



EXHIBIT B  
LETTER OF REQUEST FOR DEVIATION,  
GOBERNADORA MULTIPURPOSE BASIN

July 17, 2014

Mr. Kevin Onuma, PE  
ORANGE COUNTY PUBLIC WORKS  
333 W. Santa Ana Blvd  
Santa Ana, CA 92701

Re: Letter of Request for Deviation, Gobernadora Multipurpose Basin,  
Rancho Mission Viejo, Orange County

JN #9323E

**References:**

- (1) "Plans for Construction of Facility L07B01, Cañada Gobernadora Detention Basin," prepared by PACE (July 2014)
- (2) "Gobernadora Basin Dam Breach Analysis", prepared by PACE (January 2014)
- (3) "Supplemental Geotechnical Design Report, Gobernadora Multipurpose Basin (Lower Basin), Rancho Mission Viejo, Orange County, California" prepared by GMU Geotechnical, Inc. (June 2014).
- (4) "Gobernadora Basin – Engineering Basis of Design Report," prepared by PACE (Revised July 2014)

Dear Mr. Onuma,

Rancho Mission Viejo, Santa Margarita Water District, and County of Orange are jointly working on the design and construction of Gobernadora Multipurpose Basin in Rancho Mission Viejo, Orange County in accordance with the "Gobernadora Multi-Purpose Basin Implementation Agreement," dated November 14, 2012. As part of the design process, PACE has developed the references (1) construction plans as well as specifications, reference (2) inundation study, and reference (4) the engineering basis of design report that provides the supporting design analyses. In addition, GMU Geotechnical has prepared the reference (3) geotechnical design report.

**This letter serves to request your formal approval of a deviation from the OCFCD Design Manual Addendum No. 2, Section F, Item 3, which states the following: "Slopes shall be stable during the maximum credible earthquake as determined by the geotechnical report for the site."** The geotechnical stability of the proposed facility associated with seismic induced liquefaction has been analyzed in detail as part of the geotechnical study for a variety of conditions which indicates the potential for deformation of the embankment. The potential effect of this deviation has also been evaluated relative to the influence on a variety of issues / concerns relative to (1) public safety, (2) potential downstream development, (3) downstream habitat, and (4) financial burden for the costs of repair.

The reference (3) geotechnical design report includes a thorough analysis of liquefaction and slope stability of the Gobernadora Basin embankments. The geotechnical design report indicates that the proposed design meets customary County of Orange safety factors for slope stability under static, pseudo-static, and rapid drawdown conditions. However, the report also indicates that if the underlying soils liquefy during the Design Earthquake, the embankments are subject to earthquake-induced deformation on the order of several feet. See the reference (3) report for full discussion of liquefaction and slope stability analyses. The potential consequences/damage to the basin and its associated design features from seismic liquefaction could include (1) outlet pipe damage and vertical movement, (2)

spillway concrete cracking and settlement, (3) loss of useable storage volume capacity and freeboard, (4) access roadway and concrete ramp displacement, (5) asphalt cracking, (6) embankment slope damage and geometry deformation, (7) revetment rock displacement, (8) reinforced concrete structure damage and settlement/relocation, and (9) slide gate damage and misalignment.

#### Public Safety – Inundation Floodplain

Existing public safety would be potentially affected by potential failure of the basin embankment and the flood wave released from the breach if the basin was full during the failure. The flood wave associated with the failure would inundate an area downstream in the canyon. The reference (2) performed an inundation analysis to evaluate a breach scenario for the proposed basin when original design was under DSOD jurisdiction with the previous larger basin storage volume of 155 acre-feet. The current proposed lower basin is now designed with less storage volume and is not under DSOD jurisdiction. However, the previous analysis concluded that a breach of the larger basin completely full (note that the flood basin retains water for up to 48-hours until release of detained water is complete) and the flood wave associated with the breach would not have a significant effect on the downstream floodplain, and therefore would not create an additional life safety hazard. The inundation floodplain area associated with a dam breach failure is approximately the same as the 100-year floodplain since the 100-year expected value (EV) peak flowrate is 3,630 cfs and 100-year high confidence peak flowrate is 5,374 cfs (reference 4), while the previously estimated peak flowrate of the dam breach is 4,030 cfs. The actual breach inundation area associated with the current basin configuration would be less because the embankment height and storage volume have decreased compared to the previous DSOD jurisdictional basin, so the breach flowrate would be less than previously estimated 4,030 cfs. In addition, by observation Attachment 1 (Floodplain Comparisons: Existing Floodplain & Dam Breach Floodplain) illustrates that the existing 100-year HC would exceed the dam breach floodplain since that 100-year HC flowrate is larger than the dam breach flowrate. The conclusion from the analysis relative to public safety is that an embankment failure would not produce an increased public hazard since the inundation area would be similar to the existing 100-year floodplain.

#### Restrictions on Potential Downstream Development

Another public safety issue related to a potential embankment failure is the restriction of downstream potential development from occurring within this potential inundation hazard zone from an embankment failure. Attachment 1 illustrates that the proposed inundation hazard zone, as well as the 100-year floodplain, does not encroach into the development Planning Area boundaries. A majority of the Gobernadora Canyon floodplain area downstream of the Gobernadora Basin is within an Open Space designation area and part of the Gobernadora Ecological Restoration Area (GERA). GERA is protected as perpetual open space by a recorded conservation easement. Furthermore, GERA and the open space between GERA and the Gobernadora Basin are designated for inclusion in the U.S. Fish and Wildlife Service Section 10(a)(B) Permit/Southern Subregion Habitat Reserve per the terms of the Southern Subregion Habitat Conservation Plan (SSHCP) for the Ranch Plan approved July 2006 and expiring January 2082. Specifically these areas are to be enrolled in the habitat reserve upon initiation of clearing and/or grubbing of Planning Area 3 as illustrated on Attachment 2 (Open Space Exhibit). Until such time as enrollment occurs, RMV is obligated to maintain all future habitat reserve lands in their existing condition (i.e., undeveloped). Upon enrollment into the Southern Subregion Habitat Reserve, lands become subject to 1) the Habitat Reserve Management and Monitoring Program administered by the Rancho Mission Viejo Land Trust and 2) the terms and conditions of the SSHCP Conservation Easement (included with above permit) which include prohibitions on development. In addition all open space lands are also subject to the Ranch Plan open space land use zoning restrictions prohibiting development. (Ranch Plan Planned Community Program Text – Approved November 8, 2004, Resolution of the Board of Supervisors no. 04-292, Section I Open Space, b. Prohibited Uses). The zoning represents a regulatory framework for land use application and development implementation.

#### Impacts to Public Facilities and Utilities

The potential hydraulic impacts specifically flow depth and velocity to existing or future utilities and public facilities such as road crossings within the Gobernadora inundation zone would not be any different than experienced by the existing 100-year floodplain. However, the erosion or scour associated with a potential embankment failure has the possibility of being larger in the upstream portions of the floodplain than normal flood flows because of the "clearwater" release by the failure. However, the future roadway crossings, K Street and Cow Camp Road, downstream of the Gobernadora Basin will accommodate this constraint as part of the design for the facility. The proposed roadway bridge abutment and piers will be designed for the clearwater scour and provide the appropriate mitigation. In addition, existing utility crossings at the downstream end of the Gobernadora Canyon should not experience any additional erosion because of the distance to the canyon mouth and this is a depositional area hydraulically controlled by existing Ranch access roadway crossing.

#### Downstream Habitat Damage

As noted above, portions of Gobernadora Canyon have been restored to fully functioning willow-riparian habitat. Per the terms of the SSHCP, RMV Master Streambed Alteration Agreement (MSAA) and San Juan Creek and Western San Mateo Creek Special Area Management Plan (SAMP) with the Army Corp of Engineers for the Ranch Plan approved in January 2007 additional restoration will occur between the existing restored habitat and the Gobernadora Basin. There is the potential for erosion and damage to occur to restored habitat from a potential embankment failure as previously described. If any such erosion or damage occurs during the 5-year period when the newly restored areas are subject to MSAA and SAMP performance standards RMV will be responsible for repairing the damage until the specified performance criteria are achieved. After performance standards have been achieved, there is no requirement or responsibility for RMV to repair any subsequent damage to the restored habitats. Should damage occur after performance standards have been achieved, then natural regeneration processes will be relied upon to repair the damage and there are no additional requirements for replacement or repair. This natural restoration process has been observed following the storm events observed in 2005 and 2010 which resulted in excessive erosion in middle and lower Gobernadora Canyon. The natural re-vegetation process followed after the historical erosion.

#### Financial Burden for Costs to Repair Basin Facility

Possible deformation of the facility from a seismic event could result in the need for potential repair of the facility. Field monitoring to measure possible embankment settlement will be performed if there is a seismic event which exceeded a specific threshold magnitude and within a minimum distance to the facility based on criteria outlined in the facility *Operation and Maintenance Manual – Lower Basin* (PACE, July 2014). Monitoring monuments specifically for this purpose have been incorporated into the construction of the facility. The improvement plans for the facility shown on reference (1) have incorporated many specialized features to assist in controlling water in the creek if flows require diversion to facilitate any repairs and still maintain operations of the basin. It is anticipated that seismic deformation would not require complete reconstruction of the facility, but only repairs to certain portions of the facility, so the estimated costs for the "repair" is based on a percentage of the estimated original construction costs. In the unlikely event of damage to the spillway/embankment area due to saturation of the foundation soil and a design seismic event, the repair costs are estimated to be up to 20% of the initial construction costs of the facility. RMV is currently coordinating with the County on the appropriate legal instrument and funding mechanism for the appropriate portion of these potential costs. The County will not accept the completed facility for ownership until an acceptable funding mechanism for the potential repair has been approved.

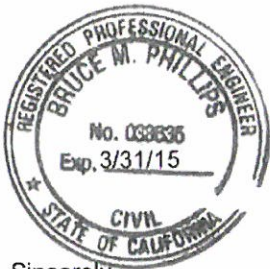
#### Conclusion

The potential of liquefaction associated with a large seismic event could result in deformation of the basin embankment and damage to different design features such as the low-level outlet and the spillway. The


Kevin Onuma  
OCPW/Gobernadora/Project #9323E

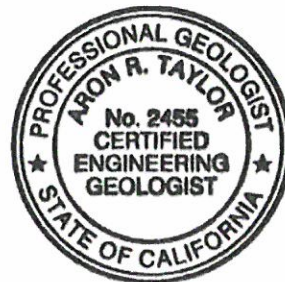
July 17, 2014  
Page 4 of 4

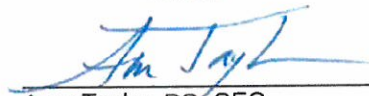
potential effects of the damage to the basin from an extreme seismic event have been evaluated relative to a variety of issues / concerns relative including: (1) public safety, (2) potential downstream development, (3) downstream habitat, and (4) financial burden for the costs of repair. The public flood safety issues associated with potential failure of the facility are not any different than the current floodplain hazards downstream of the facility so this is not an impact. Future development is restricted from any development within the dam inundation/floodplain because this area is dedicated open space and ecological reserve area as well as limitations through zoning. Restoration of damage to habitat from erosion associated with a dam breach is limited only to a 5-year performance period after the completion of a particular reserve area which RMV is responsible and subsequent damage would rely on the natural restoration process. Additional issues including financial burden for repair will be addressed through the establishment of a funding mechanism. It is requested that the deviation on the Gobernadora Basin design for slope stability during the design earthquake under liquefied conditions be approved because of the acceptable resolutions to the different issues presented.



Sincerely,

  
Bruce M. Phillips, PE  
Sr. Vice President PACE



  
Aron Taylor, PG, CEG  
Vice President GMU Geotechnical, Inc.

BMP/ch

Enclosures: Dam Breach Exhibit  
Open Space Exhibit

P:\9323E15-Administrative\Letters\Out\Revised\_Request for Deviation 7-17-14.doc