FAX: (415)499-7880

Neal Osborne
Marin County Community Development Agency
3501 Civic Center Drive – Room 308
San Rafael, CA 94903

Subject: Supplemental to August 4, 2010 Water Availability Letter
Skywalker Properties, Ltd.
Grady Ranch Precise Development Plan
Assessor’s Parcel No. 164-310-15, -17 and -19
2828 Lucas Valley Road, San Rafael, CA

Dear Mr. Osborne:

This letter supplements the District’s letter of August 4, 2010 regarding the District’s ability to provide a water supply for the above-referenced project. Currently, the District and Skywalker Properties are negotiating a Water Service Agreement (WSA) based upon an estimated annual water demand of 30 acre feet for this project. That estimate is calculated on representations made to the District and the District’s current understanding of the breadth of the project. Agreement on the terms for the WSA, execution of that document, annexation of the project into the District’s service area and District Board approval of the WSA are all necessary before water would be supplied to the project.

This letter supplements specific terms of the District’s August 4, 2010 letter as follows:

1. Add the following sentence to the end of the third paragraph beginning on Page 1:

"In addition to recycled water projects, the source of the new water supply for Grady Ranch may be District water conservation projects or other measures as selected by the District that would reduce potable water demand within the District’s service area and would be funded by a fee paid by Skywalker."
Neal Osborne  
Marin County Community Development Agency  
Page 2  

2. Add the following sentence to the end of Numbered Paragraph 1 on Page 2 entitled “Affordable Housing”:  

“Alternatively, if affordable housing is not a condition of project approval and the property owner is allowed to pay an in lieu fee, then the additional 7 acre feet of additional water supply would not be required.”  

Please note the District may again update the County on this matter after we receive the Draft Supplemental EIR for the project, which we understand will be issued later this month.  

Thank you for your attention to this matter. If you have any questions or need additional information, please contact Una Conkling at (415)945-1532 or uconkling@marinwater.org.  

Sincerely,  

Michael Ban, P.E.  
Division Manager Environmental & Engineering Services  

xc: Paul Helliker, General Manager  
Mary Casey, General Counsel  
Tanya Sandberg, Assistant Manager Environmental and Engineering Services Division  
Una Conkling, Engineering Support Services Manager  
Jon LaHaye, Principal Engineer