



Borrego Water District

Will Serve Letter for Water and/or Sewer Service

Applicant: Joe Carll **Address:** 426 Palm Canyon Dr. APN 141-384-14

Date: November 18, 2021

Following review of the Application for Water and/or Sewer Service on the subject property, the findings below have been made and conditions developed for your development ("Project") to receive water and/or sewer service from Borrego Water District ("BWD"). Subject to the conditions described herein, including but not limited to payment of all applicable fees and charges, water and or sewer service (if requested) for the Property is available from BWD as set forth herein.

WATER FINDINGS:

- 1. Annual Water Demands = 1.25 acre feet per year:** BWD has determined your proposed development is equivalent to the typical dwelling unit in Borrego Spring, which has been calculated at .5 acre feet per year (.5 afy = 162,925 gallons per year).
- 2. Meter Size = 1":** The proposed Development will require at least this sized meter to meet projected potable, irrigation and fire flow demands.
- 3. Need for Backflow Prevention = Yes:** BWD must ensure the integrity of its water system by preventing water from flowing backwards from the proposed Development into the BWD system under certain conditions, known as Backflow. State law prescribes if and when Backflow Prevention is required and is the guiding factor in this finding.

WATER COST:

- 1. Water Supply Cost = 1.25 afy X \$8,725/AF = \$10,906.25:** The Borrego Springs Basin is ruled by a Stipulated Judgment agreed upon by the vast majority of basin pumpers and ruled favorably upon by the Orange County Superior Court in April 2021. The Basin is also critically overdrafted and pumping reductions of approximately 75% from 2020 to on or before 2040 are needed for Basin sustainability. Therefore, water rights must be purchased by BWD to provide the water to serve your development. To accommodate mandated annual pumping reductions, the BWD Board is requiring new connections to purchase 5X the annual water demands as an Overdraft Multiplier which is factored into the cost estimate above.
- 2. Capacity Fees = \$2,530:** Capacity Fees are charged to offset the prior expenses incurred by BWD to construct and maintain the water system before the proposed Development is added to the system. Capacity Fees are also often described as a "Water System Buy-in" or a Connection Fee.
- 3. New Water Service (if needed) = \$6090:** Various lots in Borrego Springs were constructed over the years that included a water service from the pipeline in the street to the property line and other

**SDC PDS RCVD 01-11-22
STP21-016**

were not. For the Proposed Development, a water service was not installed. If applicable, this is the cost to install the service lateral.

4. Water Meter = \$200 : The meter is connected to the aforementioned water service. The cost identified for the meter reflects the actual cost including gaskets and installation by BWD.

5. TOTAL COST FOR WATER = \$19,726.25 This cost represents to total of the water related items identified above.

SEWER FINDINGS

1. Total Sewer Equivalent Dwelling Units for your proposed development is 1/4. The anticipated flow for your proposed development is consistent with similar projects in BWD and is equivalent to the typical dwelling unit in its service area. The following costs are based on the projected sewer capacity needs identified above.

SEWER COSTS

1. Sewer Treatment Plant Expansion Fee per EDU = \$178: To provide sewer service to the proposed Development, a portion of the existing Plant Capacity will be dedicated and this fee covers the cost to expand the Plant in the future to offset the new demand.

2. Sewer Capacity Fee (System Buy in) = \$760: Capacity Fees are charged to offset the prior expenses incurred by BWD to construct and maintain the sewer system before the proposed Development is added to the system. Capacity Fees are also often described as a "sewer system buy-in."

3. Sewer Connection and Inspection Fee = \$50: Fees are assessed to cover BWD costs.

4. TOTAL COST FOR SEWER = \$988:

TOTAL COST ESTIMATE

1. Water \$19,726.25 + Sewer Costs \$988 = \$20,714.25

If you desire to proceed under the terms outlined above and, in the attachments, please sign the Will Serve Terms and Conditions that follow.

Sincerely,



11-18-21

Geoffrey Poole, General Manager
W/ Attachments

Date

1. Will Serve Letter: Terms/Conditions & Will Serve Letter: General Conditions
2. RESOLUTION NO. 2021-08-02 ADOPTING BORREGO WATER DISTRICT PILOT PROGRAM REGARDING PROVISION OF WATER SUPPLY FOR SMALL DEVELOPMENT PROJECTS
3. Water Supply Pilot Program Conditions

WILL SERVE LETTER: TERMS AND CONDITIONS

1. Applicant represents and warrants that Applicant has read Resolution No. 2021-08-02 Adopting Borrego Water District Pilot Program Regarding Provision of Water Supply for Small Development Projects, attached hereto and incorporated herein as Exhibit "A" ("Exhibit A") and all exhibits and associated documents thereto, and Applicant represents and warrants that Applicant meets all requirements and conditions set forth therein.
2. BWD service to the Property is conditioned upon receipt by BWD of all applicable payments for fees and charges, including but not limited to a \$200 Application Fee, all costs set forth herein, and all other costs identified by BWD or set by BWD policy.
3. BWD service to the Property is conditioned upon Applicant's compliance with all terms and conditions in the Pilot Program Conditions attached hereto and incorporated herein as Exhibit "B" ("Exhibit B") including but not limited to Applicant's use of native plant materials in landscape areas and water efficient appliances/equipment, Applicant's provision to BWD of County of San Diego and/or other regulatory agencies' interim and final approvals for the Project, and Applicant's provision to BWD of a valid Certificate of Occupancy or equivalent approval for the Project.
4. BWD service to the Property is conditioned upon Applicant's compliance with all terms and conditions in the Will Serve Letter: General Conditions attached hereto and incorporated herein as Exhibit "C" ("Exhibit C").
5. BWD service to the Property is conditioned upon Applicant's full satisfaction of all other BWD policies, standards, and requirements.
6. BWD service shall be undertaken in conformance with all BWD rules, regulations, ordinances, resolutions, policies and procedures for service.
7. This Will Serve Letter shall not constitute a vested right to receive water or sewer service at any particular level or any particular amount, nor does this letter impose, expand, or limit any duty concerning BWD's obligation to provide service to its existing customers or any future potential customers. Nothing herein prevents or otherwise interferes with BWD's discretionary authority to declare a water shortage emergency in accordance with Water Code section 350 *et seq.* and to take any and all related and other actions authorized by law. All service by BWD is provided in accordance with BWD's authority and discretion as a public agency.
8. If Applicant does not accept the conditions herein and execute this Will Serve Letter within 30 days of issuance, Applicant's application for the Project shall be withdrawn from BWD consideration.
9. If all conditions are timely accepted by Applicant and all fees and charges are paid, this Will Serve Letter shall be valid for twenty-four (24) months from issuance. This Will Serve Letter shall automatically terminate twenty-four (24) months from the date of issuance. The Project must be completed on the ground, a certificate of occupancy or equivalent approval must be issued for the Project, and BWD water service must commence before termination of this Will Serve Letter.

I, _____, ("Applicant") accept all projected costs and conditions outlined in the Will Serve Letter and all other conditions BWD may impose from time to time, and covenant to comply with all of the terms and conditions specified herein, including BWD's PILOT PROGRAM REGARDING PROVISION OF WATER SUPPLY FOR SMALL DEVELOPMENT PROJECTS.

Property Owner/Representative

Date: _____

Will Serve Letter: General Conditions (Exhibit C)

The following provisions are from the Borrego Water District Administrative Code

1. If this is a new installation, the customer is required to clearly mark the property lines with a stake and mark the side of the lot where they prefer the new meter be installed (meter will be installed along one of the property lines within the street right-of-way). The District reserves the right to determine the final location of the meter.
2. Customer agrees to pay the monthly "Readiness to Serve Charge" from the "Water Rates" sheet and usage bill on or before the 24th of each month, or be subject to "late fees". An account delinquent for two (2) consecutive months or four (4) months within a twelve-month period will be required to post a deposit equal to two months average bill for that account but not less than one hundred (\$100) dollars in order to continue or re-establish service.
3. Once a meter has been installed, the "Readiness to Serve Charge" will be billed monthly whether or not there is any usage. If the bill is not paid for any reason for a 3-month period of time, a lien will be placed on the property, the water meter will be subject to removal and new installation fees will apply.
4. Any payment by a check that is not honored will result in a penalty or a deposit being required.
5. It is the customer's responsibility to keep the meter box clear of landscaping, bees and debris, within 3 feet of the meter box. If the meter reader cannot read the meter due to any of the above, the District will estimate usage for that billing and the customer will be notified to clear the meter before the next reading. If a second notice is required, a fee determined by the Board from time to time, will be applied to the water bill.
6. Customer is responsible for all plumbing on their side of the water meter including functioning ball valve shut off.
7. Under no circumstance is the customer to operate the District's meter shut-off located on the street-side of the water meter. Customer will only use the shut-off valve on their side of the meter; if inoperable, contact the District office for assistance.
8. Customers are forbidden to attach any ground wire to any plumbing, which may, or may not be, connected to the District's distribution system.
9. The District agrees to provide 24-hour notice, if possible, when water is to be shut-off for repairs.
10. Customer will install and maintain a water pressure regulator on their side of the meter service. The District is not responsible for damage of personal property due to the fluctuation of water pressure.

11. The District or its duly authorized agents shall at all reasonable times have the right to enter or leave the customer's premises for any purpose reasonably related to the service of water to the customer.
12. Any change in meter size or change in meter location, requested by the customer, will be charged time and materials and will be performed at the discretion of the District.
13. It is the responsibility of the customer to notify the District of any change of ownership or change of billing address. For your protection, in case of any emergency situation, please make sure we have phone numbers on file to reach you in your absence from Borrego.
14. The District reserves the right to meter any service and to make the final determination as to the size and location of each service connection and meter.
15. In lieu of providing a Certificate of Liability Insurance, I hereby declare that I will assume all responsibility for any damage done to the water meter or the water system as a result of my connection to the system.
16. Wasteful or negligent use of water on a customer's premises is expressly prohibited. Such use may result in discontinuance of service as provided by other applicable sections of the District's Administrative Code, or other applicable ordinance of the District.
17. If a Backflow Prevention device is to be installed, this will be the responsibility of the owner. The Backflow prevention device will require annual testing, which the BWD can do at our current pricing or you have the option to hire a contractor to test the Backflow and provide BWD with a test certificate.

**** Please take note the owner of this property is ultimately responsible for any unpaid balance left by the tenant. If service is billed to a tenant, the property owner will be notified if service is discontinued for non-payment.**

WATER SUPPLY PILOT PROGRAM CONDITIONS (Exhibit B)

1. Subject to the conditions outlined below, beginning on August 30, 2021, BWD intends to make BWD water service available to proponents of qualifying Projects, including Small Public Construction, within the BWD service area with an estimated water supply demand of up to one (1) acre foot per year or less.
2. Applications for such BWD water service from proponents of eligible Projects will be accepted by BWD from August 24, 2021 forward, on a first-come, first serve basis with the application date given by BWD upon submitting an application in person at BWD office. No more than one application will be accepted for any landowner, Project proponent, Small Public Construction proponent or parcel. Applications and any commitment for water service made available under the pilot program are not assignable to any other land, parcel, or Project. Applications and any commitment for water service may be assigned to a new owner of a Project for which an application has been submitted or a BWD commitment made only with the advance, express written permission of BWD.
3. For the totality of all Projects, including Small Public Construction, collectively, BWD will make water supply available in a total amount of up to six (6) acre feet of estimated demand under this pilot program. Once that total amount is exhausted, no further BWD-owned water supply or water service will be made available under the pilot program to existing or future applicants, except as may be determined by the BWD Board of Directors.
4. The pilot program described herein will terminate on the earlier of: (1) Will Serve Letters, as described below, being issued by BWD in favor of Projects, including Small Public Construction, in an amount of six (6) acre feet of water service, or (2) December 31, 2023, whichever occurs first.
5. Applicants will be required to submit a BWD Commitment to Secure Water Rights for Small Developments Acknowledgement Form ("Acknowledgement") and New Meter Application ("Application") to BWD. Applications must be completed in full and be submitted along with all required documentation to BWD at the BWD Office. The application form may be modified by BWD staff, as reasonably determined by the BWD General Manager.
6. The Application review fee will be \$200, non-refundable.
7. The cost to the Applicant of acquiring the BWD water supply made available under this pilot project (i.e., the "Water Supply Charges") will be calculated by multiplying the estimated annual water demand of the Project in acre feet (af), as verified by BWD staff, times \$8,725 . The Water Supply Charge will be subject to change at the discretion of the BWD Board of Directors.
8. Applications will be reviewed by BWD in the order received, provided such applications are complete and the application fee is paid in full.
9. Incomplete applications will be returned to the applicant. For prioritization purposes, applications will retain their original filing dates, so long as complete applications are resubmitted to BWD within thirty (30) days after BWD's mailing out of incomplete applications back to the Applicant.

10. To qualify for BWD water service, Projects, including Small Public Construction, must use native plant materials in landscaped areas, and water efficient appliances/equipment.
11. Applicants shall meet all of the following conditions:
 - a. Applicants shall attest on the Acknowledgement form that they have searched for and been unable to locate BPA for sale for a reasonable price by any holders of BPA.
 - b. The applicant must provide BWD with evidence of County of San Diego interim and final approval of the Project, including Permit Number, Building Permit and Certificate of Occupancy—whether by written approval or waiver of County requirements by virtue of the Project's type or size—or a pending land use application for the Project, if any. If County of San Diego approval is not required (e.g., for Small Public Construction), the Applicant shall provide evidence to BWD of the status or formal approval by the regulatory agency, if any, required to approve such Project or Small Public Construction.
12. If all of the above requirements and conditions are met after BWD's ministerial review of an application, and BWD water supply and service under this pilot program is still available at the time BWD's review of an application is complete, BWD will so notify the applicant of all conditions needed to be met to establish water service in a Will Serve Letter. The following additional steps will then occur:
 - a. BWD will produce a "Will Serve" Letter indicating the conditions under which BWD will provide water service to a qualifying Project, which will include a BWD-cost estimate for the Project (including Small Public Construction) to obtain water service.
 - b. Will Serve Letters will be valid for no more than twenty-four (24) months. All Projects must be completed on the ground, a certificate of occupancy or equivalent approval issued for the Project or Small Public Construction, and BWD water service commenced within such timeframe. If after 30 days, the Applicant does not accept Conditions, the Application is withdrawn from consideration. Once fees are paid, BWD will issue WSL valid for 24 months unless extended, for cause, as determined by BWD. Customer will receive refund of any charges paid to BWD upon termination of WSL, provided that BWD construction, design, processing and related fees accrued to date will be non-refundable.
13. Before BWD will commence water service to a Project:
 - a. All applicable BWD fees and charges must be paid, including but not limited to the BWD Water Supply Charge, meter/service charge and other costs identified by BWD or set by BWD policy.
 - b. For construction purposes only, water service may be temporarily provided by BWD through a newly installed meter at the qualifying Project site.
 - c. The applicant will provide BWD with a valid Certificate of Occupancy or equivalent approval for the Project or Small Public Construction to establish water service.
 - d. All other BWD policies, standards and requirements must have been satisfied in full.

**RESOLUTION NO. 2021-08-02 ADOPTING BORREGO WATER DISTRICT PILOT PROGRAM
REGARDING PROVISION OF WATER SUPPLY FOR SMALL DEVELOPMENT PROJECTS
(Exhibit A)**

WHEREAS, Borrego Water District (BWD) adopted its revised Policy For Water and Sewer Service for New Development (“Policy”) on April 27, 2021.

WHEREAS, Section 3(b) of the Policy states that a “Developer shall be responsible for acquiring and conveying to BWD the required BPA [Baseline Production Allocation] needed to serve the development with water, in amounts determined by BWD.”

WHEREAS, since entry of Judgment in the Borrego Springs Subbasin Groundwater Adjudication lawsuit (*Borrego Water District v. All Persons Who Claim a Right to Extract Groundwater, et al*, Orange County case no. 37-2020-00005776), concern has been expressed by landowners and other persons seeking to build or install new single family homes, other small residences, or small commercial and industrial projects meeting the definition of Small Public Construction, or to expand existing residences or projects (“Projects”) that BPA is not readily available for purchase for such Projects from private BPA holders within the Borrego Springs Subbasin.

WHEREAS, while water credits (as referenced in the Judgment) were formerly made available by BWD to assist in making water supplies available to such small Projects, under Section III(A) of the Judgment, “[a]ll water credits issued by BWD and/or the County pursuant to the BWD’s Demand Offset Mitigation Water Credits Policy (revised May 19, 2015) have been converted to BPA” and the BWD’s Demand Offset Mitigation Water Credits Policy has been terminated.

WHEREAS, BWD has determined, subject to the conditions described below, that it is willing on a pilot basis to make a limited amount of its current water supply available to allow Projects within BWD’s service area meeting the criteria described herein to become regular customers of BWD.

WHEREAS, BWD has also determined, subject to the conditions described below, that it is willing to make available water supply for new, small projects advanced for the public benefit and constructed by public agencies or public utilities (“Small Public Construction”) in need of up to one (1) acre-foot of water service (i.e., those Projects that require up to the equivalent of five (5) BPA), provided that the proponents of such public projects will become regular BWD customers and are located within BWD’s service area.

WHEREAS, the pilot program will operate for a limited period of time, as described below, with the goal and expectation that a private or other non-BWD sponsored market for the acquisition and sale of BPA may develop in the interim.