

**AGENDA**  
**Borrego Water District Board of Directors**  
**Special Meeting**  
**January 15, 2013 9:00 a.m.**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Comments from Directors and Requests for Future Agenda Items
- F. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)

**II. CURRENT BUSINESS MATTERS**

- A. Discussion of DRAFT Water Credit Policy revisions (page 2-14)
- B. Discussion of DRAFT New Development Policy (page 15-23)
  - B1. Single Family Residence New Development process sheet (page 24-25)
  - B2. Possible schedule of New Development Policy dates (page 26)
  - B3. Who pays for growth policy (page 27)
- C. Discussion of New Development Fees (page 28-35)
- D. Discussion of potential agenda items for January 23<sup>rd</sup> board meeting

**III. CLOSED SESSION**

- A. Conference with Legal Counsel – Anticipated Litigation/Significant Exposure to Litigation Gov't Code section 54956.9(b) One case

**IV. CLOSING PROCEDURE, Adjournment**

The next Regular Meeting of the Board of Directors is scheduled for January 23, 2012 at the Borrego Water District.

# BORREGO WATER DISTRICT

## DEMAND OFFSET MITIGATION WATER CREDITS POLICY

*(revised ~~November 15~~ December 12, 2012)*

### 1. PURPOSE

The Borrego Valley Groundwater Basin is in a state of overdraft due to the extensive use of groundwater in the Borrego Valley. Due to the overdraft condition, it is the desire of the Borrego Water District (“BWD,” “the District”) to implement a program to encourage the voluntary and immediate cessation and/or reduction of measurable water uses, including, but not limited to, permanent removal of turf and/or permanent fallowing of irrigated farmland (“Water Activity”).

The goal of this Policy is to in a timely manner: (a) to reduce the demand on the upper groundwater aquifer that underlies the Borrego Valley; (b) to provide a mechanism by which new water demands are mitigated in compliance with the California Environmental Quality Act (“CEQA”); and (c) to create incentives for property owners engaged in high water demand activities to be economically motivated to cease or reduce their demand on the Borrego Valley Groundwater Basin, consistent with the objectives of the BWD Groundwater Management Plan (GMP) as adopted by the District in 2001, as subsequently amended and updated.

Additionally, it is the intent of this Policy to be construed in a fashion which will allow for its use not only by the BWD but, through its implementation and application, for it to provide for new water demands to conform with the Groundwater Mitigation Ordinance of the San Diego County Department of Planning and Development Services (“the County”) as revised from time to time and the most current Memorandum of Agreement (“MOA”) between BWD and the County, to the maximum extent possible.

Finally, this Policy will create the administrative and technical procedures through which durable mitigation entitlements (water credits) will be established by the District, and provide for the ongoing administrative functions of controlling, monitoring and enforcing the entitlement element of this Policy.

### 2. DEFINITIONS

- A. AFY: acre-feet of water use per year
- B. Applicant: the owner of real property who applies for one or more Water Credits pursuant to this Policy.
- C. Application: the document by which an Applicant applies for one or more Water Credits pursuant to this Policy.
- D. BWD or District: the Borrego Water District.



- E. CEQA: California Environmental Quality Act.
- F. Conditional Water Credit Certificate: the document issued by the BWD identifying the number of Water Credits an Applicant will receive upon compliance with any and all conditions set forth therein and/or in this Policy, which certificate shall remain valid so long as this Policy remains in effect.
- G. Consumptive Use: the amount of water lost from the groundwater resource due to evapotranspiration (plant use).
- H. County: County of San Diego.
- I. Desertscape: Landscape requiring no irrigation of any kind after an initial period not to exceed two (2) years of watering to establish any planting(s).
- J. Developers: Persons or entities seeking to commence an activity within the boundaries of the BWD that will create new or increased water demand, including, but not limited to, new residential or commercial development and/or expansion of existing uses/developments.
- K. DPDS: San Diego County Department of Planning and Development Services.
- L. EDU or Equivalent Dwelling Unit: The quantity of water calculated by adding (i) the total residential annual water usage (calculated based on a five year average) plus (ii) non profit community benefit annual water usage (which uses comply with Desertscape landscaping standards and are calculated based on a five year average) and dividing the resulting sum by the number of residences served by the District, which quotient is rounded up to the nearest tenth of an acre foot. As of the adoption of this Policy, one EDU equals 1.0 acre foot per year (AFY) ~~or portion thereof~~ and may be recalculated by the District Engineer upon direction of the Board of Directors.
- M. Irrigated Agricultural Land: Land that is currently irrigated for active agricultural use. For purposes of this Policy, “currently irrigated” shall mean irrigated for agricultural use during the preceding twelve (12) month period.
- N. Mitigation Policy: The BWD policy regarding mitigation of impacts of new developments on the Borrego aquifer adopted June 22, 2005 and thereafter amended and further amended and restated in Section 3 hereof.
- O. MOA: Memorandum of Agreement between San Diego County and the Borrego Water District
- P. Property: the real property owned by the Applicant and to be restricted pursuant to this Policy.

Q. Water Activity: one or more measurable water uses, including, but not limited to, irrigated turf and irrigated farmland.

R. Water Credit: a durable mitigation entitlement equal to one acre-foot of water per year (AFY); all Water Credit calculations shall be rounded up to the next highest one-half acre foot. As further defined in Section 4B below, several classes of credits shall be available pursuant to this Policy.

S. Water Credit Certificate: the document issued by the BWD certifying the issuance of one or more Water Credits to an Applicant in conformance with this Policy.

### 3. MITIGATION POLICY

It is the policy of the BWD that persons or entities seeking to commence an activity within the District that will create a new or increased water demand (“Developers”) must provide one (1) Water Credits for every one (1) EDU ~~or portion of one EDU~~ demand of the proposed use as calculated by the District Engineer, consistent with the provisions hereof. ~~If the Developer can demonstrate compliance with San Diego County’s Groundwater Mitigation Ordinance mitigation policy requirements, then said Developer may apply those offsetting measures as credit towards the BWD Mitigation Policy.~~ Conformance with the District’s Mitigation Policy must be demonstrated prior to the District providing water service and/or a water meter to the new water demand proposed by the Developer, or its successor in interest.

### 4. WATER CREDITS

Upon compliance with the procedural requirements set forth in Section 5. hereof, the District will issue Water Credits to an Applicant in accordance with the following:

A. Eligible Land. Contiguous irrigated land with an associated consumptive water use of ten (10) acre feet per year and meeting the criteria set forth below is eligible to participate in the program established by this Policy. Based upon the type of Water Credit sought (as defined in Section 4.B., below), either (i) all irrigation of the Property shall be eliminated or (ii) the Applicant shall cause permanent, quantifiable and verifiable reductions of water use on the Property as a condition precedent to issuance of Water Credit(s) pursuant to this Policy.

1. Agricultural Land. To be eligible under this Policy, the Applicant must establish that agricultural land was utilized for legal agricultural operation at the Property prior to April 9, 2003. Property on which agricultural production commenced after April 9, 2003 may be considered eligible under this Policy if the Applicant establishes that the agricultural use was approved by the DPDS or is otherwise demonstrated to have been legally conducted.

2. Turf. To be eligible under this Policy, the Applicant must establish that the Property was irrigated with live turf as of January 1, 2008 and as of the date of Application.



3. Tamarisk. To be eligible under this Policy, the Applicant must establish that tamarisk or other high water use windbreak trees were planted on the Property as of January 1, 2008 and such trees remain alive as of the date of Application.

4. Special. To be eligible under this Policy, the Applicant must establish that the high water use water activity existed on the Property as of January 1, 2008.

B. Water Credit Types. The following types of Water Credits shall be available in accordance with the criteria defined below:

1. Agricultural Credits. Four types of Agricultural Credits will be available under this Policy. The Applicant shall remove any and all tamarisk trees or other high water use windbreak trees located on Property for which an Applicant seeks Agricultural Credits at the time the agricultural use is followed. ~~For all agricultural credit types, seasonal crops, or those on rotation, shall receive credits for the average amount of water used by the crop based on its frequency of planting and water use as determined by the University of California. [For example, if a certain annual crop had a Consumptive Use rate of 3 AFY, and was planted once every three years in rotation, then the Property owner would be eligible to receive one (1) Water Credit per acre certification.]~~

(a) Agricultural-1 (“AG-1 Credits”). Upon compliance with the requirements of this Policy, AG-1 Credits will be issued for Irrigated Agricultural Land. AG-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C.

(b) Agricultural-2 (“AG-2 Credits”). Upon compliance with the requirements of this Policy, AG-2 Credits will be issued for Property that is legally entitled to initiate farming within the constraints of existing permits and policies of the DPDS, and/or other regulatory entities with jurisdiction over agricultural activity on the subject Property. To qualify for AG-2 Credits, the Applicant must:

(i) Establish that as of July 1, 2009, the Property held all necessary approvals to operate an agricultural operation thereon; AND

(ii) Submit an executed Water Credits Agreement to the District within ninety (90) days following adoption of this Policy; AND

(iii) Execute and record with the County Recorder an Exclusive Groundwater Easement (“Easement”) in favor of the District and further complete all actions required pursuant to the Water Credits Agreement within one hundred eighty (180) days of adoption of this Policy. The Easement shall meet the requirements set forth in the most current MOA between BWD and the County of San Diego, including but not limited to designating the County as a third party beneficiary with the right to enforce the easement.

AG-2 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C.

(c) Agricultural-3 (“AG-3 Credits”). Upon compliance with the requirements of this Policy, AG-3 Credits will be issued for Irrigated Agricultural Land that, pursuant to this Policy, is permanently restricted to Desertscape. AG-3 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C. Water Credit Certificates for AG-3 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District Engineer shall determine the apportionment of credits allocated to each such phase.

(d) Agricultural-4 (“AG-4 Credits”). Upon compliance with the requirements of this Policy, AG-4 Credits will be issued for Irrigated Agricultural Land that, pursuant to this Policy, is permanently restricted to lower water use crop type(s). AG-4 Credits will be issued at a rate to be determined by the District Engineer based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy.

## 2. Turf.

(a) Turf-1 (“T-1 Credits”). Upon compliance with the requirements of this Policy, T-1 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, has all turf removed and is permanently restricted from all forms of irrigation. T-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C.

(b) Turf-2 (“T-2 Credits”). Upon compliance with the requirements of this Policy, T-2 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to Desertscape. Water Credit Certificates for T-2 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District Engineer shall determine the apportionment of credits allocated to each such phase.

(c) Turf-3 (“T-3 Credits”). Upon compliance with the requirements of this Policy, T-3 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to quantifiable and verifiable lower water use landscape than the existing use at the time of the Application for Water Credits. T-3 Credits will be issued at a rate to be determined by the District Engineer based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy.

## 3. Tamarisk.

(a) Tamarisk (“TK Credits”). Upon compliance with the requirements of this Policy, TK Credits will be issued for Property (i) on which live Tamarisk or other high water use windbreaks greater than one (1) foot in diameter are removed and (ii) that is



permanently restricted from all forms of irrigation. Tamarisk credits will be addressed on a case-by case basis.

4. Special. Special Credits will be assigned to any quantifiable, verifiable and permanent reduction in water use that is confirmed by historic records and determined by the District Engineer to meet the standards of this Policy. ~~The District Engineer shall determine the Water Credits per acre based on the Consumptive Use rates for the applicable vegetation recognized by the State of California and the University of California data, and/or other factors as may be utilized by the District Engineer including assumed return flow rates, effects of cessation of irrigation at the Property on groundwater quality in the Borrego Aquifer, and consideration of the equitable application of this Policy.~~

C. Number of Credits. The number of water credits for all vegetation types shall be granted based on the annual Consumptive Use for each type of vegetation type as stated in Exhibit B “Assumptions Used to Calculate Water Offset Credits” of the most recent MOA between BWD and the County, as amended.

## 5. PROCEDURE

A. The Applicant shall make a written application (“Application”) to the District Engineer for issuance of Water Credit Certificates. The Application shall be as set forth in BWD Form 100 and shall be accompanied by:

1. A title report and/or other documentation reasonably acceptable to the BWD evidencing that the Application has been signed by all record owners of the Property, that the water rights in the Property have not been transferred, conveyed or otherwise encumbered and that the condition of title to the Property is not detrimental to the achievement of the purposes of this Policy.

2. A legal description of the Property in a form reasonably acceptable to the BWD.

3. A Right of Entry Agreement (BWD Form 103) permitting the BWD access to the Property to confirm the ongoing, legal, measurable Water Activity and:

(a) Where any Well(s) serving the Property also serve other property held by the Applicant, which other property the Applicant does not intend to restrict,

(i) Access any and all Well(s) on the Property and/or serving the Property for monitoring, metering, testing and/or investigating groundwater levels, quality and related matters;

(ii) Access to the Property to confirm the destruction or removal of any crops, turf or other Water Activity on the Property pursuant to this Policy;

- (iii) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or
  - (iv) Such other provisions as the BWD may reasonably require.
- (b) Where the Well(s) serving the Property do not serve any property the Applicant does not intend to restrict,
- (i) Access to the Property to install, operate, access and maintain a monitoring well in place of any existing well(s) on the Property;
  - (ii) Access to the Property to cap, seal or otherwise render inoperable existing well(s) on the Property;
  - (iii) Access to the Property to confirm the destruction of any crops, turf or other Water Activity on the Property pursuant to this Policy;
  - (iv) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or
  - (v) Such other provisions as the BWD may reasonably require.

4. A signed Water Credit Agreement. (BWD Form 101).
5. A certification and administration fee of \$1,000.

B. The BWD shall review the Application and confirm the existence of active, ongoing, legal, measurable Water Activity on the Property. Upon such confirmation, the BWD will issue Conditional Water Credit Certificate(s) setting forth the number of Water Credits to which the Applicant will be entitled upon compliance with this Policy as well as any additional conditions or requirements reasonably imposed by the BWD and identified in the Conditional Water Credit Certificate(s).

C. To convert the Conditional Water Credit Certificates to Water Credit Certificates, the Applicant shall:

- (i) Sign and submit to the BWD a Grant of Exclusive Groundwater Easement (BWD Form 102), disengage the pump(s) or otherwise render inoperable any and all well(s) located on the Property, if applicable;
- (ii) Complete all crop destruction, turf removal or other action to permanently cease and/or reduce the Water Activity on the Property, as applicable, and notify the BWD in writing of the same;



(iii) Provide a certificate by a licensed land surveyor certifying the net acreage under irrigation on the Property (net acreage shall, for Agricultural land, include roads and exclude buildings);

(iv) Submit a notarized written request by the Applicant stating the name(s) in which the Water Credit Certificate(s) should be issued and the amounts allocated to each identified person (not to exceed the aggregate total amount awardable pursuant to Section 4.c. hereof for the Property); and

(v) Submit payment of \$100.00 per Water Credit to the BWD

Upon the BWD's verification of the completion of permanent cessation of the Water Activity and the pump disengagement or otherwise rendering inoperable any and all well(s) located on the Property (where applicable), the BWD shall issue raised-sealed and numbered Water Credit Certificates to the Applicant in amounts pursuant to Section 4.C. hereof.

2. Transfer of Certificates. Upon (i) notarized written request by the recipient of Water Credit Certificates previously issued by the BWD ("Certificate Holder"), (ii) submission of the original Water Credit Certificates to the BWD, and (iii) payment of an administrative fee of \$500 per transaction, the BWD will re-issue Water Credit Certificates to such persons or entities and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by the Certificate Holder) as may be designated by the Certificate Holder.

## 6. MISCELLANEOUS

A. The BWD recognizes all Water Credit types set forth in Section 4.B. in satisfaction of the BWD's Mitigation Policy. The County of San Diego may recognize some or none of the Water Credit types.

B. The BWD may purchase Water Credits for its own account from time to time, as it deems necessary to create a bank of Water Credits for developments that must comply with the provisions of this Policy. The Board of Directors shall set the price of the Water Credits at the time that the Water Credits are sold.

C. The BWD shall be responsible to monitor and enforce this Policy, including, in addition to the work elements associated with establishing the Water Credits, regularly monitoring meters on wells located on Property subject to a Water Credit Agreement, regularly inspecting Property enrolled in the program established by this Policy to ensure compliance with the terms of all requirements to maintain the Water Credits, and providing updates as to the status of Water Credits to the County, as required.

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President of the Board of Directors of  
Borrego Water District

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Secretary of the Board of Directors of  
Borrego Water District



## WATER CREDIT TIMELINE

### A. ISSUANCE OF CERTIFICATES

	<u>Timeframe</u>	<u>Activity</u>
(1)	At Applicant's discretion	Applicant submits Application Package, including: <ul style="list-style-type: none"><li>• Application (BWD Form 100)</li><li>• Water Credit Agreement (BWD Form 101)</li><li>• Right of Entry Agreement (BWD Form 103)</li><li>• Title report</li><li>• Administrative fee</li></ul>
(2)	30 days (or more as needed) after (1)	BWD reviews Application Package and confirms active, legal, ongoing, measurable Water Activity and determines whether/what removal or destruction of Water Activity will be required.
(3)	Upon Completion of (2)	BWD signs Water Credit Agreement, issues Conditional Water Credit Certificates and notifies Applicant of any special requirements reasonably imposed by BWD and to be met prior to issuance of Water Credit Certificates.
(4)	At Applicant's discretion	Applicant signs and submits Grant of Exclusive Groundwater Easement (BWD Form 102) to the BWD.  Applicant disengages well(s), as applicable.  Applicant removes/destroys Water Activity.  Applicant complies with other requirements identified by BWD.
(5)		Applicant pays administrator fee.
(7)	Upon confirmation of actions under (4)	BWD issues Water Credit Certificates to Applicant or Applicant's designee identified in a notarized writing ("Certificate Holder").

## B. TRANSFER OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(8) At Certificate Holder's discretion	Certificate Holder submits original Water Credit Certificates along with administrative fee and notarized written request to the BWD to reissue the Water Credit Certificates to such persons and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by Certificate Holder) as designated by Certificate Holder.
(9) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, voids the same and prepares new Water Credit Certificates per the Certificate Holder's written request.

## C. REDEMPTION OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(10) At Certificate Holder's discretion and not less than 30 days prior to County issuance of building permits.	Certificate Holder submits original Water Credit Certificates along with written request to the BWD to redeem the Water Credit Certificates as mitigation for the development specified in the Certificate Holder's written request.
(11) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, marks the Water Credit Certificates "REDEEMED," notes the same on the Water Credit Certificate Log and issues a letter to the County identifying the quantity of acre-feet per year redeemed by the Certificate Holder.



**APPLICATION FOR WATER CREDIT CERTIFICATE**  
(BWD Form 100)

Borrego Water District  
Board of Directors  
PO Box 1870  
Borrego Springs, CA 92004

ATTENTION: General Manager

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Assessor's Parcel Number: \_\_\_\_\_ Acreage: \_\_\_\_\_

Address of Property: \_\_\_\_\_  
(if applicable)

Crop cultivation:

Date Cultivation Commenced (must be prior to 4/9/03)	Water Activity (crop, turf, etc.)	Area	<b>For BWD Use Only</b> Water Entitlement Quantity
1.	2.	3.	4.
5.	6.	7.	8.
9.	10.	11.	12.
13.	14.	15.	16.

Current Water Provider: \_\_\_\_\_

I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct of my own personal knowledge.

\_\_\_\_\_  
Name of Applicant\*/Agent\*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Applicant/Agent

\_\_\_\_\_  
Date

\* All legal owners of the property must sign

## EXHIBIT B

### Assumptions Used to Calculate Water Offset Credits

The amount of water credit (in acre-feet/acre) to be granted for land with an actively irrigated use that will be permanently taken out of production is listed below for the most common vegetation types in Borrego Valley.

Vegetation Type	Groundwater Offset Credit (acre-feet/acre/year)
Citrus (all types)	4.9
Nursery plants	4.5
Palms (all types)	3.7
Tamarisk	1.7
Turf (warm season)	5.1
Turf (winter cool/summer warm)	5.6

These amounts were determined by using the following equation:

$$\text{Annual Groundwater Consumptive Use (acre-feet/yr)} = \frac{[\text{Reference Evapotranspiration (feet/year)} \times \text{Plant Factor} \times 1 \text{ acre}]}{\text{Irrigation Efficiency}}$$

**Annual Groundwater Consumptive Use** (acre-feet per year) means the amount of groundwater lost through evapotranspiration (evaporation from the soil and transpiration from the plant).

**Reference Evapotranspiration (ET<sub>o</sub>)** (feet per year), means the approximate water loss from a field of 4-to-7-inch-tall cool season grass that is not water stressed. ET<sub>o</sub> values are published by the California Irrigation Management Information System (CIMIS). Use the published annual ET<sub>o</sub> for Zone 18 (annual ET<sub>o</sub> of 5.97 feet).

(Source for ET<sub>o</sub>: <http://www.cimis.water.ca.gov>).

**Plant Factor** (or Crop Coefficient) means the fraction of water lost from the plant relative to ET<sub>o</sub>. The annual plant factor is listed below for the most common vegetation types in Borrego Valley.

Vegetation Type	*Plant Factor
Citrus (all types)	0.65
Nursery plants	0.6
Palms (all types)	0.5
Tamarisk	0.2
Turf (warm season)	0.6
Turf (winter cool/summer warm)	0.66

\*Plant factor for other plant types shall be obtained from the most recent publications by the State of California or University of California  
Sources for Plant Factor: [http://www.water.ca.gov/pubs/planning/guide\\_to\\_estimating\\_irrigation\\_water\\_needs\\_of\\_landscape\\_plantings\\_in\\_ca/wucols.pdf](http://www.water.ca.gov/pubs/planning/guide_to_estimating_irrigation_water_needs_of_landscape_plantings_in_ca/wucols.pdf) and <http://celosangeles.ucdavis.edu/newsletterfiles/Co-Hort11051.pdf>

**Irrigation Efficiency** means a measure of the portion of total applied irrigation water beneficially used to satisfy the plants' needs. Losses (non-beneficial use) include runoff and evaporation from wet soil.

Irrigation Method	Irrigation Efficiency
Spray/Rotor (turf, tamarisk)	0.7
Drip (Citrus, nursery plants, palms)	0.8

Source for Irrigation Efficiency: Turf and Landscape Irrigation Best Management Practices, April 2005, Water Management Committee of the Irrigation Association



## **POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS**

*(revised November 14 December 20, 2012)*

This Policy outlines the procedures and obligations for developers, contractors, and owners (hereinafter “developers”) to obtain water and sewer service from the Borrego Water District (hereinafter “District”) to serve a new development and establish the fees, exactions, and charges for the new development. The Policy also applies to new construction of residential homes on existing platted lots within the District. The term "new development" is defined as any residential or commercial development or service requirement that increases the demand on the District's water supply and/or distribution system and/or its sewer collection and treatment system whether by increasing the intensity of use or by altering the use of land.

### **1. Application of Policy**

This Policy governs the procedures for the District to handle requests for a commitment for water and sewer service for new developments and sets forth the obligations of the developer to obtain a commitment for water and sewer service. When a developer requests a commitment for water and sewer service for a larger new development, for example, a “major subdivision,” as defined in the San Diego County Code of Regulatory Ordinances at section 81.102(y) as “a subdivision creating five or more lots or units” that may substantially impact the District’s existing water supply capacity and/or sewer treatment capacity or that may require major improvements to the District’s water distribution system and/or to the District’s sewer treatment plant or collection system, such requests shall be considered on a case-by-case basis. This Policy shall serve as a guideline for the consideration of the request for water and sewer service for a larger new development, but the District may modify or add to the provisions of this Policy in making its commitment for water and sewer service for a larger development.

### **2. Application for Water and Sewer Service**

(a) The developer must obtain an Application for Water and Sewer Service from the District. With the Application the developer shall submit a preliminary plat of the development which shall include the number of lots to be served, the type of units to be built within the development, the size of the lots in the development, the estimated build-out of the new development and any other information that will assist the District in determining the water and sewer needs of the new development. ~~In the event the development includes a fire protection system, the Developer shall submit fire protection plans for the development.~~

(b) The developer must return the completed Application to the District with the information requested in subsection (a). The developer shall provide any other information requested by the District that the District deems necessary to determine the availability of water and sewer service for the development.

(c) When the Application requests water and sewer service for a larger new development, the developer shall pay an Application Fee as set by the District’s Manager at the time the Application is submitted. The Application Fee shall cover the anticipated cost to the District of reviewing the project, obtaining any engineering report on the feasibility of the water

and sewer service requested for the project and making a preliminary determination of the on-site and off-site system improvements necessary to provide the water and sewer service requested. The Application Fee is non-refundable ~~45 days after the submission of the Application.~~ The Application Fee shall be credited against the Administrative Fee set forth in Section 6(a) of this Policy.

(d) The developer must timely notify the District of any changes in the information submitted with the Application.

(e) When the Application is complete and the Application Fee, if applicable, is paid, the District will determine, with the assistance of the District's engineer if necessary, whether the water and sewer service requested is available and whether any off-site water and sewer system improvements must be made to the District's water and sewer system to properly serve the new development and maintain the current level of water and sewer service to the District's existing customers.

(f) When the District has completed its review, the developer will be notified of the preliminary conclusions of the District as to the feasibility of the water and sewer service requested. The District may then issue a Water and Sewer Availability Letter to the developer. The Water and Sewer Availability Letter may be revoked unless the developer enters into a contract with the District and pays all fees assessed by the District within three hundred sixty (360) days of the date of the Water and Sewer Availability Letter.

### 3. Conditions on Availability of Water and Sewer Service

(a) In determining whether water and sewer service is available, the District may require that the developer provide an accurate projection of the water demand and sewer treatment needs, by a registered engineer, for the entire development upon the ~~application~~ Application for the first section or phase of the development.

(b) The District may issue its Water and Sewer Availability Letter with limitations on the maximum amount of water that can be provided to the new development and the maximum amount of wastewater that can be collected and treated for the development. Any maximum limits on water and sewer service for the development shall be included in the water service contract with the developer under Section 4.

### 4. Water and Sewer Service Contract

(a) Before water and sewer system improvements are installed for the new development, the District, with the assistance of the District's attorney if necessary, will then prepare a contract under which water and sewer service will be provided to the development.

(b) The District may incorporate in the water and sewer service contract the maximum amount of water that can be furnished and the maximum amount of wastewater that can be collected and treated by the District. In the event the developer's demand for water and



sewer service exceeds the developer's projection of demand during the build out of the development, the District shall have no obligation to furnish water or provide wastewater collection and treatment in excess of the amounts set forth in the water and sewer service contract. Any request for water and sewer service in excess of the amounts projected by the developer and included in the Water and Sewer Service Contract shall be treated as a new request for water and sewer service under this Policy.

(c) A Water and Sewer Service Contract cannot be assigned to any successor in interest of the developer without the express written consent of the District.

#### 5. Installation of Improvements

(a) **Cost of Installation.** At its own expense and at no cost and expense to the District, the Developer shall furnish, install, lay and construct all on-site and off-site water and sewer system improvements, including all labor and material, as required by the District to be installed to serve the development, to maintain the current level of water and sewer service to existing customers and to meet the District's plan for the level of service to be made available in the general area of the development. The construction and installation of the water and sewer system improvements shall be in strict accordance with the plans, specifications and requirements approved by the District. In addition, the developer shall indemnify the District from any loss or damage that may directly or indirectly result from the installation of water and sewer system improvements by the developer.

(b) **Notification of Construction.** The District shall be notified at least forty-eight (48) hours before construction is to begin on installation of improvements. Thereafter, the developer shall notify the District of every day during which construction will be in progress in order for the District's inspector to be on the job site during construction.

(c) **Inspections.** All water and sewer system improvement projects shall be subject to inspection during construction and upon completion of the construction by an authorized representative of the District. Inspection may consist of full-time resident inspection or part-time inspection at the sole discretion of the District. The presence or absence of an inspector during construction does not relieve the developer from adherence to approved plans and specifications. Materials and workmanship found not meeting the requirements of approved plans and specifications shall be immediately brought into conformity with said plans and specifications at the developer's expense.

(d) **Final Inspection.** An authorized representative of the District shall make a final inspection of the water and sewer system improvements for the development after completion to determine acceptability of the work. Before this final inspection can be made, the owner, developer or engineer responsible for the project shall notify the District's Manager in writing that the work has been completed in accordance with approved plans and specifications.

(e) **Final Acceptance.** When the water and sewer system improvements pass the District's final inspection, the District will accept ownership of the completed improvements.



The developer shall be responsible for seeing that the person paying the cost of constructing such improvements shall furnish "as-built" drawings to the District at the end of each phase of water and sewer system construction and prior to final acceptance of water and sewer system improvements by the District. The date of final acceptance shall be that date on which the developer has fulfilled all conditions necessary for final acceptance, including passing a final inspection, submitting "as-built" drawings, payment of all fees due, and the placing of all water and sewer system improvements into service by the District. The District will notify the developer in writing of the date of its acceptance of the completed facilities.

(f) "As-Built" Plans. The developer shall provide the District "as-built" plans, by a registered engineer, which shall be drawn at a scale of one inch equals 50 feet and which shall indicate the location and size of all water and sewer system improvements installed for the development. The location of all water and sewer system improvements must be referenced off of two (2) permanent points such as power poles, right-of-way markers, concrete monuments, iron pins at property corners, drainage culverts, and building corners. The water and sewer system improvements shall also be shown in relationship to the edge of all paved surfaces and all other utilities located with 15 feet of either side of the improvements. All utility easements shall be shown in relationship to the improvements. In the event the actual construction differs from the recorded plat of the development, the developer will prepare and record in the Register's Office of San Diego County a revised plat showing the actual construction with the design features stated above clearly shown. The District may delay water and sewer service until this requirement has been met.

(g) Warranty. The developer shall guarantee all work on the water and sewer system improvements it installs for a period of one (1) year from the date of final acceptance and shall immediately correct any deficiencies in the work due to material or workmanship that occurs during the one-year period. The warranty shall be insured by a maintenance bond in the amount specified by the District secured by an irrevocable bank letter of credit or such similar collateral as approved by the District. When a defect is discovered in any water or sewer system improvement under warranty by the developer, the cost of repairing the defect when performed by the District and the damages caused by the defect will be billed to the developer.

(h) Conveyance of Water and Sewer System Improvements. Upon completion of the construction of the water and sewer improvements, upon final approval by the District, and upon the water and sewer system improvements being placed into service, the water and sewer system improvements shall immediately become the property of the District regardless of whether or not a formal written conveyance has been made. The developer and any other persons paying the cost of constructing such improvements shall execute all written instruments requested by the District necessary to provide evidence of the District's title to such improvements, including obtaining any lien releases from the material suppliers and subcontractors of the developer and/or its contractor. The water and sewer system improvements shall become the property of the District free and clear of the claims of any persons, firms, or corporations

6. Assessments and Collection of Fees and Charges:

(a) New Development Administrative Fee. The developer shall pay the District an Administrative Fee to cover the administrative, inspection, engineering, legal and other expenses incurred by the District related to making water and sewer service available to the development. The Administrative Fee shall be paid on or before the execution of the Water Service Agreement and Sewer Service Agreement. For developments which request water and sewer service for a larger new development, the application fee paid under Section 2(c) shall be credited against the Administrative Fee.

(b) New Development Impact Fee for Water Infrastructure (Water Capacity Fee). A Water Capacity Fee shall be paid for every new connection to the District's water system and also by customers who change their meter size to a larger meter, which shall be considered a new connection. Water Capacity Fees are one-time charges assessed for new water customers to recover a proportional share of the capital costs already incurred to provide service capacity to new customers. These charges shall be imposed to fund water system capacity improvement costs reasonably related to new development. Water Capacity Fees shall be paid on or before the execution of the Water Service Agreement. If a customer ~~switches~~ changes to a smaller meter, no credit for any Water Capacity Fee previously paid will be provided for a smaller meter.

Comment [j1]: See Lisa comment attached

(c) New Development Impact Fee for Sewer and Wastewater Treatment Infrastructure (Sewer Capacity Fee). A Sewer Capacity Fee shall be paid on all new connections to the District's sewer system. Sewer Capacity Fees are one-time charges assessed for new sewer customers to recover a proportional share of the capital costs incurred to provide service capacity to new customers. These charges shall be imposed to fund sewer system infrastructure improvement costs reasonably related to new development. The Sewer Capacity Fee shall be paid on or before the execution of the Sewer Service Agreement.

(d) New Development Connection Fee (Connection Fee). The Connection Fee is based on the actual cost of the materials required for a new meter service. The Connection Fee shall be paid prior to the time actual water and sewer service is established to each new connection. Residential connections using 3/4" or 1" meters shall pay a standard Connection Fee that includes allocated, per connection, direct labor costs, materials, supplies, and equipment expenses and an allowance for indirect costs. All other connections using larger size meters will pay a custom Connection Fee based on the direct and indirect costs and expenses particular to that connection. If a customer ~~switches~~ changes to a smaller meter, no credit for any Connection Fee previously paid will be provided for a smaller meter

(e) No refunds. The developer shall have no right to recover any fees or charges paid to the District or any right to recover any part of the costs and expenses incurred in installing water system improvements or sewer system improvements for the development.

(f) Schedule of Fees and Charges. A current published schedule of fees and charges, as amended from time-to-time by the District, shall be used to determine the fee amounts assessed for each new development.

7. Approval of Final Plat

The District will not sign a "Final Plat" of the development for submission to the appropriate Planning Commission until the water and sewer system improvements for the development have been constructed, inspected and accepted for use by the District or until a performance bond secured by an irrevocable bank letter of credit issued by a bank with offices in San Diego County, California, or secured by other security specifically approved by the Board of Directors has been posted equal to the estimated cost of all necessary improvements and in favor of the District, the Water and Sewer Service Contract has been fully executed, and all applicable fees have been paid. If the development is not a subdivision, the applicable fees must be paid at the time the contract for water and sewer service is signed.

8. Easements

(a) A minimum exclusive easement twenty (20) feet in width must be conveyed to the District for water and sewer main construction and exclusive easements for other water and sewer system improvements must be conveyed to the District as required by the District. All water and sewer lines that are to become the property of the District are to be located off the public right-of-way and within these exclusive easements on private property. All exceptions are to be specifically approved by the Board of Directors or its delegatee. In all such cases where the Board of Directors or its delegatee approves water or sewer line construction within public rights-of-way, the developer shall obtain consent from the political entity having authority over such rights-of-way for such construction.

(b) The expenses of obtaining, preparing and recording easements needed for water and sewer system improvements for the new development will be paid by the developer, including but without limitation, the consideration paid to the landowner. In the event the District must exercise its power of eminent domain to acquire any such easement, the developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which the District becomes liable, on demand, including its attorney's fees.

(c) The easement grant must be on such terms and in such form and content as approved by the District.

(d) The developer is responsible for acquiring all such easements for both on-site and off-site water and sewer system improvement construction prior to the commencement of water and sewer system improvement construction.

9. Real Property Acquisition



In the event real property must be acquired for the installation of a water storage tank, a sewer treatment system, a pumping station or other water or sewer system improvement for the development, the expenses of obtaining, preparing and recording the real property will be paid by the developer, including, but without limitation, the consideration paid to the land owner. In the event the District must exercise its power of eminent domain to acquire any such real property, the developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which the District becomes liable, on demand, including its attorney's fees.

10. Meters

(a) The developer shall pay for all water meters in the development, and the District shall install all residential water meters. The developer or lot owner at their expense shall install commercial water meters, defined herein as any meter greater than one (1) inches.

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than ¾ inch in size, except where prior arrangements have been made with the District for apartment complexes, other types of multi-family dwellings, or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual, firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

11. Permits

Before beginning construction, the developer or its contractor shall obtain all necessary permits as required by law. Such permits include, but are not limited to, those from State of California and county highway departments and any city in which the development is located.

~~12. Monthly Charges where Taps have been Installed~~

~~(a) After the date of the acceptance of the water and sewer system improvements for a development or for a phase or section of a development, the developer will immediately begin paying the District's monthly dry tap charge for water and/or sewer service or the District's monthly minimum bill for water and/or sewer service set forth in the District's Schedule for Rates and Charges in the development or phase or section of the development until the lot has been sold and the new lot owner begins purchasing water and/or sewer service from the District or begins paying a monthly minimum bill for water and/or sewer service. This monthly dry tap charge or minimum bill shall be paid until more than 50% of the lots or units in the development or phase or section of the development begin purchasing water and/or sewer service from the District or begin paying a monthly minimum bill for water and/or sewer service.~~

~~(b) The developer shall include in the restrictive covenants adopted for the development the obligation to pay the District's monthly dry tap charge or minimum bill for water and/or sewer service as set forth in this section and to create a lien in favor of the District against any individual lot or lots for default in the payment of such charges. The developer~~

~~agrees to include in the restrictive covenants of the development a provision that allows the District to enforce the lien created by the nonpayment of the dry tap charges or minimum bills. The District shall have the opportunity to review the restrictive covenants and approve the language used in the restrictive covenants for the development before they are submitted to the San Diego County Department of Planning and Development Services, if applicable.~~

#### ~~13.12~~ Resolution of Disputes

Any controversy or claim arising out of or relating to this Policy or the Water and Sewer Service Contract, or the breach thereof, shall be submitted to the Board of Directors, which may appoint a subcommittee of the Board to negotiate the controversy or claim. If the Board is unable to resolve the dispute by negotiation, the dispute shall be submitted to a mutually acceptable mediator. Mediation shall be required before either party may proceed to any other method of dispute resolution. Costs for mediation shall be shared equally between the parties. The decision of the mediator shall not be final or binding unless agreed to in writing by the parties. All mediation proceedings, results and documentation, shall be non-binding and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Code sections 1115 through 1128) unless such admission is otherwise agreed to in writing by both parties. If the parties are unable to resolve the dispute by mediation, the dispute shall next be submitted to arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All water and sewer service contracts shall contain a dispute resolution clause which requires that any controversy or claim arising out of or relating to the Water and Sewer Service Contract, or the breach thereof, shall be settled using the process set forth in this Section ~~13.12~~.

# GOVERNMENT CODE

66013. (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section:

(1) "Sewer connection" means the connection of a structure or project to a public sewer system.

(2) "Water connection" means the connection of a structure or project to a public water system, as defined in subdivision (f) of Section 116275 of the Health and Safety Code.

(3) "Capacity charge" means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A "capacity charge" does not include a commodity charge.



## **Proposed New Water and Sewer Installation Charges for a Single Family Residence, or Duplex Residence for FY 2013 & FY 2014**

Any new single family residence, or duplex residence, within the Borrego Water District boundary on an existing platted lot must follow the New Development process as outlined below.

### **NEW METER INSTALLATION**

- 1) Submit a "Request for Information" to the District to determine if the lot in question is served by a water main and if the parcel requires a "long lateral" or "short lateral".
- 2) Submit a New Meter Application and pay associated fees.
- 3) Meter installed and added to DataStream meter billing system.

### **NEW SEWER SERVICE**

Sewer service in the District is limited to areas in Rams Hill, Club Circle/Cameron development and the Town Center Sewer. All other areas will utilize septic systems as outlined by the County of San Diego. New sewer service has different requirements, depending on the service area of installation. District staff does not install any sewer collection lines from home to the sewer main but does require prior approval and inspection fees to ensure the connection was correctly installed.

### **NEW RESIDENCE BUILDING PERMIT**

- 1) Submit "required agency clearance letter" from County of San Diego Building Department with approved water credit(s) certificate. Upon receipt of water credit certificate, District will sign County form for inclusion with the customer's building permit paperwork.

#### **New Water and Sewer Service on Existing Platted Lot in ID-1:**

**(Note: Sewer Fees not applicable to lots in the "Estates" Community where lots are on septic systems)**

- One Water Credit
- Capacity fee and lateral installation pre-paid by developer
- Sewer Connection Fee \$200
- Sewer Inspection Fee \$50
- All sewer connections are performed at customer's expense by District approved contractor
- Connection Fee (actual installation costs from Attachment B)
  - 3/4" meter = \$205
  - 1" meter = \$340
- \$340 Administrative Fee

**Total 3/4" Charge = \$795.00**

**Total 1" Charge= \$930.00**

*Larger meters will be reviewed on a case-by-case basis*

**New Sewer Service for "holders" of Town Center Sewer EDU's in ID-2:**

- New service must be holder in good standing of ID-2 EDU's (contact District office for Town Center Sewer EDU information)
- Capacity Fee of \$712.80 per EDU
- Inspection Fee of \$50/EDU
- All sewer connections are performed at customer's expense by District approved contractor

**Total Fees due District \$762.80/EDU**

**New Water Service on Existing Platted Lot in ID 3 or ID-4:**

- One Water Credit
- Capacity fee (\$1,850) with metering factor:
  - 3/4" meter x 1.5 meter factor = \$2,775
  - 1" meter x 2.5 meter factor = \$4,625
- Connection Fee (actual installation costs from Attachment B)
  - Short lateral charge (parcel located on same side of street as the water main)
    - 3/4" meter service = \$2,401.05 or 1" meter service = \$2,495.10
  - Long lateral charge (parcel located on opposite side of street from water main)
    - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- Administrative Fee of \$340

**Total 3/4" charge with short lateral: 2,775 + 2,401.05 + 340 = \$5,516.05**

**Total 3/4" charge with long lateral: 2,775 + 3,760.82 + 340 = \$6,875.82**

**Total 1" charge with short lateral: 4,625 + 2,495.10 + 340 = \$7,460.10**

**Total 1" charge with long lateral: 4,625 + 3,854.87 + 340 = \$8,819.87**

*Larger meters will be reviewed on a case-by-case basis*

**New Water and Sewer Service on Existing Platted Lot in ID-5:**

- One Water Credit
- Capacity Fee of \$3,500 (water and sewer combined, existing agreement where 1/2 is paid to the developer)
- Sewer Inspection Fee of \$50
- Connection Fee (actual installation costs from Attachment B)
  - Long lateral charge (water mains in street)
    - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- \$340 Administrative Fee

**Total 3/4" charge: 3,500 + 50 + 3,760.82 + 340 = \$7,650.82**

**Total 1" charge: 3,500 + 50 + 3,854.87 + 340 = \$7,744.87**

*Larger meters will be reviewed on a case-by-case basis*

## Possible schedule of New Development Policy process

	SCENARIO 1	SCENARIO 2
New Development Adoption Date	2/27/2013	3/27/2013
Publish ad in San Diego Union, 10 days prior to Public Hearing	3/6/2013 and 3/13/2013	4/3/2013 and 4/10/2013
Email notice to interested parties, 14 days prior to Public Hearing	3/12/2013	4/4/2013
Public Hearing	3/27/2013	4/24/2013
Policy goes into affect 60 days after Public Hearing	5/27/2013	6/24/2013



**Policy: Who pays for growth?**

Background: There are always discussions about responsibility for costs when a developer seeks to add an area of water and sewer service to a new development. As a general rule, the Borrego Water District (BWD) requires the development to pay its own way, desiring not to subsidize growth. This is only fair to existing customers. Sometimes, however, BWD desires to extend a water or sewer line at its own cost whenever the result will be an improvement to the system. Because these are differing directions, the differences can sometimes become blurred. BWD has attempted to resolve the issues with its developer policy. This policy will need to be reviewed from time to time to determine its applicability. What is needed for effective strategic planning is a statement of policy on the subject affirming the general direction.

Policy: It is the policy of the Borrego Water District (BWD) to encourage responsible growth by requiring new developers to install water and sewer connector lines at the developer's expense, in addition to the assessment of developer charges for each new connection to pay for any improvements required to the existing BWD system and the use of existing system capacity. Participation in costs by BWD will occur only when BWD is convinced such connector lines will add further benefit to the District.

DATE: August 23, 2012

TO: Board of Directors

FROM: Jerry Rolwing

RE: Changing Fees for New Development and New Meter Installations

The fees charged for new development and new meter installation fees have not changed in the past ten years. It is imperative that these charges be reviewed every five years to keep up with inflation and the rising costs associated with the actual costs of installation.

Presently, new development is charged a "capacity fee" of \$1,500/EDU (equivalent dwelling unit) plus the developer must pay all costs pertaining to the actual installation of new infrastructure required for the particular project. Capacity fees are dedicated to increasing the existing "common" infrastructure facilities to accommodate the new water use. It is unknown how this present number was formulated by the previous District Engineers. The proposed "capacity fee" has been calculated by dividing the total water system asset (\$11,041,479.26 - as of June 30, 2012) by the total existing water meters utilizing the American Water Works Association (AWWA) meter sizing factors. This equates to \$2,459.24 but for simplicity, it would be appropriate to make the fee an even number of \$2,500/EDU.

Applying the same metering factor to new installations would result as follows:

3/4" meter	x 1.5 meter factor	= \$3,750
1" meter	x 2.5 meter factor	= \$6,250
1-1/2" meter	x 3.3 meter factor	= \$8,250
2" meter	x 5 meter factor	= \$12,500
3" meter	x 15 meter factor	= \$37,500
4" meter	x 32 meter factor	= \$80,000
6" meter	x 85 meter factor	= \$145,000

**Historically, we have utilized the following calculations for EDU breakdowns.**

Single Family Residence =	1.0 EDU
Mobile Home (in a park) =	0.5 EDU
Recreational Vehicle (in a park) =	0.25 EDU

These ratios were based on overall housing footprint (property size, human capacity, etc.). A mobile (manufactured or modular) installed on a lot designed for a single family residence is considered a single family residence due to the lot size and potential of developing extensive landscaping. Units installed in a designated mobile home park are situated on small lots where the landscaping potential is significantly less.

New commercial projects will need to be reviewed in a case-by-case basis. There are too many factors to apply a general fee schedule to these types of installation. Historically, an engineering deposit is required to recoup District funds expended. The amount of deposit will vary depending on the scope of the project but a minimum fee of \$2,500 would be appropriate.

## **New Meter Installations on Existing Lots in BWD Service Areas**

Presently there are approximately 2,100 undeveloped lots that could be served with water service from existing infrastructure. Areas of the District have been charged different amounts due to historical agreements as follows:

ID-1 (Rams Hill): The capacity fee has been paid and service laterals installed for new meters on the existing lots. Currently we charge \$640 for a 3/4" and \$735 for a 1" meter service. This covers a \$340 "turn-on" fee, the meter, meter box, customer shut off valve and the labor to install the new meter. One customer was granted a 2" residential meter by the Board in 1999 all other residential meters are either 3/4" or 1". New sewer connections are charged \$200 plus a \$50/EDU inspection fee. Monthly sewer fees are \$26.75.

ID-2: The Town Center Sewer serves the downtown area along Palm Canyon Drive from Palm Canyon Resort to the Elementary School. Also included is the La Casa del Zorro (aka Borrego Ranch) Resort. There are 1000 EDU's assigned to this system of which 316 are being used (user) and 773 are being held for future use (holder). The District has 226 EDU's available for sale at a price set by the Board of \$3,040. Holders may sell their EDU's at negotiated prices with willing buyers. The District occasionally surveys the holders to see if EDU's are available for private sales. "Holder" monthly fees \$19.42 and once they become also a "user", the fee increases by \$10. These fees are set by contract but can be adjusted to operating costs and a vote by all holders.

ID-3 and 4: Water mains in these areas are normally located in the shoulder of the road, in the right-of-way, yet off of the pavement. The new meter charge in these areas depends on the location of the new service to the existing water main. New meters located on the same side of the street as the water main require a "short lateral" and those across the street a "long lateral". Certain areas of the District where the water main is located in the paved street classify as a "long lateral". The maintenance crew utilizes a boring device called a "Grundomat" to feed the new service lateral under the pavement on long laterals which is more labor intensive but does not require re-paving after an installation. The current fees are \$4,040 for a 3/4" short lateral, \$4,165 for a 1" short lateral, \$5,440 for a 3/4" long lateral and \$5,565 for a 1" long lateral. The breakdown of these fees are \$2,530 connection fee, \$340 turn-on fee, either \$500 for short lateral or \$1,900 for a long lateral and either \$70 for a 3/4" customer shut-off valve or \$95 for a 1" customer shut-off valve. Customer shut-off valves are an important feature and we also provide them to existing customers for the cost of the part, no labor charge. The customer shut-off saves us money, and possibly the customer, in the long run. When not installed, the customer is tempted to turn-off the District angle meter stop (forbidden by the administration code) or contact the "duty operator" to turn off and turn back on after plumbing/irrigation repairs are complete. If the angle meter stop is compromised, the water main has to be excavated and the customer can be charged for the repairs. After hours duty operator "call outs" are costly to the District in overtime expense. Many water Districts found cost savings by installing the customer shut-off valve free of charge but we found it more prudent to only charge for the part and install the valve free of charge.

ID-5: This area is the old Borrego Springs Park Community Services District area of Club Circle and the Borrego Springs Resort. As part of the consolidation agreement, we are required to charge \$3,000 each, for new water and new sewer service. This money is returned to the developer, Cameron Brothers Construction Co. as per the agreement. Our rate sheet reflects a charge of \$3,500 for new water service; however, no analysis was performed in setting this rate. The service laterals on Foresome Drive were installed with poly vinyl pipe which have proven to be substandard in our desert conditions. New



service requires the removal of this pipe and replaced with copper service laterals which are charged on a "time and material" basis. Only one connection has been made since the consolidation of the two districts.

#### **New Sewer Connections on Proposed New Subdivisions:**

Using the same formula as water, dividing sewer assets (\$5,505,105.59) by existing EDU's (689) equates to \$7,989.99 or for our purposes, \$8,000/EDU. Any proposed development will have to complete an analysis of increased flow to the Ram Hill Wastewater Treatment Plant (RHWWTP) except the remaining undeveloped lots in the Rams Hill community who built the facility. Town Center Sewer EDU "holders" have also been worked into the RHWWTP expansion calculations through the costs outlined in the Town Center Sewer Agreement. Sewer customers in ID-5 will have to pay \$3,000 to reimburse Cameron Bros. Construction Co. Unplatted lots in ID-5 will have to go through the permit process and associated engineering study for RMWWTP capacity issues. One issue that needs addressing are the sewer rates for ID-5 which are almost double the other areas. The monthly rates are listed as follows:

ID-1; \$26.75/mo. plus portion of \$66/parcel availability fee collected through the annual property taxes  
Connection fee of \$200 plus \$50/EDU inspection fee

ID-2; \$19.42 (holder) plus \$10 (user) totaling \$29.42/mo.  
Connection fee is \$712.80 per EDU plus \$50/EDU inspection fee

ID-5; \$49.92/mo.  
Connection fee paid to Cameron Bros. is \$3,000 per EDU. There are no District fees associated with new connections in ID-5.

Both ID-2 and ID-5 require lifting the effluent from the newly built Lift Station (\$680K in 2011) on Borrego Valley Rd to the RMWWTP.

The sewer element needs more engineering studies to determine the appropriate rate for ID-5 and new connection fees beyond the reimbursement to Cameron Bros. A study is also eventually needed to evaluate at what point the RHWWTP can generate reclaimed water supply and where the reclaimed water can be utilized if the Rams Hill Golf course is not in operation.

#### **Water Credit Policy**

The Water Credit Policy was first established as a 3:1 groundwater mitigation in 2005. In 2007 the 3:1 was reduced to a 2:1 with the premise that one would satisfy the County of San Diego requirements and one for the Borrego Water District. As we move closer to combining the two programs (County and District) the concept of reducing the program once again to a 1:1 would simplify the confusion between the programs. Just as the 3:1 was deemed "punitive" recent Board presentations reveal the same for the 2:1. The County of San Diego has assured the District that the proposed amendment to the County Groundwater Ordinance and associated MOU (memorandum of understanding) will be returned to the District shortly. The reduction from a 2:1 to a 1:1 will be more palatable for encouraging new development for the community. The 1:1 groundwater mitigation will achieve the County's goal of "no net gain" on the overdraft.

**The Proposed Structure for New Development**

**Subdivisions:**

"Will Serve" Letter - first step in County permitting process	\$50/Letter
"Will Serve" Conditions Letter - outlining system requirements	\$2,500 + engineering deposit
Engineering Plan Review	\$5,000 engineering deposit
Final:	Water Credit & Capacity Fees
One water credit per EDU	
\$2,500/EDU plus metering factor, may be paid by Phase	

**Commercial:**

Case-by-case basis on fixture unit count and approved landscaping plan

**New Water Service on Existing Platted Lot in ID-1:**

One Water Credit (1.5 if includes guest house)  
Landscaping Plan Approval/commitment to 0.33 AFY or less usage (?)  
\$340 Turn-on Fee  
Plus \$ (actual cost of parts and labor calc by Greg)

**New Water Service on Existing Platted Lot in ID 3 or ID-4:**

One Water Credit  
Landscaping Plan Approval/commitment to 0.33 AFY or less usage (?)  
Capacity fee (\$2,500) with metering factor:  
3/4" meter     x 1.5 meter factor     = \$3,750  
1" meter       x 2.5 meter factor     = \$6,250  
Plus \$340 Turn-on Fee  
Plus \$ (actual cost of parts and labor calc by Greg)

**New Water Service on Existing Platted Lot in ID-5:**

One Water Credit  
Water Reimbursement to Cameron \$3,000  
Landscaping Plan Approval/commitment to 0.33 AFY or less usage (?)  
\$340 Turn-on Fee  
Plus \$ (actual cost of parts and labor calc by Greg)  
Poly Vinyl lateral replacement (parts and labor)

**May 2012**

\$ 5,505,105.59	sewer assets	
\$ 10,889,780.24	water assets	
\$ 151,699.02	pipelines, wells and tanks	
\$ 11,041,479.26	water total assets	
2124	water meters	751 Indirect
689	sewer accounts	
\$ 7,989.99	Sewer Asset \$/sewer accounts	

Indirect includes residential meters in mobile home parks, apts, etc.

**Water Asset \$/water meter**

\$ 5,198.44	By customer totals
\$ 3,840.51	By customer totals and indirect customers
\$ 2,459.24	By EDU Count (AWWA meter factors)

**METER COUNT**

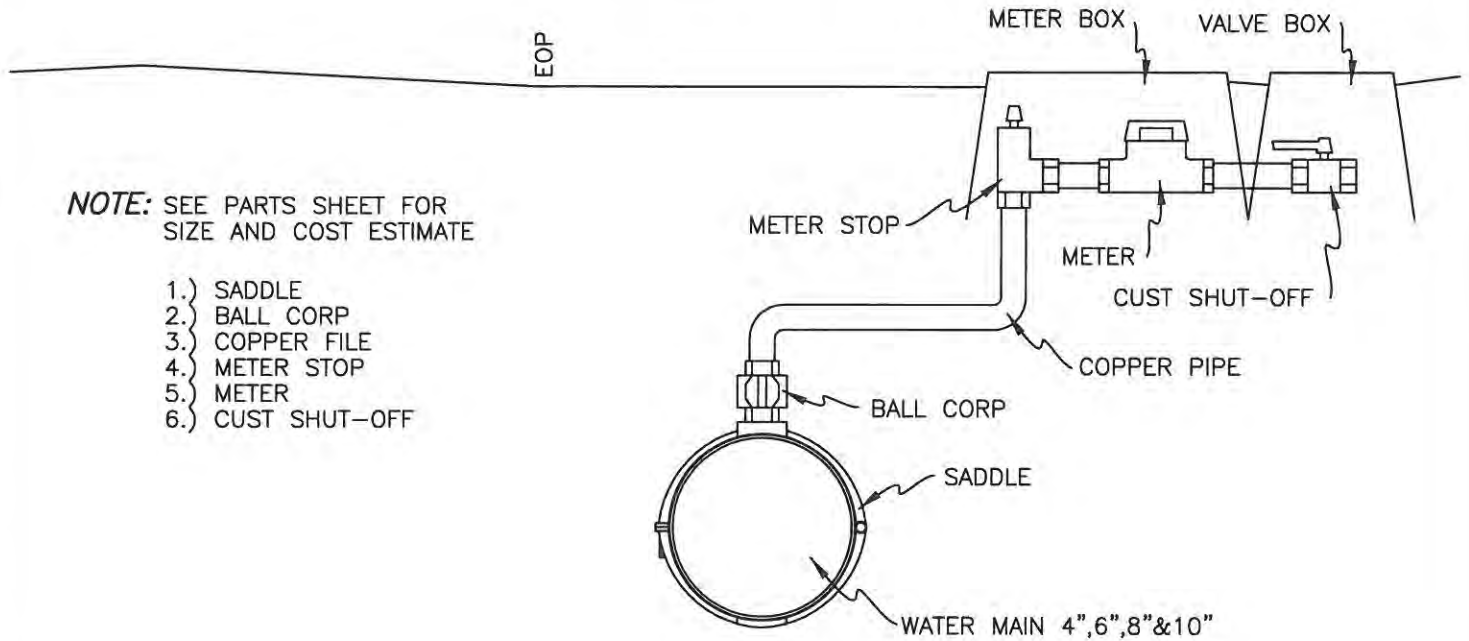
Meter Size	MU	PA	IR	CM	R	GC	Total
5/8				2	1		3
3/4	4	10	3	63	1419		1499
1	2	12	12	29	444		499
1-1/2	16	5	36	9	10		76
2	1	6	9	7	8		31
3		1		2			3
4	2	1		2	1		6
6	3			3			6
8							
10						1	
<b>Total</b>	<b>28</b>	<b>35</b>	<b>60</b>	<b>117</b>	<b>1883</b>	<b>1</b>	<b>2124</b>



Code	# Mtrs	ZEROS	AFY	AFY/Mtr	Units/Mo.
CN	3		1.4	Construction	
GC	1	2	55.3	Golf Course - July 2011 only	
MU	25	3	212.2	8.47	308
PA	35	0	88.7	2.53	92
IR	56	9	240.5	4.29	156
CM	106	12	205	1.93	70
R	1709	202	1045.3	0.61	22
FL	1	1	6.8	Flushing	
WE	19	5		Wells	
TX	5			Water District accounts	
SB		65		Standby for ID-5 vacant lots	
SW		31		Town Center Sewer	
	<b>Water Usage</b>	<b>AF</b>			
	Jul-11	240.9			
	Aug-11	260.76			
	Sep-11	201.05			
	Oct-11	211.56			
	Nov-11	184.2			
	Dec-11	112.47			
	Jan-12	120.82			
	Feb-12	129.95			
	Mar-12	118.32			
	Apr-12	132.62			
	May-12	174.42			
	Jun-12	184.01			
	Total	2071.08			
	<b>Mtr Factor</b>	<b>EDU's</b>			
	1	3			
	1.5	2248.5			
	2.5	1247.5			
	3.3	250.8			
	5	155			
	15	45			
	32	192			
	58	348			
		4489.8			

# TYPICAL METER INSTALLATION

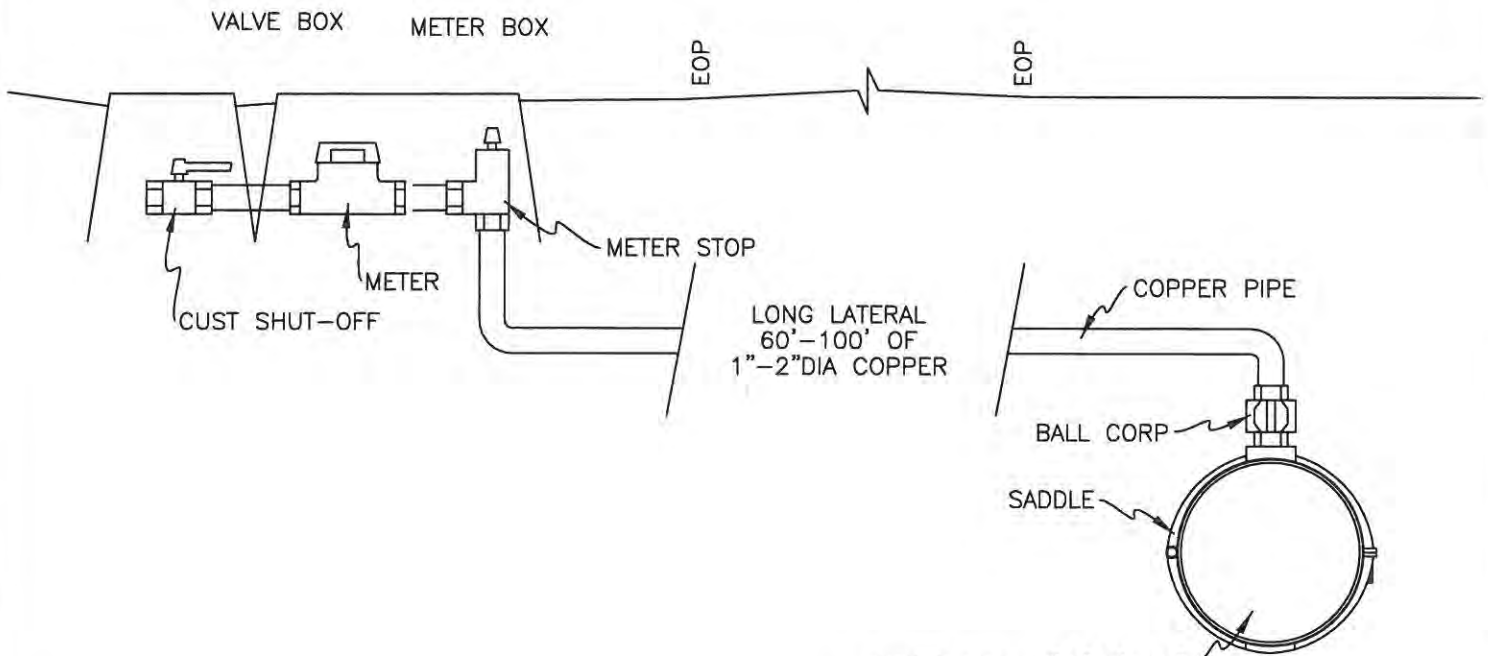
## SHORT LATERAL



**NOTE:** SEE PARTS SHEET FOR SIZE AND COST ESTIMATE

- 1.) SADDLE
- 2.) BALL CORP
- 3.) COPPER FILE
- 4.) METER STOP
- 5.) METER
- 6.) CUST SHUT-OFF

## LONG LATERAL



WATER MAIN 4",6",8"&10"  
AGENDA PAGE 34

**NEW METER INSTALLATION  
SIZE AND COST SHEET 1**

**1.)SADDLE**

PART #	SIZE	PRICE	DESCRIPTION	PART #	SIZE	PRICE	DESCRIPTION
1312	1"x4"	\$ 85.00	202b d/s saddle				
1315	1"x6"	\$ 102.00	101b s/s saddle	1435	1"	\$ 92.00	mip/mip corp stop
	1"x8"	\$ 126.00	202b d/s saddle				
1320	1"x10"	\$ 130.00	202b d/s saddle				
1323	1 1/2"x4"	\$ 100.00	202bd/s saddle	1405	1 1/2"	\$ 170.00	mip/cts/corp stop
1324	1 1/2"x6"	\$ 115.00	202b d/s saddle				
	1 1/2"x8"	\$ 132.00	202b d/s saddle				
	1 1/2"x10"	\$ 170.00	202b d/s saddle				
1311	2"x4"	\$ 109.00	202b d/s saddle	1412	2"	\$ 237.00	fip/fip ; pp#6101w-2
1313	2"x6"	\$ 127.00	202b d/s saddle	1406	2"	\$ 216.00	mip/mip comp
1314	2"x8"	\$ 143.00	202b d/s saddle				
1325	2"x10"	\$ 182.00	202b d/s saddle				

**2.)BALL CORP**

**3.)COPPER PIPE**

PART #	SIZE	PRICE	DESCRIPTION	PART #	SIZE	PRICE	DESCRIPTION
	3/4"	\$4.30 LF	hard (copper pipe)	1402	3/4"x1"	\$ 89.00	cts/comp/ams
	3/4"	\$4.91 LF	soft (copper pipe)	1434	3/4"x1"	\$ 81.00	pp#b13-342
				1418	3/4"	\$ 61.00	fip/fip/sms
	1"	\$6.35 LF	hard				
	1"	\$6.46 LF	soft	1401	1"	\$ 110.00	cts comp ams
				1419	1"	\$ 91.00	fip/fip/sms
	1.5"	\$10.07LF	hard		1"		
	1.5"	\$10.77LF	soft				
				1420	1 1/2"	\$ 255.00	cts comp ams
	2"	\$15.62LF	hard		1 1/2"	\$ 255.00	fip/fip/sms
	2"	\$17.24LF	soft				
					2"	\$ 325.00	cts comp ams
					2"	\$ 261.00	fip/sms

**4.)METER STOP**

**NEW METER INSTALLATION  
SIZE AND COST SHEET 2**

**5.)METER**

PART #	SIZE	PRICE	DESCRIPTION	PART #	SIZE	PRICE	DESCRIPTION
1500	3/4"	\$ 101.00	water meter	1431	3/4"	\$ 56.00	fip/fip ball valve lockable handle
1501	1"	\$ 177.00	water meter	1432	1"	\$ 96.00	fip/mnut ball valve lockable handle
1502	1 1/2"	\$ 646.00	water meter	1433	1"	\$ 86.00	fip/fip ball valve lockable handle
1503	2"	\$ 1,063.00	water meter		1"	\$ 400.00	backflow/parts
					1"	\$ 250.00	backflow/labor
1414	1 1/2"	\$ 84.00	(2)mtr flange/\$42ea.				
1417	1 1/2"	\$ 8.00	(2) gasket\$/4ea.		1 1/2"	\$ 682.00	backflow/parts
1415	2"	\$ 108.00	(2)mtr flange/\$54ea.		1 1/2"	\$ 250.00	backflow/labor
1421	2"	\$ 8.00	(2) gasket\$/4ea.				
707	4"	\$ 5.40	4" bolt kit		2"	\$ 940.00	backflow/parts
1408	3/4"	\$ 14.00	meter tailpiece		2"	\$ 250.00	backflow/labor
1424	1"	\$ 18.00	meter tailpiece				
1508	large	\$ 32.00	meter box lid				
1507	large	\$ 69.00	meter box				

**6.)CUST SHUT-OFF**

Labor = \$40.00 per hour

Typical 1" Short Lateral:

Parts: \$ 747.20  
 Tax: \$ 57.91  
 S&H: \$ 120.76  
 Labor: \$ 640.00 (16 Man/Hr@\$40.00hr)  
 Equipment: \$ 300.00  
 Total: \$ 1,865.87

Typical 1" Long Lateral:

Parts: \$ 747.20  
 Tax: \$ 57.91  
 S&H: \$ 120.76  
 Labor: \$ 1,280.00 (32 Man/Hr@\$40.00hr)  
 Equipment: \$ 900.00  
 Total: \$ 3,105.87