

WILL SERVE LETTER POLICY

Adopted by the Board of Directors on October 20, 2020

Durham Irrigation District (the "District") provides water services within the District's Service Boundary in Butte County, California. Periodically, the District receives requests for the District to provide to a regulatory agency a "Will Serve Letter." A Will Serve Letter provides notification to the regulatory agency and the applicant/developer that the District has sufficient water and facilities available to serve the property/properties and that the District will serve the real property/properties owned by the applicant subject to this policy and conditions contained in the Will Serve Letter. Will Serve Letters will be considered by the District upon receipt of a complete application and application fee. If issued, the Will Serve letter will describe the location, type of service and the specific conditions under which the District will provide service. Residential Developments of four (4) or fewer parcels may be approved by the District's General Manager. Subdivision and Commercial Developments must be approved by the Board of Directors. This Will Serve Policy adopted by the Board of Directors of the District sets forth the policies of the District with respect to the issuance of Will Serve Letters.

The District's General Manager will report on any Will Serve Letters issued by the District at the next regularly or specially scheduled Board of Directors meeting.

Additionally, the District's General Manager will provide a report annually on the status of all issued and unexpired Will Serve Letters during the planning process for the upcoming fiscal year.

Section 1 - Will Serve Letters

1. District Will Serve Letters are issued to regulatory agencies consistent with this policy and on behalf of an applicant/developer to provide an indication of the District's willingness and ability to provide domestic water service to real property/properties within the District's Service Boundary. A Will Serve Letter outlines the general conditions under which the District will provide such water service. It is the District's conditional commitment to provide domestic water service to new customers.
2. The District will not issue a Will Serve Letter for real property which is not within the District's Boundary at the time of the request for the Will Serve Letter. At the discretion of the District's Board of Directors, such real property may be annexed to the District, subject to the owner thereof applying to the District therefor, paying all fees and costs incurred by the District in connection therewith, and obtaining the approval of the Butte County Local Agency Commission (LAFCo) for annexation.

Section 2 - Eligibility & Criteria

1. Applications for Will Serve Letters requesting water service outside of the District's then existing Service Boundary will only be processed upon approval of an annexation of the affected real property by the District's Board of Directors and contingent upon completion of the annexation of the real property into the District's Service Boundary through the Butte County Local Agency Formation Commission. The applicant shall be responsible for all fees and costs incurred by the District, associated with its annexation to the District, including, engineering, legal, and any and all fees and costs imposed and/or assessed by the Butte County Local Agency Formation Commission for such purposes.
2. To the extent any of the foregoing fees and costs of improvement and annexation benefit other properties presently outside the District's service area but subsequently annexed to it, the applicant may be entitled to reimbursement for a proportion of the above fees and costs determined to be a fraction, the numerator of which is the number of connections to the District's water service resulting from these subsequently annexed properties benefitting from the improvements and annexations fees incurred and paid by the applicant and the denominator of which is the total number of such connections from all such properties benefitting from the

improvements and annexation fees incurred and paid by the applicant, including the applicants.

3. A Will Serve Letter issued by the District to an applicant shall terminate at the sooner to occur of five years after the date of the Will Serve Letter or (unless connection to the District water system has been made prior to the termination or expiration of any use permit, tentative map or parcel division approval) upon the termination or expiration of any building permit issued to the applicant for construction of improvements on the real property which is the subject of the Will Serve Letter.
4. Connection of water services as provided in a Will Serve Letter shall be contingent upon the District, at the time of request for connection, having sufficient water sufficient treatment and delivery capacity to comply with all laws and regulations concerning the delivery of domestic water. All District commitments to deliver water shall, during shortage conditions, be subject to the provisions of the then current Water Shortage Contingency Plan and/or adopted Water Shortage Emergency Measures.

Section 3 - District Fees and Costs

1. Applicants for Will Serve Letters shall be responsible for payment or reimbursement to the District as provided in this policy of all District fees and costs in existence on the date that a request by the applicant for connection to the District's water system is made. Without limitation, such fees and costs include professional fees and costs, including those of engineers, surveyors, and attorneys, incurred by the District in connection with such application. Connections to the District's water system will be made only to real property which has, at the time of the request for connection, a valid building permit.
2. The District establishes and periodically updates fees, charges and cost reimbursements which are applicable to connection of water service to real property being developed in the District. The current fees established by the District which are applicable to a Will Serve Letter for which an applicant will be responsible are as set forth on **Exhibit "A"** attached hereto.
3. District fees and costs are normally updated not more frequently than annually although additional fees and costs may be adopted by the District's Board of Directors at any time. An applicant for a Will Serve Letter shall be responsible at the time that such fees are to be collected to pay to or reimburse the District for all fees and costs in existence on the date of the request for connection.

Section 4 - Application for Will Serve Letter - Form

1. Any person or entity requesting a Will Serve Letter from the District shall fully complete and submit to the District an "Application for Will Serve Letter" in the form attached hereto as **Exhibit "B"**. The application will not be considered received by the District until such time as all information required thereon has been provided and the form has been duly executed as provided in the form.
2. An applicant will be required to pay at the time of the submission of the Application for the Will Serve Letter those District administrative fees then in effect for the submissions of an Application for Will Serve Letter together with any deposits required for engineering fees and attorneys' fees, all as provided on **Exhibit "A"** hereto.
3. Following receipt by the District of a complete Application for Will Serve Letter, together with any fees or costs required at the time of the filing of the application, the District will have up to 21 days to review the request. During the review process the District may require the applicant to furnish the District with such other and further information as the District deems pertinent to review and process the application. If during the District's initial review of the application, the District determines that there are additional fees or costs which are required to evaluate and

process the application, the District will provide an estimate of these additional fees and costs in writing to the applicant. The District requires collection of all fees and costs at the times provided in **Exhibit "A"** hereto. Will Serve requests that must be approved by the District's Board of Directors will be presented to the Board for their consideration at their next regularly scheduled meeting following the completion of the review process.

4. The District will not provide water service to any property in the event of non-payment of any applicable fees or costs.

Section 5 – Service Agreement

1. Applicants who request a Will Serve Letter from the District to supply water to a proposed development which requires the construction of new or additional District water distribution system improvements in order to provide water service requested, will be required to enter into a Service Agreement between the applicant and the District.
2. The Service Agreement will set forth all terms and conditions of water service for the applicant by the District and will describe in detail the responsibilities of the applicant and the District with respect to the construction of and payment for any required District water distribution system improvements.
3. In the event that a Service Agreement is required for the applicant's proposed development, the applicant will be responsible to execute and deliver the Service Agreement prior to acceptance of project improvement plans by the District's General Manager and to pay the District the initial deposit required therein, which will be used for among other things, reimbursement of the District for fees and expenses incurred by the District for its District engineer and attorney in the preparation of the Service Agreement.

Section 6 - Standard Conditions of Approval

1. The District shall approve, in advance and in writing, the plans and specifications for all water installations from its water main up to, and including, the water connection on each parcel. All plans must be submitted in accordance with the District's standards for water facilities. The District will sign off on its portion of the improvement plans when and only when the Butte County Public Works Department has informed the District that all the County plan requirements have been met and the County is prepared to sign and release such improvement plans.
2. The water installations shall be constructed at the applicant's sole cost and expense and completed in a good and workmanlike manner. They shall be subject to inspections and acceptance, in writing, by the District's engineer.
3. The applicant solely shall be responsible for all on-site and off-site improvements necessary for the provision of water service to the parcels.
4. The water installations shall be warranted to be free of any and all defects in materials and workmanship for a period of three (3) years from and after their acceptance by the District. An adequate maintenance bond or other security satisfactory to the District shall be issued to the District to secure this obligation. Should any repair of on- and off-site defects/deficiencies in the materials or workmanship in the water installations arise during such three-year period, the applicant immediately upon written notice of the defect by the District, shall make all repairs in a good and workmanlike manner at the applicant's cost and expense. All repairs will be subject to inspection and acceptance, in writing, by the District's engineer. Should the applicant not do so,

the District may undertake, but shall not be obligated to perform, such repair, in which even the District shall make claim against the applicant's maintenance bond.

5. The applicant shall be responsible for payment or reimbursement to the District for all of its fees and costs incurred in connection with its providing connection of the property to its water service, including, without limitation, the fees and costs of the engineer employed by the District to, among other things, review the plans and specifications of the water installations, to monitor their installation and testing, and to inspect and accept them.
6. The applicant shall grant to the District in for acceptable to the District any all public utility easements on, over and across the applicant's property necessary to assure the District's use of, and access to, such water installations. Ownership of such water installations will be conveyed to the District upon their acceptance by the District.
7. Development on the property shall be subject to the following:
 - a. There shall be a 200-foot septic-free setback from any District well located within 200 or fewer feet from the property;
 - b. There shall be a 25-foot septic-free and storm drain trench-free setback from the District's water mains;
 - c. All existing wells on the property will be shown on a map. Wells shall be legally abandoned and decommissioned pursuant to applicable Butte County ordinances and/or state regulations, unless otherwise agreed in writing between the applicant and the District;
 - d. The applicant shall be responsible for extending the District's water main as well as any water main extension necessary to serve the parcel(s).
 - e. The applicant will comply with the requirements of the Butte County Fire Marshall for any new fire hydrants and advise the District as to the requirements therefor. By way of example only, if a fire hydrant is required, the developer will pay the fees and costs necessary to extend a six-inch water main thereto, as well as a public utilities easement to the District to maintain and repair such.
8. Connection fees for water shall be assessed at the then-current rate of the District at such time as they are requested. The applicant and successors, shall pay all water connection fees in advance and prior to connection to the District's water system.

Will Serve Policy adopted by the Durham Irrigation District on _____ and
last amended on _____.

The undersigned, an applicant for a Will Serve Letter from the Durham Irrigation District acknowledges
receipt of the Will Serve Policy this ____ day of

_____, 20 ____.

Authorized Signature

Date

Name (print)

EXHIBIT "A"

WILL SERVE LETTER FEE SCHEDULE

**Adopted by the Board of Directors on
October 20, 2020**

Administrative Fees

Administrative Fees are to be paid at the time an application for a will serve letter or application for connection to the District is received, whichever first occurs.

- (a) District Administrative Overhead Filing, Research and Preliminary Review: \$850.00, or as then set forth in the District Policies and Procedures Manual "Appendix A – Schedule of Rates and Charges," whichever is more current, plus any professional fees incurred by the District in connection therewith at the District's cost therefor.
- (b) Projects requiring an "Agreement for Water System Improvements" shall first execute a Reimbursement Agreement setting forth the terms and conditions to reimburse the District for all project related expenses including staff, engineering and legal expenses associated with the project and preparation of the Off Site Improvements/Development Agreement.

Engineering and Attorney Fees

For subdivisions that will create more than 4 parcels and commercial/industrial projects that will require review by the District's Engineer and/or Attorney a deposit of \$5,000.00 or whichever is more current, plus any professional fees incurred by the District in connection therewith at the District's cost therefor (or as superseded in the District Policies and Procedures Manual "Appendix A – Schedule of Rates and Charges") each for engineering and attorney fees is to be collected at the time the District receives an application. After the District's receipt of a complete application, applicants will be provided with an estimate of all District Engineering and Attorney fees to be incurred. Estimated Engineering and Attorney fees in excess of the initial deposit are to be paid upon receipt of the estimate. Engineering and Attorney fees in excess of the deposits will be billed to the applicant by the District upon receipt of the bills thereafter, and are payable immediately. Deposits in excess of final billing will be refunded to the applicant.

Connection Fees

Connection fees are to be paid at the time the real property is connected to the District water system. Connection fees include the following fees and costs pursuant to District's Policy as amended: Capital Improvement Fees, Water Meter Set Fees and Service Line Installation Fees.

EXHIBIT "B"
APPLICATION FOR WILL SERVE LETTER

Date: _____

APPLICANT INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____ Fax #: _____

E-Mail: _____

PROPERTY INFORMATION

Location of Property(s): _____

Legal Description: _____

Assessor's Parcel Number (APN) of lot(s) to be served: _____

Service address of parcel(s) served: _____

Butte County Development Services Department Project Number: _____

Type of Use:

- | | | | | |
|--|-----|--------------------------|----|--------------------------|
| a) Single Family Residence | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| b) Multi Family Residence | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| c) Residential Development
(Including Residential Subdivisions) | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| d) Commercial/Industrial | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

Number of Units: _____ Type: _____

THE FOLLOWING ITEMS MUST BE SUBMITTED

1. "Request for Will Serve Letter" Form.
2. Multi-Family, Residential and Commercial/Industrial Developments must supply plans.
3. Check payable to the Durham Irrigation District for all fees associated with the Request for Will Serve Letter Form.
4. **Please Note:** Payment for Will Serve Letter fees and the Request Form will not be accepted until all required items have been submitted.

WILL SERVE LETTER ADDRESSEE INFORMATION

This Will Serve Letter needs to be sent to:

Name:

Address:

City:

State:

Zip:

Phone #:

Fax #:

E-Mail:

Property Owner(s) Name, Address and Phone Number:

Name:

Address:

Phone #;

I (We) the undersigned applicant(s) do hereby request a Will Serve Letter from Durham Irrigation District for the real property(s) described in this application. The undersigned certifies under penalty of perjury that I (we) have the authority to make this request and have provided correct information. I (we) understand and agree that I (we) will be responsible for and will pay all fees and costs associated with the Will Serve Letter as provided for in the Will Serve Policy of the Durham Irrigation District

Dated this _____ day of _____ 20_____

Exhibit "C" – Standard Will Serve Letter

{Date}

Re: {Project Name and (Parcel Map, APN, or Proponent)}

This is to inform you that the above referenced real property lies within the Durham Irrigation District's current boundaries.

Water service by the District to this project will be provided contingent upon compliance with all rules, regulations, policies, resolutions, fees, and specifications that are in effect at the time connection to the District's water system is requested and any payment by the applicant of all fees and costs incurred by the District in connection therewith.

The District requires receipt of and an opportunity to comment on:

1. Tentative maps for the real property or use permit applications as the case may be;
2. Review and acceptance of improvement plans for construction of needed water system improvements;
3. Review and acceptance of completed water system improvements whether on site or off site and which are associated with this property; and, if applicable,
4. Completion of the conditions as set forth in an "Agreement for Water System Improvements" for the proposed project. (Note: This project will require an Agreement for Water System Improvements between the applicant and the District with terms and conditions as provided by the District.

Connection of water service as provided in a Will Serve Letter shall be contingent upon the District, at the time of request for connection, having sufficient water and shall further be contingent upon the District having sufficient treatment and delivery capacity to comply with all laws and regulations concerning the delivery of domestic water. All District commitments to deliver water shall, during water supply shortage conditions, be subject to the provisions of the then current District Water Shortage Contingency Plan and/or Adopted Water Shortage Emergency Measures.

This Will Serve Letter shall terminate at the sooner to occur of either ten (10) years after the date of the Will Serve Letter or upon the termination or expiration of any building permit issued to the applicant for construction of improvements on the real property which is the subject of the Will Serve Letter (unless connection to the District water system has been made prior to the termination or expiration of any use permit, tentative map or parcel division approval).

Should you require additional information, please contact the District office.

Sincerely,

General Manager or District

cc: File
Engineer
Attorney