

APPENDIX 8.14A

Will Serve Letter



November 5, 2002

Randy Baysinger, P.E.
Assistant General Manager
Power Generation Administration
Turlock Irrigation District
P.O. Box 949
Turlock, CA 95381

Subject: City of Turlock Will Serve Letter: Domestic and Industrial Water

Dear Mr. Baysinger:

The City of Turlock is pleased to provide this Will Serve Letter to the Turlock Irrigation District ("TID") regarding the City's ability to provide domestic and industrial water supplies to TID's Walnut Energy Center ("WEC") Project.

It is the City's understanding that TID needs approximately 1.5 million gallons a day for cooling and process water. TID has requested that the City supply TID with tertiary treated water for this use as soon as such water is available. The City is in the process of permitting and building a Title 22, tertiary water treatment facility at its wastewater treatment facility. This Title 22 facility is necessary in order to achieve new NPDES permit requirements. The City intends to have the tertiary facility on line by May 1, 2006, and the Turlock City Council has approved the funding mechanism for the facility.

We are currently evaluating potential facility designs and initiating the required environmental review. To date the City is at 75% design of the new facilities. The environmental review process has begun and we anticipate adopting a final EIR in February of 2003. Once certification of the EIR is completed the project is expected to begin the bidding process in March with construction starting in May. User fee rate increases have already been adopted to fund debt service from the bond issuance. The increases have already been adopted to fund debt service from the bond issuance. The first of four rate increases will take effect January 1, of 2003. Once the Title 22 facility becomes operational, the City will have a sufficient supply of recycled water to provide the WEC project recycled water from the facility. Given that the Title 22 facility is not expected to be on-line until May of 2006 and that TID intends to have the WEC on-line by the fourth quarter of 2005, there will likely be an interim period between the initial operation of the WEC facility and the availability of recycled water.

This Will Serve Letter confirms that the City will have sufficient supply available to provide TID potable water to meet its cooling water and process water needs until such time as the recycled water is available.

Should you have any questions, please feel free to call me at 668-5590.

Sincerely,

A handwritten signature in black ink, appearing to read "Cliff Martin", written in a cursive style.

Cliff Martin
Municipal Services Director

CM/ac