Agenda Item: 7A

Date: Nov. 5, 2026

Los Osos Community Services District
STAFF REPORT

TO: Los Osos Community Services District Board of Directors

FROM: Eric Riddiough, P.E. – Assistant GM / District Engineer

SUBJECT: **Revisions to the Intent-To-Serve/Will Serve Water Connection Policy and Guidelines**

STAFF RECOMMENDATION

Staff recommends that the Board:

1. Review and provide feedback on the current Application for District Service Policy and Guidelines for new and existing water customer connections; and
2. Direct Staff to adopt proposed language modifications to Application for District Service Policy and Guidelines.

ALTERNATIVES

Alternatively, the Board of Directors may:

1. Provide additional language to be incorporated into the Application for District Service Policy and Guidelines; or
2. Provide other direction for staff.

DISCUSSION

Background.

With the approval of the Los Osos Community Plan by the California Coastal Commission, the approval of the Habitat Conservation Plan by the County Board of Supervisors, and the passage of the amended Growth Management Ordinance allowing limited new development, the CSD has received requests for Intent-To-Serve/Will Serve Letters beginning in 2025 and into 2026. District staff met with County Planning and Building staff late in 2024 and early 2025 in order to better align with their process and develop an updated “will serve” policy and application process. Input was received from the Los Osos Utilities Advisory Committee at several meetings, and then a final revision of the new CSD policy was created to issue Intent/Will Service Letters. The policy and supplementary documents were presented to the Board. At the Board’s February meeting in 2025, updates to the will serve process were reviewed and approved. The documents are in the Attachments of this staff report.

Since 2025, the District has received requests for water service in its service boundaries. The following Table 1 has a breakdown of information on the property, date issued, and type of “will serve” issued:

ASM: _LD_	AGM/DE: _ER_
DGC: ____	GM: _GK

Table 1: Summary of 2025 and 2026 "Will Serves" Issued

2025 -2026 YTD "WILL SERVES" ISSUED

Will Serves Issued (actual connection to water system)

None

Intent-To-Serves Issued

	APN	Dev Type	Date Issued	# on waitlist
1	038-732-012	SFH	4/23/2025	3
2	038-462-042	SFH	6/24/2025	72
3	038-192-034	SFH	5/7/2026	2
4	038-462-043	SFH	5/15/2026	5

Conditional Intent-To-Serves Issued

	APN	Dev Type	Date Issued	# on waitlist
1	038-733-012	SFH	9/24/2025	53
2	038-052-022	SFH	12/23/2025	8
3	038-734-001	SFH	2/27/2026	20
4	038-732-006	SFH	3/4/2026	36
5	038-132-035	SFH	10/5/2026	119
6	038-162-023	SFH	10/27/2026	12

Continue To Serves (Existing) Issued

25 total

Revisions to the Policy and Application Procedures

Conditional Intent-To-Serve Letter Process.

There continues to be a timing issue when the County is accepting an application from a party wanting to initiate the permitting process for a new project with the County Planning and Building. The County requires the applicant to have "evidence of service" at the time of application before there is a project or planning permit issued. The CSD as a result has been issuing "Conditional Intent-To-Serve" letters as a step prior to the "Intent-To-Serve" application process. This "Conditional Intent-To-Serve" letter step and its conditions are not detailed in the current District Policy. The updates to the policy will add this step and language so that the process is clearer for applicants and District staff alike. This step satisfies the County requirement for initiation of the planning application but gives a conditional intent to serve since a project has not yet been proposed or reviewed.

Timing of Annual Water Report and Water Shortage Contingency Plan Review.

Additionally, the guidelines clarify the General Manager's role and the information that will be presented to the Board annually at the June Board meeting to support any findings to be made regarding new development in the upcoming year. Since the BMC metrics and growth recommendation may not be available until later in the year, the proposed language change is to remove the specified June meeting reference and restate without reference to a specific month that after all information is received, including the BMC findings, the BMC recommended growth rate, climatic information, and other metrics for the

Water Shortage Contingency Plan (“WSCP”) and planning stages. District staff will present it to the Board for review prior to the end of the year for the next calendar year for consideration of which Stage of water contingency the Board will select for the following year within 60 days of the Board meeting where this is presented.

Other Substantial Changes.

1. Tied new development approvals to the WSCP
   - The old policy references the Board determining annually whether new development applications would be accepted.
   - The new policy formally connects application acceptance to the District's WSCP and requires consideration of WSCP stages and Basin Management Committee growth recommendations.
   - Explicitly prohibits acceptance of Intent-To-Serve applications during Stage III, IV, or V water shortage declarations, consistent with District Code Title 2.

2. Established a Board decision timeline for WSCP Stage of Conservation
   - Requires the Board to make its annual determination within 60 calendar days after staff presents a recommendation.
   - Timeline was advised by District Counsel
   - No such timeline existed previously.

3. Clarified development application package requirements
   - Clearly states requirement of applications to be completed on District forms.
   - References the formal Development Service Procedure Summary and associated deliverables.
   - Clarifies that the Intent-to-Serve application process involves a more structured development review process.

4. Revised project approval authority categories
   Removed:
   - "Higher than currently permitted housing density" as a standalone category requiring Board approval.
   - Removal advised by District Counsel since ADU’s can be approved ministerially by the County

   Added/Expanded:
   - General Manager may approve projects not falling into Board-required categories.

5. Added clarity to policy language from Intent-To-Serve letters
   This includes:
   - Acceptance of easements and dedications by the District.
   - Bonding or security for improvements to be dedicated to the District.
   - Compliance with Coastal Development Permit requirements (when applicable).
   - Compliance with District-specific project conditions.
   - Upgrade or relocation of District facilities when necessitated by a project.

6. Added Title 19 water offset language
   - Requires compliance with the County's Title 19 Plumbing Retrofit-to-Build Program.
   - Specifically requires a minimum 2:1 water offset ratio and proof of completed retrofits before issuance of a Will-Serve letter.

7. Strengthened revocation procedures
   Previously:
   - Intent-To-Serve letters could be revoked based on water availability or policy changes.

Now:
- Requires notice and hearing before revocation.
- Requires an evidence-based Board determination.
- Adds applicant noncompliance as an explicit basis for revocation.

8. Changed extension process
   Previously:
   - Extensions could be granted for "good cause" with no stated limit.

   Now:
   - Extensions are limited to one year.
   - Removes the "good cause" standard as vague; advised by District Counsel.
   - Establishes a more structured extension process.

9. Changed transfer rules
   Previously:
   - Transfer effective date was tied to recording of the new deed.

   Now:
   - Transfer becomes effective upon District approval.
   - Clarifies that transfer does not restart the expiration clock.

10. Added clarity to Will-Serve Letter issuance requirements
    Requirements before issuing a Will-Serve letter are defined clearer in policy:
    - Compliance with all Intent-To-Serve provisions and conditions.
    - General Manager satisfaction with compliance.
    - Good standing in County planning and building processes.
    - Compliance with Title 19 offset requirements.

11. Added meter installation and construction-related requirements language to policy
    These items were only in the Intent-To-Serve letter previously and not specifically mentioned in the policy:
    - Conditions for water meter installation.
    - Requirement to obtain County building permits.
    - District acceptance of improvements prior to service.
    - Additional indemnification provisions.
    - Clarification of owner responsibility for construction safety and liability.
    - Fire bypass requirements.
    - Backflow prevention requirements.
12. Expanded acceptable financial security
    Previously:
    - Cash deposit, letter of credit, or other security.

    Now:
    - Explicitly adds performance bonds as an acceptable security instrument.

SUMMARY

There are currently three documents that make up the Will Serve Process for the District. They include:

1. *Application for District Service Policy and Guidelines* – Provides insight to entire “Will Serve” process.
2. *Intent-To-Serve Application* – This application starts the formal will serve process and review once a planning permit is obtained by the applicant.

3. *Development Service Procedure Summary* – Provides step-by-step guidance for applicants moving through the process after and Intent-To-Serve Application has been filed, accepted and fees paid to the District. This document accompanies the application.

The revised policy substantially expands and formalizes the District's intent-to-serve/will serve review process. The Conditional Intent-To-Serve step will be added to the policy in order to add clearer direction to applicants as they pursue water service connections for potential future developments. Other language changes have been added as well to bring further clarity to this document. Those changes include integration with the WSCP, clarification of development review procedures and Title 19 water offset requirements, additional project conditions and permitting requirements, revised extension and transfer procedures, enhanced revocation standards, and a more complete picture in policy form for issuance of Intent-To-Serve/Will-Serve letters.

Staff may return to the Board in the future with additional changes to the policy, especially regarding updates to fees. The last update to fees was effective May of 2021, so the current schedule of fees may not be up-to-date with recent inflation and accurate actual costs. Additionally, water connection fees should take into account future growth and capital needs for maintenance and replacement and upgrade of aging infrastructure. It is advised that the District enlist the services of a financial consultant to develop updated capacity and connection fees and water rates which are based on current conditions and upcoming capital expenditures consistent with State law.

ATTACHMENTS

1. Application for District Service Policy and Guidelines (updated)
2. Application for District Service Policy and Guidelines (existing from February 2025 with proposed changes)
3. Intent-To-Serve Application Form with Development Service Procedure Summary

LOS OSOS COMMUNITY SERVICES DISTRICT
APPLICATION FOR DISTRICT SERVICE
POLICY AND GUIDELINES

POLICY STATEMENT

The Los Osos Community Services District ("District") is committed to providing safe drinking water and reliable water service to properties within the District's water service boundary. To ensure the availability of water supply to serve new developments, annually, the Board of Directors ("Board") will consider approving findings based on the criteria in the Water Shortage Contingency Plan ("WSCP") and the recommendations and information contained in the Los Osos Basin Management Committee's ("BMC") annual groundwater monitoring basin metrics regarding the Los Osos Groundwater Basin's ability to support any new development. If the Board is unable to make the determination on water supply availability based on the aforementioned information, the Board may defer accepting applications for new water service until a time favorable findings can be approved.

PROCEDURES

Each year after the BMC has presented the basin water level metrics and made its growth recommendation to the County of San Luis Obispo ("County"), District staff will present a water report to the Board summarizing the climatic conditions from the previous rainy seasons and the basin metrics and recommendations from the BMC's annual groundwater monitoring report. Based on this information, and considering the BMC's growth recommendation, staff shall make a recommendation to the Board on which Stage of the WSCP should be considered by the District in the following calendar year. The Board shall consider the recommendation and make a determination within sixty [60] calendar days of the date staff presents a recommendation.

If the Board determines that the Stage of water contingency can accommodate new development during the following calendar year, the District will only provide water service to projects that have complied with all the terms, conditions, rules and regulations of the District and other agencies having jurisdiction over the project including, without limitation, this Policy, District Code, and which qualify for an Intent-To-Serve Letter.

Notwithstanding the foregoing, the District's WSCP, which is detailed in Chapter 2.06.01 of the District Code, states in Stage III Conservation that "No new intent-to-serve applications will be considered." As a result, the District does not accept Intent-To-Serve applications nor issues Intent-To-Serve letters during a declared Water Shortage Emergency Stage III or greater (Stage IV and Stage V).

GUIDELINES

A. <u>CONDITIONAL INTENT-TO-SERVE LETTER</u>

To initiate a planning permit application with the County, the County requires the applicant to have indication that the water purveyor intends to or will serve a

property with water at the time of application. Upon application, and assuming no Water Shortage Emergency Stage III or greater exists, the District will issue a Conditional Intent-To-Serve letter to the applicant which communicates to the County that the subject property is within the District's service boundary and that, if a planning permit is obtained, the applicant may pursue an Intent-To-Serve. The Conditional Intent-To-Serve letter shall have the following general conditions and provisions, along with any site-specific conditions that may be required and added to the letter at the discretion of the General Manager:

General Conditions:

- The County and applicant shall provide the District with written verification that the Project meets current County requirements for Project construction including written notification from the County regarding the parcel's status on the established County Planning and Building wait list for new single-family projects in Los Osos.

- The Owner shall provide District with written verification and evidence that the Project has been granted a use permit from the County and has complied with all conditions of said permit.

- Owner shall defend, indemnify and hold harmless the District and/or its agents, officers and employees from any claim, action or proceeding against the District and/or its agents, officers or employees to attack, set aside, void or annul, the issuance by the District of this Conditional Intent-To-Serve Letter, and any other District actions or permits relating to the Project.

Additional Provisions:

- Owner acknowledges receipt of the Los Osos Community Services District Application for District Service Policy and Guidelines.

- This "Conditional Intent-to-Serve" Letter shall be subject to the then-current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. This "Conditional Intent-to-Serve" Letter may be revoked or modified as a result of conditions imposed upon the District by a Court, the BMC, the County, or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors prior to the establishment of water service.

- Unless sooner terminated, this "Conditional Intent-to-Serve" Letter will terminate within two [2] years from the date of issuance. This "Conditional Intent-to-Serve" Letter shall not be interpreted as the District's Board of Directors endorsement of the Project. This may be extended one [1] year at the discretion of the General Manager with an amended extension letter signed by the General Manager and the applicant.

- The General Manager, or the Assistant General Manager / District Engineer shall be responsible for determining compliance with the conditions identified in this "Conditional Intent-to-Serve" Letter.

B. APPLICATIONS FOR “INTENT-TO-SERVE”

Prior to accepting application for processing the applicant shall pay the appropriate application fee.

Applications shall be completed on the District form and signed by either the owner, or the owner's designated architect or engineer. Specific deliverables are detailed in the “Development Service Procedure Summary” portion of the application package. This includes but is not limited to three separate sets of the following:

(1) The project location;

(2) A site plan that shows the approximate square footage, the number of stories, the site topography and an estimate of the number of water fixtures to serve the project; and

(3) The name and address of the project contact person.

C. APPLICATION REVIEW AND FEES

The applications will be reviewed by the District. Additional information may be requested from the applicant upon completion of the review. Applicable fees must be paid at the time of submittal of the application. Review of the application for Intent-to-Serve follows the LOCSD “Development Service Procedure Summary,” which is in the application package.

D. APPROVAL OF "INTENT-TO-SERVE" LETTERS

The General Manager may approve an “Intent-to-Serve” Letter, except for the following type of projects, for which Board approval is required:

- More than two dwelling units
- Commercial, institutional, or mixed-use developments

“Intent-to-Serve” letters for these types of projects shall be approved by the Board of Directors if the Board finds that sufficient capacity exists to serve the project. Board decisions shall be supported by substantial evidence.

All "Intent-to-Serve" Letters shall include but not be limited to the following:

- General and Special Conditions as well as Additional Provisions for service that are specific to the property/project.

- If applicable, all easements and dedications required for District service shall be delivered to and accepted by the District. All water improvements to be dedicated to the District shall be bonded for or otherwise secured in the District’s name.

- That District service is conditioned on applicants paying all District fees and charges relating to the project and complying with the terms and conditions, rules and regulations of the District as listed in the property/project specific Intent-To-Serve letter.

- That the District service is conditioned on the applicant complying with all the terms, conditions, rules and regulations of other agencies that have jurisdiction over the project including but not limited to the District, CALFIRE, the County, etc.

- If any of the District's facilities are required to be moved, relocated, raised, upsized, downsized, or in any way altered or changed because of required conditions of the District, the County or any other agency having jurisdiction over the proposed Project, the Owner, developer, agent, contractor, or responsible agent, at its sole cost and expense, should a nexus exist, shall bring such facilities up to District and County standards of design and access.

- The Owner shall provide the District with written verification and evidence that the Project has been granted a Coastal Development Permit, if applicable, and has complied with all conditions of said Coastal Development Permit.

- The Owner shall comply with the County of San Luis Obispo's Title 19 water offset requirements at the prescribed minimum ratio of 2:1 as detailed in County Policy LNG-1016 dated 3/31/2025 which can be found at the County's website under Los Osos Groundwater Basin Plumbing Retrofit-to-Build Program (Title 19). Evidence of the completed retrofits performed in the District's boundary shall be provided to the District prior to the issuance of a Will Serve letter.

- The "Intent-to-Serve" Letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. Prior to the establishment of water service, this "Intent-to-Serve" Letter may be revoked, following notice to the applicant and a hearing, as a result of an evidence-based determination by the Board that water resources are no longer available to serve the Project, or as a result of an applicable change in ordinance, resolution, rules, regulations adopted by the Board of Directors, or based on the applicant's failure to comply with its conditions or terms.

- That unless sooner revoked this "Intent-to-Serve" Letter will terminate within two [2] years from the date of issuance.

- This "Intent-to-Serve" Letter shall not be interpreted as the District's Board of Directors endorsement of the project.

E. EXTENSIONS AND TRANSFERS

Upon application of owner prior to termination, the Board of Directors may extend the termination date of a “Intent to Serve” Letter on the same or amended terms and conditions for a period not to exceed one [1] year.

Prior to termination, a “Intent to Serve” Letter may be transferred to a successor-in-interest in the property to be served on the following terms and conditions:

(1) The application is signed by the current owner prior to transfer of property;

(2) The successor-in-interest acknowledges and agrees in writing to the terms and conditions of the “Intent to Serve” Letter; and

(c) The date of District approval is the effective date of the transfer and shall not extend the applicable termination date. The timeline does not reset with a transfer.

F. "WILL-SERVE" LETTERS

"Will-Serve " Letters are evidence of the District's commitment to provide service to the project consistent with District's then-current rules and regulations. "Will-Serve" Letters will be issued administratively for a property with a current “Intent to Serve” Letter upon the applicant paying all District fees and charges related to the Project and having demonstrated compliance with all provisions and conditions of the District’s " Intent-to-Serve" Letter and process to the satisfaction of the District’s General Manager or their designee. Additionally, the applicant shall be in good standing with the County’s Planning and Building processes before issuance of the “Will Serve” letter. "Will-Serve" Letters will contain but are not limited to the following language:

- District service is conditioned upon the applicant complying with all terms, conditions, rules and regulations of agencies that have jurisdiction over the project. The District reserves the right to demand evidence of compliance as a condition to either set the water meter or provide continued water service. The District will set water meter upon proof of a building permit from the County of San Luis Obispo, the District’s acceptance of improvements to be dedicated to the District and final payment of all charges and fees owed to the District.

- This "Will-Serve" Letter shall be subject to the then-current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. Prior to the time service is established, this "Will-Serve" Letter may be revoked as a result of conditions changed by ordinance, resolution, rules, or regulations adopted by the District for the protection of health, safety, and welfare of the District and its residents.

- Owner agrees that the District's review or approval of the Project plans and specifications is for administrative purposes only and does not relieve Owner of its responsibility to properly plan, design, construct, operate, and maintain the Project.

- In accordance with generally accepted construction practices, Owner shall assume sole and complete responsibility for the condition of the job site during the course of the Project construction, including the safety of persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and the Owner shall defend, indemnify, and hold the District and District's agents, employees and consultants harmless from any and all claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities arising out of the performance or attempted performance of the work on this project; except those claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities resulting from the sole negligence or willful misconduct of the District.

- The District will install water meters at an agreed location fronting the property, once the project has been approved and construction has been completed. The property owner will be required to make the required connection to the meter at this time. The property owner may also be required to install a backflow device to prevent any possible backflow into District water system as required by law. A fire bypass is also required to be installed in case a water service needs to be shut off by the District due to non-payment or other District need and yet maintain necessary water service for any required fire suppression system.

The General Manager has the discretion to accept a performance bond, cash deposit, letter of credit, or other securities acceptable to the General Manager as faithful performance for unfulfilled conditions that can be fulfilled by the payment of money.

LOS OSOS COMMUNITY SERVICES DISTRICT
APPLICATION FOR DISTRICT SERVICE
POLICY AND GUIDELINES

POLICY STATEMENT

The Los Osos Community Services District (District) is committed to providing~~establishing~~ safe drinking water and reliable water service to properties within the District's water service boundary. To ensure the availability of water supply to serve new developments, annually, the Board of Directors (Board) will consider approving findings based on the criteria in the Water Shortage Contingency Plan and the recommendations and information contained in the Los Osos Basin Management Committee's ("BMC") annual groundwater monitoring basin metrics regarding the Los Osos Groundwater Basin's ability to support any new development. If the Board is unable to make the determination on water supply availability based on the aforementioned information, the Board ~~will~~ may defer accepting applications for new water service until a time favorable findings can be approved.

PROCEDURES

~~At the June Board meeting each year~~Each year after the ~~Basin Management Committee (~~BMC~~)~~ has presented the basin water level metrics and made its~~their~~ growth recommendation to the County of San Luis Obispo ("County"), ~~the General Manager~~District staff will present a water report to the Board summarizing the climatic conditions from the previous rainy seasons and the basin metrics and recommendations from the BMC's ~~Los Osos Basin Management Committee's~~ annual groundwater monitoring report. Based on this information and considering the BMC's growth recommendation, staff shall make a recommendation ~~will be made~~ to the Board on ~~whether new development applications should~~will be acceptedwhich Stage of the WSCP should be ~~considered~~ by the District in the following calendar year. The Board shall consider the recommendation and make a determination within sixty [60]~~[X]~~ calendar days of the date staff presents a recommendation.

If the Board determines that the Stage of water contingency can accommodate new development ~~can proceed~~ during ~~any given~~the following calendar year, the District will only provide water service to projects that have complied with all the terms, conditions, rules and regulations of the District and other agencies having jurisdiction over the project including, without limitation, this Policy, District Code, and which qualify for a ~~Will~~Intent-To-Serve Letter.

Notwithstanding the foregoing, ~~T~~the District's ~~Water Shortage Contingency Plan~~WSCP, which is detailed in Chapter 2.06.01 of the District Code, states in Stage III Conservation that "No new intent-to-serve applications will be considered." As a result, the District does not accept Intent-To-Serve applications nor issues Intent-To-Serve letters during a declared Water Shortage ~~e~~Emergency Stage III or greater (Stage IV and Stage V).

GUIDELINES

A. CONDITIONAL INTENT-TO-SERVE LETTER

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~~In order to~~To initiate a planning permit application with the County, the County requires the applicant to have indication that the water purveyor intends or will serve a property with water at the time of application. Upon application, and assuming no Water Shortage Emergency Stage III or greater exists, ~~T~~the District will issue~~s~~ a Conditional Intent-To-Serve letter to the applicant which communicates to the County that the subject property is within the District's service boundary and that, if a planning permit is obtained, the applicant may pursue an Intent-To-Serve. The Conditional Intent-To-Serve letter shall have~~s~~ the following general conditions and provisions, along with any site-specific conditions that may be required ~~in~~and added to the letter at the discretion of the General Manager:

~~Special~~General Conditions:

The County ~~of San Luis Obispo~~ and applicant shall provide the District with written verification that the Project meets current County requirements for Project construction including written notification from the County regarding the parcel's status on the established County Planning and Building wait list for new single-family projects in Los Osos.

The Owner shall provide~~s~~ District with written verification and evidence that the Project has been granted a ~~Minor Use Permit~~use permit from the County and has complied with all conditions of said permit.

Owner shall defend, indemnify and hold harmless the District and/or its agents, officers and employees from any claim, action or proceeding against the District and/or its agents, officers or employees to attack, set aside, void or annul, the issuance by the District of this Conditional Intent-To-Serve Letter, and any other District ~~all~~ actions or permits relating ~~there~~to the Project.

Additional Provisions

Owner acknowledges receipt of the Los Osos Community Services District Application for District Service Policy and Guidelines.

This "Conditional Intent-to-Serve" Letter shall be subject to the then-current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. This "Conditional Intent-to-Serve" Letter may be revoked or modified as a result of conditions imposed upon the District by a Court, the BMC, the County, or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors prior to the establishment of water service.

~~That u~~Unless sooner terminated, this "Conditional Intent-to-Serve" Letter will terminate within two [2] years from the date of issuance. This "Conditional Intent-to-Serve" Letter shall not be interpreted as the District's Board of Directors endorsement of the Project. This may be extended one [1] year at the discretion of the General Manager with an amended extension letter signed by the General Manager and the applicant.

The General Manager, or the Assistant General Manager / District Engineer shall be responsible for determining compliance with the conditions

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identified in this "Conditional Intent-to-Serve" Letter.

~~A.~~ B. ~~APPLICATIONS~~ FOR "INTENT-TO-SERVE"

~~(1)~~ Prior to accepting application for processing the applicant shall pay the appropriate application fee.

~~(2)~~ Applications shall be ~~in writing~~completed on the District form and signed by either the owner, or the owner's architect or engineer. Specific deliverables are detailed in the "Development Service Procedure Summary" portion of the application package. ~~and~~ This includes but is not limited to three separate sets of the following:

(1~~a~~) The project location;

(2~~b~~) A site plan that shows the approximate square footage, the number of stories, the site topography and an estimate of the number of water fixtures to serve the project;

(3~~c~~) The name and address of the project contact person.

~~B.~~C. APPLICATION REVIEW AND FEES

The applications will be reviewed ~~initially by the Utility Department and the General Manager~~by the District. Additional information may be requested from the applicant upon completion of the review. Applicable fees must be paid at the time of submittal of the application. Review of the application for Intent-to-Serve follows the LOCSD "Development Service Procedure Summary," which is in the application package.

~~C.~~D. APPROVAL OF "INTENT-TO-SERVE" LETTERS

The General Manager may approve an "Intent-to-Serve" Letter, except ~~Board approval is required~~ for the following type of projects, for which Board approval is required:

- More than two dwelling units
- ~~Higher than currently permitted housing density~~
- Commercial, institutional, or mixed-use developments

"Intent-to-Serve" letters for these types of projects shall be approved by the Board of Directors if the Board finds~~based on a finding~~ that sufficient capacity exists to serve the project. Board decisions shall be supported by substantial evidence.

All "Intent-to-Serve" Letters shall include but not be limited to the following:

- ~~(1)~~ General and Special ~~C~~Conditions as well as Additional Provisions for service ~~including~~that are specific to the property/project.
- ~~(2)~~ If applicable, all easements and dedications required for District service shall be~~have been~~ delivered to and accepted by the District. All

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water improvements to be dedicated to the District shall be bonded for or otherwise secured in the District's name.

- ~~(3)~~ That District service is conditioned on applicant paying all District fees and charges relating to the project and complying with the terms and conditions, rules and regulations of the District as listed in the property/project specific Intent-To-Serve letter.

- ~~(4)~~ That the District service is conditioned on the applicant complying with all the terms, conditions, rules and regulations of other agencies that have jurisdiction over the project including but not limited to the District, CALFIRE, the County, etc.~~.~~

- If any of the District's facilities are required to be moved, relocated, raised, upsized, downsized, or in any way altered or changed because of required conditions of the District, the County or any other agency having jurisdiction over the proposed Project, the Owner, developer, agent, contractor, or responsible agent, at its sole cost and expense, should a nexus exist, shall bring such facilities up to District and County standards of design and access.

- The Owner shall provide the District with written verification and evidence that the Project has been granted a Coastal Development Permit, if applicable, and has complied with all conditions of said Coastal Development Permit.

- The Owner shall comply with the County of San Luis Obispo's Title 19 water offset requirements at the prescribed minimum ratio of 2:1 as detailed in County Policy LNG-1016 dated 3/31/2025 which can be found at the County's website under Los Osos Groundwater Basin Plumbing Retrofit-to-Build Program (Title 19). Evidence of the completed retrofits performed in the District's boundary shall be provided to the District prior to the issuance of Will Serve letter.

- ~~(5)~~ The "Intent-to-Serve" Letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. Prior to the establishment of water service, ~~T~~this "Intent-to-Serve" Letter may be revoked, following notice to the applicant and a hearing, as a result of an evidence-based determination by the Board that~~on~~ water resources are no longer available to serve the Project~~ility~~, or as a result of~~by a~~ an applicable change in ordinance, resolution, rules, ~~fees or~~ regulations adopted by the Board of Directors, or based on the applicant's failure to comply with its conditions or terms.

- ~~(6)~~ That unless sooner revoked~~terminated~~ this "Intent-to-Serve" Letter will terminate within two [~~(~~2]~~)~~ years from the date of issuance.

- ~~(7)~~ This "Intent-to-Serve" Letter shall not be interpreted as the District's Board of Directors endorsement of the project.

~~D.~~E. EXTENSIONS AND TRANSFERS

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(1) Upon application of owner prior to termination ~~and for "good cause" t~~the Board of Directors may extend the termination date of a~~n~~ "Intent to Serve" Letter on the same or amended terms and conditions for ~~one~~a period not to exceed one[X][1] year~~s~~.

(2) Prior to termination, a~~n~~ "Intent to Serve" Letter may be transferred to a successor-in-interest in the property to be served, on the following terms and conditions:

(a) The application is signed by the current owner prior to transfer of property;

(b) The successor-in-interest acknowledges and agrees in writing to the terms and conditions of the "Intent to Serve" Letter, and;

(c) The date of District approval~~recording of the new deed~~ is the effective date of the ~~transfer, and~~transfer and shall not extend the applicable termination date. The timeline does not reset with a transfer.

~~E.~~F. "WILL-SERVE" LETTERS

"Will-Serve " Letters are evidence of the District's commitment to provide service to the project consistent with District's then-current rules and regulations. "Will-Serve" Letters will be issued administratively for a property with a current "~~Conditional~~ Intent to Serve" Letter upon the applicant paying all District fees and charges related to the P~~p~~roject and having demonstrated compliance~~ying~~ with all ~~term~~provisions and conditions of the District's "~~Conditional~~ Intent-to-Serve" Letter and process to the satisfaction of the District's General Manager or their designee. ~~-~~Additionally, the applicant shall be in good standing with the County's Planning and Building processes before issuance of the "Will Serve" letter. "Will-Serve" Letters will contain but are not limited to the following language:

- ~~(1)~~ District service is conditioned upon the applicant complying with all terms, conditions, rules and regulations of agencies that have jurisdiction over the project. The District reserves the right to demand evidence of compliance as a condition to either set the water meter or provide continued water service. The District will set water meter upon proof of a building permit from the County of San Luis Obispo, the District's acceptance of improvements to be dedicated to the District and final payment of all charges and fees owed to the District.

- ~~(2)~~ This "Will-Serve" Letter shall be subject to the then-current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. Prior to the time service is established, ~~T~~this "Will-Serve" Letter may be revoked as a result of conditions changed by ordinance, resolution, rules, or regulations adopted by the District~~Board~~ for the protection of health, safety, and welfare of the District and it's residents.

- Owner agrees that the District's review or approval of the Project plans and specifications is for administrative purposes only and does not relieve

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Owner of its responsibility to properly plan, design, construct, operate, and maintain the Project.

- In accordance with generally accepted construction practices, Owner shall assume sole and complete responsibility for the condition of the job site during the course of the Project construction, including the safety of persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and the Owner shall defend, indemnify, and hold the District and District's agents, employees and consultants harmless from any and all claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities arising out of the performance or attempted performance of the work on this project; except those claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities resulting from the sole negligence or willful misconduct of the District.

- The District will install water services along with meter boxes at an agreed location fronting the property, once the project has been approved and construction has been completed. The property owner will be required to make the required connection to the meter at this time. The property owner may also be required to install a backflow device to prevent any possible backflow into District water system if required by law. A fire bypass is also required to be installed in case a water service needs to be shut off by the District due to non-payment or other District need and yet maintain necessary water service for any required fire suppression system.

The General Manager has the discretion to accept a performance bond, cash deposit, letter of credit, or other securities acceptable to the General Manager as faithful performance for unfulfilled conditions that can be fulfilled by the payment of money.

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LOS OSOS COMMUNITY SERVICES DISTRICT

2122 9th Street Los Osos, CA 93402
POST OFFICE BOX 6064 Los Osos, CA 93412
(805) 929-1133 FAX (805) 929-1932
Website: losososcsd.org

Office use only: Date and Time Complete Application and fees received:

INTENT-TO-SERVE APPLICATION

1. SLO County Planning Department/Tract or Development No.:_____
2. Attach a copy of SLO County application.

   ***Note**: District Intent-to-Serve letters expire two (2) years from date of issue, **unless** the project's County application is deemed complete.*

3. Project location: _____
4. Assessor's Parcel Number (APN) of lot(s) to be served: _____
5. Owner Name: _____
6. Mailing Address:_____
7. Email: _____
8. Phone:_____FAX: _____
9. Agent's Information (Architect or Engineer):

   Name:_____

   Address:_____

   Email:_____

   Phone:_____FAX: _____
10. Type of Project:

☐ Single-family dwelling units or Duplex	☐ Multi-family dwelling units (3 or more dwelling units)
☐ Commercial	☐ Mixed Use (Commercial and Residential)

11. Total Number of Dwelling Units_____
12. Site Plan:

    For projects requiring Board approval, submit six (6) standard size (24" x 36") copies and one reduced copy (8½" x 11"). Board approval is needed for the following:

    - more than two dwelling units
    - property requiring sub-divisions
    - higher than currently permitted housing density
    - commercial developments

    ***All other projects*,** submit three (3) standard size (24" x 36") and one reduced copy (8½" x 11").

    Show parcel layout, water service line and meter location, and general off-site improvements, as applicable.

13. San Luis Obispo County New Development Requirements- Los Osos:

Applicants are responsible for understanding and complying with the San Luis Obispo County (County) new development requirements for Los Osos including but not limited to provisions in County code 26.01.070(11) and 19.07.042(8).

14. Fees: Applicable fees must be paid at the time of application.

15. **Agreement:**

The Applicant agrees that in accordance with generally accepted construction practices, Applicant shall assume sole and complete responsibility for the condition of the job site during the course of the project, including the safety of persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and the Applicant shall defend, indemnify, and hold the District and District's agents, employees and consultants harmless from any and all claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities arising out of the performance or attempted performance of the work on this project; except those claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities resulting from the negligence or willful misconduct of the District.

Nothing in the foregoing indemnity provision shall be construed to require Applicant to indemnify District against any responsibility or liability or contravention of California Civil Code §2782.

Application Processing Fee…..See Attached Fee Schedule

Date_____ Signed _____
(Must be signed by owner or owner's agent)

Print Name _____

LOS OSOS COMMUNITY SERVICES DISTRICT
Intent to Serve Application

NEW DEVELOPMENT FEES AND CHARGES
May 2021

PROJECT DEVELOPMENT			
Staff Consultation	(per hour)		$ 60.00
Will-Serve Process (*Includes services listed below)*		Deposit	$ 750.00
	Preliminary and Construction Project Meeting(s)		
	Plan Check and Review		
	Site Inspection(s)		
Will-Serve Application SFR per Unit (*Non-refundable, plus T&M*)			$ 195.00
Complex Will-Serve *(Non-refundable, plus T&M*)			$ 290.00
NEW PROJECT DEVELOPMENT			
New Water Service connection Fee			
	Single Family Residential		$ 2,584.00
	Multi-Family Residential (per unit)		$ 1,938.00
	Mobile Home (per unit)		$ 1,292.00
Non-Residential Based on Meter Size			
	1 Inch or less		$ 2,584.00
	1.5 Inch		$ 8,605.00
	2 Inch		$ 13,773.00
	3 Inch		$ 30,155.00
	4 Inch		$ 51,680.00
	6 Inch		$ 107,675.00
Effective 5/2021			

Timing of Fee

A. For single family residential and duplex projects, the Application Fee is due and payable with the application for service.

B. For residential units with three (3) units or more and all commercial projects and mixed use projects, the Application Fee is due and payable as follows:

1. Twenty-five percent (25%) as a non-refundable deposit with the application for service.

2. The remainder of the Application Fee, plus charges for District consultants in processing the application (if applicable), is due and payable prior to the District issuing a "Will-Serve Letter" or entering into a Plan Check and Inspection Agreement, whichever occurs first.

LOS OSOS COMMUNITY SERVICES DISTRICT

DEVELOPMENT SERVICE PROCEDURE SUMMARY

The following is only a summary of the District's Development Service Procedure. Please refer to the District's Code, Policies, Procedures and Standard Specifications for details of the District's requirements.

1. **DEVELOPER/APPLICANT:**
   - Submit a complete, signed, Intent-to-Serve letter application including three (3) sets of 24" by 36" site maps and one (1) 8 ½" x 11" site map as well as pay applicable application fee. Residential and commercial project applications must include the number and size of meters requested. Commercial projects must also estimate annual water demand in acre-feet per year.

   Note: Request to transfer existing, valid Intent to Serve (ITS) letters to new owners must be made in writing to District for approval. **New owner must acknowledge conditions of ITS in writing**. The District may revise and/or update approval conditions.

2. **DISTRICT:**
   - The request is submitted to the Board of Directors for consideration if project is more than two dwelling units, higher than currently permitted housing density or commercial. Smaller projects are considered by General Manager.
   - If approved, an Intent-to-Serve letter with conditions will be issued.
   - Intent-to-Serve letters expire two (2) years from date of issue.

3. **DEVELOPER/APPLICANT:**
   - Intent-to-Serve letter is not effective unless District receives signed Intent-to-Serve letter within 30 days of issuance.
   - Applicable fees must be paid at the time of application for water service.
   - Submit three (3) sets of improvements plans for District review showing the applicable water off-site and on-site improvements, in accordance with current *County of San Luis Obispo Public Improvement Standards*.

4. **DISTRICT:**
   - Plans reviewed and mark ups returned to applicant.
   - Depending on the applicant's schedule, complexity of the project and compliance of the project plans with the County's Public Improvement Standards, steps 3, 4 and 5 can take a period of months.

5. **DEVELOPER/APPLICANT:**
   - Improvement plans incorporating District corrections, if any, are completed and returned to the District.
   - Submit proof of Cal Fire approval of plans as well as all utility approvals.

- When plans are ready for District approval, Applicant shall provide District with three paper sets of the final drawings for approval.
- All easements required by District, if applicable, shall be offered to and accepted by District PRIOR to District approval of improvement plans.

6. **DISTRICT:**
   - District Engineer and/or General Manager approves plans.

7. **DEVELOPER/APPLICANT:**
   - Upon written request, connection fee estimate is provided (based on approved plans).
   - Pay estimated fees.

8. **DISTRICT:**
   - Once estimated connection and meter fee deposit are paid, and conditions of Intent-to-Serve letter are met to District satisfaction (if applicable, bonding for incomplete off-site improvements is required), a Will-Serve letter is issued. The General Manager has the discretion to accept a cash deposit, letter of credit, or other securities acceptable to the General Manager as faithful performance for unfulfilled conditions that can be fulfilled by the payment of money.
   - District issues a Notice to Proceed.

9. **DEVELOPER/APPLICANT:**
   - Schedule a pre-construction meeting.
   - Applicant's engineer to provide daily inspection and serve as engineer of record.
   - Request for District presence at specific construction milestones (e.g. pipe installation, final inspection) shall be made 48 hours in advance.

10. **DISTRICT:**
    - District staff will inspect the site during construction phase.
    - Upon written request for final sign-off/inspection, a "Punch List" will be provided by District.

11. **DEVELOPER/APPLICANT:** When the applicant completes all required improvements and is ready for the District to accept the project the following must be completed:
    - Pay final connection and meter fees, if required.
    - All conditions of Intent-to-Serve letter satisfied.
    - Corrected Punch List, with final signature from District inspector.
    - Reproducible "As Builts" of Utilities – A mylar copy and PDF file(s) which include engineer, developer, parcel number and water improvements
    - Offer of Dedication if applicable
    - Engineer's Certification
    - A summary of all water improvement costs
    - Recorded Assessor's Parcel Numbers and street addresses
    - Written request for meter(s)

12. **DISTRICT:**
    - If applicable, resolution of acceptance is presented to the Board.
    - District accepts improvements.
    - Water meters set upon proof of issuance of County of San Luis Obispo Building permit.
    - *Applicable water charges begin the day the meter is set.*