



October 21, 2026

**TO:** Utilities Advisory Committee  
**FROM:** Greg Kwolek, General Manager  
**SUBJECT:** **Agenda Item 5 – 10/21/26 UAC Meeting**  
General Manager Report

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### **COMPLAINEE WITH NEW STATE CHROMIUM-6 MCL**

On October 1, 2024, California's new chromium-6 regulations took effect, establishing a maximum contaminant level (MCL) of 10 parts per billion (ppb) and requiring initial sampling by April 1, 2025. Previously, chromium-6 was regulated under the total chromium standard of 50 ppb. The regulations provide a transition period for water systems to achieve compliance. For CSD, the 10 ppb limit becomes enforceable on October 1, 2027. Until then, exceedances require monitoring, public notification, and compliance planning, but are not considered MCL violations.

On September 21, 2026, the District received a letter from the Division of Drinking Water (DDW) concerning exceedances at the 3rd Street (Bayside) and 8th Street Upper wells between November 2024 and August 2026. DDW directed the CSD to continue quarterly sampling, notify customers, and develop a compliance plan for CSD review and approval. Before receiving the letter, the CSD had been working with a consultant to evaluate blending and treatment options. The plan includes keeping the 3rd Street Well offline and establishing an approved sampling point downstream of the blending point at the 8th Street site.

The CSD is working with DDW to finalize the customer notification. Once approved by DDW, the notice will be mailed to water customers and posted on the CSD website. Public notifications are required when exceedances are reported; however, DDW only requested public notification in the September letter.

### **WILL-SERVE PROCESS REVIEW**

Staff plans to bring the District's Intent-to-Serve/Will-Serve process to the Board of Directors for review, including how current practice aligns with the written policy.

The policy establishes two types of letters: an Intent-to-Serve letter and a Will-Serve letter. In practice, staff has introduced an earlier Conditional Intent-to-Serve letter, creating a three-step process:

*Conditional Intent-to-Serve:* Staff developed this preliminary letter to satisfy the County's water service documentation requirement so applicants can submit drawings and proceed with a planning application.

*Intent-to-Serve:* Staff's current understanding is that these letters have generally been issued after the applicant receives County land-use entitlements. Requests for single-family homes and duplexes are handled administratively by the General Manager. Multifamily projects involving more than two dwelling units, commercial projects, and projects exceeding currently permitted housing density require Board of Directors approval and a finding that sufficient capacity exists. Under the written policy, Intent-to-Serve letters

generally expire after two years. Extensions require Board approval for good cause, with the owner applying before expiration.

*Will-Serve*: Once the applicant satisfies the applicable conditions, obtains required plan approvals, and pays applicable fees, the District issues a Will-Serve letter administratively. Construction, inspection, acceptance of required improvements, and meter installation follow. District letters do not replace County land-use approvals or other agency requirements.

The policy also calls for an annual Board determination each June on whether new water service applications will be accepted in the following calendar year, based on climatic conditions and Basin Management Committee (BMC) information. Although BMC information was available for the inaugural review in 2025, the June timeline does not align well with BMC's ongoing reporting schedule.

District Counsel has verbally advised that the service commitment generally begins with issuance of the Conditional Intent-to-Serve letter, with no practical off-ramp if the applicant satisfies its conditions before expiration. Staff also understands that new Conditional Intent-to-Serve letters would not be signed during Stage 3 of the Water Shortage Contingency Plan until that stage is lifted. The Board review will provide an opportunity to clarify these points and the relationship between the written policy and current practice.

Committee members may share any observations with staff before the Board's review.

### **BAYWOOD ELEMENTARY SCHOOL REPLACEMENT PROJECT**

Staff has been monitoring the Baywood Elementary School Replacement Project's potential effects on existing stormwater problems south of El Moro Avenue between 11th and 8th streets. The County Planning Commission approved the project's Coastal Development Permit on October 8, 2026.

The previous General Manager submitted a letter to County Development Services staff cautioning that the proposed curb and gutter along 11th Street could direct additional runoff toward this problem area. The proposed drainage improvements include 30-inch roadside infiltrators along portions of El Moro Avenue, 11th Street, and 8th Street to capture runoff and allow it to soak into the ground. The applicants reaffirmed their plans to install these facilities at the Planning Commission hearing. The preliminary drainage report also identifies a larger on-campus retention/detention basin and a reduction in overall campus impervious area.

In discussions with CSD staff, County staff also highlighted Government Code section 53097, which distinguishes between school districts' obligations regarding onsite and offsite improvements. It requires compliance with applicable County drainage, road, and grading ordinances for onsite improvements and consideration of County requirements for offsite improvements.

### **EL NIÑO WINTER PREPARATIONS**

Staff is preparing for potential El Niño winter impacts, including flooding, power outages, and disruptions to District services. Meetings with CAL FIRE, County OES, and community members are focused on clarifying emergency response roles, coordination, and backup resources. The Los Osos Emergency Operations Plan was previously presented to the Board of Directors but may need updates to reflect current arrangements.

For water system resilience, emergency power is available at the South Bay Well and the 8th Street Upper and Lower wells. The 8th Street backup power also serves the water yard. The District also has a trailer-mounted generator that can power an additional well. This generator is not available to power other facilities.