



December 18, 2024

TO: Utilities Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 4 – 12/18/2024 UAC
Revised Intent/Will Serve Letter Policy and Procedures

STAFF RECOMMENDATION

President

Provide comments and direction to staff.

Vice President

Christine M. Womack

DISCUSSION

Directors

Charles L. Cesena
Tom Cross
Matthew D. Fourcroy
Richard Hubbard

At the November 20th UAC meeting, the committee discussed revisions to the Intent/Will Serve Letter policy and procedures. Based on that conversation, staff has developed a draft framework for a new policy and procedures for the committee's consideration.

Policy

General Manager

Ron Munds

The following is the current policy statement:

District Accountant

Robert Stilts, CPA

The Los Osos Community Services District (District) will only provide services to projects that have complied with all the terms, conditions, rules and regulations of the District and other agencies having jurisdiction over the project. Except for cases of extreme hardship, the District will only consider applications for all District services applicable to the project.

Unit Chief

John Owens

The following is the proposed policy statement:

Battalion Chief

Paul Provence

The Los Osos Community Services District (District) is committed to 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 development, annually, the Board of Directors (Board) will consider approving findings based on the criteria in the Water Shortage Contingency Plan and the conclusions attained in the Basin Management Committee's annual groundwater monitoring report regarding the ability of the Los Osos Groundwater Basin's to support and sustain any new development. If new development proceeds, quarterly updates regarding the number of Intent/Will Serve Letters issued will be provided to the Board.

Mailing Address:

P.O. Box 6064
Los Osos, CA 93412

If the Board is unable to make the determination on water supply availability based on the aforementioned information, the Board will defer accepting applications for new water service until a time affirmative findings can be approved.

Offices:

2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370

FAX: 805/528-9377

Proposed Procedures Summary

www.losososcsl.org

At the June Board meeting each year, the General Manager will present a report summarizing the climatic conditions from the previous rainy season and the basin metrics from the Los Osos Basin Management Committee's annual groundwater monitoring report.

If the Board decides new development can proceed during any given year, the District will only commit to 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.

The following are the proposed procedures:

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 the project is more than two dwelling units on a single parcel, 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.
- Enter into Plan Check and Inspection Agreement (PCIA) and make required deposit (amount to be determined by District). (NOTE: All District costs directly associated with the project will be charged to the Project). A deficient deposit account balance will result in suspension of District activity on the project.
- Submit three (3) sets of improvements plans for District review showing the applicable water off-site and on-site improvements, in accordance with current *District Standard Specifications* (available at the LOCSD Office or on the District's website at losososcsd.org).

4. DISTRICT:

- Plans reviewed and mark ups returned to developer after PCIA executed and deposit received.
- Depending on the developer's schedule, complexity of the project and compliance of the project plans with the District's standards and specifications, 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 County Fire/Cal Fire approval of plans as well as all utility approvals.
- When plans are ready for District approval, Applicant shall provide District with two paper sets of drawings for approval.
- All easements required by District 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, a connection fee estimate is provided (based on approved plans).
- Pay estimated fees.

8. DISTRICT:

- Once estimated capacity and meter fee deposit fee are paid, and conditions of Intent-to-Serve letter are met to District satisfaction (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 a minimum of 48 hours in advance.

10. DISTRICT:

- District staff will inspect the site during the 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 capacity and meter fees, if required.
- Pay final PCIA balance.
- All conditions of PCIA satisfied.
- 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:

- Resolution of acceptance is presented to the Board.
- Board of Directors accept improvements.
- Water meters set upon proof of issuance of County of San Luis Obispo Building permit.
- Applicable water charges begin the day meter is set.

Attachments

LOCSD Application for District Service, Policy and Guidelines
Intent to Serve Application

RESOLUTION NO. 2002 - 17

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
AMENDING RESOLUTION 2001-52 to EDIT LOCSO'S APPLICATION FOR
DISTRICT SERVICE POLICY AND GUIDELINES (WILL SERVE POLICY)

WHEREAS, the Board desires to provide for adequate review of applications for District Service; and

WHEREAS, the Board reviewed the proposed amendments attached hereto and incorporated herein to LOCSO's Will Serve Policy at a public meeting;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER THAT THE ATTACHED WILL SERVE POLICY IS ADOPTED IN PLACE OF THE POLICY ATTACHED TO RESOLUTION 2001-52.

the motion of Director Smith, seconded by Director - Hensley, and on the following roll call vote, to wit:

AYES: Directors Freiler, Gustafson, Hensley, Smith, Bowker
NOES: None
ABSENT: None
CONFLICTS: None

The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District this 6th day of June 2002.

Rosemary Bowker
Rosemary Bowker, President
Board of Directors, Los Osos CSD

ATTEST

Bruce Buel
Bruce Buel, General Manager
and Secretary to the Board

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

POLICY

The Los Osos Community Services District (District) will only provide services to projects that have complied with all the terms, conditions, rules and regulations of the District and other agencies having jurisdiction over the project. Except for cases of extreme hardship the District will only consider applications for all District services applicable to the project.

GUIDELINES

A. APPLICATIONS

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

(2) Applications shall be in writing signed by either the owner, or the owner's architect or engineer and include the following:

(a) The project location;

(b) Five (5) separate sheets of 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. The fire department will need 2 copies. One will be kept on record at the fire prevention bureau, the other will be returned with fire department letter of approval, and any comments on the site plan.

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

(d) A statement that the applicant has been provided a copy of this policy.

B. ROUTING OF APPLICATIONS

The applications will be routed first to the Fire Department, then the Utility Department. Each Department may request additional information from the applicant. Upon review by the fire department, the following determinations shall be made:

1. Confirm that the plans provide sufficient information to determine if an automatic sprinkler system or other water supplied fire protection system is required.
 - (a) If the plans do not provide adequate information, the fire department will advise the applicant that additional information is required..

- (b) If the plans are acceptable and no fire protection system is required, the plans will be forwarded to the utility department with a letter documenting the same.

2. If the plans indicate that an automatic fire sprinkler system or other water supplied fire protection system is required, the fire department will advise the applicant to provide two (2) complete sets of fire protection plans from a certified fire engineer and pay the required fees. The plans will then be reviewed and determination made regarding the required water service. One copy of these plans with a letter will be forwarded to the utility manager.

C. "INTENT-TO-SERVE" LETTERS

Intent-to-Serve letters shall be approved by the Board of Directors based on a finding that sufficient capacity exists to serve the project. Each "Intent-to-Serve" Letter shall include the following:

- (1) Each Department's conditions for service.
- (2) That all easements and dedications required for District service have been delivered to the district.
- (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.
- (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.
- (5) This "Intent-to-Serve" Letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. This "Intent-to-Serve" Letter may be revoked as a result of conditions imposed upon the District by a Court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
- (6) That unless sooner terminated this "Intent-to-Serve" Letter will terminate within 365 calendar days 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.
- (8) The "Intent-to-Serve" Letter will be stamped in red that this is not a Will-Serve Letter or a commitment to provide District services.

D. EXTENSIONS AND TRANSFERS

(1) Upon application of owner prior to termination and for "good cause" the Board of Directors may extend the termination date of an Intent to Serve Letter on the same or amended terms and conditions.

(2) Prior to termination, an 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;

(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 recording of the new deed is the date of the transfer.

E. "WILL-SERVE" LETTERS

"Will-Serve " Letters are evidence of the District's commitment to provide service to the project consistent with District's rules and regulations. "Will-Serve" Letters will be issued administratively upon the applicant paying all District fees and charges related to the project and complying with all terms and conditions of the District's "Intent-to-Serve" Letter. "Will-Serve" Letters will contain 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 setting the water meter or providing continued water service.

(2) This "Will-Serve" Letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. This "Will-Serve" Letter may be revoked as a result of conditions imposed upon the District by a Court, or by a change in ordinance, resolution, rules, or regulations adopted by the Board of Directors for the protection of health, safety, and welfare of the District and its residents.

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.

F. DISTRICT SERVICE

District water and sewer service will only be provided to the project if the applicant and/or the owner of the project has complied with the terms, conditions, rules and

regulations of the District, and other agencies, that have jurisdiction over the project including, those conditions that are subject to a Faithful Performance Securities.

The District General Manager reserves the right to demand evidence of compliance as a condition of either setting the water meter or providing continued water service.

**LOS OSOS COMMUNITY SERVICES DISTRICT
APPLICATION FOR
INTENT-TO SERVE LETTER**

1. **Owner Name:** _____
2. **Business Address:** _____
3. **Mailing Address:** _____
4. **Phone Number:** _____

5. **Agent's Name(Architect or Engineer):** _____
6. **Mailing Address:** _____
7. **Phone Number:** _____

8. **Assessor's Parcel Number(APN) of lot(s) to be served:** _____
9. **Lot(s) and block(s) of parcel to be served:** _____
10. **Service address of parcel served:** _____

11. **Type of Use:**
 Single Family Residence
 Duplex
 Triplex
 More than three units? _____ Number of Units _____
 Business? _____ Type _____
 Remodel: *(Project Description)*

12. **Applicant will be required to attach 5 separate sets of site plans 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.**
13. **The undersigned acknowledges receipt of the Los Osos Community Services District Application (attached) for District Service Policy and Guidelines.**

14. **San Luis Obispo County Planning Department Development Number:** _____

15. **APPLICATION FEES:**
Will Serve Application Processing- Single Family Residence.....\$195.00
(Non-refundable payment attached to this application)
Will Serve Application Processing- All Other Uses.....\$290.00
(Non-refundable payment, plus, time & materials)

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

Print name

FOR DISTRICT OFFICE USE:

AMOUNT PAID _____ **DATE:** _____ **RECEIPT #** _____