



UTILITIES ADVISORY COMMITTEE MEETING

Wednesday, September 18, 2019 at 5:30 p.m.
Los Osos Community Services District Office
2122 9th Street, Suite 106, Los Osos, CA

COMMITTEE MEMBERS

Chuck Cesena, Chairperson
Matthew Fourcroy, Vice Chairperson
James Bishop, Member
Jan Harper, Member
Leonard Moothart, Member
Eric Silva, Member

STAFF

Ron Munds, General Manager
Jose Acosta, Utility Systems Manager
Laura Durban, Administrative Services Manager

AGENDA

1. **Opening at 5:30 p.m.**
Call to Order, Flag Salute, Roll Call
2. **Approve UAC Meeting Minutes of July 17, 2019**
(Recommend Committee Approval)
Presented By: Administrative Services Manager Durban
3. **Basin Management Committee July 17, 2019 & September 18, 2019 Meeting Update**
(Updates Only)
Presented By: Chairperson Cesena
4. **Utilities Department Updates**
(Updates Only)
Presented By: Utility Systems Manager Acosta
5. **Review of Board Item Regarding Modification to District Code Title 2**
(Review, Discussion and Recommendations to the Board)
Presented By: Utility Systems Manager Acosta
6. **Review of Board Item Regarding Establishing a Recycled Water Rate**
(Review, Discussion and Recommendation to the Board)
Presented By: Ron Munds, General Manager
7. **Review of Board Item Regarding the Transfer of Funds to the Water Reserve**
(Review, Discussion and Recommendation to the Board)
Presented By: Ron Munds, General Manager
8. **Public Comments on Items NOT on this Agenda:** At this time, the public may comment on items not on this agenda. Each commenter is limited to 3 minutes and shall address the Chairperson.
9. **Schedule Next UAC Meeting** – The next UAC Meeting will be held Wednesday, October 16, 2019 at 5:30 p.m. unless otherwise noted.
10. **Closing Comments by UAC Committee Members**
11. **Adjournment**

**DRAFT Minutes of the Utilities Advisory Committee Special Meeting
July 17, 2019 at 5:30 p.m. at the District Office**

AGENDA ITEM	DISCUSSION	FOLLOW-UP
<p>1. Call to Order, Flag Salute and Roll Call</p>	<p>Chairperson Cesena called the meeting to order at 5:30 p.m. and led the flag salute.</p> <p><u>Roll Call:</u> James Bishop, Committee Member – Present Jan Harper, Committee Member – Absent Leonard Moothart, Committee Member – Present Ron Munds, Committee Member – Present Eric Silva, Committee Member – Present Matthew Fourcroy, Vice Chairperson – Present Chuck Cesena, Chairperson – Present</p> <p><u>Staff:</u> Jose Acosta, Utility Systems Manager Ann Kudart, Administrative Services Manager Laura Durban, Administrative Services Manager</p>	
<p>2. Approve UAC Minutes of May 15, 2019</p>	<p>Chairperson Cesena presented the minutes for approval.</p> <p>Public Comment – None.</p> <p>Committee Member Moothart moved to approve and accept the minutes as presented. The motion was seconded by Committee Member Silva and the motion carried by unanimous consent.</p>	<p><u>Action</u> – File approved minutes.</p>
<p>3. Basin Management Committee June 19, 2019 Meeting Update</p>	<p>Chairperson Cesena reported that BMC is planning to move forward with the Monitoring Well Contract; that Filippini & Thompson was the lowest bidder; discussed the monitoring well on Pasadena which is a Zone E well and will need to keep an eye on as salt concentration is elevating; and, will be interviewing for the Executive Director position.</p> <p>Public Comment – Jeff Edwards inquired if the Basin Management Plan would be updated to make sure it is still relevant giving an example of Programs B nitrate removal and D wells on the east side of the creek.</p> <p>Chairperson Cesena commented that the Board will have to pay attention to the process for the evaluation of the four different well sites and should the investigation be done at every site before going further into the process.</p>	<p><u>Action</u> – No action.</p>
<p>4. Utilities Department Update</p>	<p>Utility Systems Manager Acosta reported that the budget was passed at the July 11, 2019 Board Meeting; South Bay Well Project is getting the well into the gravity zone, RFP for consulting services has been released, winning bid will be presented to the Board at their September meeting; regarding the SCADA Project staff made a visit to Nipomo CSD to look at their SCADA as they use the same equipment/hardware the District is looking at and is working on a compilation of an RFP; repairs will be done for the 10th Street Reservoir including draining the tank so that repairs can be done by Superior Tank Solutions; updated on the leak detection project, awarded Matchpoint to begin coordination of this project and should be done by Fall.</p> <p>Chairperson Cesena inquired if we were done decommissioning the Bayridge tanks.</p> <p>Utility Systems Manager Acosta commented that there is one tank left to be decommissioned and that we got a better price on disposal than originally expected.</p> <p>Public Comment – Jeff Edwards inquired about what the linear footage of the South Bay line and if there is an engineer's estimate; inquired about the Water Yard project budget and if it was over \$200,000.</p>	<p><u>Action</u> – No action.</p>

AGENDA ITEM	DISCUSSION	FOLLOW-UP
4. Utilities Department Update (continued)	Utility Systems Manager Acosta commented that he does not have the linear footage of the line; that we have not exceeded \$200,000 for the 8 th Street Water Yard and that we are looking to come in under budget.	
5. Review of Board Item Regarding Modification to District Code Title 2, Section 2.01.20	<p>Utility Systems Manager Acosta gave a brief summary of the staff report as submitted with the Agenda highlighting section 2.01.20 of District Code and inquiring if the Board wants to add any other leaks to the water leak plan; and, provided a synopsis of the water leak process.</p> <p>The Committee discussed the water leak process, what should qualify for leak credit, and with the removal of the language regarding leak credits from Stage III of the Water Shortage Contingency Plan that only that language regarding suspension of credits will be removed from Section 2.01.20.</p> <p>Public Comment – Jeff Edwards commented that a leak policy is needed and concerned this policy is tied to the Water Shortage Contingency Plan; and, believed the District should do away with the current Water Shortage Contingency Plan entirely.</p> <p>Lynette Tornatzky inquired as to how much this impacts the District.</p> <p>Committee Member Moothart moved to recommend that staff modify Title 2, Section 2.01.20 to remove the language regarding leak credits from State III of the Water Shortage Contingency Plan. The motion was seconded by Committee Member Munds and the motion carried by unanimous consent.</p>	Action – This item will be brought back at the next UAC meeting for further discussion and recommendations.
6. Public Comments on Items NOT on this Agenda	Jeff Edwards opposed the Board not opting for the water rate increase; inquired if the Board had a legal opinion regarding if the water rate increase could be deferred and if the Board can reactivate the increase if they so choose.	
7. Schedule Next UAC Meeting	The next meeting of the Utilities Advisory Committee is scheduled to be held on Wednesday, August 21, 2019 at 5:30 p.m., unless otherwise noticed.	
8. Closing Comments by UAC Committee Members	<p>Committee Member Munds informed the committee that this is his last meeting as a committee member as he is stepping into the District's General Manager position.</p> <p>Committee Member Moothart thanked Mr. Munds for all his hard work over the years on the committee.</p> <p>Administrative Services Manager Kudart introduced Laura Durban as the new Administrative Services Manager.</p>	
9. Adjournment	The meeting adjourned at 6:10 p.m.	



September 18, 2018

TO: LOCSO Utility Advisory Committee
FROM: Jose Acosta, Utility Systems Manager
SUBJECT: **Agenda Item 5- 9/18/2019 Utilities Advisory Committee Meeting**
Review, Discuss and Recommendation on Modification of District Code Title 2

DESCRIPTION

President
Marshall E. Ochylski

District Staff has reviewed Title 2 of the District Code, for outdated information, policies that are no longer relevant or have been superseded by State or other prevailing regulations or governance.

Vice President
Charles L. Cesena

After thorough review and receiving all recommended amendments from Utility and District staff, the requested changes are annotated in the attached draft document. The amended document has been submitted to legal counsel for review and recommendations.

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

COMMITTEE RECOMMENDATION

Motion: I recommend to the Board of Directors that the Board accept the requested changes and amend Title 2 of the Los Osos Community Services District Code accordingly.

General Manager
Ron Munds

DISCUSSION

District Accountant
Robert Stilts, CPA

The proposed recommended changes will amend existing Title 2 of the Los Osos Community Services District Code.

Unit Chief
Scott M. Jalbert

The recommended changes to District Code Title 2 are reflective of direction received from the UAC on changes to section 2.01.20 at your July 11, 2019 meeting regarding, Credits for Fixing Water Leaks. The UAC recommended to the Board the removal of the language "All credits are suspended completely if and when the District reaches Stage III of the Water shortage Contingency Plan". The UAC also recommended that no other leaks (i.e. toilet, irrigation, etc.) be considered for leak credits at this time. The Board approved the UAC's recommendation and changes to the Water Shortage Contingency Plan, prompting this action to officially amend Title 2.

Battalion Chief
Greg Alex

The other action requested of the UAC is a recommendation to the Board to approve the changes to Title 2.02.07 Discontinuance of Service. Senate Bill (SB) 998 was signed into legislation by the Governor on September 28, 2018 and goes into effect for the District on April 1, 2020. The legislation requires the District to adopt policy and procedures with specific provisions as summarized below. The major changes to this section include:

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

- Water systems must adopt written discontinuation policies that are available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean and any other language spoken by 10 percent or more people within the system's service area. The policies must contain certain information, and be posted on the water system's website.
- Water systems may not discontinue residential water service due to delinquent payment until payments are delinquent for at least 60 days. After that time, the water system must attempt to provide notice to customers by telephone or in writing, and provide information about appeals, extensions and alternative repayment options.

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

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

- Water systems may not discontinue residential water service if all of the following take place: 1.) a primary care provider certifies that the discontinuation of water service will pose a serious or potentially fatal threat to a resident, 2.) the customer demonstrates inability to pay and 3.) the customer is willing to enter into an alternative payment arrangement. A customer can demonstrate an inability to pay based on the receipt of certain public assistance by someone in the household, or a declaration from the customer that the household is below 200 percent of the federal poverty level.
- Water systems must limit certain low-income customers' reconnection fees to no more than \$50 during regular business hours, and \$150 during non-regular hours.
- Water systems must attempt to provide notice to renters and mobile home residents that their service may be discontinued due to delinquent payments by their landlords, and that the residents have the right to become customers of the water system without paying the past-due amounts on the landlords' accounts.
- Water systems must annually post on their websites the number of times the system has discontinued service due to inability to pay.

Other changes are formatting changes, grammatical changes and renumbering of sections. The amended document has been submitted to legal counsel for review and includes their recommendations.

The changes requested are specifically designed to address situations and concerns relevant to the District. Attached is a copy of the Title 2 Code, presenting the text changes and removal of language no longer relevant to the District.

Introduction of the amendments at their October 3, 2019 Board meeting will allow for proposed changes to be heard at the next scheduled Board meeting, November 7, 2019, and work toward becoming effective December 5, 2019.

FINANCIAL IMPACT

Implementation of SB 998 has a probable negative effect on District cash flow due to the extended length in time before water service can be discontinued. That negative effect is not measurable at this time.

Attachment

TITLE 2

Chapter 2.01 General Regulations and Procedures Pertaining to District Water Service (Adopted 1/4

2.01.01 Purpose and Scope

This section sets forth the rates, charges, rules, regulations and procedures governing the use of the District's water facilities.2.01.02 Application for Regular Service

- A. Regular Service. Application for regular service shall be made, in writing, by the property owner, tenant or a bona fide nonresident property manager (authorized agent), on an application form provided by the District. All applications shall include a service Activation Fee as established in the District's Master Fee Schedule and payment of accrued fees and charges, if applicable.
- B. Temporary Service.
 1. For the purpose of providing time to submit the owner's application pursuant to Section 2.01.02A above, an application for a 14-calendar-day temporary service account may be made by a person who provides the District with the following:
 - a. Proof of right to reside at the premises (i.e. written lease);
 - b. A \$10 temporary application fee;
 - c. A service activation fee as established in the District's Master Fee Schedule;
 - d. A \$50 security deposit for services to be provided during the temporary service period (or as established by the General Manager or his/her designee).
 2. The General Manager is authorized to extend a temporary service account for seven additional calendar days upon written request accompanied by an additional \$10 temporary application fee.
 3. Unless application for permanent service has been made during the temporary service period, the water meter shall be turned off and locked by 5 p.m. the day following the expiration of the temporary service period.

2.01.03 Commencement of District Billing

- A. The District shall commence billing for water service for new connections beginning on the date when the meter is installed.
- B. The District shall commence billing for water service for property served with existing meters when all activation fees are paid and the meter is unlocked.

2.01.04. District Billing Procedure

- A. Except as provided in Subsection 2.01.04 B below, water meters are to be read and statements for water are to be mailed once every two months.
- B. The General Manager, at his/her discretion, may cause a meter reading to be made at any time; and thereafter bill the customer for water used since the previous reading.
- C. Meters will be read, as nearly as possible, on the same day of the month as determined by the District.
- D. Water charges will appear on the bill for the address where services are being provided.
- E. All billing statements shall be mailed to the person designated in the application. If the person designated in the application is other than the owner of the property, then, for a nominal charge and at owner's written request, the District will mail a duplicate bill and turn-off notice to the owner.
- F. All fees and charges become due and payable prior to the finalizing of the account. The due date for Final Bills is 10 days after it is generated.

2.01.05 Responsibility of Property Owner

The owner of the property, in which services are furnished services is the customer and shall be responsible for the payment of all rates, charges and fees, including penalties, thereon regarding such furnished services. Unpaid obligations shall run with the land, shall create a lien on the property, and shall lead to delinquency and termination of service for the property involved without regard to any changes of residency or occupancy by persons different than the persons shown on District records as obligated to pay said bill.

2.01.06 Delinquent Accounts

Accounts not collected within twenty-five days of billing, are delinquent. Delinquent accounts shall incur a basic penalty of ten percent of the unpaid amount.

2.01.07 Discontinuance of Service.

A. Water service may be discontinued for any one of the following reasons:

1. Delinquency, in the payment of any water service rate or charge except that residential service shall not be discontinued for nonpayment in any of the following situations:
 - a. During the pendency of any investigation by the District of a customer dispute or complaint.
 - b. When a customer has been granted an extension of the period for payment of a bill respecting water service.
 - b-c. When a customer is willing to enter into an amortization agreement.
 - d. On the certification of a licensed physician or surgeon that to do so will be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into a amortization agreement with the District and requests permission to amortize, over a period not to exceed twelve (12) months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal payment period.
 - e. The customer can demonstrate that he or she is unable to financially pay for residential service during the Districts normal billing cycle. The customer may prove that they are financially unable to pay for residential service during the Districts normal billing cycle if any member of the household is a current recipient of financial assistance programs such as Cal WORKS, Medi-Cal or other general assistance programs.
 - e.f. The customer can declare and demonstrate that the household's annual income is less than 200% of the federal poverty level.
2. The unauthorized taking of water or the taking of water in excess of the amount paid for.
3. Failure of the customer to maintain his facilities in a suitable condition to prevent waste of water.
4. The existence of any unprotected cross connections on the customer's premises or the lack of adequate backflow protection at the service connection.
5. To protect the District against fraud or abuse.
6. Any violation by the customer of any rules, regulations or fees of the District governing water service.

- B. Commencing at eight a.m. the day following the due date stated in the second notice, a lock out / reactivation fee as established by District resolution will be charged to the account. Further, a work order may be generated to discontinue service for failure to make payment, pursuant to Section 2.01.07A above
- C. Ten days after the District initiates a work order to discontinue service pursuant to Section 2.01.07B, above, the service shall be considered permanently discontinued and the account will be finalized.
- D. Services discontinued pursuant to this Section shall not be restored until all fees and charges are paid in full.

2.01.08 Notice of Discontinuance of Residential Service for Nonpayment

A. At least seven (7) days before any proposed discontinuance of residential water service for nonpayment of a delinquent account respecting such service, the District shall contact the customer by telephone or deliver a Lockout notice, to the customer or occupant to whom the service is billed of the proposed discontinuance. The notice shall include the information as described in section 2.01.08 B

If the District makes contact with the customer by telephone, they must provide the customer with information on how to obtain the District policy on discontinuation of service. The district shall also inform the customer of the option to request amortization of the unpaid balance.

If the customers address is not the address of the property to which discontinuance of service will occur, the District will mail a notice, postage pre-paid to the customers billing address.

In addition to the seven (7) day notice provided for in the preceding paragraphs, the District shall make a reasonable attempt to contact any adult person residing at the premises of the customer by telephone or personal contact at least forty-eight (48) hours prior to any discontinuance of service, except that, whenever telephone or personal contact cannot be accomplished, the District shall give, by mail, in person, or by posting in a conspicuous location at the premises, a notice of disconnection of service, at least forty-eight (48) hours prior to disconnection

~~At least ten (10) days before any proposed discontinuance of residential water service for nonpayment of a delinquent account respecting such service, the District shall mail a notice, postage pre-paid, to the customer or occupant to whom the service is billed of the proposed discontinuance. Such notice shall be given not earlier than thirty (30) days from the date of mailing the District's bill for such service and the ten (10) day period shall not commence until five (5) days after the mailing of the notice. In addition to the ten day notice provided for in the preceding sentence, the District shall make a reasonable attempt to contact any adult person residing at the premises of the customer by telephone or personal contact at least forty-eight (48) hours prior to any discontinuance of service, except that, whenever telephone or personal contact cannot be accomplished, the District shall give, by mail, in person, or by posting in a conspicuous location at the premises, a notice of disconnection of service, at least forty-eight (48) hours prior to disconnection.~~

~~A.B.~~ Every Lock Out Notice ~~of discontinuance~~ of service required by this section shall include all of the following information:

1. The name and address of the customer whose account is delinquent;
2. The amount of the delinquency;
- ~~3.~~ ~~The date by which payment or arrangements for payment is~~
- ~~4.3.~~ ~~required in order to avoid discontinuance;~~
- ~~5.~~ ~~The procedure for by which the customer to obtain information by which the customer may initiate a complaint or request an investigation concerning service or charges, unless the District's bill for service contains a description of that procedure;~~
~~request an investigation concerning service or charges, unless the District's bill for service contains a description of that procedure;~~
- ~~6.~~ ~~The procedure for the customer to obtain information by which the customer may initiate a complaint or request an investigation concerning service or charges, unless the District's bill for service contains a description of that procedure;~~
- ~~5.~~ ~~The procedure for the customer to obtain information on the~~
- ~~4.~~ ~~availability to request amortization on the amount of delinquency of financial assistance, including private, local, state or federal sources, if applicable; and~~
- ~~5.~~ ~~The procedure for the customer to obtain information on the availability to request amortization on the amount of delinquency ; and~~
- ~~6.~~ ~~The telephone number and name of a representative of the District who can provide additional information or institute arrangements for payment.~~
- ~~6.~~ ~~The telephone number and name of a representative of the District who can provide additional information or institute arrangements for payment.~~

2.01.09 Notice of Discontinuance of Service to Multi-unit Residential Structures

Whenever the District furnishes water through a master meter, or furnishes individually metered service in a multi-unit residential structured, mobile home park, or farm labor camp, the District will give the following notices prior to discontinuing service:

- A. Notify the owner of the property pursuant to Section 2.01.08 above; and
- B. Make every good faith effort to inform the actual users of the service, when the account is in arrears by means of a notice that service will be terminated in seven ~~ten~~ (7~~10~~) days. Said notice will comply with Government Code Section 60371.

2.01.10 Discontinuance of Non-Residential Services for Nonpayment.

At least ~~seven~~ ~~ten~~ (710) days before discontinuing nonresidential water service, the District shall provide a written notice to the customer. The notice shall specify the reason for the proposed discontinuance and inform the customer of the opportunity to discuss the reason for the proposed discontinuance with the General Manager, or his/her designee. The General Manager or his/her designee is empowered to review disputes and rectify errors and settle controversies pertaining to such proposed discontinuance of service. The name and phone number of the General Manager, or his or her designee, shall be included in any such notice of proposed discontinuance given to a non-residential customer.

2.01.11 Discontinuance of Service on Weekends, Holidays or After Hours.

District Services will not be discontinued to any customer or user because of any delinquency in payment on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the District are not open to the public.

2.01.12 Investigation and Amortization of Delinquent Bill for Residential Water Service.

- A. The General Manager, or his/her designee, is hereby authorized to investigate complaints and review disputes pertaining to any matters for which water service may be discontinued and to rectify errors and settle controversies pertaining to such disputes.
- B. Every complaint or request for investigation by a residential customer that is made within five (5) days of receiving the disputed bill for water service, and every request by a residential customer that is made within thirteen (13) days of the mailing of the notice required by Section 2.01.08 for an extension of the payment period of such a bill asserted to be beyond the means of the customer to pay in full during the normal period for payment shall be reviewed by the General Manager, or his/her designee. The review shall include consideration of whether the customer shall be permitted to amortize the unpaid balance of the amount over a reasonable period of time, not to exceed twelve (12) months. The District will permit only one (1) amortization agreement per eighteen (18) months. Any customer whose complaint or request for an investigation has resulted in an adverse determination by the General Manager, or his or her designee, may appeal the determination to the Board of Directors.

2.01.13 Notice Required Prior to Discontinuance of Service for Failure to Comply with Amortization Agreement

If an amortization agreement is authorized, no discontinuance of water service shall be effected for any residential customer complying with such agreement, providing the customer also keeps the account current as charges accrue in each subsequent billing period. If a residential customer fails to comply with an amortization agreement, the District shall not discontinue service without giving notice to the customer at least forty-eight (48) hours prior to

discontinuance of the conditions the customer is required to meet to avoid discontinuance. The notice does not entitle the customer to further investigation by the District.

2.01.14 Public Nuisance, Abatement

During any period of non-connection or disconnection of water service, habitation of premises by human beings shall constitute a public nuisance, whereupon the District may cause proceedings to be brought for the abatement of the occupancy of said premises by human beings during the period of such disconnection. The District may request the County Health Officer to commence proceedings to be brought for the abatement of the occupancy of the premises by human beings. In such event, and as a condition of reconnection, there shall be paid to the District a reasonable attorney's fee and costs of suit arising in said action.

2.01.15 Partial Payment Spread

In the case of partial payment by a customer, the payment will be applied to the account in the following order:

- A. Penalties and restoration charges;
- B. Late charge;
- C. Water charge.

2.01.16 Returned Checks

A charge, as established by District Resolution, will be charged against any person whose check or ACH is returned by the bank due to lack of funds. Returned checks and ACH's are processed as delinquent payments for purposes of applying Section 2.01.07.

2.01.17 District Posting of Delinquent Accounts and District Policy Availability

The District will be required, annually, to post the number of times the District has discontinued services, due to inability to pay, of its customer. These figures will be reported to the Board of Directors, prior to posting on the Districts website.

The District policy for discontinuance of service will be made available to customers, as requested. The policy will be available for pickup at the District offices and available for electronic review on the District website, www.locsd.org. If the policy is needed in an alternate language, other than English, the District will make it available as well.

2.01.1~~8~~7 Meter Malfunction

- A. A customer who questions the accuracy of a meter serving his premises may request a test of its registration. A testing charge, as established by the District, shall be required in advance when a test is requested.
- B. If a meter is found to over register more than 5%, the District shall return the charge for the test and the customer shall be entitled to a refund based on adjustment made by the District Manager. Such adjustment shall be calculated by taking the difference between the normal use and the incorrect reading. In no case shall refunds cover more than two consecutive months prior to the discovery of meter malfunction.
- C. When a meter is found to under register by more than 5%, the charge for water will be based, at the option of the District, either on previous consumption for the same period in the preceding year during which the meter is known to have registered correctly, or on the consumption as registered by a "substitute meter".

2.01.1~~98~~ Tampering

- D. No person, other than an authorized District employee, shall at any time or in any manner, operate, or cause to be operated, any valve in or connected to a water main, service connection or fire hydrant, or tamper or otherwise interfere with any water meter, meter valve, backflow prevention device, detector check valve, or other part of the District's water system.
- E. In addition to other District rights and charges, a charge as established by District Resolution, will be charged to the customer in all situations where a person has tampered with District services or privately restores water service without District permission. Such fee shall be added to any and all water bills for the property or units affected by the illegal water tampering.
- F. If a person's actions result in damage to the District's water system or water system related appurtenance, the cost of repair and/or replacement will be charged to the customer.
- G. Staff shall prepare and keep complete and accurate records concerning tampering with District's service systems. The District Manager shall review such records and shall decide appropriate legal action to be taken by the District. If there is more than one such tampering violation for the same property within any five year period, the Board shall hold a public hearing to consider permanent disconnection of water service to the property, or such other remedies as the Board deems appropriate.

2.01.~~2019~~ District Rates, Charges and Fees

- A. Water rates, charges and fees:

Water rates are set forth in Appendix A ~~(previously adopted by Ordinance No. 2000-03)~~.

2.01.2~~10~~ Credits for Fixing Water Leak (Adopted 12/4/2014)

- A. Application: The General Manager shall make available to any customer an application form that customers can use to apply for a credit. The customer may apply if the current bill is 50% greater than normal usage during the same period the prior year. Prior to being considered for a leak adjustment, the customer must pay an amount equal to the same usage as the previous year or same usage as previous bill if they have not owned the home for a year. The customer may apply if they have experienced a water leak in their service line and can prove that such leak has been promptly corrected. Customer service lines are defined as the line from the water meter on the customer's side to the home. Exemptions from credits include leaks in or malfunction of irrigation systems, toilets, and faucets. The application shall include:
- The date of discovery of the leak;
 - The date of repair;
 - Evidence such as dated plumbing bills and receipts for materials and supplies related to the leak repair; and
 - The signature of the water customer.
- B. Process: The General Manager shall review all application forms received by customers. The General Manager shall approve a credit of up to 50% of the differential of the highest billing period invoice during the tenure of the leak and the average of all invoices for said customer over the last twelve-month period if the General Manager, in his/her discretion, finds:
1. The leak was related to a physical break in the customer's service line; and
 2. The leak was promptly repaired after the discovery; and
 3. The customer has not received an LOCSO water leak credit during the preceding twenty-four (24) month period.
- C. Disputes: Any customer that disputes a determination by the General Manager may seek Board of Directors review of said determination by paying the established fee and making written application to the Board of Directors, in care of the General Manager, within ten (10) business days of the General Manager's decision. The decision of the Board of Directors shall be final.
- ~~D. All credits are suspended completely if and when the District reaches Stage III of the Water Shortage Contingency Plan.~~
- D. ~~E.~~ No leak adjustments will be given for incidents due to sewer lateral connection work.

Chapter 2.02 Water System Generally (Adopted 1/4/01)

2.02.01 Applicability

The rates and regulations set forth herein pertain to service to lands and/or improvements lying within the boundaries of the District. Service to lands outside the District shall be only on terms and conditions established by the board respecting the particular service involved.

2.02.02 Service Connections

- A. Each house or building under separate ownership or capable of separate ownership shall be provided with its own service connection or connections.
- B. Two (2) or more houses or buildings (such as apartments) under one (1) ownership and located on the same lot or parcel of land may be supplied through one (1) service connection.
- C. When a parcel or building receiving water service through one connection is subdivided into smaller lots, parcels or units, capable of separate ownership, then the existing service connection shall be deemed appurtenant to the parcel or building until upon which it is situated or most immediately adjacent.
- D. The District reserves the right to limit the number of houses or buildings, or the area of the land under one (1) ownership to be supplied by one service connection.
- E. A service connection shall not be used to supply adjoining property of a different owner or to supply the property of the same owner on opposite sides of a public street or alley.
- F. All service connections to be constructed to “District Specifications and Drawings” as amended from time to time.

2.02.03 Landscape Irrigation Connections

Except for connection to a single-family residence, a separate service connection with back-flow prevention device shall be provided to each parcel of property for landscape irrigation in accordance with District Specifications and Drawings. A separate Landscape Connection Fee shall be computed pursuant to Section 2.02.05, and paid.

2.02.04 Meter Size

- A. Except as provided in Subsection 2.02.04B, below, the water meter size for each service connection shall be determined by the District pursuant to the Uniform Plumbing Code, Table 6-4 as set forth in Appendix C to this ordinance.
- B. The minimum water meter size for each service connection that serves a single-family residence on one (1) acre or larger parcel shall be one (1) inch.

2.02.05 System Fees

- A. New connections shall be subject to system fees and charges based on the estimated reasonable cost of the District facilities and services required to provide water. The fees shall consist of six (6) component parts as follows (capacity charge, meter set fee, water service connection fee, meter fee, account set-up fee and supplemental charge (if applicable)). Said fees are set forth in Appendix A to this Ordinance.
- B. Supplemental Charge.
 - 1. When a new service is connected to a District installed water line, the applicant shall be charged a front footage fee as established by District Resolution for each parcel fronting the water line or one-half the amount when District service can be provided on both sides of the water line. Where the frontage has been subdivided, rear and front parcels shall share on a per parcel basis the frontage of the subdivision creating the parcels.
 - 2. When a new service is connected to a developer-installed water line, the applicant shall pay a supplemental charge pursuant to that reimbursement agreement established under to Chapter 2.04 below.
- C. The water service connection fee, meter set fee, meter fee, and account set-up fee shall be established pursuant to the District's Cost Recovery Ordinance as amended from time to time.
- D. Payment of System Fees. The applicant shall pay all system fees prior to the District's issuance of a will-serve letter. The District shall not provide service until all fees are paid in full and the project (if applicable) is accepted by the District.

2.02.06 Resale of Water

No person shall resell any water received from the District to any other person, or for use on any other premises, or for any other purposes than specified in the application for service.

2.02.07 Backflow Prevention Devices and Special Facilities

- A. Where conditions, as set forth herein require a backflow prevention device, such as double-check valve or a pressure reducing valve, and installation shall be by the ~~customer, the~~customer, the District shall be notified of the installation and the valve inspected before being placed in service.
- B. Pressure Regulators and Special Facilities: Where the conditions of service are such that a pressure regulator or other special facility, including but not limited to booster pumps, are required, the customer shall provide, install and maintain the necessary equipment.

2.02.08 Change in Size of Service

When a change in use of a building, premises or an area to be served, causes an increase in water use that exceeds the meter size, then new water meter and service shall be required or water service may be terminated as a violation of Section 2.01.07.A6 above. When a change in size of service is required, the following provisions shall apply:

- A. Replace Smaller Meter with Larger Meter. The customer shall pay the applicable system fees required for the larger meter less a credit for the facilities replaced.
- B. Replace Larger Meter with Smaller Meter. This change in size of service shall be made without additional charge to the customer.

2.02.09 Service Facilities - Ownership

A. District-Installed Facilities

- 1. All water service pipes and equipment required to serve a customer up to and including the meter shall be owned by the District, whether installed:
 - (a) On a public or private property; or
 - (b) At applicant's or District's expense.
- 2. District equipment required for service which is installed on a customer's premises may be repaired, replaced or removed by the District. Authorized representatives of the District shall have the right of access to such equipment for any purpose reasonably connected with furnishing service.
- 3. The customer shall exercise care to prevent damage to or interference with the operation or servicing of District equipment. The customer shall be liable for maintaining vegetation and overgrown brush around the meter box. Clearing around the meter of 1.5 feet in all horizontal directions and 5 feet vertical clearance is sufficient. The District will notify the customer by mail, door hanger or phone communication of the violation, and allow thirty 30 days for the violation to be corrected. If the customer fails to comply, fees will be imposed for District time and materials spent to complete the work of clearing the area around the meter box. The customer shall be liable for any damage to District-owned meters, locks or other equipment, which is caused by himself or his tenants, agents, employees, contractors, licensees or permittees, and must promptly reimburse the District on presentation of a bill for any such damage.

B. Customer Installed Facilities.

- 1. Pressure regulators, backflow prevention devices, customer service lines, and other special facilities beyond the meter are owned by the customer, and their proper operation and maintenance are the responsibility of the customer. District regulations relating to assurances regarding proper

operation of such facilities are set forth in Sections 2.02.13 and 2.02.14 below.

2. Under special conditions and with the consent of the Board, the customer may furnish and install the required meter installation to District specifications at his expense (in lieu of Payment to the District or the established connection fee). Under such circumstances, the customer shall be required to pay to the District the costs of engineering and inspection services occasioned by such installation. Such customer-installed facilities between the District pipeline and the customer's side of the meter normally shall become the property of the District and shall thereafter be maintained by the District; provided, that where meters have been provided by a water agency customer of the District in connection with related features of its water system and it is deemed impracticable for the District to maintain the meter, then the customer shall retain ownership of such meter and shall maintain it in proper working condition. The District shall have the right to require the customer to test such meters for accuracy at reasonable intervals and shall have access to such meters for inspection, testing, and meter reading purposes.

2.02.10 Public and Private Fire Services

- A. Public Fire Service. The District may enter into contracts for fire hydrants and the supplying of water for fire protection use to any other District, public agency, or municipality located within the District under such terms and conditions as may be mutually acceptable to the District and the agency.
- B. Private Fire Service. The District will not make the decision requiring the customer to install private fire sprinkler systems, this determination will be made by San Luis Obispo County. The fire sprinkler systems will be installed after the meter connection, on the customer service line. If it is determined an upgrade in service line or meter size is needed to properly operate the fire sprinkler system, the customer will be responsible for paying the costs associated with the upgrade in service, and also in accordance with Section 2.02.08, above.

2.02.11 Distribution Facilities

All District facilities shall be installed in accordance with "District Specifications and Drawings". The initial minimum water main size shall be eight (8) inches in diameter. Future main sizes shall be established in the District Specifications and Drawings.

2.02.12 Water Supply and Interruption of Service

The District will exercise reasonable diligence and care to deliver to customers a continuous and sufficient supply of water at the meter. The District, however, shall not be liable for interruption of service or shortage or insufficiency of supply or for any loss or damage occasioned thereby. For the purpose of making repairs or installing improvements to the system, the District shall have the right to temporarily suspend the delivery of water. The

customer shall be notified in advance of such action, except in cases of emergency. Repairs or improvements will be performed as rapidly as may be practicable and so far as possible at times which will cause the least inconvenience to the customers concerned. The District shall not be liable for any loss or damage occasioned by such suspension of service.

2.02.13 Water Receiving Equipment - - Responsibility

- A. The customer shall be responsible for connecting his pipeline to the District's meter. The customer shall furnish and install at his own risk and expense that portion of the water system which begins at the outlet side of the meter. Such water receiving equipment shall remain the property of the customer and they shall be responsible for its maintenance and repair. The District shall have the right to require the customer to adjust, replace or discontinue using any water receiving or regulating equipment on his side of the meter which disturbs or inconveniences other customers.
- B. Where reduced or increased pressure is desired by the customer, he shall be responsible for installing and maintaining the necessary regulator pumps and relief valves. In such cases, the equipment shall be installed on the customer's side of the meter at the customer's expense.
- C. The District shall not be responsible for any loss or damage caused by the negligence, want of proper care, or wrongful act of the customer or any of customer's tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with any water receiving equipment. Furthermore, the District shall not be responsible for damage caused by faucets, valves and other equipment which may be open at any time that water is turned on at the meter.

2.02.14 Protection of Public Water Supply

- A. In making plumbing connections, the customer is required to comply with the regulations of the California State Water Resources Control Board and the United States Public Health Service. Such regulations prohibit:
 - 1. Unprotected cross-connections between a public water supply and any unapproved source of water; and
 - 2. Unprotected water service connections to premises where there is a possibility of contaminated water backflowing into the public water system.
- B. The District requires the installation of approved double-check valves or other protective devices by and at the expense of the customer before granting or continuing service under such conditions as the following:
 - 1. Where another source of water is in use or is available for use unless the alternate supply has been certified for domestic use by the county health department or the California State Water Resources Control Board;

2. Where contaminated liquid or soluble substances of any kind are used, produced or processed;
 3. Services to agricultural land where the customer utilizes his irrigation system for the application of fertilizers or other chemicals to the land through injection of such substances into the water system. All agricultural services shall be considered potentially dangerous cross-connections unless and until the customer executes a certificate in a form prescribed by the District certifying that objectionable chemicals are not injected into their water system and agreeing to notify the District in advance of their intention to commence such practice and to arrange for the installation of an approved backflow prevention device before performing such injection. In special cases, the District may require the customer to eliminate certain plumbing or piping connections as an additional precaution to prevent backflow. Double-check valve or pressure reducing valve installations and other protective devices may be inspected and tested for water tightness by the District. Service to any premises may be immediately discontinued if it is found that dangerous unprotected cross-connections exist or if any defect is found in the check valve installation or other protective devices. Services shall not be restored until such defects are corrected.
- C. As a protection to the customer's plumbing system, a suitable pressure relief valve must be installed and maintained by him at his expense when check valves or other protective devices are used. The relief valve shall be installed between the check valves and the water heater.
- D. The regulations of the California State Water Resources Control Board also require that the owner of any premises on or for which check valves or other protective devices are installed shall inspect these devices for water tightness and reliability at least once per year. All defective devices shall be serviced, overhauled, or replaced at customer's expense. A written report on this annual inspection shall be made available to the District.
- E. No person shall attach any ground wire to plumbing which is or may be connected to District service equipment. The District shall hold such persons liable for any damage to District property resulting from a ground wire attachment.

2.02.15 Main Line Extensions and Construction of District Facilities

- A. All main extensions required to be constructed as a condition of service shall be constructed to and across the front footage of the customer's parcel. Special provisions may be required for a corner lot or for other irregular shaped lots and shall be determined by the General Manager.
- B. All main extensions and other District facilities shall be constructed by licensed contractors in accordance with "District Specifications and Drawings" as amended from time to time. The District may require the applicant to enter into a

District Facilities Plan Check and Inspection Agreement. When applicable, the applicant may be entitled to reimbursement pursuant to Chapter 2.04 below.

2.02.16 Right of Entry or Access

Authorized inspectors, agents and employees of the District who are furnished with, carry and upon request display appropriate evidence of identification, may enter upon the private property of any person within the jurisdiction of the District in order to investigate possible violations of an ordinance of the District that has been adopted in order for the District to carry out only the purposes specified in subdivision (a) or (b) of Section 61600 of the Government Code. The investigation shall be made with the consent of the owner or tenant of the property or, if consent is not given, with a warrant duly issued pursuant to the procedures set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, except that, notwithstanding Section 1822.52 of the Code of Civil Procedure, the warrant shall be issued only upon probable cause.

2.02.17 General Prohibition

No person shall make, permit, approve, or allow any water connections and/or extensions contrary to this Ordinance, other District Rules and Regulations, and the District's Specifications and Drawings.

Chapter 2.03 Sewer System Generally

(This section was repealed on May 3, 2018)

Chapter 2.043 Reimbursement Agreements (Adopted 1/4/01)

2.043.01 Purpose and Applicability

- A. This Section is intended to provide an equitable procedure for at least partial reimbursement to private parties who construct and dedicate District facilities to serve their private property if such facilities are also used, thereafter, to directly serve and benefit private property owned by others.
- B. Whenever an applicant is required, as a condition of development, to construct and install any District water facilities which will be dedicated to the District and which has the future potential and capacity to provide service to real property parcels not under the control or ownership of the applicant the future reimbursement provisions of this Section shall apply unless the District specifically provides otherwise by Ordinance or resolution.

2.043.02 Reimbursement of Excess Costs

- A. Excess costs equal the sum of the following:
 - 1. Over-sizing: The difference between the estimated cost of installing the size of line required to serve Applicant's needs pursuant to District's Specifications and Drawings and the actual cost of installing a larger line at the direction of the District.
 - 2. Off-Site Development: A pro-rata share of the total cost of installing District facilities and appurtenances at the direction of the District computed on the estimated use by the Applicant and the probably future use by connectors other than Applicant.
- B. Approval of Excess Costs: District shall have the right to audit the excess costs submitted by Applicant, and to approve for reimbursement only so much thereof it determines to be just and reasonable. Such excess cost, if any, shall be computed when said facilities are completed by Applicant and accepted by District, and said costs shall be paid as provided in the Reimbursement Agreement.

2.04.03 Proration of Costs

- A. The District's Engineer shall prorate the approved excess costs against all lots or parcels which in the future may be served by direct connection thereto. The District shall send written notice of the prorated amount to the person shown on the latest County assessor's roll as the owner or agent of record for assessment purposes for each parcel. Such person may protest the pro-rations in writing within fourteen (14) days after the notice is mailed. If not protested within the fourteen (14) days, the pro-ration shall become final for the purposes of this Section.

- B. A protest shall be concerned only with the division or spread of the actual and necessary construction costs between or among the builder's property and all other properties to be included in the area subject to the pro-ration procedure. A protest shall not be concerned with the actual construction costs unless the protester can demonstrate fraud or willful concealment of actual cost information as presented by the Applicant or his agent to the District's Engineer.
- C. The District's Board of Directors shall hold a public hearing to consider all such written protests. All evidence in support of the protest shall be submitted in writing to the District at least ten (10) days before the meeting. The Engineer shall prepare a written report and recommendation to the Board on each protest. A copy of the Engineer's report shall be mailed, or otherwise delivered, to the concerned protester at least five (5) days before the board meeting to consider the protest.
- D. The Board's decision on the protest shall be in writing, and shall be final. If the Board's decision results in an increased pro-ration amount for properties owned by anyone other than the protester or the Applicant, a new notice and a new fourteen (14) day period shall be given for each such property.
- E. If no protest is filed for a property within the fourteen (14) day period after the first or any subsequent notice of prorated amount is mailed for that property, the pro-ration shall become final as to the property.

2.04.04 Ten-Year Repayment Obligation

For a period of ten (10) years from the date of official acceptance of any such facility, the subdivider shall be eligible for reimbursement of the foregoing prorated amount from each parcel as the parcel, or portion thereof, connects to the facility.

2.04.05 District to Serve as Collection Agency

The District shall collect the prorated amount for each parcel before permitting the parcel to connect to the facility. It is the duty of the applicant to keep a current address on file with the District. Reimbursement amounts returned to the District and unclaimed after one year shall become the property of the District.

2.04.06 District Administrative Costs

As partial reimbursement to the District for its administrative and engineering costs associated with calculating reimbursement amounts, plus record keeping, collection and disbursement activities, the District shall charge, deduct and retain the percentage established as District overhead in the District's Cost Recovery Ordinance of all reimbursement amounts collected from subsequent builders.

2.04.07 District Connections

- A. The District may make connections to the water facilities to serve public facilities without any obligation to pay any such refunds.
- B. The District may also make or permit connections to the facilities to serve private property outside of the area of proration as determined by the Engineer; provided, however, that the District Board of Directors reserves the right to determine at that time whether or not the owners of such private property shall be obligated to reimburse Applicant as provided in this Section.

2.04.08 All Other District Water Charges in Effect

Nothing herein shall be construed or applied to affect or reduce any other District charges, fees, connection or other amounts payable to the District for water service.

2.04.09 District Liability

If for any reason the reimbursable cost is or becomes uncollectible, as determined by the District, the District shall not be liable to the Applicant for the excess costs in constructing the District Facilities.

Chapter 2.05 Fire Hydrants, Use of District Fire Hydrants for Temporary Water Service for Construction and Other Purposes (Adopted 1/4/01)

2.05.01 Fire Hydrants

- A. Use and Damage to Fire Hydrants. It is unlawful for any person other than a Los Osos Community Services District employee or public safety personnel to open any fire hydrant or attempt to draw water from it in any manner without a written permit from the Los Osos Community Services District.
- B. Moving of Fire Hydrants. When a fire hydrant has been installed in a location specified by proper authority, the community services District has fulfilled its obligation. If a property owner or other party desires change in size, type or location of the hydrant, that party shall bear all costs of such change or changes without refund. Any change in the location of a fire hydrant must be approved in writing by the CalFire and the District. Where said approval in writing is provided by the CalFire said permission shall be presented to the District prior to the change in location.
- C. Use of Spanner. It is unlawful to operate the valve of any fire hydrant other than by the use of a spanner wrench designed for this purpose.

2.05.02 Unmetered Water—Use Prohibited

- A. No person other than District personnel or public safety personnel in the performance of their duties shall draw or use water from the District's water supply system which has not been delivered through a water meter approved and maintained by the District except as provided in Section E.3 below.

2.05.03 Permits for Temporary Water Service for Construction and Other Purposes

- A. All temporary water service shall be supplied through a fire hydrant designated by the District. A permit for the use of the fire hydrant shall be obtained from the Los Osos Community Services District prior to the use of water from the fire hydrant. The rates for such temporary service shall be established from time to time by resolution of the Board.
- B. A fire hydrant water meter shall be required for all temporary water service. The amount of deposit and rent for a fire hydrant water meter shall be set from time to time by resolution of the Board.
- C. An administrative fee per permit request shall be added to the fees for temporary water service. The administrative fees shall be set from time to time by resolution of the Board.

2.05.04 Immediate Termination of Temporary Water Service

Any temporary water service connection used for construction or other purposes may be immediately terminated by the District, without prior notice, if such action is necessary to

maintain the adequate minimum pressure of the District's distribution system and to protect the quality of the District's water supply.

2.06.01 Water Conservation Stages.

A. Stage I Conservation.

1. Upon a determination by the Board of Directors that there exists rainfall totals as March 31st: ~~<~~ less than median of (17inches) for the current year, a target reduction of 5% and the following prohibitions shall take effect for residential customers:

- (a) All outdoor irrigation of vegetation shall occur only between the hours of dusk and dawn
- (b) The use of potable water to wash sidewalks, walkways, driveways, parking lots, open ground and other hard-surface areas by direct application shall be prohibited.
- (c) The use of non-drinking-water fountains, except for those using recirculated water, shall be prohibited.
- (d) Use of water which results in flooding or run-off in gutters or streets shall be prohibited.
- (e) Commercial, and Irrigation customers will reduce consumption by 5% on a voluntary basis.

2. In Addition to the prohibitions referenced in Section 2.06.01.A1 above, the Board of Directors will initiate a public information campaign to educate District residents, urging water conservation and showing ways the public can save water.

- ~~(a) (a) All outdoor irrigation of vegetation shall occur only between the hours of dusk and dawn~~
- ~~(b) (b) The use of potable water to wash sidewalks, walkways, driveways, parking lots, open ground and other hard-surface areas by direct application shall be prohibited.~~
- ~~(c) (c) The use of non-drinking-water fountains, except for those using recirculated water, shall be prohibited.~~
- ~~(d) Use of water which results in flooding or run-off in gutters or streets shall be prohibited.~~
- ~~(e) Commercial, and Irrigation customers will reduce consumption by 5% on a voluntary basis.~~

~~B. 2. In addition to the prohibitions referenced in Section 2.06.01.A1 above, the Board of Directors will initiate a public information campaign to educate District residents, urging water conservation and showing ways the public can save water.~~

~~B. Stage II Conservation.~~

~~C. B. Stage II Conservation.~~

~~1. In addition to Stage I conservation measures, upon determination of the Board of Directors that there exists rainfall total as of March 31 ~~st~~: ~~≤ less than or equal to thirty-two (32) inches for over two (2) years or ≤ less than or equal to forty-eight (48) inches over three (3) years or sixty-five 65 inches over four (4) years or eighty-one (81) inches over five (5) years, the following measures shall take effect immediately:~~~~

~~(a) Each residential unit shall be limited to 174 gallons per day per household or 58 gallons per day per occupant~~

~~(b) Use of water from fire hydrants shall be limited to fire suppression and/or other activities immediately necessary to maintain health, safety and welfare of residents within the boundaries of the Los Osos Community Services District.~~

~~(c) The use of District potable water for construction projects shall be prohibited.~~

~~(d) The washing of automobiles, trucks, trailers, boats and other types of mobile equipment not occurring upon the immediate premises of a commercial car wash and/or commercial service station shall be prohibited unless residents have an automatic shut-off hose nozzle and do not allow water to run off their property.~~

~~(e) The use of potable water to irrigate lawns, landscape plantings, groundcovers, and shrubs shall be limited to prescribed days and hours. Irrigation shall only occur between dusk and dawn, and shall only occur on Wednesday and Sunday for even numbered addresses, and Tuesday and Saturday for odd numbered addresses. Community recreational facilities shall be exempt from this prohibition.~~

~~(f) Water main flushing shall only occur in emergency situations as declared by the District General Manager.~~

~~a. Each residential unit shall be limited to 174 gallons per day per household or 58 gallons per day per occupant.~~

~~(b) Use of water from fire hydrants shall be limited to fire suppression and/or other activities immediately necessary to maintain~~

health, safety and welfare of residents within the boundaries of the Los Osos Community Services District.

~~(c) The use of District potable water for construction projects shall be prohibited.~~

~~(d) The washing of automobiles, trucks, trailers, boats and other types of mobile equipment not occurring upon the immediate premises of a commercial car wash and/or commercial service station shall be prohibited unless residents have an automatic shut-off hose nozzle and do not allow water to run off their property.~~

~~(e) The use of potable water to irrigate lawns, landscape plantings, groundcovers, and shrubs shall be limited to prescribed days and hours. Irrigation shall only occur between dusk and dawn, and shall only occur on Wednesday and Sunday for even numbered addresses, and Tuesday and Saturday for odd numbered addresses. Community recreational facilities shall be exempt from this prohibition.~~

~~(g) Water main flushing shall only occur in emergency situations as declared by the District General Manager.~~

2. In addition to those measures stated in 2.06.01.B1 above, the Board of Directors, by resolution and/or ordinance, may adopt additional water conservation measures on an urgency basis.

D.C. Stage III Conservation.

1. In addition to the water conservation measures established in Stage I and Stage II above, upon a determination of the Board of Directors that there exists, rainfall total as of March 31 is: <= less than or equal to 29 inches for over two (2) years or <= less than or equal to forty-three (43) inches over three (3) years or fifty-eight (58) inches over four (4) years or seventy-two (72) inches over five (5) years, Or chloride triggers at 8th Street or 10th Street wells is equal to 150 milligrams per liter (mg/L), Or Total Dissolved Solids (TDS) triggers at 8th Street or 10th Street wells is equal to 700 mg/L the following measures shall take effect:

- (a) Each residential unit shall be limited to 150 gallons per day per household or 50 gallons per day per occupant person per day based on the information on the Occupancy Form on file with the District.
- (b) Each commercial customer shall be limited the amount in section 2.06.C.1(a) above or the water shortage contingency rate adopted by the Board of Directors.

~~(e) Irrigation of community recreational facilities and residential edible crops shall be exempt from this prohibition.~~

(c)

(d) No leak adjustment credits will be awarded. Penalties up to two (2) times the established rate for usage above allocation, may be

applied. District will notify customer of usage above allocation, if the customer fails to modify usage, penalties may be applied.

(e) No new intent-to-serve applications will be considered.

(f) No allocations may be transferred to another property.

2. In addition to those measures stated in Section 2.06.01.C1 above, the Board of Directors, by resolution and/or ordinance, may adopt additional water conservation measures on an urgency basis.

E.D. Stage IV Conservation.

1. In addition to the water conservation measures established in Stages I, II, and III above, upon a determination of the Board of Directors that there exists, rainfall total as of March 31 st: <= less than or equal to twenty -six (26) inches for over two (2) years or <=less than or equal to thirty eight (38) inches over three (3) years or fifty-one (51) inches over four (4) years, or sixty-four (64) inches over five (5)years, Or chloride triggers at 8th Street or 10th Street wells is equal to 250 mg/L, Or TDS triggers at 8th Street or 10th Street wells is equal to 850 mg/L the following measures shall take effect:

(a) Each residential unit shall be limited to 135 gallons per day per household or 45 gallons per day per occupant based on the information on the Occupancy Form on file with the District.

(b) Commercial allocation will be set at 10% below baseline.

(c) Penalties up to four (4) times established rate may be applied.

(a)(d) No allocations may be transferred to another property.

~~_____ (a) Each residential unit shall be limited to 135 gallons per day per household or 45 gallons per day per occupant person-per day~~

~~Commercial allocation will be set at 10% below baseline~~

~~b. Penalties up to four (4) times established rate may be applied~~

~~c. No allocations may be transferred to another property~~

- ~~4.2.~~ In addition to those measures stated in Section 2.06.01.D1 above, the Board of Directors, by resolution and/or ordinance, may adopt additional water conservation measures on an urgency basis.

F.E. Stage V Conservation.

1. In addition to the water conservation measures established in Stages I, II, III and IV above, upon a determination of the Board of Directors that there exists, rainfall total as of March 31 st: <= less than or equal to seventeen -(17) inches- for over two (2) years- or <=equal than or equal

~~to twenty-six (26) in. over three (3) yrs. or thirty-four (34) inches over four (4) years. Or forty-three (43) in. over five (5) years~~ Or chloride triggers at 8th Street or 10th Street wells is equal to 500 mg/L, Or TDS triggers at 8th Street or 10th Street wells is equal to 1,000 mg/L the following measures shall take effect:

- (a) Each residential unit shall be limited to 126 gallons per day per household or 42 gallons per day per occupant based on the information on the Occupancy Form on file with the District.
- (b) Penalties up to four (4) times established rate may be applied.
- (c) Commercial allocation will be set at 15% below baseline.
- (d) Penalties up to four (4) times established rate may be applied.
- (e) No allocations may be transferred to another property.

~~(a) Each residential unit shall be limited to 126 gallons per day per household or 42 gallons per day per occupant person per day~~
~~(b) Penalties up to four (4) times established rate may be applied~~

~~d. Commercial allocation will be set at 15% below baseline~~
~~e. No allocations may be transferred to another property~~

- 2. In addition to those measures stated in Section 2.06.01.E1 above, the Board of Directors, by resolution and/or ordinance, may adopt additional water conservation measures on an urgency basis.

2.06.02 Water Shortage Contingency Stages Implementation

- A. Stage I – Alert
 - 1. Customers affected are residential only
- B. Stage II – Warning
 - 1. Customers affected are residential only
- C. Stage III – Emergency
 - 1. Customers affected are residential only
- D. Stage IV – Severe
 - 1. Customers affected are residential and commercial
- E. Stage V – Critical
 - 1. All customer classifications are affected

2.06.03 Water-Saving Devices

- A. All customers are encouraged to install and use the following water conservation devices:
 - 1. Low flush toilets 1.6 gallons per flush or less;
 - 2. Low flow shower heads 2.0 gallons per minutes or less; and
 - 3. Drip irrigation.

2.06.04 Violation and Enforcement. The following apply to persons violating the provisions of District's water conservation and emergency water shortage regulations.

- A. First Violation. A copy of the notice will be left with someone at the residence or establishment, or left in a conspicuous place, at the time the violation is observed.
- B. Second Violation. A twenty five dollar (\$25.00) surcharge, in addition to any other penalties or fees owing, shall be assessed to the account of the violator, and a copy of the violation notice will be sent to the address of the violator by certified mail, return receipt requested, with a letter explaining the gravity of the situation and the penalties for future violations.
- C. Third Violation. A two hundred and fifty dollar (\$250.00) surcharge, in addition to any other penalties or fees owing, shall be assessed to the account of the violator, and a one-gallon per minute flow restriction will be installed at the violator's meter and left in place for seventy-two (72) hours. Installation and removal charges shall be established by District resolution and shall be assessed to the account of the violator.
- D. Fourth Violation. The water meter will be removed from the premises of the violator. The meter will be reinstalled, on conditions set by the District, after the payment of District reconnection charges and the payment of all other charges, surcharges and penalties owing.

2.06.05 Review and Appeals

Any person who disputes the application of these Water Conservation Regulations may seek review under the following procedures:

- A. Dispute Resolution Hearings shall be conducted by the General Manager or his/her designee on the following terms and conditions:
 - 1. The applicant shall request in writing a hearing within ten (10) days of the event giving rise to the dispute.

2. All fines, penalties, surcharges, and service charges shall be deposited with the District.
 3. The hearing shall be conducted at a mutually acceptable time, as soon as practical.
 4. The General Manager shall consider the evidence presented at the hearing and is authorized to render a decision in his/her discretion that is consistent with the conservation measures established in Section 2.06.01 above.
- B. Appeals: The decision of the General Manager may be appealed by making written application to the Board of Directors, in care of the General Manager, within five (5) business days of the General Manager's decision. The appeal to the Board of Directors will be held under the procedures established in Sections 1.02.03.A and 1.02.03 of this Ordinance.
- C. Judicial review of the decision of the Board of Directors shall be pursuant to Chapter I, Section 1.02.04 of this Ordinance.

2.07.01 Plans and Specifications

- A. Water system improvement plans and specifications shall be prepared by a California registered civil engineer.
- B. Water system improvements shall be designed and constructed in conformance with the "District Specifications and Drawings".
- C. The District General Manager may require an applicant to enter into a plan check and inspection agreement.
- D. The District's administrative costs referenced in the plan check and inspection agreement shall be paid by the Applicant. Such fees shall be established by separate agreement or resolution of the Board of Directors.



September 18, 2019

TO: LOCSD Utilities Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 6 – 9/18/2019 UAC Meeting

Review, Discuss and Recommendation to consider the adoption of a resolution amending Appendix A to Title 2 of the Los Osos Community Services District Code to establish a recycled water rate.

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
George Huang

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

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

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsl.org

DESCRIPTION

The proposed recycled water rate discussed in this report was part of a water rate analysis performed by a volunteer working group in 2017 and considered by the Utilities Advisory (UAC), Finance Advisory Committee (FAC) and the district Board of Directors at several public meetings. The recommended action is to adopt a resolution to establish a recycled water rate.

COMMITTEE RECOMMENDATION

Motion: I move to recommend to the Board of Directors that the Board adopt resolution amending Appendix A to Title 2 of the Los Osos Community Services District Code to establish a recycled water rate.

DISCUSSION

At the July 5, 2018 Board meeting, the Board approved an agreement with County of San Luis Obispo (County) to provide recycled water to customers within the District's service area. At the meeting, staff reviewed the history/background of the recycled water program and the significance of moving forward with connecting Los Osos Middle and Baywood Elementary Schools to the system. The foremost benefit to the community is the direct offset of water pumped from the lower aquifer which will aid in reducing sea water intrusion into the groundwater basin.

Also discussed at the meeting was the importance of the agreement between the District and County to avoid duplication of service. The key points of the approved agreement are as follows:

1. The County will provide the recycled water to a District-owned recycled water meter, and therefore the schools will remain customers of the District.
2. The County will continue to own and maintain all infrastructure upstream of the water meter at no cost to the District, and the water will be delivered under pressure.
3. The District will pay the County \$80 per acre-ft in recognition of the energy savings that the District will receive by not pumping its potable water supplies for the same use.

4. The District will, as promptly as possible, establish a rate applicable to all potential District recycled water customers and at a level that provides a reasonable discount from the potable rate as an incentive to participate in the program.
5. The District will continue to receive revenue from the schools for the recycled water metered at each location.

At the time of the discussion in July, a discount of 10% from the potable water rate was contemplated which is similar to the City of San Luis Obispo's recycled water program that serves other San Luis Coastal Unified School District (School District) facilities. The 10% discount is also consistent with the water industry's guidelines for setting recycled water rates. Additionally, the District's last rate analysis in 2017 included provisions for a 10% discount and was incorporated into the revenue analysis and the basis for which the current potable rates are based on.

RATE ADOPTION PROCEDURES

Water rates are typically adopted by the Board at the close of a public hearing where citizens have had the opportunity to protest a rate increase in compliance with Section 6 of Article XIII D of the California Constitution (Prop 218). The proposed recycled water rate is unique in that it will only impact one property owner, the School District, and will decrease their rate for the water they use for irrigation. Because of these unique factors, it has been determined that adopting the recommended recycled water rate falls outside the requirements of Prop 218 and can be adopted by resolution following the scheduled October 3, 2019 public hearing.

FINANCIAL IMPACT

Los Osos Middle School and Baywood Elementary are the District's two largest irrigation customers, and they historically consume a combined total of 11,500 CCF per year. The proposed recycled water rate will reduce District revenues due to the recommended 10% discount in the cost of recycled water. However, as previously stated, reductions have already been anticipated in the District's potable water rate design so the financial impact should be indiscernible. As is the current practice, staff will be tracking water sales annually. If there is an unanticipated decrease in water revenues, staff will return to the Board with a recommendation to correct any revenue shortfall attributable to the sales of recycled water.

Attachment

RESOLUTION 2019-X

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
AMENDING APPENDIX A TO TITLE 2 OF THE LOS OSOS COMMUNITY SERVICES DISTRICT CODE
TO ESTABLISH A NEW RECYCLED WATER RATES**

WHEREAS, it is a major responsibility of the Los Osos Community Services District ("District") to:

1. Operate and maintain its water distribution facilities so as to provide adequate water service and fire protection to District water customers; and
2. Maintain adequate levels of revenue, equitably collected from District water customers, to meet the District's financial commitments; and

WHEREAS, Government Code §61115 authorizes the District to adopt rates and charges by Resolution;
and,

WHEREAS, on July 5, 2019, the District approved an agreement with the County of San Luis Obispo (County) to provide recycled water to District customers within the District's service area.

WHEREAS, the agreement requires the District to establish a rate applicable to all potential District recycled water customers; and,

WHEREAS, the agreement requires the District to establish rates that provide a reasonable discount for the applicable potable water consumptive use rates to provide a recycled water user an incentive to manage the extraordinary regulatory requirements associated with recycled water use; and

WHEREAS, by setting a recycled water rate at a reasonable discount which will result in a rate less than the District's potable water rate, the District is consistent with its rate setting authority as authorized in Government Code §61115; and

WHEREAS, based on the foregoing the Board of Directors finds:

- A. A 10% discount from the District's potable water rate is consistent with water industry guidelines for setting recycled water rates.
- B. The proposed recycled water rate is unique in that it will only impact one property owner, San Luis Coastal Unified School District, and will decrease their rate for the water they use for irrigation therefore outside the requirements of Section 6 of Article XIII D of the California Constitution.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Los Osos Community Services District as follows:

Section 1. Incorporation of Recitals

The Recitals are true and correct and incorporated herein by this reference. The Recitals and referenced agreement contained therein constitute and/or support the findings of the District in support of this Resolution.

Section 2. Water Rates and Charges

November 1, 2019, Appendix A to Title 2 of the District Code related to bi-monthly water rates and charges is repealed in its entirety and replaced with the following:

**APPENDIX A
BI-MONTHLY WATER RATES AND CHARGES**

		Current Potable Water Rates	Proposed Recycled Water Rates - Effective , 2019
Fixed Bi-Monthly Service Charge		\$70.00	\$70.00
Water Consumption Charges			
Rate per hundred cubic feet (ccf) per bi-monthly billing period			
(1 CCF = 748 gallons)			
Tier 1	0 - 5 ccf	\$ 6.00	\$ 5.40
Tier 2	6 – 10 ccf	\$ 7.75	\$ 6.98
Tier 3	11 – 20 ccf	\$ 9.50	\$ 8.55
Tier 4	>20 ccf	\$ 11.25	\$ 10.13

Section 3. Repeal of Prior Ordinances and Resolutions

All Ordinances, Resolutions and sections of Ordinances and Resolutions that are inconsistent with this Resolution are hereby repealed.

Section 4. Effect of Repeal on Past Actions and Obligations

This Resolution does not affect prosecutions for violations committed prior to the effective date of this Resolution, does not waive any fee or penalty due and unpaid on the effective date of this Resolution, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any prior Resolution or Ordinance.

Section 5. CEQA Findings

The Board of Directors of the District finds that the rates and charges adopted by this Resolution exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273.

Section 6. Severance Clause

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 7. Effective Date

This Resolution shall take effect immediately. The rates and charges adopted by this Resolution shall take effect November 1, 2019.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

Ayes: _____
Noes: _____
Absent: _____
Conflicts: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 3rd day of October 2019.

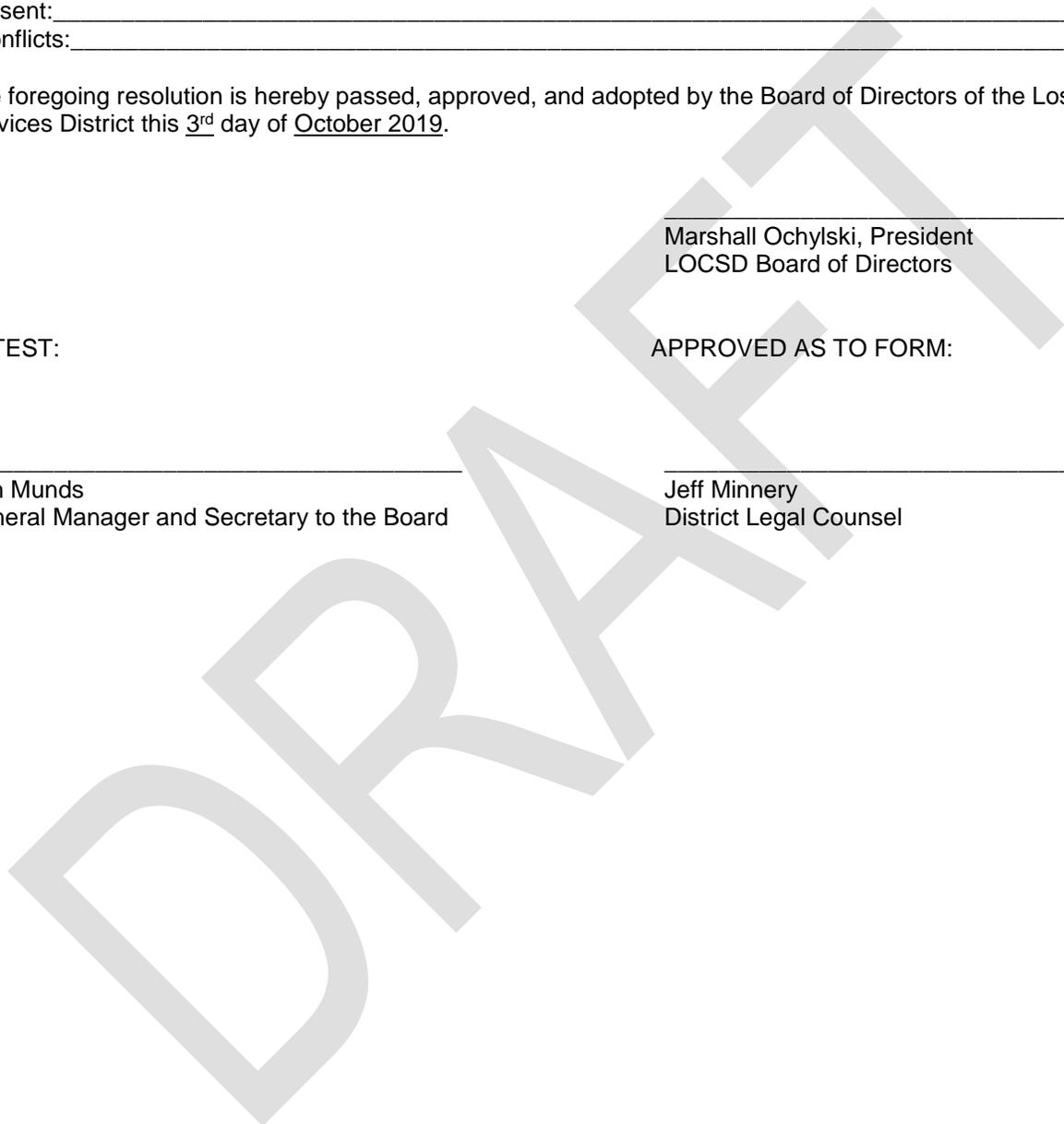
Marshall Ochylski, President
LOCSD Board of Directors

ATTEST:

APPROVED AS TO FORM:

Ron Munds
General Manager and Secretary to the Board

Jeff Minnery
District Legal Counsel





September 18, 2019

TO: LOCSO Utilities Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 7 – 9/18/2019 UAC Meeting

Review, Discuss and Recommendation of the Approval to Transfer Funds from the Rabobank General Checking Account into the Pacific Premier Money Market reserve accounts for Water

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
George Huang

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

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

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

DESCRIPTION

A report regarding the transfer funds from the District’s Rabobank General Checking account to the Pacific Premier Bank Money Market account in the amount of \$595,661.09 for Water (500) Reserves.

COMMITTEE RECOMMENDATION

Motion: I move to recommend to the Board of Directors the transfer of funds from the District’s Rabobank General Checking account to the Pacific Premier Bank Money Market accounts in the amount of \$595,661.09 for Water.

DISCUSSION

In 2018, separate bank accounts were established for the Fire and Water Reserves at Pacific Premiere Bank. The purpose of establishing these accounts was to provide for better accounting methods to ensure transparency on the use of these funds since the prior practice was to comingle reserves in one or more bank accounts. The General Manager and District Accountant are recommending that the Board approve the transfer of funds from the District’s general checking account to the Pacific Premier reserve account in order to reconcile or “true up” of the account balances based on the cash balance in each account at the end of the 2018-19 fiscal year. This would include transferring funds, from the general checking, designated for Water and Fire Reserve amounts budgeted in the 2018-2019 Financial Plan. The following tables summarize the transfer of funds:

Fund 500: Water Reserves	
Aggregated Water Reserve Balance	\$2,624,682.37
Pacific Premier Account Balance (7/5/19)	\$2,029,021.28
Amount to be Transferred	\$595,661.09
<i>Detailed information on reserve balances is provided as an attachment to this report.</i>	

The Water Fund Reserve amount does not include carryover funds associated with Capital Improvement Projects that were not completed during 2018-19 fiscal year. The District’s audited financials will be available in December 2019 at which time staff will bring a report to the Board detailing the Fiscal Year 2018-19 reserves and fund balances including carryover monies. Also, once the audited financials are completed and presented to the Board, staff will make a final reserve account reconciliation recommendation if necessary.

FINANCIAL IMPACT

There is no significant fiscal impact with the recommended action. There will be a minimal transfer fee assessed by Rabobank for the transaction. Additionally, there will be increased interest earnings for both the Water and Fire Reserve bank accounts because of the difference in interest rates between Rabobank and Pacific Premiere accounts.

Attachment

ATTACHMENT

Fund 500: Water Reserve Accounts	Reserve Balance	Prior Balance from June Financials	Variance	Reason for Change
LIABILITIES & EQUITY				
CURRENT LIABILITIES				
Trust Liability				
Water Quality Trust Reserve	91,517.27	91,517.27	-	
Total Trust Liability	<u>91,517.27</u>			
Total CURRENT LIABILITIES	\$ 91,517.27			
Other Liabilities				
Other Liabilities				
Replacement Reserve - Vehicle & Equip	144,644.25	144,644.25	-	
General Contingency Reserve	471,183.00	414,183.00	57,000.00	Budgeted Reserves to transfer
Capital Outlay Reserve	1,649,562.85	1,246,296.29	403,266.56	Budgeted Reserves to transfer
Water Stabilization Reserve	158,456.00	158,456.00	-	
Basin Management Reserve	50,031.00	50,031.00	-	
Water Conservation Reserve	<u>59,288.00</u>	59,288.00	-	
Total Other Liabilities	2,533,165.10			
Total LIABILITIES & EQUITY (Reserves)	<u>\$ 2,624,682.37</u>			
Water Reserves Bank Account 6/30 Balance	1,058,944.41			
Plus: closing of Money Market account on July 5, 2019	<u>970,076.87</u>			
Total	\$ 2,029,021.28			
Variance with Reserves (amount to transfer into reserve account)	\$ 595,661.09			