



January 15, 2025

TO: Utilities Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: **Agenda Item 3 – 01/15/2025 UAC Meeting**
Revised Intent/Will Serve Letter Policy and Procedures

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STAFF RECOMMENDATION

Staff recommend that the Utilities Advisory Committee adopt the following Motion:

Motion: I move that the Utilities Advisory Committee recommend to the Board that the Board approves the revised policy, procedures and guidelines for Intent/Will Serve letter process as edited by the UAC.

DISCUSSION

The UAC has been working on revisions to the District's Intent/Will Serve Letter process for the last two meetings. Staff has taken the committee's comments and incorporated them into the three attached documents to this report.

Revisions to the policy and guidelines are as follows (underlined):

Policy Statement

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 developments, annually, the Board of Directors (Board) will consider approving findings based on the criteria in the Water Shortage Contingency Plan and the recommendations and information contained in the Basin Management Committee's annual groundwater monitoring regarding the Los Osos Groundwater Basin's ability to support any new development. If the Board is unable to make the determination on water supply availability based on the aforementioned information, the Board will defer accepting applications for new water service until a time favorable findings can be approved.

Procedures

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 and recommendations from the Los Osos Basin Management Committee's annual groundwater monitoring report. Based on this information, a recommendation will be made to the Board on whether new development applications will be accepted by the District in the following calendar year.

If the Board determines that new development can proceed during any given year, the District will only provide water service to projects that have complied with all the terms, conditions, rules and regulations of the District and other agencies having jurisdiction over the project.

Application Review and Fees

The applications will be reviewed by Utility Department and General Manager. Additional information may be requested from the applicant upon completion of the review. Applicable fees must be paid at the time of submittal of the application.

Development Service Procedure Summary

The summary of procedures has been reviewed and modified for consistency with the policy and guidelines.

Application Form

As requested by the UAC, a revised application form has been developed which includes the current fee schedule. As noted at the last meeting, the fee schedule needs to be revised and updated.

Staff is requesting that the UAC provide further comments and edits to the draft attachments to this report so final documents can be presented to the Board in February.

Attachment

Policy and Guidelines

Development Procedures Summary

Application Form

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

POLICY STATEMENT

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 developments, annually, the Board of Directors (Board) will consider approving findings based on the criteria in the Water Shortage Contingency Plan and the recommendations and information contained in the Basin Management Committee's annual groundwater monitoring regarding the Los Osos Groundwater Basin's ability to support any new development. If the Board is unable to make the determination on water supply availability based on the aforementioned information, the Board will defer accepting applications for new water service until a time favorable findings can be approved.

PROCEDURES

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 and recommendations from the Los Osos Basin Management Committee's annual groundwater monitoring report. Based on this information, a recommendation will be made to the Board on whether new development applications will be accepted by the District in the following calendar year.

If the Board determines that new development can proceed during any given year, the District will only provide water service to projects that have complied with all the terms, conditions, rules and regulations of the District and other agencies having jurisdiction over the project.

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 three separate sets of the following:
 - (a) The project location;
 - (b) A site plan that shows the approximate square footage, the number of stories, the site topography and an estimate of the number of water fixtures to serve the project;
 - (c) The name and address of the project contact person.

B. APPLICATION REVIEW AND FEES

The applications will be reviewed by Utility Department and General Manager. Additional information may be requested from the applicant upon completion of the review. Applicable fees must be paid at the time of submittal of the application.

C. "INTENT-TO-SERVE" LETTERS

Board approval is required for the following type of projects:

- More than two dwelling units
- Higher than currently permitted housing density
- Commercial developments

Intent-to-Serve letters for these type of projects shall be approved by the Board of Directors based on a finding that sufficient capacity exists to serve the project.

All "Intent-to-Serve" Letter shall include the following:

(1) Conditions for service.

(2) If applicable, all easements and dedications required for District service have been delivered to the ~~district~~[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) The "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 a determination by the Board on water resource availability, 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 two (2) years from the date of issuance.

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

D. 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 set the water meter or ~~providing~~provide 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 changed by ordinance, resolution, rules, or regulations adopted by the Board for the protection of health, safety, and welfare of the District and it's 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.



LOS OSOS COMMUNITY SERVICES DISTRICT

DEVELOPMENT SERVICE PROCEDURE SUMMARY

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

1. DEVELOPER/APPLICANT:

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

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

2. DISTRICT:

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

3. DEVELOPER/APPLICANT:

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

4. DISTRICT:

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

5. DEVELOPER/APPLICANT:

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

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

6. DISTRICT:

- District Engineer and/or General Manager approves plans.

7. DEVELOPER/APPLICANT:

- Upon written request, connection fee estimate is provided (based on approved plans).
- Pay estimated fees.

8. DISTRICT:

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

9. DEVELOPER/APPLICANT:

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

10. DISTRICT:

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

11. DEVELOPER/APPLICANT: When the applicant completes all required improvements and is ready for the District to accept the project the following must be completed:

- Pay final connection and meter fees, if required.
- All conditions of Intent-to-Serve letter satisfied.
- Corrected Punch List, with final signature from District inspector.
- Reproducible "As Builts" of Utilities – A mylar copy and PDF file(s) which include engineer, developer, parcel number and water improvements
- Offer of Dedication if applicable
- Engineer's Certification
- A summary of all water improvement costs
- Recorded Assessor's Parcel Numbers and street addresses
- Written request for meter(s)

12. DISTRICT:

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



LOS OSOS COMMUNITY SERVICES DISTRICT

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Website: losososcsd.org

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

INTENT-TO-SERVE APPLICATION

1. SLO County Planning Department/Tract or Development No.: _____

2. Attach a copy of SLO County application.

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

3. Project location: _____

4. Assessor's Parcel Number (APN) of lot(s) to be served: _____

5. Owner Name: _____

6. Mailing Address: _____

7. Email: _____

8. Phone: _____ FAX: _____

9. Agent's Information (Architect or Engineer):

Name: _____

Address: _____

Email: _____

Phone: _____ FAX: _____

10. Type of Project:

<input type="checkbox"/> Single-family dwelling units or Duplex	<input type="checkbox"/> Multi-family dwelling units (3 or more dwelling units)
<input type="checkbox"/> Commercial	<input type="checkbox"/> Mixed Use (Commercial and Residential)

11. Total Number of Dwelling Units _____

12. Site Plan:

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

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

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

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

**LOS OSOS COMMUNITY SERVICES DISTRICT
Intent to Serve Application**

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

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

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

15. **Agreement:**

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

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

Application Processing Fee..... See Attached Fee Schedule

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

Print Name _____

LOS OSOS COMMUNITY SERVICES DISTRICT
Intent to Serve Application

NEW DEVELOPMENT FEES AND CHARGES
May 2021

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

Timing of Fee

- A. For single family residential and duplex projects, the Application Fee is due and payable with the application for service.
- B. For residential units with three (3) units or more and all commercial projects and mixed use projects, any remaining fees for service, including charges for District consultants in processing the application (if applicable), is due and payable prior to the District issuing a "Will-Serve Letter" or entering into a Plan Check and Inspection Agreement, whichever occurs first.