



November 20, 2024

TO: Los Osos Community Services District Board

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 4 – 11/20/2024 Utilities Advisory Committee Meeting
Preliminary Discussion on Revising the Intent/Will Serve Process

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STAFF RECOMMENDATION

Review of information and comment

DISCUSSION

With the possibility of new development applications coming in 2025, staff has reviewed the existing intent and will serve process to see if it needs updating. Staff reached out to the County's planning and building staff to review their permit application requirements to see how they align with the District's existing procedures. Staff also assessed the workflow of the procedures to see if any changes were warranted.

Current District Policy for Application for District Water Service

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

With the policy in mind, the following are the steps an applicant goes through to secure water service.

Guidelines

The following are the current guidelines to receive water services:

Applications

1. Prior to accepting application for processing the applicant shall pay the appropriate application fee.
2. Applications shall be in writing, signed by either the owner, or the owner's architect or engineer and include the project's location, square footage and contact information.

Routing of Applications

1. Fire Department
2. Utilities Department

Intent-to-Serve Letters

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

1. Each Department's conditions for service.
2. That all easements and dedications required for District service have been delivered to the district.
3. That District service is conditioned on applicant paying all District fees and charges relating to the project and complying with the terms and conditions, rules and regulations of the District.
4. That the District service is conditioned on the applicant complying with all the terms, conditions, rules and regulations of other agencies that have jurisdiction over the project.
5. This "Intent-to-Serve" Letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. This "Intent-to-Serve" Letter may be revoked as a result of conditions imposed upon the District by a Court or by availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
6. That unless sooner terminated this "Intent-to-Serve" Letter will terminate within 365 calendar days from the date of issuance.
7. This "Intent-to-Serve" Letter shall not be interpreted as the District's Board of Directors endorsement of the project.
8. The "Intent-to-Serve" Letter will be stamped in red that this is not a Will- Serve Letter or a commitment to provide District services.

Will-Serve Letters

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

1. District service is conditioned upon the applicant complying with all terms, conditions, rules and regulations of agencies that have jurisdiction over the project. The District reserves the right to demand evidence of compliance as a condition to either setting the water meter or providing continued water service.
2. This "Will-Serve" Letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. This "Will-Serve" Letter may be revoked as a result of conditions imposed upon the District by a Court, or by a change in ordinance, resolution, rules, or regulations adopted by the Board of Directors for the protection of health, safety, and welfare of the District and its residents.

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

Possible Revisions to Application Procedures

As noted above, staff met with County staff in an effort to better understand their building application process. There are some timing issues that became apparent when the County and the District accept an application. The County requires the applicant to have some sort of indication that the water purveyor intends or will serve a property with water. The District requires Board approval before accepting an application. It is further complicated if the applicant's parcel requires a Coastal Development Permit prior to applying for a building permit. Similar to

the building application process, the County requires something in writing from the water purveyor before processing an application. The following section of the report discusses possible options and revisions to the District's processes.

Consider Issuing a Preliminary Intent to Serve Letter

Requiring Board approval at the Intent to Serve stage requires staff time and then Board agenda time which can be significant. If a project does not move forward for whatever reason, the time spent to process the letter is lost.

The current guidelines state that an Intent-to-Serve letter shall be approved by the Board of Directors based on a finding that sufficient capacity exists to serve the project. Staff suggest that annually the Board make a finding (or not) that there is sufficient capacity in the distribution system and water supply availability to serve new projects. The findings and determination of adequacy could be based on the information in the annual water report provided to the Board in May of each year and the County's allocation of building permits each year. If the Board approves the findings, the Board could authorize the General Manager to provide a preliminary Intent to Serve letter which could place an expiration date of the preliminary approval and stipulate any other requirements to receive an Intent to Serve letter when the applicant is ready to move to the next step. Tracking projects progress through the application process would be necessary to ensure that the number of new dwelling units is understood and taken into account when looking at the next year's approval of applications.

Intent to Serve Letter Issuance Considerations

As noted above, current procedures call for the Board to approve the issuance of an Intent to Serve letter. If the Board approves making the findings on system capacity and water supply availability annually, staff suggests that the Intent to Serve letter for a single-family project be approved by the General Manager and for larger projects, such as multi-family and commercial projects, would require Board approval. This would be a more efficient process for the Board, applicants and staff. The General Manager would report to the Board monthly on building permit/letter activity and would ultimately decide how many Intent to Serve letters would be issued on an annual basis.

Other CSD's like Nipomo Community Services District use a similar approach with success.

Attachments

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

RESOLUTION NO. 2002 - 17

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

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

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

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

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

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

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

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

ATTEST

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

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

POLICY

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

GUIDELINES

A. APPLICATIONS

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

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

(a) The project location;

(b) Five (5) separate sheets of a site plan that shows the approximate square footage, the number of stories, the site topography and an estimate of the number of water fixtures to serve the project. The fire department will need 2 copies. One will be kept on record at the fire prevention bureau, the other will be returned with fire department letter of approval, and any comments on the site plan.

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

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

B. ROUTING OF APPLICATIONS

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

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

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

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

C. "INTENT-TO-SERVE" LETTERS

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

- (1) Each Department's conditions for service.
- (2) That all easements and dedications required for District service have been delivered to the district.
- (3) That District service is conditioned on applicant paying all District fees and charges relating to the project and complying with the terms and conditions, rules and regulations of the District.
- (4) That the District service is conditioned on the applicant complying with all the terms, conditions, rules and regulations of other agencies that have jurisdiction over the project.
- (5) This "Intent-to-Serve" Letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District. This "Intent-to-Serve" Letter may be revoked as a result of conditions imposed upon the District by a Court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
- (6) That unless sooner terminated this "Intent-to-Serve" Letter will terminate within 365 calendar days from the date of issuance.
- (7) This "Intent-to-Serve" Letter shall not be interpreted as the District's Board of Directors endorsement of the project.
- (8) The "Intent-to-Serve" Letter will be stamped in red that this is not a Will-Serve Letter or a commitment to provide District services.

D. EXTENSIONS AND TRANSFERS

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

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

(a) The application is signed by the current owner;

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

(c) The date of recording of the new deed is the date of the transfer.

E. "WILL-SERVE" LETTERS

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

(1) District service is conditioned upon the applicant complying with all terms, conditions, rules and regulations of agencies that have jurisdiction over the project. The District reserves the right to demand evidence of compliance as a condition to either setting the water meter or providing continued water service.

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

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

F. DISTRICT SERVICE

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

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

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

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

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

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

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

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

- 12. **Applicant will be required to attach 5 separate sets of site plans that shows the approximate square footage, the number of stories, the site topography and an estimate of the number of water fixtures to serve the project.**
- 13. **The undersigned acknowledges receipt of the Los Osos Community Services District Application (attached) for District Service Policy and Guidelines.**

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

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

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

Print name

FOR DISTRICT OFFICE USE:

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