

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: JANUARY 20, 2016

**AGENDA ITEM
E-1
JANUARY 27, 2016**

**REVIEW STATUS OF BLACKLAKE DEVELOPMENT PLANS AND
INTENT-TO-SERVE LETTERS**

ITEM

Review status of Blacklake development plans and Intent-to-Serve letters. [RECOMMEND REVIEW AND DIRECT STAFF]

BACKGROUND

A Service Request from "Blacklake Resort Lodge, Bungalows, and Retirement Village", herein referenced as Blacklake LLC, was presented to your Board for consideration at your October 22, 2014 Board Meeting (attachment A). At that meeting, staff recommended and your Board approved the applicant's request for Intent-to-Serve letters.

Intent-to-Serve letters are conditioned to ensure developers meet public health and safety standards. Questions regarding certain conditions were brought to the Board's attention and discussed at your Board's August 12, 2015 Board Meeting (attachment B).

At your Board's January 13, 2016 meeting, staff was directed to review the status of five Intent-to-Serve letters issued by the District on October 22, 2014 to Blacklake LLC. Specifically, staff was tasked with determining if and when the County of San Luis Obispo deemed the project application for the development complete. Additionally, staff was to report to your Board the increased, similar, or decreased services demand of the project in its current iteration compared to the services demand assigned to the project by the District in the aforementioned Intent-to-Serve letters.

With regard to the project's application to the County, on March 24, 2015, the County Board of Supervisors heard Agenda Item 186/2015, "Blacklake Authorization" presented by their Planning and Building Department (Attachment C & D). The District's General Counsel has concluded Mr. Rossi achieved a substantially complete application for the General Plan Amendment as County staff submitted the Rossi application to the Board of Supervisors. Therefore, the District's position is that the applicant met the Intent-to-Serve letter conditions on March 24, 2015 - one-hundred and fifty-two days after the District issued Blacklake LLC the Intent-to-Serve letters.

With regard to the project's services demand, staff reviewed the revised Project Description dated November 2015 for the proposed Blacklake Resort project as it was presented to the County of San Luis Obispo Board of Supervisors on January 12, 2016. The total number of proposed units has decreased from the number of units planned at the time the District issued the Intent-to-Serve letters in October 2014. Staff can conclude that overall services demand for the project will be lower than the initial proposed project. The services demand of the revised project is consistent with the Intent-to-Serve letters issued by the District.

FISCAL IMPACT

Funding for staff time to research and review documents to support Board requests is included in the FY 2015-16 Budget.

STRATEGIC PLAN

Goal 1 – WATER SUPPLY – Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

Goal 2 – FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT – Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations..

Goal 4 – FINANCE – Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs

RECOMMENDATION

It is recommended that the Board review and discuss the information presented in this Board Letter regarding the status of the Blacklake LLC Intent-to-Serve letters and give direction to staff.

ATTACHMENT

- A. Nipomo CSD Board Meeting October 22, 2014, Item E-1: "Service Request - Blacklake Resort Lodge, Bungalows, and Retirement Village"
- B. Nipomo CSD Board Meeting August 12, 2015, Item E-3: "Intent-to-Serve Letter Policy Discussion"
- C. County of San Luis Obispo Board of Supervisors agenda item transmittal; Attachment 5 – March 24, 2015 BOS Authorization Staff Report (6 pages).
- D. County of San Luis Obispo Board of Supervisors March 24, 2015 Minutes Page 8 of 9, Board Business Item 23. "Consideration of request...Black Lake Golf Resort..."

January 27, 2016

ITEM E-1

ATTACHMENT A

TO: MICHAEL S. LEBRUN
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING
AND OPERATIONS

DATE: OCTOBER 16, 2014

**AGENDA ITEM
E-1
OCTOBER 22, 2014**

**SERVICE REQUEST –
BLACKLAKE RESORT LODGE, BUNGALOWS,
AND RETIREMENT VILLAGE**

ITEM

Consider request for water, sewer and solid waste service (Intent-to-Serve Letter) for Blacklake Resort Lodge, Bungalows, and Retirement Village, a residential/commercial development on APN's 091-411-026, 091-411-006, 091-441-026, 091-442-028, and 091-411-019 [RECOMMEND CONSIDER INTENT TO SERVE LETTER AND APPROVE].

BACKGROUND

The District received an application for water, sewer and solid waste service for the Blacklake Resort Lodge, Bungalows, and Retirement Village (Project) on August 26, 2014. The developer is Blacklake LLC and they are represented by Kirk Consulting, their agent.

A project description and water use summary prepared by the developer's agent is included as Attachment A. The overall project will include approximately 93 single family residential units (golf bungalows), 119 hotel suites, 11 time share units, and 52 retirement village units. As indicated by the applicant, the numbers provided in the Intent-to-Serve applications are approximate and subject to change upon final design and County approval. The project will result in the reconfiguration and subdivision of five (5) existing parcels as indicated in the table below:

APN	Parcel Size in Acres	Zoning	New Parcels	Development Description
091-411-026	131.77	Recreation	120	67 Single Family Units, Clubhouse, 11 Time Share Units and 52 Retirement Units
091-411-006	4.48	Recreation	2	119 Hotel Suites
091-441-026	6.57	Recreation	13	13 Single Family Units
091-442-028	1.52	Recreation	6	6 Single Family Units
091-411-019	29.98	Recreation	7	7 Single Family Units

Attachment B, prepared by the developer's architect, Arris Studios Architects, provides the proposed overall site plan for the project as well as the proposed site plan for each of the existing parcels.

The existing parcels are part of the Blacklake Golf Course. The developer indicates that the project will result in an overall water savings on the existing parcels through a reduction in existing golf course turf areas, improvements to the existing golf course irrigation system, and

additional reuse of treated wastewater on the golf course. Even more significant, from both the standpoint of the overall health of the groundwater basin as well as a policy standpoint, is that the developer intends to connect the project to the District's water and sewer systems. Water demand for the project will be tracked against the District's 500 AFY supplemental water project allocation that has been reserved for new development within the District's existing boundaries. Wastewater generated by the project will be conveyed to the District's Blacklake Wastewater Treatment and Reclamation Facility and treated effluent will be discharged to the golf course.

Attachment C is a summary of the estimated water demand for the project that was prepared by the developer's engineer. All parcels, existing and planned, will be required to obtain water, sewer and solid waste service in compliance with current District standards. Any existing well(s) on the properties will not be utilized to provide domestic water service to any part of the project.

The project will impact the District's existing water distribution, wastewater collection and wastewater treatment facilities. The District will need to undertake, and the developer will need to fund, an evaluation of the project impacts on the District's water distribution system, Blacklake wastewater collection system and Blacklake Wastewater Treatment and Reclamation Facility. Subsequently, the developer will need to develop an infrastructure phasing plan that will ensure that the necessary infrastructure is constructed prior to initiation of water and sewer service to the new project. Attachment D, prepared by the developer's engineer, Above Grade Engineering, provides a conceptual utility plan for potential new water distribution and wastewater collection lines for the project.

Attachment E includes copies of the five (5) Intent-to-Serve applications.

Regarding the District's 500 AFY supplemental water project allocation that has been reserved for new development within the District's existing boundaries, to date, the District has allocated approximately 50 AFY for new development. District staff will be developing a formal program to track water allocation for new development against the 500 AFY supplemental water project reservation to ensure that the District does not over allocate or under allocate water for new development in the future.

FISCAL IMPACT

Water capacity fees will be based on the domestic meter size and irrigation meter size requested for the final County approved project as well as CAL FIRE's fire service requirements. Assuming 145 @ 1 inch domestic water meters, 1 @ 2 inch domestic water meter, 1 @ 3 inch domestic water meter upgraded from an existing 2 inch water meter, 2 @ 1 inch irrigation meters, 1 @ 4 inch fire service, and 2 @ 6 inch fire services, the estimated water capacity fee deposit for the project is \$3,252,659 based on the current District fee schedule. Assuming the Board adopts the revised capacity charges in accordance with the recently approved Water Rate Study, the estimated water capacity fee deposit for the project will be \$1,829,920.

Sewer connection charges for the project will need to be developed based on the impact of the project on the District's Blacklake wastewater collection system and Blacklake Wastewater Treatment and Reclamation Facility as identified by the District's evaluation of the existing sewer infrastructure.

RECOMMENDATION

Staff recommends that the Board approve the Applicant's request for an Intent-to-Serve letter for the project with the following conditions:

ALL PARCELS - APN's 091-411-026, 091-411-006, 091-441-026, 091-442-028, and 091-411-019

- Project shall obtain solid waste, sewer and water service for all parcels.
- CAL FIRE of SLO County must approve the development plans prior to District approval. Fire capacity charges are applicable if dedicated fire service laterals are required.
- Record a restriction, subject to District approval, on all parcels prohibiting the use of well(s) to provide domestic water service to any parcel within the Project.
- Record a restriction, subject to District approval, on all parcels prohibiting use of self-regenerating water softeners.
- Comply with District water conservation program.
- Pay all appropriate District fees associated with this development.
- Applicant shall provide the District with a copy of County application approval and County project conditions of approval.
- Enter into a Plan Check and Inspection Agreement and provide a deposit to cover all District costs of processing development application.
- Provide all development related information required for District evaluation of impact of proposed project on existing District water distribution, wastewater collection and wastewater treatment infrastructure.
- Fund District evaluation of impact of proposed project on existing District water distribution, wastewater collection and wastewater treatment infrastructure to identify improvements required to serve the project
- Develop infrastructure phasing plan for new water distribution system and wastewater collection system improvements, subject to District approval, and construct necessary infrastructure prior to initiation of water and sewer service to the project.
- Submit improvement plans in accordance with the District Standards and Specifications for review and approval. Applicant shall provide plans consistent with current District Standards and based on the proposed lot configuration.
- Any easements required for water and sewer improvements that will be dedicated to the District shall be offered to the District prior to final improvement plan approval.
- Any easements required for private water and sewer laterals shall be recorded prior to final improvement plan approval and shall be subject to District approval.
- All water and sewer improvements to be dedicated to the District shall be bonded for or otherwise secured in the District's name prior to issuance of Will-Serve letter.
- A Will-Serve letter for the Project will be issued after improvement plans are approved and signed by the District.
- Sewer connection fees for the project will be developed by the District as part of the evaluation of the impact of the project.
- Applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will Serve Letter in an amount equal to the then calculated Fees for Connection.

- Fees for Connection shall be calculated and owing as of the date the District sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.
- Construct the improvements required and submit the following:
 - Reproducible "As Built" - A mylar copy and digital format disk (AutoCAD) which includes engineer, developer, tract number and water and sewer improvements
 - Offer of Dedication
 - Engineer's Certification
 - Summary of all water and sewer improvement costs
 - Copy of recorded Covenants, Conditions, and Restrictions (CC&R's), acceptable to the District, that include provisions for maintenance of common areas and formation of property owners' association that is responsible for payment of all costs related to common parcel irrigation meters.
- Solid waste collection services are mandatory. Applicant shall provide proof that the Project is provided with solid waste removal services in accordance with District regulations.
- The District will set water meter(s) upon proof of a building permit from the County of San Luis Obispo, the District's acceptance of improvements to be dedicated to the District, if applicable, and the final payment of all charges and fees owed to the District.
- Intent-to-Serve letters shall automatically terminate on the first to occur:
 - Failure of the Applicant to provide District with written verification that County application for the Project has been deemed complete within two hundred forty (240) calendar days of the date the Intent-to-Serve Letter is issued; or
 - Three (3) years, from date of issuance. However, Applicant shall be entitled to a one-year extension upon the following conditions:
 - Applicant makes written application for the extension prior to the expiration of the Intent-to-Serve Letter.
 - Applicant provides proof of reasonable due diligence in processing the Project.
 - Applicant agrees to revisions of the conditions contained in the Intent-to-Serve letter consistent with then existing District policies.
- 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, or amended, 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.
- The District reserves the right to revoke this "Intent-to-Serve letter at any time.
- The Applicant shall provide a signed copy of the Intent-to-Serve letter within thirty (30) days of issuance.

ADDITIONAL CONDITIONS FOR APN 091-411-026

- Each new single family parcel and retirement village parcel shall be served by a single one (1) inch meter and backflow assembly for indoor use and fire sprinkler service, if approved by CAL FIRE of SLO County.
- A separate one (1) irrigation meter shall be provided for any new common lot parcel. Irrigation meter capacity charges are applicable.
- The clubhouse and time share parcel shall be served by a single appropriately sized meter and backflow assembly for indoor use. Domestic meter capacity charges will be applicable.

- A separate one (1) inch irrigation meter shall be provided for the clubhouse and time share parcel. Irrigation meter capacity charges will be applicable.
- A single separate appropriately sized fire service and backflow assembly as required by CAL FIRE of SLO County shall be provided for the clubhouse and time share parcel. CAL FIRE of SLO County must approve the development plans prior to District approval. Fire service capacity charges will be applicable.
- This letter is void if land use is other than residential use as defined by the District for single family and retirement village parcels and commercial use for clubhouse and time share parcel.

ADDITIONAL CONDITIONS FOR APN 091-411-006

- Each parcel shall be served by a single appropriately sized meter and backflow assembly for indoor use. Domestic meter capacity charges will be applicable.
- A separate one (1) inch irrigation meter shall be provided for each parcel. Irrigation meter capacity charges will be applicable.
- A single separate appropriately sized fire service and backflow assembly as required by CAL FIRE of SLO County shall be provided for each parcel. CAL FIRE of SLO County must approve the development plans prior to District approval. Fire service capacity charges will be applicable.
- This letter is void if land use is other than commercial use as defined by the District.

ADDITIONAL CONDITIONS FOR APN's 091-441-026, 091-442-028, and 091-411-019

- Each new parcel shall be served by a single one (1) inch meter and backflow assembly for indoor use and fire sprinkler service, if approved by CAL FIRE of SLO County.
- A separate one (1) irrigation meter shall be provided for any new common lot parcels. Irrigation meter capacity charges are applicable.
- This letter is void if land use is other than residential use as defined by the District.

ATTACHMENTS

- A. Project Description and District Water Demand
- B. Site Plan
- C. Overall Project Water Demand
- D. Conceptual Utility Plan
- E. Intent-to-Serve Applications

January 27, 2016

ITEM E-1

ATTACHMENT B

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN
GENERAL MANAGER
DATE: AUGUST 7, 2015

**AGENDA ITEM
E-3
AUGUST 12, 2015**

INTENT-TO-SERVE LETTER POLICY DISCUSSION

ITEM

Discuss District service letter policy and provide staff direction. [RECOMMEND DISCUSS POLICY AND DIRECT STAFF]

BACKGROUND

When new development and land division is proposed within the District service boundary, the project proponent must apply to the County of San Luis Obispo for development authority and to the District for water, sewer (if applicable), and solid waste services.

The District and County processes attempt to mesh a series of application steps and conditions including tentative and final approvals. For larger and more complex projects, the process of development review and approval can take years.

For its part, the District requires an application for service and then issues an Intent-to-Serve letter, which outlines a number of conditions the applicant must complete prior to receiving a final commitment for service in the form of a Will-Serve letter.

The District process is governed by policy contained in Sections 3.05.070 and 3.28.020 of District Code. A complete copy of these code sections is provided as Attachment A.

Section 3.28 was adopted in 2002 and modified in 2005. Section 3.05 was adopted in 2007 and modified in 2009. While Code Section 3.05.070 is noted as being suspended by Ordinance in 2012, the 2012 Ordinance was subsequently suspended and staff believes Section 3.05.07 is in force.

Both code Sections contain direction on termination of Intent-to-Serve letters. Section 3.28.020 provides:

"E. Each intent to serve letter shall include the following: ...

8. That unless terminated sooner this intent to serve letter will terminate two years from the date of issuance, after which the applicant shall apply for a new intent to serve."

Section 3.28.030.A. provides:

"1. Within ninety days prior to expiration, applicants may apply to renew an intent to serve letter... .

2. Upon application the intent to serve may be extended pursuant to the policies and guidelines referenced in Section 3.28.020."

Section 3.05.070, which came later, opens with the following statement:

"The following procedures, are in addition to other district rules and regulations relating to intent-to-serve letters and will-serve letters, and shall apply to all application for intent-to-serve letters and will-serve letters approved by the district."

Section 3.05.070 further provides:

"B. Termination: Intent-to-Serve letters shall automatically terminate as follows:

1. Failure of the applicant to provide District with written verification, within two hundred forty calendar days from the date the Intent-to-Serve letter is issued, that the County has deemed the project application to be complete.

2. The failure of the applicant to receive both the acceptance of the project improvements and a final Will-Serve letter within three years from the date the Intent-to-Serve letter is issued.

3. An applicant shall be entitled to a one-year extension of the three year limitation upon the following conditions:

(a). Applicant makes written application for the extension prior to the expiration of the Intent-to-Serve letter.

(b). Proof of reasonable due diligence in processing the project.

(c). Applicant agrees to revisions of the conditions contained in the Intent-to-Serve letter consistent with then existing District policies."

Recently, the 240 day termination criteria contained in 3.05.07.B.1 was raised as a basis for terminating an Intent-to-Serve letter for a project that is pursuing a County development application via General Plan Amendment.

The County development application process can take a number of months. In the case of General Plan Amendments, the County application process can take a year or more. Many complex development projects and most all General Plan development projects take more than 240 days to perfect application to the County.

Staff reports from the 2007 adoption of the 240-day termination requirements do not articulate why the requirement was considered. Staff believes the requirement was included to prevent allocation of water resources, via Intent-to-Serve letters, to projects that were not being actively pursued with the County.

Staff currently applies the 240 day termination as a 'soft' deadline in recognition of the length of time required for many projects to make it through the County development process.

FISCAL IMPACT

The District has expended more than \$30 million dollars in the past five years to upgrade water and sewer infrastructure to meet regulatory treatment requirements and court ordered water resources development. The District currently has sewer treatment capacity and supplemental water resources for allocation to new development. New development pays significant capacity charges that serve to offset capital investments made and planned for by the District. At current rates, a single family home connecting to the District's water and sewer infrastructure pays \$19,372 in water and sewer capacity charges.

Currently active District Intent-to-Serve letters represent approximately \$4.4 million in potential water capacity fees. The majority of water capacity charges are designated to pay for the buildout of the District's 3,000 acre-feet per year supplemental water project.

STRATEGIC PLAN

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- 1.1 Complete Phase 1 of Supplemental Supply Projects.
- 1.2 Expedite funding and implementation of Phases 2 and 3 of Supplemental Supply Projects (up to 3,000 acre-feet).

RECOMMENDATION

Consider and discuss the information provided, direct staff.

ATTACHMENTS

- A. District Code Excerpts

January 27, 2016

ITEM E-1

ATTACHMENT C

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 3/24/2015	(3) CONTACT/PHONE Stephanie Fuhs, Planner III/(805)781-5721	
(4) SUBJECT Consideration of a request for authorization to process a Specific Plan, General Plan and Land Use Ordinance Amendment (LRP2014-00016 – Black Lake Golf Resort, LLC) to amend provisions of the Black Lake Specific Plan that would increase the residential density allowed under the current specific plan, expand the list of allowable uses, and allow for resort development. The site is in the Black Lake Village Reserve Line in the South County Inland subarea of the South County Planning Area. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board review the proposed amendments to the Black Lake Specific Plan, General Plan and Land Use Ordinance and determine whether to authorize processing.			
(6) FUNDING SOURCE(S) Application Fees	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>60 Minutes</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa Howe			
(18) SUPERVISOR DISTRICT(S) District 4			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Stephanie Fuhs, Planner III

VIA: Ellen Carroll, Planning Manager/Environmental Coordinator

DATE: 3/24/2015

SUBJECT: Consideration of a request for authorization to process a Specific Plan, General Plan and Land Use Ordinance Amendment (LRP2014-00016 – Black Lake Golf Resort, LLC) to amend provisions of the Black Lake Specific Plan that would increase the residential density allowed under the current specific plan, expand the list of allowable uses, and allow for resort development. The site is in the Black Lake Village Reserve Line in the South County Inland subarea of the South County Planning Area. District 4.

RECOMMENDATION

It is recommended that the Board review the proposed amendments to the Black Lake Specific Plan, General Plan and Land Use Ordinance and determine whether to authorize processing.

DISCUSSION

Proposal

The applicant is proposing amendments to the Black Lake Specific Plan in anticipation of land use entitlements (i.e., subdivision and land use permits) to increase residential and commercial development to meet changes in market trends and demand. The amendments, as currently proposed, would allow for an increase in residential development which includes a mix of single family residential and senior units. The amendment would also involve reducing the open area currently used as the golf course for the proposed residential, commercial and resort development from approximately 58 acres to approximately 35 acres. (The open space easement for Black Lake Canyon will remain unchanged). The key elements of the proposed Specific Plan amendment are as follows:

- 90-100 single family residences
- 60-80 senior housing units (duplexes)
- Re-location of the existing clubhouse to a new location along Willow Road that would include visitor and member serving amenities
- 100-120 hotel suites, including a restaurant and banquet facilities and a neighborhood commercial component
- Upgrade of existing golf course facilities and infrastructure
- Reduction of open space area used for the golf course from approximately 58 acres to approximately 35 acres

The request will also require the amendments to the Land Use Ordinance updating to the current text and associated figures of the Black Lake Village Standards to reflect the possible amendments that are being considered. The current section reads as follows:

22.108.010 - Black Lake Village Standards

The 1983 Black Lake Specific Plan as amended is hereby incorporated into this Title as though it were fully set forth here. All development within the Black Lake Specific Plan Area (see Figure 108-1) shall comply with the adopted Specific Plan. In the event of any conflict between the provisions of this Section and the Specific Plan, the Specific Plan shall control. Any deviation of existing or proposed development from the provisions of the Specific Plan shall occur only after appropriate amendment of the Specific Plan.

Background

The Black Lake Specific Plan encompasses 515 acres on the Nipomo Mesa about three miles northwest of the community of Nipomo. The Black Lake Specific Plan was originally adopted on February 28, 1983 (Resolution No. 83-87). The current specific plan allows up to 559 residential units on approximately 220 acres of the overall specific plan area, three 9-hole golf courses on 190 acres of the overall site, and secondary recreational uses allowed in Table III-A, the Specific Plan Land Use Chart, and a 56 acre open space area that covers both the Black Lake Canyon bottom and steep side slopes.

There have been five subdivisions recorded within Black Lake Village:

- Tract 1109 – recorded May 25, 1984
- Tract 1228 - recorded June 6, 1985
- Tract 1542 – recorded April 10, 1989
- Tract 1912 – recorded September 8, 1995
- Tract 2264 – recorded February 22, 1999

In May 1998, the Specific Plan was amended to increase residential development from 515 to 559 units, add up to a maximum of 5,000 square feet of food and beverage retail sales and allow for a neighborhood market. All five subdivisions have been built out with single family units and multi-family townhouse units.

If the proposal is authorized, the location and exact number of units would be determined before completion of the project description for the Environmental Impact Report. Staff recommends that the additional units address, in part, workforce and affordable housing.

In addition, if authorized, staff recommends that the Specific Plan be updated to reflect adoption of new and revised elements of the General Plan (i.e, LUCE, COSE), services provided, phasing/buildout of the density allowed under the current plan and other sections that are no longer valid or necessary.

Project Data

Planning Area: South County
Community: Black Lake Village
Assessor Parcel Number: Multiple
Supervisorial District No. 4

Area: 515 acres
Topography: Gently to moderately sloping
Vegetation: Grasses, ornamentals, eucalyptus, oak woodland
Water Supply: Community system (NCSD)
Sewage Disposal: Community system (NCSD)
Existing Use and Improvements: Residential, recreational and commercial

Surrounding Land Uses (Land Use Categories)

North: Scattered residences (Residential Rural)

South: Scattered residences and small scale agricultural operations (Residential Rural)

East: Scattered residences (Residential Rural)

West: Scattered residences and agricultural operations (Residential Rural, Agriculture Recreation)

General Plan Information

Land Use Element Category: Recreation

Combining Designation: None

Community Planning Standards: Specific Plan included by reference

Authority

Unlike the processing of land use permits, the first step when considering requested amendments to the general plan, specific plan or land use ordinance, is for your Board to determine whether to initiate new legislation to amend the rules. If this amendment request is authorized for processing, the evaluation of the proposed amendments will take place and the environmental review process and staff report will be completed. The item will then be scheduled for public hearings before the Planning Commission, then before your Board for a final decision.

Appendix F of Framework for Planning – Part I of the Land Use Element (LUE) of the General Plan, provides guidelines for processing General Plan amendment requests. The guidelines include this step when your Board determines whether to authorize processing of the application. The Department of Planning and Building is to provide a preliminary analysis of the major issues likely to be involved in the request and the items that need to be studied in more detail. The Board should consider the following factors and any other issue raised by the proposal:

- Necessity – Are there policies in the LUE that make the proposal unnecessary or inappropriate?
- Timing – Is proposed amendment premature in relation to the inventory of similarly designated land and the timing of projected growth?
- Vicinity – Should the area of the proposed amendment be expanded or reduced based on the site's relationship with surrounding area and surrounding condition?

Staff Response

The major issues likely to be involved include potential impacts to the following environmental issue areas: water resources, stormwater impacts, biological resources, traffic, and air quality and greenhouse gases. Each of these issues will be analyzed, along with others, in a supplemental/subsequent Environmental Impact Report (EIR), which the applicant has agreed to have prepared. The 1998 supplemental EIR and other previously adopted environmental documents will be relied upon to the extent feasible. The applicant has supplied information on water resources and proposed water savings and recharge amounts intended to show that the proposal will not have a negative impact on water availability (see attached project statement). This information includes the following:

- Purchasing supplemental water from the Nipomo Community Services District (NCSD)
- Reduction in turf areas
- Improvement/upgrades to the existing irrigation system
- Waste water recharge from new development
- Reduced groundwater pumping due to reduction in turf and waste water recharge

Although this may be considered by the decision makers when they evaluate the planning and policy aspects of the proposal, the EIR is required to look at impacts from the proposed project compared to the existing baseline (what currently exists) and the current environmental setting, and include mitigation accordingly.

Based on correspondence received (attached), there is also an issue with allowing new development on the existing golf course. An open space easement was required for Tract 1912 for the golf course area for a period of 10 years, with automatic one year renewals following the initial 10 year period per the Specific Plan (second paragraph page V-8). Based on research of project files, recorded documents and title reports, it does not appear that an open space easement was ever recorded for the golf course area; however, the Specific Plan (first paragraph on Page V-8) appears to set forth a policy that the 18-hole golf course and 9-hole expansion be protected for long term open space character and retention of the recreation orientation of the project. Based on the wording in the Specific Plan, these paragraphs would need to be amended in order to allow the development proposed.

In addition, CC&Rs recorded for the Black Lake Master Association do not allow residential development on the golf course parcels. While the County does have the authority to enforce private CC&Rs, it raises the issue of open space preservation which the Board should consider when determining whether the size and location of proposed residential, resort and commercial development are appropriate for the overall site. The amendment of the CC&Rs will also have to be addressed by the applicant and the Home Owner's Association, with a resolution ultimately presented to your Board for consideration.

Necessity

The residential, commercial and open space components of the Specific Plan are essential for the village's consistency with the County's Strategic Growth Principles, whereas the resort is a non-essential component for this consistency. Therefore, replacing portions of the golf course with increased residential density and adding a neighborhood commercial component do not affect the Specific Plan's overall consistency with the Strategic Growth Principles.

Timing

As stated above, five subdivision maps have been recorded within the Black Lake Village planning area. All five of these tracts are essentially built out. If the Board determines that additional urban level development within the Village Reserve Line (VRL) is suitable for authorization purposes, then due to the fact that there are not many developable parcels left within the VRL, the timing for increasing residential density and adding resort and commercial development would be considered appropriate.

Vicinity

This proposal does not include changes to the Village Reserve Line. However, potential land use compatibility should be considered regarding the existing residential development within Black Lake Village to determine if the number of residential units and the size and scale of the hotel and appurtenant facilities are appropriate to incorporate into the proposal.

Authorization Options

Your Board should consider the following options as part of your discussions when considering whether to authorize this project for processing:

1. **Authorize as Requested.** Authorize the application for processing as requested to amend the Black Lake Specific Plan as requested by the applicant.
2. **Authorize a Revised Scope.** Authorize the application for processing, as described in number 1 above, with revisions based on Board direction.
3. **Do Not Authorize.** Do not authorize the processing of this application.

OTHER AGENCY INVOLVEMENT/IMPACT

If the project is authorized for processing with a revised scope, the application will be re-referred to all applicable agencies and community advisory bodies. Preliminary review has been conducted by the South County Advisory Council, County Public Works, the Agricultural Commissioner's Office, CalFire,

HEAL SLO and the Air Pollution Control District. Those responses are attached for the Board's review.

FINANCIAL CONSIDERATIONS

The applicant has paid a deposit and has agreed to process the amendments under a Real Time Billing Agreement, which will allow for the recovery of the actual cost of processing, and the applicant is required to fund the preparation of a supplemental/subsequent EIR.

RESULTS

Authorization of this amendment application will allow continued processing, including preparation of an EIR, draft amendments to the Black Lake Specific Plan, and public hearings at the Planning Commission and Board of Supervisors.

Not authorizing the application will stop the further processing of the proposed amendments; this applicant and other landowners in Black Lake Village may continue to pursue land use entitlements pursuant to the existing Black Lake Specific Plan.

The authorization hearing is consistent with the county-wide goal of providing a well governed community.

ATTACHMENTS

- Attachment A - Graphics
- Attachment B - Applicant's Supplemental Project Statement
- Attachment C - Water Use Calculations (Existing/Proposed)
- Attachment D - Referral Responses
- Attachment E - Correspondence Received

January 27, 2016

ITEM E-1

ATTACHMENT D

Board Business:

March 24, 2015

23. Consideration of a request for authorization to process a Specific Plan, General Plan and Land Use Ordinance Amendment (LRP2014-00016 – Black Lake Golf Resort, LLC) to amend provisions of the Black Lake Specific Plan that would increase the residential density allowed under the current specific plan, expand the list of allowable uses, and allow for resort development. The site is in the Black Lake Village Reserve Line in the South County Inland subarea of the South County Planning Area. District 4.

Ms. Jamie Kirk – Applicant’s representative (powerpoint) and Mr. Rob Rossi – Black Lake Golf Resort, LLC, Applicant: speak.

Chairperson Arnold: opens the floor to public comment.

Mr. James Pelky; Ms. Debbie Peterson; Mr. Dan Hall; Mr. Kit Carter (handout); Mr. Bill Petrick; Mr. Don Wells; Mr. Kevin Rice; Mr. Noel Heal; and Mr. Thomas Worby: speak.

Mr. Rossi: provides closing statements.

The Board reviews the proposed amendments to the Black Lake Specific Plan, General Plan, and Land Use Ordinance and continues this item to Tuesday, June 2, 2015.

Motion by: Lynn Compton

Second by: Debbie Arnold



SUPERVISORS	AYES	NOES	ABSTAIN	RECUSE
Arnold, Debbie (Chairperson)	x			
Compton, Lynn (Vice Chairperson)	x			
Mecham, Frank R. (Board Member)	x			
Gibson, Bruce S. (Board Member)	x			
Hill, Adam (Board Member)	x			

Hearings:

22. Hearings to consider a request by the County of San Luis Obispo to: (1) amend the Land Use Ordinance (Title 22 of the County Code) and the Coastal Zone Land Use Ordinance (Title 23 of the County Code), to amend regulations for new mini-storage warehouse facilities in the Residential Multi-Family land use category; and (2) amend sections of Titles 21, 22 and 23 to comply with federal law requirements of the Federal Emergency Management Agency (FEMA); (3) amend portions of the Framework for Planning (Inland), Part I of the Land Use and Circulation Elements (LUCE), the Carrizo, North County, San Luis Obispo, and South County Area Plans, Part II of the LUCE, the Official Maps, Part IV of the LUCE, the Conservation and Open Space Element, Title 22 (the Land Use Ordinance), and the Rules of Procedure to Implement the California Land Conservation Act of 1965 in order to encourage the development of certain renewable energy projects through a Renewable Energy Streamlining Program (RESP), and (4) consideration and certification of the Final Environmental Impact Report prepared for the project (LRP2014-00015) pursuant to CEQA, all Districts, is brought back.

Mr. Jay Johnson - Department of Planning and Building: presents a copy of the findings for the Residential Multi-Family (RMF) amendments that were presented to the Planning Commission; presents a revised resolution adding a new Section 8.5 and amending Section 9; and presents replacement Exhibits for Attachment 1d – Exhibit LRP2014-00007:B and Attachment 1e – Exhibit LRP2014-00007:C.

The Board: 1) replaces Attachment 1d - Exhibit LRP2014-00007:B with Exhibit LRP2014-00007:B from the Planning Commission’s staff report in Attachment C on Pages 4 of 17 through 6 of 17; 2) adds

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS 
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E. 
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: JANUARY 20, 2016

**AGENDA ITEM
E-2
JANUARY 27, 2016**

**SUPPLEMENTAL WATER PROJECT
JOSHUA ROAD PUMP STATION RESERVOIR
AUTHORIZATION TO BID**

ITEM

Authorize staff to advertise Supplemental Water Project Joshua Road Pump Station Reservoir for bid [RECOMMEND AUTHORIZE STAFF TO ADVERTISE PROJECT FOR BID].

BACKGROUND

The Nipomo Supplemental Water Project (Project) delivers water purchased by the District from the City of Santa Maria and allows the District to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project also increases the reliability of the District water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin. The Project was originally designed to deliver 3000 AFY. Subsequently, the design was evaluated and modified to allow for phased construction to reduce the initial capital cost of the project.

Supplemental Water Project Phase 1 interconnected the District water distribution system with the City of Santa Maria water distribution system. The Project consisted of approximately 7600 lineal feet of 24 inch diameter ductile iron pipe (DIP) waterline, 2600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, a flow meter and flow control station, the Joshua Road Pump Station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at five (5) existing District production wells. Construction of Phase 1 was authorized by the Board in June 2013 and is scheduled to be completed in February 2016.

Supplemental Water Project Joshua Road Pump Station Reservoir will consist of construction of a 500,000 gallon partially-buried concrete reservoir at the Joshua Road Pump Station along with the related piping, electrical, instrumentation, grading, and landscape improvements. The project will increase delivery capacity to at least 800 AFY, provide operational flexibility and save considerable restaging costs if the project is constructed before all of the temporary construction easements required for Phase 1 are released.

Design of the Reservoir Project was completed to current civil, geotechnical, seismic, mechanical and electrical standard practices. Each submittal went through a third party review for value engineering as well as constructability.

SUPPLEMENTAL WATER PROJECT PHASE 1 ENVIRONMENTAL REVIEW

The Project Final EIR was certified by the District in April 2009. In May 2009, the Board adopted a resolution making CEQA project findings, adopting a statement of overriding considerations, adopting a project mitigation monitoring plan, approving the Supplemental Water Project and directing staff to file a Notice of Determination with the County in compliance with CEQA. A Supplemental EIR was certified by the District in April 2012.

PRE-QUALIFICATION OF CONTRACTORS FOR SUPPLEMENTAL WATER PROJECT JOSHUA ROAD PUMP STATION RESERVOIR

The California Public Contracts Code ("PCC") Section 20101 permits the District to pre-qualify contractors who wish to bid on the District's public works contracts. PCC Section 20101 requires the District to establish pre-qualification policies and the method by which decisions regarding Contractor's qualifications may be appealed. Pre-Qualification of Contractors helps to ensure that a project is constructed by reputable, experienced, and qualified contractors.

In November 2015, the Board adopted Resolution 2015-1397 that established a project specific pre-qualification policy for the Supplemental Water Project Joshua Road Pump Station Reservoir. AECOM and District staff are finalizing the list of general contractors and selected subcontractors that have pre-qualified to submit bids for the Supplemental Water Project Joshua Road Pump Station Reservoir. The final procurement step, in accordance with the District's Purchasing Policy, is Board approval to solicit bids for the project.

PROCESS CONTROL AND INSTRUMENTATION SYSTEM INTEGRATOR

Since 2012, Tesco Controls, Inc. has provided process control and instrumentation system integration services for the District's Supervisory Control and Data Acquisition (SCADA) System. The District's SCADA system monitors 30 remote sites including water wells, water storage tanks, water pressure reducing stations, flow meter station, pump station, sanitary sewer lift stations and both of the District's wastewater treatment plants.

Supplemental Water Project Joshua Road Pump Station Reservoir includes instrumentation as well as some programming changes to the District's SCADA system. The project will require the services of a process control and instrumentation system integrator to add the remote monitoring and control functionality for the new facility to the District's SCADA system.

In order to maintain the integrity of the District's SCADA System, minimize the potential for multiple system integrators simultaneously working on the District's SCADA System, and minimize the coordination risk/expense to the District, staff recommends that the Project bid documents include a provision that all process control and instrumentation system integration work be completed by Tesco Controls, Inc. In accordance with the District's Purchasing Policy, Tesco Controls, Inc. is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District. Tesco programmed and is currently supporting the District's SCADA system.

FISCAL IMPACT

The estimated construction cost for the Supplemental Water Project Joshua Road Pump Station Reservoir is expected to be in the range of \$3.0 to \$3.3 million. Funding for the project is available in the FY 2015-2016 budget.

STRATEGIC PLAN


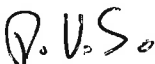
Goal 1 – WATER SUPPLY – Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, authorize staff to solicit bids to construct the Supplemental Water Project Joshua Road Pump Station Reservoir.

ATTACHMENTS

None

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS 
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E. 
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: JANUARY 19, 2016

**AGENDA ITEM
E-3
JANUARY 27, 2016**

**AUTHORIZE CONTRACT FOR
CROSS-CONNECTION INSPECTION SERVICES WITH
SAN LUIS OBISPO COUNTY**

ITEM

Authorize contract for Cross-Connection Inspection Services with San Luis Obispo County [RECOMMEND BY MOTION AND ROLL CALL VOTE AUTHORIZE STAFF TO EXECUTE CONTRACT].

BACKGROUND

The County of San Luis Obispo currently provides cross-connection inspection services to the District. The County tests all new backflow assemblies installed in the District, maintains a list of all backflow devices in the District, and tracks the annual testing of backflow devices in the District. Based on the information tracked by the County, the District mails inspection due notices to customers as required. The District is required to report these activities to the California State Water Resources Control Board Division of Drinking Water on an annual basis as part of the Annual Public Water System report.

The existing contract for these services expired on June 30, 2015. The County is requesting that the District sign the attached agreement in order to continue to receive cross-connection inspection services from the County. The agreement will be effective through June 30, 2025 and includes a 30 day termination for convenience provision.

Attached are the relevant sections of the District Code that address cross-connections.

FISCAL IMPACT

The approved FY 15-16 budget includes funding in the amount of \$8000 for cross-connection inspection services. Contract costs are billed on a time and materials basis. Actual costs vary year to year and are impacted by the number of new connections. Actual costs for the last three fiscal years have been as follows:

Fiscal Year	Actual Cost
FY 12-13	\$3809
FY 13-14	\$5332
FY 14-15	\$7136

STRATEGIC PLAN

Goal 1 – WATER SUPPLY – Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

RECOMMENDATION

Staff recommends that the Board authorize the General Manager to execute the Contract for Cross-Connection Inspection Services with the County of San Luis Obispo.

ATTACHMENTS

- A. Contract for Cross-Connection Inspection Services
- B. District Code Sections Related to Cross-Connection

January 27, 2016

ITEM E-3

ATTACHMENT A

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

This Agreement for Cross-Connection Inspection Services (“Agreement”) is made and entered into by and between the County of San Luis Obispo, a public entity in the State of California, (“County”) and Nipomo Community Services District (“Contractor”) (collectively, “Parties”).

WITNESSETH:

WHEREAS, Contractor, within its jurisdictional boundaries or area of responsibility, is in need of special services; to wit, cross-connection inspection services; and

WHEREAS, County has qualified staff who are trained, experienced, expert and competent to provide cross-connection inspection services for the appropriate fees and pursuant to the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the covenants, conditions, agreements and stipulations set forth herein, the Parties hereby mutually agree as follows:

1. **Services.** The Parties agree to perform the services described in Exhibit A, attached hereto and incorporated herein by this reference.
2. **Compensation.** The Parties agree to the compensation described in Exhibit B, attached hereto and incorporated herein by this reference.
3. **Duration.** The Parties agree to the duration described in Exhibit C, attached hereto and incorporated herein by this reference.
4. **General Conditions.** The Parties agree to the general conditions described in Exhibit D, attached hereto and incorporated herein by this reference.
5. **Special Conditions.** The Parties agree to the special conditions described in Exhibit E (if any), attached hereto and incorporated herein by this reference. To the extent that there are conflicts between the general conditions in Exhibit D and the special conditions in Exhibit E, the terms and conditions of the special conditions in Exhibit E shall be controlling.
6. **Notices.** Notices required under this Agreement shall be provided to:

COUNTY OF SAN LUIS OBISPO
Richard J. Lichtenfels, R.E.H.S., M.P. H.
Supervising Environmental Health Specialist
2156 Sierra Way
San Luis Obispo, CA 93406

NIPOMO COMMUNITY SERVICES DISTRICT
Michael S LeBrun, General Manager
P.O. Box 326
Nipomo, CA 93412

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.

NIPOMO COMMUNITY SERVICES DISTRICT
A California Special Services District

Michael S LeBrun, General Manager

Date

COUNTY OF SAN LUIS OBISPO:

By: _____
Jeff Hamm, Health Agency Director

Date

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By:  _____
Deputy County Counsel

 _____
Date

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT A

SCOPE OF SERVICES

1. Contractor Obligations. The Contractor shall perform the following duties:
 - A. Contractor will prepare, adopt and furnish all appropriate ordinances, resolutions or policies.
 - B. Contractor may include in any will-serve letters to water users a contractual obligation to comply with ordinances, resolutions and policies pertaining to cross-connections. Notice shall be given in a will-serve letter that violations of the cross-connection ordinances, resolutions or policies may result in a later termination of water service to the extent allowed by law.
 - C. Contractor may pursue appropriate enforcement, including, but not limited to, contract remedies.
2. County Obligations. The County, acting through the Public Health Department, Environmental Health Division, shall perform the following duties within the Contractor's areas of responsibility:
 - A. County will conduct a survey by performing a thorough inspection of all water uses for cross-connections. County will prioritize surveys of special hazard facilities. If corrections are necessary or if other need arises, County will conduct additional surveys as needed to confirm compliance, follow-up on corrections or identify newly created cross-connections.
 - B. County will prepare and maintain written survey reports, water user notices, correction notices and follow-up reports.
 - 1) Water User Notices.
 - a. County will provide a written survey report to a water user listing cross-connections found on the user's premises. County will notify the water user of corrective action required, if any, and the required compliance date.
 - b. County will follow-up with the water user to confirm that corrective action was performed in a timely manner and compliance has been achieved or if non-compliance continues. County will inform the water user of further corrective action and required compliance dates as needed. County will re-inspect as needed until compliance is accomplished.

- 2) Contractor Notices. County will provide a copy of the survey report and letter to the water user to the Contractor. County will provide a copy of the follow-up letters(s) to the user confirming compliance or notifying the water user of further corrective action and compliance dates.
- C. County will perform the following enforcement measures.
- 1) To the extent the County would normally prosecute San Luis Obispo County Code violations, County may prosecute violations of any County ordinances related to cross-connections.
 - 2) County will also cite any State laws, non-County ordinances, Contractor resolutions or policies in a correction letter to a water user.
 - 3) Contractor may pursue enforcement as appropriate. In the event of litigation in any tribunal with the power to issue subpoenas, and provided a subpoena is issued for a County employee with the appropriate fees tendered as per Government Code, section 68096.1, County employees, if still in County service, shall appear and testify as a witness regarding cross-connections. County employees may be interviewed or deposed to prepare for litigation.
- D. Backflow Prevention Devices.
- 1) County will determine the necessity of backflow prevention devices at the water service connection for the protection of the water main where internal protection does not solve the total cross-connection problem.
 - 2) County will maintain a list of known backflow devices and the known location of the devices in service in the Contractor's service area.
 - 3) County will provide a diagram for the proper installation of approved backflow prevention devices. If a manufacturer's installation instructions, diagrams or both are available, providing the manufacturer's material shall satisfy this obligation.
- E. County will perform plan checks of water usage when requested by the water purveyor/district when necessary to supplement Building Department plan reviews.
- F. Testing. Testing of backflow devices is required as per California Code of Regulation, Title 17, as hereafter amended. At present, testing is required annually.
- 1) County will notify the water user when testing is due.
 - 2) County will supply a list of qualified backflow prevention device testers.
 - 3) County will follow-up on delinquent reporting of test results.

- 4) County will update records when testing reports are received.
 - 5) County will evaluate testing results for inadequacies.
- G. Technical Consultations. County will provide technical consultation with Contractor. At present, the County normally coordinates cross-connection control program elements with other water purveyors, districts and users. To the extent this service continues in the future, County will continue to coordinate cross-connections with other jurisdictions or responsible purveyors or water users and will share information that is not restricted due to confidentiality. Contractor will also provide reciprocal technical consultants and non-confidential information to County.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT B

COMPENSATION

1. Time and Costs. This is a time and costs Agreement. The cross-connection inspection services shall be charged hourly. Additional costs shall include, but not be limited to, “out-of-pocket” costs.
 - A. Hourly Rate. The hourly rate shall include compensation for the County’s inspector staff, departmental overhead, and clerical support and office supplies. The hourly rate as of July 1, 2015 is \$102.00 per hour.
 - 1) The San Luis Obispo County Board of Supervisors establishes, amends and modifies the hourly rates at least annually and at other times as necessary. The rate establishment and amendments are “events of independent significance” and are subject to public review and are part of the public record. These rates are specific, identifiable and enforceable.
 - 2) There is a public notice of the Board’s proposed action and action to amend the rates through the process of the Board’s regularly scheduled meetings. Therefore, the rates will change by the public, unilateral action of the Board of Supervisors without further agreement or action by Contractor.
 - 3) The duly adopted current rates and subsequent amendments to the rates shall be binding in this Agreement without additional written amendments to this Agreement. Upon the effective date of the rate change, all services provided on or after that date shall be charged at the new rates.
 - B. Costs. Additional costs shall be itemized. Additional costs shall include, but not be limited to, out-of-pocket expenses.
 - C. Administrative Costs. Administrative costs are charges to water purveyors based on the number of their service connections, which compensates the County of San Luis Obispo for time that benefits the Cross Connection Program but cannot be attributed to an individual water purveyor.
2. Billing. County shall submit an itemized statement to Contractor on or before the 15th day of every other month for all services rendered during the previous two calendar months. Contractor shall remit to the County of San Luis Obispo all uncontested amounts listed on the itemized statement not later than thirty (30) days after it is received by the Contractor.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT C

DURATION

1. Effective Date. The effective date of this Agreement shall be July 1, 2015.
2. Service Date. Services shall commence on or after the Effective Date and shall end upon the Duration Date.
3. Duration Date. This Agreement shall terminate on June 30, 2025. This Agreement may be terminated prior to the Duration Date in accordance with the termination provisions in Exhibit D of this Agreement.
4. Termination. The San Luis Obispo County Board of Supervisors specifically delegates to the Director of the San Luis Obispo County Health Agency the authority to terminate this Agreement in accordance with the provisions in Exhibit D without further need for action, approval or ratification by the Board of Supervisors.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT D

GENERAL CONDITIONS

1. Termination for Convenience. Either Party may terminate this Agreement at any time by giving the other Party thirty (30) days written notice of termination. Termination for convenience shall have no effect upon the rights and obligations of the Parties arising out of any services provided prior to the effective date of such termination. County shall be paid for all work satisfactorily completed prior to the effective date of termination.
2. Termination for Cause. If any of the following occur, either Party shall have the right to terminate this Agreement effective immediately upon giving written notice to the other Party. Rights or obligations of either Party for services satisfactorily performed prior to the termination shall not be affected.
 - A. Either Party fails to perform its duties in a timely and professional manner.
 - B. Funds intended for use for compensation in this Agreement become unavailable for use for the purposes of this Agreement.
3. Status of the Parties' Officers / Employees / Agents. Neither Party's officers, employees, agents, partners, other contractors or subcontractors shall be deemed to be employees of the other Party at any time. Nothing in this Agreement shall be construed as creating a civil service employer-employee relationship or a joint venture relationship. No officer, employee, agent, partner, other contractor or subcontractor of the other Party shall be eligible for membership in or any benefits from any County group plan for hospital, surgical, or medical insurance, or for membership in any County group plan for hospital, surgical, or medical insurance, or for membership in any County retirement program, paid vacation, paid sick leave, other leave, with or without pay, collective bargaining rights, grievance procedures, appeals to the Civil Service Commission or any other benefits which inures to or accrues to a County civil service employee. County employees shall not have those rights in Contractor's benefits and programs. The only performance and rights due to the other Party are those specifically stated in this Agreement.
4. Warranty of Professional Service. Each Party warrants that professional staff is necessary to perform this Agreement and that staff members will at all times be properly trained, certified and licensed under the laws and regulations of the State of California to provide the special services herein described. If for any reason staff members are required to provide professional services and all reasonably available staff are not qualified, this Agreement is automatically canceled effective the same date.

5. Authority. Any individual executing this Agreement on behalf of Contractor represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the Contractor, and that this Agreement is binding upon Contractor in accordance with its terms.
6. No Assignment of Agreement. Neither Party may delegate its rights or obligations under this Agreement and shall not assign or otherwise transfer its rights or obligations or any interest herein without the express prior written consent of the other Party. Any attempted assignment, transfer, delegation, hypothecation or subletting without the other Party's prior written consent shall be null and void.
7. Applicable Law and Venue. This Agreement has been executed and delivered in the State of California and covers services to be performed in California. The Parties agree that issues of validity, interpretation and enforcement shall be governed and determined by the laws of the State of California. All of the Parties' rights and obligations created hereunder shall be performed in the County of San Luis Obispo, State of California and such County shall be the venue for any action or proceeding arising out of this Agreement.
8. Severability. The invalidity of any provision of this Agreement shall not affect the validity or enforcement of any other provision of this Agreement.
9. Entire Agreement and Modifications. This Agreement supersedes all previous Agreements on the same subject and constitutes the entire understanding of the Parties hereto. No changes, amendments or alterations shall be effective or binding unless in writing and signed in advance of the effective date by both Parties.

AGREEMENT FOR CROSS-CONNECTION INSPECTION SERVICES

EXHIBIT E

SPECIAL CONDITIONS

The records required by this Agreement shall be retained for a minimum period of:

- A. Three (3) years in accordance with California Code of Regulations, Title 17, Section 7605(f), and as hereafter amended.
- B. All surveys noticed and all correspondence with a water user, County or Contractor shall be maintained for a minimum of five (5) years after compliance has been certified by the County or the longest statutory period cited above, whichever is longer. After five (5) years, the records may continue to be maintained in hardcopy, microfiche or electronic form, if needed, at the sole option of the County.

January 27, 2016

ITEM E-3

ATTACHMENT B

3.04.070 - Backflow prevention devices and special facilities.

- A. Where conditions, as set forth in Section 3.04.300, require a backflow prevention device, such as double-check valve or a pressure-reducing valve and installation shall be by the customer. The district shall be notified of the installation, which will be inspected before being placed in service.
 - 1. Backflow Administration fee. Each district customer with a cross-connection device shall be assessed a backflow administration fee to cover the cost of the program. The fee will be included on the utility bill for the property. The backflow administration fee shall be established by resolution.
- B. Pressure Regulators and Special Facilities. Where the conditions of service are such that a pressure regulator, backflow devices or other special facility, including but not limited to booster pumps, are required, the customer shall provide, install and maintain the necessary equipment.

(Ord. 98-87 § 13, 1998; Ord. 78-27 § 4(C(1), (2)), 1978)

(Ord. No. 2015-120, § 2, 2-11-2015)

3.04.300 - Protection of public water supply.

In making plumbing connections, the customer is required to comply with the regulations of the California State Department of Public Health 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.

Accordingly, 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:

- A. 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 State Department of Public Health;
- B. Where contaminated liquid or soluble substances of any kind are used, produced or processed;
- C. 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 his water system and agreeing to notify the district in advance of his 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.

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.

The regulations of the California State Department of Public Health also requires that the owner of any premises on or for which check valves or other protective devices are installed shall inspect these devices for water rightness and reliability at least once per year. All defective devices shall be serviced, overhauled or replaced at the customer's expense. A written report on this annual inspection shall be made available to the district.

(Ord. 78-27 § 17, 1978)