

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/22/2012	(3) CONTACT/PHONE Doug Bird, Hydraulic Operations Adm. (805) 781-5116	
(4) SUBJECT Hearing to consider approval of a resolution terminating a water shortage emergency for County Service Area No. 10, Zone A, Cayucos Water System.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board conduct a hearing to consider and approve the attached resolution terminating a water shortage emergency.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { } Consent { } Presentation {X} Hearing (Time Est. <u>30 mins.</u>) { } Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS {X} Resolutions { } Contracts { } Ordinances { } N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5th's Vote Required {X} N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 {X} No { } Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY {X} N/A Date	
(18) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(19) SUPERVISOR DISTRICT(S) District 2 -			

Reference: 12MAY22-H-1

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Doug Bird, Hydraulic Operations Administrator

VIA: Dean Benedix, Utilities Division Manager
Will Clemens, Department Administrator

DATE: 5/22/2012

SUBJECT: Hearing to consider approval of a resolution terminating a water shortage emergency for County Service Area No. 10, Zone A, Cayucos Water System.

RECOMMENDATION

It is our recommendation that your Honorable Board conduct a hearing to consider and approve the attached resolution terminating a water shortage emergency.

DISCUSSION

CSA 10A provides water service to customers in the southern portion of the community of Cayucos as shown in the attached vicinity map. In addition, Morro Rock Mutual Water Company and Paso Robles Beach Water Association also purvey water to Cayucos residents and businesses within their water system boundaries. Collectively, the three purveyors are known as the Cayucos Area Water Organization (CAWO).

On March 23, 1993, the Board of Supervisors approved Resolution No. 93-141, "Resolution Declaring a Water Shortage Emergency Condition in San Luis Obispo County Waterworks District No. 8" (now CSA 10A). Resolution No. 93-141 was a response to a CAWO Water Management Plan that recommended limiting the amount of water service will-serves issued in subsequent years. The limitation was based on uncertainty as to the actual number of new customers that could be provided water service without impacting the water being supplied to existing customers. Moreover, the Board adopted a policy for the issuance of water service will-serve letters during the water shortage emergency, thereby limiting the number of will-serve letters that could be issued in any given year. Approximately 190 water will-serves have been issued since 1993. Currently there are approximately 170 vacant properties remaining in CSA 10A.

Supplemental Water Supply Completed

CSA 10A has a 190 acre-feet annual entitlement to the Whale Rock Reservoir water supply. In addition, on October 24, 2006, CSA 10A contracted for 25 acre-feet per year of Nacimiento Project water. Accordingly, it is anticipated that the additional 25 acre-feet of Nacimiento water coupled with the remaining balance of the Whale Rock entitlement (40 acre-feet per year) will be sufficient to meet

CSA 10A's needs for ultimate buildout. Nacimiento water is delivered via an exchange with the City of San Luis Obispo whereby CSA 10A pays for delivery of Nacimiento water to the city and CSA 10A is allowed to draw additional water from the city's share of Whale Rock Water.

Your Board does have the contractual option to purchase additional Nacimiento water (up to a maximum of an additional 55 acre-feet per year) to meet any unforeseen buildout needs, of CSA 10A. This option is pursuant to a water exchange agreement between the City of San Luis Obispo and County Service Area No. 10 for a total exchange amount of 160 AF of water. In addition to providing long-term water reliability for CSA 10A, the additional option also helps to ensure long term reliability for the rest of the Cayucos community.

Proposed Next Steps

The attached resolution terminates the water shortage emergency in CSA 10A, and eliminates water restrictions currently imposed by the water shortage emergency, pursuant to California Water Code, Section 355. As a result, issuance of future will-serve letters in CSA 10A will follow normal practices which include coordination with the Cayucos Fire Protection District and the County Department of Planning and Building.

OTHER AGENCY INVOLVEMENT/IMPACT

Staff coordinates the issuance of water service will-serve letters with the County Department of Planning and Building and the Cayucos Fire Protection District. The Department of Planning and Building issues building permits in accordance with the County's Growth Management Policy and the Cayucos Fire Protection District reviews and approves all building permit applications for conformance with the current Uniform Fire Code. Both the County Department of Planning of Building and the Cayucos Fire Protection District are aware of today's request and concur with the recommended action. The proposed recommendations have been discussed numerous times with the Cayucos Citizens Advisory Council and were again discussed at their regularly scheduled meetings on April 4, 2012 and on May 2, 2012. The Advisory Council has taken no action on the item. County Counsel has reviewed the resolution for legal form and effect.

The County Clerk has noticed the hearing in accordance with the California Water Code Sections 350-359.

FINANCIAL CONSIDERATIONS

The basic charge for establishing a water service connection in CSA 10A is \$8,100 per dwelling unit. Connection fees collected from CSA 10A customers offset the costs associated with CSA 10A's participation in the Nacimiento Water Project and maintaining existing infrastructure.

The application fee for a CSA 10-A "will-serve" letter is \$100. Application fees collected from CSA 10A customers offset the administrative costs associated with processing an application for a "will-serve" letter.

RESULTS

The execution of this resolution will terminate the water shortage emergency and will allow CSA 10A property owners to receive water service will-serves on an 'as needed' basis, subject to the rules and regulations of the District, which will contribute to a safe, healthy, livable, and well governed community in Cayucos.

File: CF 320.420.02 Districts/CSA 10A

Reference: 12MAY22-H-1

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ATTACHMENTS

1. CSA 10A Vicinity Map
2. Exhibit No. 1 - Notice of Public Hearing
3. Resolution Rescinding a Declaration of a Water Shortage Emergency