



**To:** Rob Fitzroy, Executive Officer, Local Agency Formation Commission

**From:** Laura Holder, Water Utilities Division Program Manager II

**Date:** March 5, 2024

**Subject:** Plan for Services, Annexation of 111 Residential Lots in Tract 2586 to County Service Area No. 23 (Updated October 2023); LAFCO File No. 2-R-23 - Information Hold Item 3:

In accordance with Government Code section 56653, the following Plan for Services has been prepared in anticipation of the annexation of 111 Residential Lots in Tract 2586 (Project) to County Service Area No. 23 (CSA 23). The sections below follow the key provisions included in Government Code section 56653 and the

### **Services to be Extended to the Affected Territory**

CSA 23 will provide water service to the Project.

### **The Level and Range of Those Services**

#### **1. Existing Infrastructure**

- CSA 23 provides potable water to the Santa Margarita community and is responsible for water supply, treatment, distribution, and resource planning. Water supply in CSA 23 is supplied from groundwater sources, is the sole water provider within its service area, and will utilize standard water services and meters.
- The existing CSA 23 water system consists of two wells, two water storage tanks, a distribution system, and an emergency intertie with Atascadero Mutual Water Company.
- The existing water system wells are adequate to supply CSA 23 with water but have been impeded by droughts in the past. The water system has been put on mandatory water restrictions in the past but has never had to implement the emergency intertie.
- CSA 23 wells are located within or adjacent to the Atascadero Ground Water Basin.

#### **2. Capacity Analysis**

- The total capacity / service units of the existing system is approximately 514 residential meters and 41 commercial meters with an average day demand at build out of 210,500 gallons per day.

- The existing service units allocated approximately 502 total customers are currently served with an average consumption of 76,432 gallons per day.
- The number of service units within current boundaries anticipating future service is 555 units.
- The number of service units within the system available after providing service to areas within current boundaries that anticipate future service is 53 units.
- The number of service units required to serve the proposed project is 111 units.
- The number of service units proposed to be added to meet the demand is 111 units.

### **3. Additional Infrastructure Required to Serve Tract 2586**

#### *a. Description of Required Facilities and Necessary Capital Improvements*

The following additional facilities and infrastructure are required to provide service to the Project:

- Two additional water wells (located in a separate groundwater basin).
- The tract water distribution system with all appurtenances.
- A 6-inch bi-directional cross-connect water line sized to provide up to 200 gallons per minute, i.e., as a redundant system that can provide water in either direction between the existing CSA system and the tract water distribution system.
- Booster station with transfer pump, backup generator, Chlorine analyzers, turbidimeter, pH meter, flow meters and control building.
- Bolted steel 288,000-gallon storage tank.
- SCADA equipment for telemetry and operations.
- Water quality sample stations at each well and tank and throughout the distribution system.
- Additionally, provisions for a future Iron and Manganese Filtration system, if, after one year of service from the Wells and a minimum of 10.6 million gallons of production from the Wells, the water produced from the wells exceed the drinking water standard for iron and manganese.

#### *b. Schedule for Completion of the Expanded Capacity Project, the Viability of the Needed Project, and the Relation of the Subject Project to the Overall Project and Project Timeline*

- Tract 2586 is currently installing all the water infrastructure, and once complete, it can be tested and put into service. The system can be operated completely independent of the existing CSA 23 water system.

#### *c. List of Required Administrative and Legislated Processes*

- CEQA Review  
State Water Resources Control Board allocation permits including assessment of likelihood of approval of any permits and existence of pending or threatened legal or administrative challenges if known.

d. Planned Total Additional Capacity

- The total capacity / service units of the Tract 2586 system is approximately 120 residential meters and no commercial meters with an average day demand at build out of 75,000 gallons per day.
- The number of service units required to serve the proposed project is 111 units.
- The number of service units proposed to be added to meet the demand is 111 units.

e. Size and Location of Needed Capital Improvements

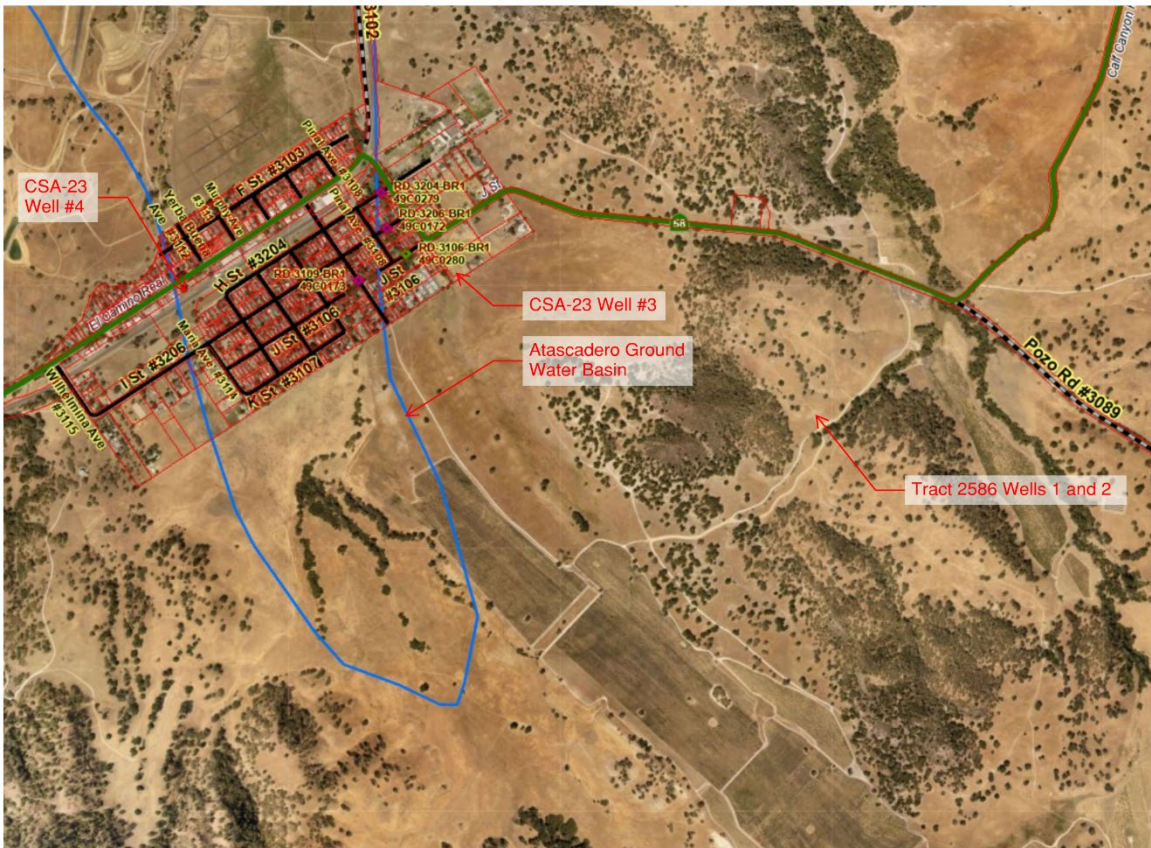


Figure 1: CSA 23 and Tract 2586 Well Locations

f. Proposed Project Cost, Financing Plan, and Financing Mechanisms

- All costs associated with the design, inspection, plan check and review and construction inspection by CSA 23 staff will be paid by the applicant per the terms and conditions of the Engineering Reimbursement Agreement dated May 28, 2020, and Annexation Agreement.

g. Proposed Alternative Projects if the Preferred Project Cannot be Completed

- Not applicable.

## **The Estimated Time Frame for Service Delivery**

There are three Phases of buildout for the 111 residential lots.

<b>Phase</b>	<b># of Lots</b>	<b>Time Frame</b>
Phase I	38 lots	2024-2027
Phase II	44 lots	2027-2032
Phase III	29 lots	2032-2034

## **Capital Improvements, or Upgrading of Structures, Roads, Sewer or Water Facilities or Other Conditions that Would Be Imposed or Required Within the Affected Territory Prior to Providing Service if the Proposal is Approved**

### *a. Phase 1*

- All capital improvements as listed above, in section 3.a.
- Tract roadways, including associated bridges per tract improvement plans.
  - Vineyard Oaks Way (3 bridges)
  - Renegade Ridge Way (1 bridge)
  - Remick Circle
  - Miller Flat Lane
  - Estudillo Circle
  - Cortana Ridge Lane (serves Phases 2 and 3, provides access to the water tank)
- The 6-inch bi-directional cross-connect water line is installed within an existing ranch road, known as Encina Avenue, and within a waterline and associated access easement.
- All water system capital improvements are immediately adjacent to the listed tract improvements, within associated water system and access easements.
- Buildout of Phase 1 will include 38 residential meters.

### *b. Future Phases 2 and 3*

Future Phases 2 and 3 will require the tract distribution system to be extended to serve the proposed future phase residential parcels. Like Phase 1, the distribution lines will be installed within waterline and associated access easements. Additional sample stations are anticipated within each future phase, locations to be determined with system distribution layout. No additional water supplies or reservoirs are proposed with future phases. The Phase 1 booster station was engineered to serve the whole tract, through buildout of Phase 3.

Buildout of Phases 2 and 3 will provide approximately 44 and 28 residential meters, respectively.

## **Financing for Services**

Revenue was estimated conservatively using existing CSA 23 rates and will include a service charge to build reserves for the expected replacement of the bolted tank with a welded tank. Estimated revenue generated from the proposed 111 lots will adequately cover operations, maintenance, and capital improvement costs. A Zone of Benefit will be established for the tract and connection fees will be paid by the owners. CSA 23 requests that LAFCO condition approval of each phase of the annexation upon a requirement that all annexed property shall pay all previously established CSA 23 fees and charges.

## **Intent to Provide Services**

CSA 23 is capable of providing the necessary water services in a timely manner to the affected territory while being able to serve all areas within its current boundaries and without lowering the level of service provided to areas currently being served by CSA 23.

Sincerely,



LAURA HOLDER  
Water Utilities Division Program Manager II

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File: 320.580.03

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