

SEWER AUTHORITY MID-COASTSIDE  
Staff Report

---

**Subject / Title**

Review and Possibly Recommend Taking Action on Discussion Draft Agreement Concerning Delegation of Responsibility to Provide Recycled Water

---

**Staff Recommendation:**

Review and Possibly Recommend Taking Action on Discussion Draft Agreement Concerning Delegation of Responsibility to Provide Recycled Water

---

**Fiscal Impact:**

None

---

**Discussion/Report:**

At their meeting of March 23, 2009, the Board directed SAM staff and SAM General Counsel to draft language for a delegation agreement. This direction was made in response to a letter received from Bruce Russell, CEO of Kenmark. In that letter, Mr. Russell requests that, pursuant to CA Water Code section 13580.5(a)(2), the Coastside County Water District (CCWD) delegate to SAM its authority and responsibility for providing recycled water to his client, Ocean Colony Partners LLC for golf course and landscape irrigation.

Attached for your review and comment is a discussion draft agreement between SAM and CCWD in which CCWD delegates to SAM its authority to provide recycled water.

The committee may wish to review the draft and bring it back to the Committee for future discussion, may wish to provide direction to staff on further development of the draft, or may wish to recommend next steps to the Board, perhaps including staff-level discussions with CCWD on this matter.

SAM staff and SAM General Counsel will be present to answer any questions the Board may have.

Below is a link to an online version of the California Water Code:

<http://law.justia.com/california/codes/wat/13575-13583.html>

BLANK

**INITIAL DRAFT – FOR INTERNAL DISCUSSION ONLY**

DELEGATION AGREEMENT

This Agreement (“Agreement”), dated \_\_\_\_\_, 2009, is entered into by and between the Coastside County Water District (“CCWD”), a county water district formed and existing under the California County Water District Law (Water Code Section 30,000 et seq.), and the Sewer Authority Mid-Coastside (“SAM”), a public entity created and existing under a joint exercise of powers agreement, dated February 3, 1976, entered into pursuant to the Joint Exercise of Powers Act (Government Code Section 6500 et seq.).

**RECITALS**

- A. SAM was created for the purpose of collecting, treating, and disposing of wastewater for the benefit of the lands and inhabitants within its service area.
- B. CCWD was created for the purpose of furnishing water for any present or future beneficial use within its service area.
- C. The service area of SAM includes the service area of CCWD plus additional lands.
- D. Both CCWD and SAM have received a letter from Ocean Colony Partners LLC (“OCP”) in which OCP has requested, pursuant to the Water Recycling Act of 1991 (Government Code Section 13575 et seq., and herein the “Recycling Act”) that CCWD provide recycled water to OCP, and that CCWD delegate to SAM the authority and responsibility to provide the recycled water so that SAM may deliver the recycled water directly to OCP.
- E. In its letter, OCP has proposed that SAM deliver the recycled water through OCP’s existing pipeline, advised that repairs or upgrading of the pipeline will likely be necessary, and acknowledged an extension thereof will need to be installed to connect SAM’s recycled water facilities to the OCP pipeline.
- F. It is intended that the delegation to SAM pursuant hereto is for the use of reclaimed water for a limited purpose, and in a limited volume, so that, with such limits the delivery of reclaimed water to OCP will not result in an offset in the use of CCWD potable water by OCP.
- G. Under the terms and conditions set forth herein, CCWD is willing to delegate to SAM the authority and responsibility to provide the recycled water to OCP, and SAM is willing to accept such delegation so that it may deliver the recycled water directly to OCP.

**TERMS AND CONDITIONS**

In consideration of the foregoing Recitals and the following Terms and Conditions, the parties agree as follows:

1. Delegation. CCWD hereby delegates to SAM, pursuant to Section 13580.5(a)(2) of the Recycling Act, the authority and responsibility to provide recycled water to OCP from the Project, as defined in Section 3, in accordance with the provisions hereof.
2. Assumption of Authority and Responsibility. SAM hereby agrees to assume authority and responsibility to provide recycled water to OCP from the Project in accordance with the provisions hereof.
3. The Project. The project (the "Project") shall consist of the existing OCP pipeline, including repairs and upgrading, the installation and construction of recycled water facilities at the SAM wastewater treatment site, and an extension of the OCP pipeline in order for it to be connected to the SAM facilities.
4. Limitation on Use. The recycled water from the Project shall be used only for golf course and landscaping irrigation purposes on property owned by OCP.
5. Limitation on Volume. The volume of recycled water delivered from the Project shall be limited to the amount which OCP would otherwise pump from its privately owned wells for golf course and landscape irrigation purposes.
6. Monitoring. As a part of the Project, SAM shall install and operate monitoring equipment to insure compliance with Section 5.
7. Reporting. SAM shall periodically provide CCWD with the monitoring data generated from the equipment to be installed and operated pursuant to Section 6.
8. Service Agreement. It is contemplated that the provisions by SAM of recycled water will be by way of a recycled water service agreement between SAM and OCP. SAM shall afford CCWD an opportunity to comment on the proposed service agreement for the purpose of insuring compliance with this Agreement.
9. No Precedent. The delegation by CCWD pursuant hereto shall not establish any precedent with respect to any subsequent consideration by CCWD of whether to delegate its authority to provide recycled water within its service area.
10. Co-operation. CCWD agrees to co-operate with SAM in connection with the permitting process that will be required in order for SAM to design, install and construct the Project and otherwise to assume its authority and discharge its obligations as herein contemplated.
11. Future Projects. The parties agree to explore further opportunities to expand SAM's recycled water facilities with the goal of reducing demands for potable water within the CCWD and SAM respective service areas.
12. Miscellaneous. This Agreement contains the entirety of the agreements and understandings of the parties with respect to the matters encompassed by this Agreement. It supersedes all prior or contemporaneous agreements, understandings, promises and

representations made by either party with respect to the subject matter of this Agreement except to the extent expressly incorporated into this Agreement.

COASTSIDE COUNTY WATER DISTRICT

By: \_\_\_\_\_  
President

Countersigned: \_\_\_\_\_  
Secretary

SEWER AUTHORITY MID-COASTSIDE

By: \_\_\_\_\_  
Chairperson

Countersigned: \_\_\_\_\_  
Secretary

DRAFT