



June 2, 2016

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Interim General Manager
Peter J. Kampa

Temporary District Accountant
Dale G. Flynn

Unit Chief
Scott M. Jalbert

Battalion Chief
Tom McEwen

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 102
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

TO: LOCSD Board of Directors

FROM: Rob Miller, District Engineer
Margaret Falkner, Utility Compliance Technician III

SUBJECT: Agenda Item 11G – 6/2/2016 Board Meeting
Adopt Resolution Authorizing Formal Bid Process and Executing
Related Construction Contracts for Drilling the 8th Street Upper
Aquifer Well

DESCRIPTION

Los Osos Community Services District (District) is proposing to construct a new upper aquifer well at the District's existing 8th Street facility in the community of Los Osos. The implemented project will reduce demand on the existing over-drafted Lower Aquifer wells, and subsequently reduce seawater intrusion rates. The well is expected to contain nitrates above the allowable level, but at a concentration appropriate for blending with the existing 8th Street lower aquifer well. A Coastal Development Permit (CDP) has been issued for the project, and well drilling is therefore the next step toward project completion. Once the well is drilled, casing installed, production quantity and water quality tested (Phase 1), staff will bring back additional information on well quality and production characteristics prior to taking the next step of designing facilities to equip the well with permanent pumping and piping (Phase 2). The addition of a nitrate removal system is included in the CDP project description but will be avoided if possible to reduce the cost of system operations.

The 8th Street upper well is a Program A Basin Plan project, with a CIP budget of \$540,000, that should be completed as previously endorsed by the UAC and Board (Table 5 in Bartle Wells Rate Study, Project BP-2). The estimated cost of this Phase 1 construction, including well drilling and testing, is estimated at \$90,000 and is contained in the approved 2015/16 budget, including observation services by Cleath Harris Geologists. On approval of Resolution 2016-19, the competitive bidding process will begin immediately, with contract award and construction scheduled to begin in mid-summer. The 2016/17 Fiscal Year budget will be developed to carry over the costs of this Construction-in-progress work. Through adoption of this Resolution 2016-19, the General Manager will be authorized to award the construction contract to the lowest responsive, responsible Phase 1 project bidder, as determined by the District Engineer through the competitive bidding process. Should bids return significantly over the Phase 1 cost estimate, the Phase 1 construction contract will be placed on the Board's agenda for consideration. Resolution 2016-19 also authorizes the General Manager to enter into other smaller support contracts related to Phase 1 construction as needed within the budgeted amounts.

If the well proves favorable, including quality sufficient for blending without treatment, we will bring back an additional bid package for equipping the well, which is likely to include provisions for a non-potable fill station, assuming the well is high in nitrate. The well is expected to produce approximately 100 acre-ft per year.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution 2016-19 authorizing a formal bid process for drilling the 8th Street Upper Aquifer Well and authorizing the General Manager to execute related construction contracts for the 8th Street Well Construction, Phase 1.

Attachment

RESOLUTION 2016 - 19

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
APPROVING A FORMAL BID PROCESS FOR THE 8TH STREET UPPER AQUIFER WELL DRILLING**

WHEREAS, the Los Osos Community Services District (herein "District") is a Local Governmental Agency formed and authorized to provide services within its jurisdiction, pursuant to Section §61000 et seq. of the California Government Code; and

WHEREAS, one of the powers of the District is to provide water for beneficial use for residents within District boundaries (Govt. Code §61100(a)); and

WHEREAS, the governing body of the Los Osos Community Services District (District) intends to construct/install a new upper aquifer well which will produce approximately 100 gallons per minute (gpm) of water from the Los Osos Groundwater Basin Upper Aquifer (Zone C) as described in Program A of the current Basin Plan; and

WHEREAS, the Project is located at the existing District Utility Water Yard at 8th Street and El Moro Street, in the unincorporated community of Los Osos, and

WHEREAS, the County of San Luis Obispo issued a coastal development permit on December 17, 2015; and

WHEREAS, the 8th Street upper well is a Program A Basin Plan project, with a CIP budget of \$540,000, that should be completed, and

WHEREAS, the District identified the facilities improvement project necessary to meet current standards; and

WHEREAS, the District finds these improvements are necessary to ensure that public health and safety standards will continue to be met in the future and has directed Staff to move forward with a formal bid process for drilling the 8th Street upper aquifer well.

NOW, THEREFORE, BE IT RESOLVED, DECLARED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. That the above recitals are true and correct; and
2. Set the date for receipt of Construction Bids as July 21, 2016; and
3. Set the date the District will award the construction contract to lowest responsive bidder on August 4, 2016.
4. The General Manager is authorized to execute all related contracts related to the 8th Street well, Phase 1.

On the motion of Director _____, seconded by Director _____,
and on the following roll call vote, to wit:

Ayes: _____

Nays: _____

Absent: _____

Conflicts: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 2nd day of June 2016.

Marshall E. Ochylski
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Peter J. Kampa
Interim General Manager and Secretary to the Board

Michael W. Seitz
District Legal Counsel