



April 1, 2024

To: LOCSD Finance Advisory Committee
From: Ron Munds, General Manager
Subject: **Agenda Item 5 – 04/01/2024 FAC Meeting**
General Manager's Update

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South Bay Lower Aquifer Well Rehabilitation Project

The South Bay lower aquifer well rehabilitation project is almost complete. The rehabilitation included cleaning the louver openings, agitate and break up the filter pack to remove sediment and the installation of a new PVC liner. The wellhead will be reinstalled the week of April 1st and the procedures to flush the well of sediment and the disinfection process will occur before being placed back into service.

Solid Waste Base Year Rate Application

Mission Country Disposal (MCD) informed the District that it will be submitting the 2024 base year Rate application in April. The base year application provides comprehensive financial information that supports the request for a rate increase. Typically, agencies will contract with a consultant to assist in the evaluation of any recommended increase by the solid waste hauler. MCD has indicated that they hope to have a new rate in place by October 1, 2024. Staff will apprise the Board on the MCD request once the application has been received.

Solid Waste Rate Setting Manual Update

As reported in March, the District is partnering with the City of San Luis Obispo, to update the solid waste rate setting manual. A kickoff meeting was held on March 28th with the consultant, City of SLO staff and Waste Connection staff. Staff will be providing the Board with more information once the manual update as the process moves forward.

School Recycled Water Connections

It appears that the Los Osos Middle School is on schedule for the connection to the recycled water system this summer. Baywood Elementary and Sunnyside Schools are on hold. Baywood Elementary might go through a significant remodel sometime in the next 2-3 years and Sunnyside School has been earmarked for sale by the school district. Plans to connect Monarch Grove are moving forward.

California Electric Vehicle Fleet Requirements

State and local government fleets, including special district fleets, are required to ensure 50 percent of vehicle purchases are zero-emission beginning in 2024 and 100 percent of vehicle purchases are zero-emission by 2027. Small government fleets (those with 10 or fewer vehicles) like our District must start their ZEV purchases beginning in 2027.

Staff has been researching the issues of adequate electrical capacity to the 8th Street water yard with PG&E and the needed infrastructure for a charging station at the site. Though the regulations provide for a later starting timeframe for small government fleets, the incentive money for improvements on both sides of the electric meter are available now and have an uncertain future because of state budget issues. Staff will be making key recommendations to the Board by the May Board meeting on how to proceed. Updates will be provided to the UAC in April.