



August 26, 2014

**TO:** LOCSO Board of Directors  
**FROM:** Margaret Falkner, Utility Compliance Technician III  
Rob Miller, District Engineer  
**SUBJECT:** **Agenda Item 11F – 09/04/2014 Board Meeting**  
Nitrate Removal Project Update South Bay Well

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**DESCRIPTION**

The Los Osos Community Services District (District) obtained grant funding from the California Department of Public Health to implement a nitrate removal system on the District's existing South Bay Upper Aquifer Well. The nitrate removal system will allow the upper aquifer to be used domestically. The project includes construction of a 168 square foot pre-engineered building that will house the skid-mounted ion exchange unit, and a 5,000 gallon tank for brine storage. This will allow the upper aquifer to be blended and treated with the existing lower aquifer well water prior to introduction into the water supply distribution system.

**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 receive and file this update.***

**DISCUSSION**

On July 9, 2013, Funding Agreement No. 84-125124 between the District and State of California is signed providing a maximum grant of \$635,980.

The District held a public bid on May 5, 2014. John Madonna Construction (JMC) was lowest bidder and was awarded the construction project. JMC began construction on June 2, 2014.

Currently the project is approximately 90% complete. It is anticipated that start-up of the system will be scheduled for the last week in September. Job completion is expected the second week in October.

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The following claims for reimbursement have been submitted:

Claim No. 1	\$ 42,022.61
Claim No. 2	\$ 8,106.76
Claim No. 3	\$ 351,176.77
Project Expenditures to-date	\$ 401,306.14

The first of three claims has been received by the District with the others expected by early September. The remaining budget on the project is \$234,673.86. It is anticipated that the entire project, including two change orders, will be completed within the original grant budget. All change orders are reviewed by the State.

**FINANCIAL IMPACT**

The project required a \$10,000 match.