



Date: April 4, 2022

To: LOCSD Finance Advisory Committee

From: Ron Munds, General Manager

Subject: **Agenda Item 6 – 04/04/2022 FAC Meeting**
General Manager’s Update

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• **Utilities Capital Projects:**

- There are still delays in completing the 8th Street Upper Aquifer Well project due to supply chain issues with the electrical components. We are still optimistic that the project will be completed in April.

-The outside coating of the tank is 95% complete and work is underway on the interior of the tank. With the COVID related work delays in January and February, the project should be completed by the end of April.

-The Program C Well Project Minor Use Permit was approved on March 4th and the bid package for the well drilling phase of the project went out to bid the same day. Bid submittals were received on March 30th and unfortunately, only one bid was received which was for \$997,990 which is much higher than the original Engineer’s Estimate of \$541,000. Staff is requesting that the Board reject the bid and authorized going back out to bid with a revised schedule and Engineer’s Estimate of \$754,400. The District did receive a \$1.5 million grant from the Department of Water Resources which will help fund the entire project estimated to cost \$2.1 million.

• **US Bank Investments:** This past month, Chris Womack, Julian Metcalf and I worked with our US Bank account representative to move additional funds from the Wastewater redemption and reserve funds to continue our “ladder” approach to investment. If you recall, the following investments were reported at our last FAC meeting:

Fund	Instrument	Amount	Yield	Maturity Date
Redemption	T-Bill	\$504,662.48	0.60%	8/11/22
Reserve	T-Note	\$200,000	1.84%	2/15/26
Reserve	T-Bill	\$200,000	0.315%	3/mo.- May 2022
Reserve	T-bill	\$200,000	0.661%	6/mo.-Aug. 2022

The following investments were made during March:

Fund	Instrument	Amount	Yield	Maturity Date
Reserve	T-Note	\$200,000	1.9%	2/29/24
Reserve	T-Note	\$200,000	2.10%	1/15/25

• **Looking Ahead.** Staff has begun the preparation of the 2022-2023 Fiscal Year budget. The draft budget should be to the FAC in May.