



August 25, 2014

**President**  
Craig V. Baltimore

**Vice President**  
R. Michael Wright

**Directors**  
Leonard A. Moothart  
Marshall E. Ochylski  
Jon-Erik G. Storm

**General Manager**  
Kathy A. Kivley

**Temporary District Accountant**  
Michael L. Doyel

**Fire Chief**  
Robert Lewin

**Battalion Chief**  
Phill Veneris

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

**Offices:**  
2122 9<sup>th</sup> Street, Suite 102  
Los Osos, CA 93402

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

www.locsd.org

**TO:** LOCSD Board of Directors  
**FROM:** Margaret Falkner, Utility Compliance Technician III  
**SUBJECT:** **Agenda Item 11H – 09/04/2014 Board Meeting**  
Approve Capital Improvement Projects (CIP) List

*Mx7*

**DESCRIPTION**

The Utilities Advisory Committee (UAC) regularly discusses the Water Capital Projects of the District. At the August 13, 2014 meeting a list of final recommendations was presented to the committee. Attached is the list for your approval.

**STAFF RECOMMENDATION**

Staff recommends that the Board adopt the following motion:

***Motion: I move the Board approve the CIP list as presented and direct staff to refer the CIP list to the Finance Advisory Committee (FAC) for development of funding recommendations to the Board of Directors.***

**DISCUSSION**

The UAC has been discussing revisions to the Water CIP list this year. After meetings of a subcommittee which includes the Chairperson and the District Engineer, the attached CIP Priority list was submitted to the UAC at the August 13, 2014 meeting. Input from committee members and the public were considered with regard to the prioritization of these projects. The District Engineer also included the crew in the assessment of priorities.

The priorities are based on the inclusion of the Interlocutory Stipulated Judgement (ISJ) Basin Plan Programs (BP), operational efficiency (OE), infrastructure age and replacement (IA), and distribution system performance and redundancy (DSP). The approximated project costs are in current year dollars and are provided by our District Engineer.

**FINANCIAL IMPACT**

None at this time

Attachment

**UAC ITEM 5 - CIP PRIORITY  
FINAL RECOMMENDATIONS**

Funding Source	Summary of Potential Projects	Approximate Project Cost (2014 dollars)
Existing Reserves	BP-1: Program A, Intertie	\$50,000
	BP-2: Program A, Upper aquifer well - design and permitting (including final engineering)	\$60,000
	BP-3: Program C, East side lower aquifer well-design and permitting (including final engineering)	\$160,000
	Subtotal - Existing Reserves	\$270,000
Debt Financing (IBANK or equal) - Immediate	BP-2: Program A, Upper aquifer well (not including design/permitting)	\$540,000
	BP-3: Program C, East side lower aquifer well (not including design/permitting)	\$1,440,000
	IA-1: AC main replacement, 11th Street (Los Olivos to Ramona)	\$731,000
	IA-2: AC main replacement, 7th Street (Romona to Santa Ysabel)	\$874,000
	IA-3: Valve upgrades	\$313,000
	DSP-1: 18th/Paso Robles loop upgrade	\$50,000
	DSP-2: 10th Street/Santa Maria valve upgrade	\$50,000
	DSP-3: Ferrel loop upgrade	\$20,000
	DSP-4: 12th/S. Paula upgrade	\$178,000
	DSP-5: 2nd/Santa Ysabel upgrade	\$198,000
	DSP-6: 15th Street dead-end upgrade	\$98,000
	OE-1: Water operations building improvements (Phase 1 - Shop/storage improvement)	\$70,000
	OE-2: Supervisory Control and Data Acquisition (SCADA) - Phase 1	\$75,000
	Subtotal - Debt financing - immediate	\$4,637,000
Pay as you go - 5 to 10 years	OE-5: Water operations building improvements (Phase 2 - Ops Building)	\$70,000
	OE-4: Automated meter reading (AMR) meters - 5% complete	\$800,000
	OE-3: SCADA - Phase 2	\$200,000
	Subtotal - Pay as you go - 5 to 10 years	\$1,070,000
Debt or Bond Financing - Long Term	Other IA main replacement projects - remaining AC waterlines (not including DSP projects)	\$13,000,000
	Other second priority pipeline projects from 2010 CIP update	\$2,610,000
	Other third priority pipeline projects from 2010 CIP update	\$2,800,000
	Subtotal - debt or bond financing - long term	\$18,410,000
	Check Total:	\$24,387,000