



February 11, 2015

**TO:** LOCSO Board of Directors  
**FROM:** Margaret Falkner, Utility Compliance Technician III  
**SUBJECT: Agenda Item 11K – 3/5/2015 Board Meeting**  
Proposition 84 South Bay Well Nitrate Removal Project Closing

**President**  
R. Michael Wright

**Vice President**  
Marshall E. Ochylski

**Directors**  
Charles L. Cesena  
Jon-Erik G. Storm  
Louis G. Tornatzky

**General Manager**  
Kathy A. Kivley

**District Accountant**  
Michael L. Doyel

**Fire Chief**  
Robert Lewin

**Battalion Chief**  
Phill Veneris

**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.

On December 16, 2014, the Wallace Group Construction Management Division filed a Notice of Completion with the County of San Luis Obispo. Engineering and retention are remaining to be paid. Once paid the final claim will be filed and a reimbursement will be sent to the District.

**STAFF RECOMMENDATION**

Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board receive and file this report.***

**DISCUSSION**

On July 9, 2013, Funding Agreement No. 84-125124 between the District and the 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.

Below is a table providing the amounts paid and outstanding:

Claim Number	Amount	Refunds	Date
1	\$42,022.61	\$42,022.61	04/24/14
2	\$8,106.76	\$8,106.76	09/12/14
3	\$351,176.77	\$351,176.77	10/20/14
4	\$102,135.65	\$102,135.65	01/20/15
5	\$97,919.73		
Subtotal	\$601,361.52		
Grant Amount	\$635,980.00		
Final Claim	\$34,618.48		

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**FINANCIAL IMPACT**

The District had a \$10,000 matching fund requirement for this project.