



July 16, 2025

TO: Utilities Advisory Committee

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 6 – 07/16/2025 Utilities Advisory Committee Meeting – Utilities Department Updates

Utilities Department Updates

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Water Rate Increase Approved

The Board approved the water rate increase at their June 5th meeting. There were 290 valid protest votes with the threshold for a successful protest vote being 1,383 + 1. The table below is what was approved; new rates are effective July 1st.

Three-Year Water Rates					
		Current	2025-26	2026-27	2027-28
Base Fee		\$75.00	\$77.00	\$78.50	\$80.00
Tier 1	1 - 5 ccf	\$6.65	\$7.21	\$7.77	\$8.04
Tier 2	6 -10 ccf	\$8.65	\$9.39	\$10.12	\$10.47
Tier 3	11-20 ccf	\$10.55	\$11.45	\$12.34	\$12.77
Tier 4	>20 ccf	\$12.45	\$13.52	\$14.57	\$15.07

Program C Well Project

Some good news, PG&E has connected the power to the site, so work is proceeding on the electrical components of the project. Site work also is complete with new paving for the driveway access, adding a new driveway apron and replacing the fencing along South Bay Blvd. and part of Bay Oaks Drive. There are some unanticipated delays in completing the project. The main ones being supply chain issues associated with essential cabling for monitoring the pump and motor for the well and completing the SCADA communication link from the well to the new SCADA system. Both may take until September/October to resolve. The District will also need to work with the Division of Drinking Water to complete the certification of the well before it becomes available.

Supervisory Control and Data Acquisition (SCADA) System Modernization Project

90% design work is complete; the next steps are to complete the final design and the start of installation of the project components. Final design should be completed by the end of July 2025 with installation starting shortly after.

Fiscal Year 2025-26 Budget

The Board approved the Fiscal Year 2025-26 Budget on June 5th. The committee's input was much appreciated. The following are the highlights for Fund 500:

- \$50,000 allocation of Zone A revenues
- A decrease in the cost allocation transfer of 5%
- Approval of the Capital Project list
- Approval of using Capital Outlay reserves for up to \$1.3 million if needed

The following is the summary of the approved budget.

500 - Water			
Fund 500 Budget Category	2024-2025 Budget	2025-2026 Budget	Increase/ (Decrease)
Revenue	\$3,453,376.01	\$3,523,124.47	\$69,748.46
Expenditures			
Total Personnel	\$1,031,389.00	\$1,072,315.00	\$40,926.00
Services & Supplies	\$797,890.00	\$817,985.00	\$20,095.00
Capital Outlay	\$2,735,014.00	\$2,061,900.00	-\$673,114.00
Debt Service	\$263,690.04	\$263,036.74	-\$653.30
Reserves	\$57,000.00	\$57,000.00	\$0.00
Transfers	\$572,954.50	\$545,306.87	-\$27,647.63
TOTAL Expenditures	\$5,457,937.54	\$4,817,543.61	-\$640,393.93
TOTAL Revenue	\$3,453,376.01	\$3,523,124.47	\$69,748.46
Net Revenue/Expenses		-\$1,294,419.14	

Los Osos Middle School (LOMS) Recycled Water Connection

After years of planning, the work to connect LOMS to recycled water is underway. Staff met with the contractor and Public Works staff to discuss the project schedule and connection requirements. The project has a 45-day completion schedule and will be completed before students return in August. Staff will provide updates to the committee at the August meeting.

Water Resiliency Intertie Pipeline Project Update

On June 18th, the Basin Management Committee released a Technical Memorandum (TM) that summarizes the updated condition of the Los Osos Groundwater Basin. The conclusion from a newly developed groundwater model (Transient Model) is that under the current pumping scenario and conditions, the groundwater remains in overdraft, which is not sustainable.

Staff asked the Board on July 10th to reprioritize the 2025-26 Capital Improvement Plan to include the design of the Water Resiliency Intertie Project. The engineering estimate for design services is \$630,240.00. Given the urgency highlighted by the TM and the importance of project readiness for grant applications, staff is recommended to the Board that proceeding with detailed design services will make the project “shovel ready.” This will better position the project for funding opportunities and will greatly enhance the District's chances of securing outside funding from state or local sources.

More detailed information is available in the July 10, 2025, Board agenda packet.