



October 23, 2014

**TO:** LOCSD Board of Directors  
**FROM:** Margaret Falkner, Utility Compliance Technician III  
Rob Miller, District Engineer  
**SUBJECT:** **Agenda Item 11H – 11/13/2014 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**

Staff recommends that the Board receive and file this report:

***Motion: I move the Board of Directors receive and file this update.***

**DISCUSSION**

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 almost complete. The start-up of the system is underway. Job completion is expected by the end of October or early November.

The following claims for reimbursement have been submitted:

Claim No. 1	\$ 42,022.61
Claim No. 2	\$ 8,106.76
Claim No. 3	\$ 351,146.37
Claim No. 4	<u>\$102,135.65</u>
Project Expenditures to-date	\$ 503,411.39

The first three claims have been received by the District, with the next expected by December. The remaining budget on the project is \$132,568.61. It is anticipated that the entire project, including three 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.

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