



July 31, 2023

**To:** LOCSD Finance Advisory Committee  
**From:** Ron Munds, General Manager  
**Subject:** **Agenda Item 6 – 07/31/2023 FAC Meeting**  
General Manager's Update

**2022-23 CIP**

**Bay Oaks Well (formerly Program C Well)**

The bid package for construction of the well equipping phase of the project is going to the Board on August 3<sup>rd</sup>. The estimated cost of this phase is \$891,805.00 including support services and contingencies. The water transmission main project is set to start in August with the major construction starting in September. Completion of this phase is anticipated by late November.

**16<sup>th</sup> Street North Tank** repair and re-coating bid package is out to bid. The actual work will most likely begin in September. There was a mandatory pre-bid meeting on July 25<sup>th</sup>. Five companies attended which is good news for the District. This project is expected to cost \$700,000 for the rehabilitation work and another \$100,000 for support services. It will consist of interior and exterior repair and coating along with replacement of the fill line.

**Other Updates**

**SLO County Fire/Cal Fire Audit Update.** Staff has been working with the County and Cal Fire to reconcile payments made by the District going back to 2018. If you recall, it was discovered in the 2021-22 billing that the District was over charged by about \$450,000. Staff met with Cal Fire this month and it appears that the County is questioning some of the accuracies of the past billings and requested Cal Fire double check the numbers. The County is now claiming that the District did not pay the appropriate amount of county-wide overhead and is seeking to retroactively charge the District for a significant amount of money. Staff is working on sorting out the contract language, the appropriateness of the additional charges and pushing to complete the audit since there are significant dollars involved.

**Water Resiliency Intertie Project.** The Environment Constraints Analysis is complete. The analysis provides a comprehensive review of the potential environmental impacts associated with the pipeline. Staff has reviewed the results and has directed SWCA to prepare the Mitigated Negative Declaration (MND) for the project. Once completed, the MND will be brought to the Board for review and approval.

**Basin Management Committee (BMC) Projects.** The District is acting as lead agency on two BMC projects. The first is the Recycled Water Facility Planning study which will be partially funded by grant funds from the State Water Board. The main work product that will come out of the study will be the development of the Transient Groundwater Model. This will be a significant upgrade in modeling capabilities and will provide the BMC greater abilities to understand the impacts of drought, rainfall, groundwater pumping and water movement through the aquifer. The second project is the drilling of a new lower aquifer groundwater monitoring well at the east end of Skyline Drive. The addition of this well to the seawater intrusion monitoring network will provide better chloride data than what is currently available. This will be a very important tool to track seawater intrusion in the groundwater basin.

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