



June 23, 2015

TO: LOCSD Board of Directors  
FROM: Margaret Falkner, Utility Compliance Technician III *MF*  
SUBJECT: **Agenda Item 11H – 7/9/2015 Board Meeting**  
Closeout Proposition 84 Grant for Nitrate Removal Project

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**DESCRIPTION**

The Proposition 84 Grant for the South Bay Nitrate Removal System is now closed. All paperwork has been submitted to the State.

Claim Number	Amount
1	\$ 42,022.61
2	\$ 8,106.76
3	\$ 351,146.37
4	\$ 102,135.65
5	\$ 97,919.73
6 (Final)	\$ 29,438.56
<b>TOTAL</b>	<b>\$ 630,769.68</b>

The District contributed a \$10,000 match for this project. The actual amount spent for this project came to \$640,769.68.

**STAFF RECOMMENDATION**

Staff recommends that the Board adopt the following motion:

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

**DISCUSSION**

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 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.

Here is the chronological progress of the project:

- On 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.
- On December 16, 2014, a Notice of Completion was filed with the County of San Luis Obispo.
- On May 26, 2015, all final documents were filed with the State for project completion.

### **FINANCIAL IMPACT**

\$10,000 was spent as a match. This was a less than 3% match of total project costs compared to other grants available through Proposition 84. Prop 84 grants are requiring 25% of construction project costs. Prop 1 grants are requiring 50% of the project costs for matching funds.