

M E M O

TO: Board of Directors

FROM: District Manager

SUBJECT: LOMPICO COUNTY WATER DISTRICT

DATE: May 28, 2010

RECOMMENDATION:

It is recommended that the Board of Directors review this memo and provide direction to staff relative to Lompico County Water District.

BACKGROUND:

At the March 18, 2010 Board of Directors meeting a representative from the Lompico County Water District Board of Directors requested your Board consider and examine possible alternatives for their District's organization. At the April 15, 2010 Board of Directors meeting your Board approved formation of the ad hoc Lompico County Water District Liaison Committee, and appointed Directors Rapoza and Vierra to the committee.

District Staff and committee members toured and examined Lompico County Water District. The following provides a brief overview and summary of Lompico County Water District.

The water system is comprised of the following facilities:

- 500 domestic water services
- Six (6) redwood water storage tanks with a combined capacity of 440,000 gallons
- Four (4) active ground water wells (total estimated capacity 40-50 gpm)
- Lewis Water Treatment Plant; iron removal for groundwater wells
- One (1) standby ground water well (estimated capacity 30 gpm, but subject to high iron levels)
- Mill Creek Surface Water Treatment Plant (estimated capacity 45 gpm)

At the request of Lompico County Water District, staff prepared a preliminary evaluation of proposed improvements San Lorenzo Valley Water District might require relative to a potential merger of Lompico County Water District into San Lorenzo Valley Water District. The proposed improvements include replacement of the six (6) existing redwood waster storage tanks, improvements to the existing treatment plants, service line and meter replacement, distribution system interconnection, and SCADA System improvements. See Attachment 1. The total estimated cost for said improvements is approximately \$2,255,000.

Currently, an average customer in Lompico consumes approximately 7,500 gallons of water per billing period (2 months); this equates to ten (10) billing units (1 unit = 748 gallons). Lompico County Water District charges approximately \$122.00 for this quantity of water. In San Lorenzo Valley Water District, the charge for the same quantity would be approximately \$67.00. In theory, the potential difference (\$55.00/period) rates could be utilized to offset amortization costs associated with most of the required improvement.


For example:

\$55.00 Billing Period x 6 Billing Period Year = \$330.00 Connection/Year
\$330/Connection x 500 Connections = \$165.00/Year

Assume:

Principle = \$2,250,000
Interest = 5%
Term = 20 Years
Annual P&i Payment = \$178,200

It is recommended that the Board of Directors review this memo and provide direction to staff relative to Lompico County Water District.


James A. Mueller
District Manager

JAM/bsb

LOMPICO COUNTY WATER DISTRICT

**SUMMARY OF ESTIMATED COSTS
for
CONSOLIDATION WITH SLVWD**

WATER STORAGE TANK REPLACEMENT

Replacement of six (6) existing redwood storage tanks
Lewis 1 & 2, Madrone 1 & 2, and Kaski 1 & 2

Quantity	Description	Unit \$	\$
2	100,000 gallon tank	\$75,000	\$150,000
4	60,000 gallon tank	\$60,000	\$240,000
6	Demolition & site preparation	\$20,000	\$120,000
Subtotal Construction Cost			\$510,000
Estimated Contingency @ 20%			\$102,000
Total Estimated Construction Cost			\$612,000
Engineering & Administration Services @ 15%			\$91,800
Total Projected Cost			\$703,800

Call \$705,000

TREATMENT SYSTEM IMPROVEMENTS

Improvements to treatment systems at Lewis Treatment Plant
and Mill Creek Treatment Plant

Quantity	Description	Unit \$	\$
1	Lewis WTP iron removal	\$25,000	\$25,000
1	Mill Creek WTP MEMCOR	\$10,000	\$10,000
Subtotal Construction Cost			\$35,000
Estimated Contingency @ 20%			\$7,000
Total Estimated Construction Cost			\$42,000
Engineering & Administration Services @ 15%			\$6,300
Total Projected Cost			\$48,300

Call \$50,000

SERVICE LINE & METER REPLACEMENT

Replacement of approximately 333 (66%) existing service lines and 500 water meters

Quantity	Description	Unit \$	\$
333	Service line replacement	\$1,000	\$333,000
500	Water meters	\$300	\$150,000
Subtotal Construction Cost			\$483,000
Estimated Contingency @ 20%			\$96,600
Total Projected Cost			\$579,600

Call \$580,000

DISTRIBUTION SYSTEM INTERCONNECTION

Interconnection of Lompic CWD and SLVWD water distribution systems
Installation of approximately 3,000 LF 8-inch water main and booster pump station Note: assumes cross county route alignment

Quantity	Description	Unit \$	\$
3000	8-inch mainline	\$125	\$375,000
2	Booster pump stations	\$75,000	\$150,000
Subtotal Construction Cost			\$525,000
Estimated Contingency @ 20%			\$105,000
Total Estimated Construction Cost			\$630,000
Engineering & Administration Services @ 15%			\$94,500
Total Projected Cost			\$724,500

Call \$725,000

SCADA SYSTEM IMPROVEMENTS

Installation of Supervisory Control and Data Acquisition System (SCADA)
for operational automation

Quantity	Description	Unit \$	\$
2	Water storage zones; Madrone & Kaski	\$30,000	\$60,000
1	Mill Creek WTP	\$40,000	\$40,000
1	Lewis WTP	\$40,000	\$40,000
Subtotal Construction Cost			\$140,000
Estimated Contingency @ 20%			\$28,000
Total Estimated Construction Cost			\$168,000
Engineering & Administration Services @ 15%			\$25,200
Total Projected Cost			\$193,200
Call			\$195,000

SUMMARY OF ESTIMATED COSTS

Description	\$
Water Storage Tank Replacement	\$705,000
Treatment System Improvements	\$50,000
Service Line & Meter Replacement	\$580,000
Distribution System Interconnection	\$725,000
SCADA System Improvements	\$195,000
Grand Total	\$2,255,000