



SAN LORENZO VALLEY WATER DISTRICT

On July 8, 2010 Lompico County Water District held a meeting with representatives from the San Lorenzo Valley Water District to discuss and provide information relative to potential merger options for Lompico County Water District at the Zayante Fire Station. The following information was provided by the San Lorenzo Valley Water District at the meeting.

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 Lompico 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

Call \$2,250,000

LOMPICO ASSESSMENT DISTRICT

Pro Forma Use of Proceeds

30-Jun-10

<i>Construction Costs</i>	\$2,250,000
<i>Bond Reserve Fund</i>	\$210,500
<i>Capitalized Interest</i>	\$32,500
<i>Bond Financing Expenses</i>	\$150,000
Total Assessments	\$2,643,000

Estimate Debit Schedule

	Estimated Debit Service			
Interest Rate	6.00%		6.50%	
Term	Annual	Per Connection	Annual	Per Connection
20 Years	\$227,825	\$456	\$237,092	\$474
25 Years	\$204,888	\$410	\$214,716	\$429
30 Years	\$190,621	\$381	\$200,998	\$402

LOMPICO COUNTY WATER DISTRICT

AVERAGE WATER USE

ESTIMATED LCWD AVERAGE ANNUAL WATER USE PER BILLING PERIOD (two months) is approximately 6,800 gallons per period (per 30Jun08 LCWD Financial Statement)

Calculate average annual water use per billing period in cubic meters:

$$6,800 \text{ gals} / 264 \text{ gallons per cubic meter} = 25.76 \text{ cubic meters}$$

Call 26 cubic meter/billing period

- **Calculate current LCWD water bill at 26 cubic meters for rates effective June 2009**

FIXED CHARGES:

Basic Service Charge (Ready to Serve Charge)	\$74.54
Surcharge for Safe Drinking Water Loan	3.16
Surcharge for Energy	4.94
Subtotal Fixed Charges	82.64

CONSUMPTIVE CHARGES:

26 cubic meters x \$1.39 cubic meter	<u>36.14</u>
GRAND TOTAL	\$118.78

Assume LCWD average annual billing = \$118.79 per billing period

- **Calculate LCWD average annual bill at SLVWD current rates effective March 15, 2010**

26 cubic meters = 9.09 CCF (hundred cubic feet) Call 9 CCF

SLVWD bill at 9 units:

FIXED CHARGE:

Basic Charge	\$43.24
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CONSUMPTIVE CHARGES:

9 units x \$2.36 unit	<u>21.24</u>
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GRAND TOTAL	\$64.48
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Estimated differential between current LCWD and SLVWD for average annual bill (6,800 gallons/period):

$\$118.78 - 64.48 = \54.30 billing period

$\$54.30$ billing period x 6 billing periods/year = $\$325.80$

Call $\$325.00$ year