Oceano Community Services District
Water Rate Analysis

July 2020

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Water Rate Analysis - Oceano Community Services District (OCSD)

Purpose

The purpose of this report is to summarize the "Revenue Requirements" needed to fund the operations, maintenance, capital and other costs of the OCSD water system and to determine an increase in water rates needed to generate those revenues. It provides reasons for the proposed rate increase and the basis for the calculations used to develop the proposed rate increase, which include but are not limited to, the following:

- Reasons for the proposed rate increase include the following:
    - To generate revenues necessary to recover from the existing Water Fund revenue shortfall and to eliminate the current Water Fund deficit.
    - To provide sufficient funding to pay for the total costs of providing water service to the customers of OCSD.
    - To provide sufficient funding to maintain a minimum reserve balance of at least three months cash needs.
- The basis for calculations includes the following:
    - The current 2020-21 Water Fund budget and deficit.
    - A proforma projection of current water rates in covering system expenses and minimum reserve requirements.
    - A proforma projection of increased water rates in covering system expenses and minimum reserve requirements.

Background

The OCSD was created in 1981 and provides potable water to the residential, commercial and public customers in the community. Oceano is located in the unincorporated area on the south coast of San Luis Obispo County, adjacent to the cities of Grover Beach and Arroyo Grande. The OCSD encompasses approximately 1,150 acres with elevations ranging from sea level to approximately 100 ft. The OCSD water enterprise serves approximately 2,200 connections with a population of approximately 7,700. The system consists of two water storage tanks, three active groundwater wells, and twenty-two miles of pipeline.

Sources of Water Supply

The OCSD water supply includes the following three sources.

- 900 acre feet per year of groundwater supply is allocated to OCSD from the Northern Cities Management Area (NCMA) of the Santa Maria Valley

Groundwater Basin. The groundwater basin is managed based on stipulations resulting from adjudication of the basin. The NCMA is encouraging reductions in groundwater pumping due to concerns over groundwater levels.

- 303 acre feet per year of surface supply is allocated from Lopez Dam and Reservoir, which is owned and operated by the San Luis Obispo County Flood Control and Water Conservation District (Flood Control District). Actual deliveries can be increased when "surplus water" is available and they can be decreased during droughts and for other reasons that reduce the supply of available water.

- 750 acre feet per year of surface water supply is allocated from the State Water Project (SWP). The SWP is owned and operated by the State of California Department of Water Resources (DWR) and delivered based on contracts with the Flood Control District. DWR is delivering 20% of the statewide allocations in 2020. The Flood Control District has been able to provide supplies greater than the DWR allocation, but concerns exist over the reliability of the SWP and its ability to provide supplies on an annual basis.

In summary, each of the OCSD water supplies are not reliable on their own, but the entire portfolio is crucial and provides a very reliable water supply to meet the needs of the community.

Current Rate Structure

The current rate structure consists of three components: a bi-monthly base charge, a volume charge that is tiered, and a supplemental uniform volume charge for Lopez water applied to all usage. The current rates are reflected in the table below:

Base Rate	**Tier #2**	**Tier #3**	**Tier #4**	**Tier #5**
Minimum bi-monthly charge (Up to 6 Units)	7 to 12 Units	13 to 18 Units	19 to 24 Units	Over 24 Units
Residential $53.56				
Non-Residential				
5/8 $59.80				
¾ $72.81				
1 $111.40				
1½ $201.21				
2 $312.52				
3 $497.30				
4 $844.80				
6 $1,317.12				
Plus	$3.64 per Unit	$4.03 per Unit	$4.51 per Unit	$4.74 per Unit
$1.80 per Unit for Lopez	$1.80 per Unit for Lopez	$1.80 per Unit for Lopez	$1.80 per Unit for Lopez	$1.80 per Unit for Lopez
$1.80 per Unit total	$5.44 per Unit total	$5.83 per Unit total	$6.31 per Unit total	$6.54 per Unit total

The current rate structure was established in 2015 during the drought emergency. Without further action, these rates will sunset in October 2020 and rates would revert to the rates in effect in 2015. This would have a devastating effect on revenues as consumption has not returned to pre-drought levels. If this were to occur, the Water Fund would run out of cash this fiscal year. The following chart shows annual consumption since 2011.

Total Water Use in Acre Feet

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
	852	838	888	807	703	672	718	725	680

Impacts from Declining Revenues

Attachment 1 to this report is a Pro Forma projection of the current rate structure. Several impacts have resulted from the water system revenue shortfall. It caused the OCSD to adopt a Water Fund budget in 2020-21 that included a deficit of $484,784. The deficit is causing estimated financial reserves to decline from $961,314 at June 30, 2020 down to $476,530 at June 30, 2021.

Shortfalls in water system revenues also cause other revenues, such as connection fees and capacity charges collected from new development, to be used for annual expenditures rather than increasing financial reserves or paying for infrastructure improvements. Shortfalls impair the ability of OCSD to replace equipment. The shortfalls also impair the ability of OCSD to adequately maintain water wells, as evidenced by the mechanical failure of the pump in well #4 and the deferred rehabilitation of the pump motor in well #8. All capital outlay projects for the past ten years have either been grant funded or funded by reserves which are now close to the minimum acceptable level. In summary, shortfalls in water system revenues impair the ability of the OCSD to carry out its duties to the community in maintaining the water system.

In conclusion, existing revenues cannot sustain the level of expenditures needed to cover operational and other needs of the OCSD water system. Consequently, establishing the current and future Revenue Requirements is very important. This Water Rate Analysis recommends a phased increase in the rates to meet the Revenue Requirement for Fiscal Year 2020-21 through 2024-25. The base rate would be increased each year per the following schedule (13%, 10%, 10%, 3%, 3%). The variable rate to fund the pass-through costs of the wholesale water supply would be increased 13% the first year and then adjusted to recover the actual pass through costs each year thereafter.

Revenue Requirements

A review of the OCSD revenue requirements is a key step in the rate design process. The review includes an analysis of annual operating revenues under the current rates, operation and maintenance expenses, capital expenditures, transfers between funds, and reserve requirements. This section of the report provides a discussion on projected revenues, O&M, and capital expenditures, the capital improvement financing plan, and revenue adjustments required to ensure the fiscal sustainability of the Water Fund.

Revenues from Current Rates

The current water rate structure consists of three components: a bi-monthly base rate (differentiated between residential and non-residential customers), a volume charge (which is tiered for all customers), and a supplemental water charge that is uniform for all units of water consumed. The projected revenues for the Water Fund derived from current rates are shown on line 21, columns D through H of **Attachment 1**.

O&M, Source of Supply, and Capital Expenses

The Fiscal Year 2020-21 budget and an assumed inflation rate of 3% for the study period were used as the basis for projecting O&M costs shown on line 31, columns D through H of **Attachment 1**.

The Source of Supply costs are pass-through wholesale water costs billed directly by the Flood Control District annually for the wholesale costs of supplying Lopez water and State water as shown on lines 23 and 24, columns D through H of **Attachment 1**. Fiscal Year 2020-21 budget wholesale costs are projected for each year of the study period as future costs are unknown and decrease in some years and increase in others. Provisions of Government Code 53756 will be utilized to pass-through the actual wholesale costs of the Source of Supply.

The OCSD has a long-term capital improvement plan (CIP) which documents necessary projects over the next ten years. The CIP is attached as **Appendix A** to this report. The CIP will be funded through a combination of pay-as-you-go, grant, and debt financed projects. The rates needed to fund the CIP will be phased in over three fiscal years, beginning with $40,000 in Fiscal Year 2020-21, $75,000 in Fiscal Year 2021-22, and $150,000 annually thereafter as shown on line 34, columns D through H of **Attachment 1**.

Reserve Requirements

Currently, the OCSD has a reserve balance of $961,314 in the Water Fund. This represents approximately 4 months of total expenses. The OCSD hereby establishes a minimum reserve target of 3 months of total expenses to meet cashflow requirements. This reserve requirement only ensures the working capital to support the operation, maintenance, and administration of the Water Fund. Establishing other reserves for emergencies, rate stabilization, capital, or other purposes are not being proposed at this time.

Financial Pro Forma at Current Rates

A pro forma projection at current rates is presented in **Attachment 1**. The District's current water system revenues are insufficient to fund operations and maintenance, capital improvements, and minimum reserve levels. FY 2020-21 budgeted revenues are nearly $485,000 short in covering water system expenditures. If no rate increase process is performed, the drought rates in place will sunset in October 2020 and the Water Fund will run out of money this fiscal year. If a rate increase process is done and the current water rates are maintained, it is projected that the Water Fund would run out of money in FY 2021-22 as indicated on row 40, column E. Therefore, it is necessary to increase water rates at this time to cover necessary water system expenditures.

Proposed Financial Plan

A pro forma projection with the proposed rates is presented in **Attachment 2**. To ensure that the Water Fund will have adequate revenues to fund operating costs and capital expenditures, it is proposed that the OCSD adjust revenues by implementing a phased increase in the rates to meet the Revenue Requirement for Fiscal Year 2020-21 through 2024-25. The base rate would be increased each year per the following schedule (13%, 10%, 10%, 3%, 3%). The variable rate to fund the pass-through costs of the wholesale water supply would be increased 13% in the first year and then adjusted to recover the actual pass through costs each year thereafter. These proposed revenue adjustments would occur upon adoption of the rate ordinance and subsequent annual adjustments with each July billing period. The proposed revenue adjustments would enable the OCSD to fund O&M, complete the planned capital projects, and maintain reserves above the minimum reserve levels.

Rate Design

Proposition 218 (California Constitution Article 13D) states that:

1. A property-related charge (such as water rates) imposed by a public agency on a parcel shall not exceed the funds required to provide the property related service.
2. Revenues derived from the charge shall not be used for any other purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charge.

Proposition 218 ensures that water rates cannot be “arbitrary and capricious”, meaning that the rate setting methodology must be sound and that there must be a nexus between costs and the rate charge. The OCSD ensures that all aspects of Proposition 218 are followed and that it creates rates that charge customers equitably. In order to keep up with the ever-changing legal requirements related to Proposition 218 and case law, the OCSD is making changes to its rate design to ensure compliance with Proposition 218. These include:

1. Elimination of 6 units of water within the bi-monthly base charge.
2. Reducing the number of tiers from 5 to 2.
3. Tying the cost of Tier 1 directly to the wholesale cost of the Lopez water supply.
4. Tying the cost of Tier 2 directly to the wholesale cost of the State water supply.
5. Creating a new residential customer class for Multi-family properties.

For this analysis, consumption and peaking characteristics of customers as well as water supplies of the OCSD were analyzed to appropriately allocate costs between customer classes. O&M expenses and Capital Expenditures are predominantly fixed costs and are the basis for the bi-monthly base charge. To reflect the differing maintenance, peaking, and storage demands of the customer classes, the bi-monthly base charge is allocated between Residential and Non-Residential customer classes. The Residential customer class is further allocated between Single-family (SFR) and Multi-family (MFR) which is 75% of the SFR rate. The Non-

Residential customer class is further allocated based on meter size by historical cost ratio allocation percentages.

The cost of the wholesale water supply for Lopez and State water is the basis for the consumption or volumetric charge. Tier 1 (0-6 CCF) is tied directly to the wholesale cost of the Lopez water supply. Tier 2 (above 6 CCF) is tied directly to the wholesale cost of the State water supply These charges are applied equally to all customer classes.

Water Rate Methodology

The following table breaks down the customer classes by accounts, dwelling/non-residential units, and unit equivalents:

	Accounts	Units	Unit Equivalents
SFR	1,844	1,900	1,900
MFR	207	1,205	904
Non-Residential	148	160	160
Total	**2,199**	**3,265**	**2,964**

The following table shows the bi-monthly base charge calculation for each customer class:

Residential Single Family Residence		FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Bi-Monthly Base Cost		$ 215,419	$ 227,515	$ 246,466	$ 253,110	$ 259,953
less non-rate revenue		($20,455)	($21,068)	($21,701)	($22,352)	($23,022)
Rate Funded Bi-Monthly Base Cost		$ 194,965	$ 206,447	$ 224,765	$ 230,758	$ 236,931
Unit Equivalents		2,964	2,994	3,024	3,054	3,084
Bi-Monthly Base Cost per Unit		$ 65.78	$ 68.96	$ 74.34	$ 75.56	$ 76.82
Bi-Monthly Base Charge per Unit		**$ 60.52**	**$ 66.57**	**$ 73.23**	**$ 75.43**	**$ 77.69**
Reserve addition/reduction per Unit		($5.26)	($2.39)	($1.11)	($0.14)	$0.87
Residential Multi Family Residence (75% of SFR)		$45.39	$49.93	$54.92	$56.57	$58.27
Non-Residential Base Charge	Cost Ratio					
5/8	1.12	$ 67.57	$ 74.33	$ 81.76	$ 84.22	$ 86.74
3/4	1.36	$ 82.28	$ 90.50	$ 99.55	$ 102.54	$ 105.62
1	2.08	$ 125.88	$ 138.47	$ 152.32	$ 156.89	$ 161.59
1-1/2	3.76	$ 227.37	$ 250.10	$ 275.11	$ 283.37	$ 291.87
2	5.84	$ 353.15	$ 388.46	$ 427.31	$ 440.13	$ 453.33
3	9.29	$ 561.95	$ 618.14	$ 679.96	$ 700.36	$ 721.37
4	15.77	$ 954.62	$ 1,050.09	$ 1,155.10	$ 1,189.75	$ 1,225.44
6	24.59	$ 1,488.35	$ 1,637.18	$ 1,800.90	$ 1,854.93	$ 1,910.57

The Residential Single-family base charge is the basis for all calculations and is set below the cost of service as the rate increase is phased in over time. An annual increase of 1% in unit equivalents is assumed as the growth rate. The Multi-family base charge is 75% of the SFR charge and the Non-Residential base charge is set off the SFR charge using the cost ratios for each meter size. Meters that serve multiple residential units from a single meter are charged the Multi-family base charge for each unit. Meters that serve multiple non-residential units from a single meter are charged the non-residential base charge for each unit.

The following table shows the volumetric or consumption charge calculation for Lopez water (Tier 1) and State Water (Tier 2):

	Tier 1 Lopez Water	**Tier 2 State Water**
	(0-6 CCF)	(above 6 CCF)
Annual Cost	$493,997	$1,151,000
Usage in CCF (unit)	131,987	166,535
Cost per CCF (unit)	$3.74	$6.91
Phase In Reduction	($0.44)	($0.44)
FY 2020-21 Rate	$3.30	$6.47

OCSD has a water supply contract with the Flood Control District for 303 acre feet annually from Lopez reservoir. This equates to 131,987 CCF which is used every year. This allotment provides each customer with up to 6 CCF bi-monthly. OCSD also has a water supply contract with the Flood Control District for up to 750 acre feet annually from the State Water Project. The rate for State Water is determined by taking the annual cost of State Water and dividing it by the total annual water sales minus the Lopez water sales (131,987 CCF). This rate is then applied to all usage above 6 CCF. The proposed rates are set below the cost of service for FY 2020-21 in order to phase in the increase. In future years the rates will be set to recover the actual costs by dividing the annual wholesale costs by the annual usage in CCF for each water supply. These wholesale "pass-through" costs are allowed under State law as described in the section below.

Other charges are included in the table, below:

Description	**Charge**
Meter Testing Charge	$150 per test Refunded if meter reads fast
Out of District Administrative Charge	$9.62 per dwelling/non-residential unit
Hydrant Meter Charges	$6.47 per unit of water
Backflow Preventer Inspection Charge	Actual costs from the County for the backflow preventer inspection program will be passed through to those properties with backflow preventers

Attachment 3 shows the combined water rate summary for the five-year period of this Rate Analysis.

Water Rate Comparison

Attachment 4 provides a comparison of the OCSD current and proposed water rates to other Community Services Districts and Cities in the county. The comparison shows the SFR rates at the current average usage of 15 CCF.

Pass-Through Costs

This Rate Analysis also provides for the following adjustments that are allowable in the future under State Laws[1] governing water rate increases.

- An increase (or decrease) that is based on charges for wholesale water charges.
    - An increase or decrease in the annual charges for Lopez Water, as compared to the prior year, will result in an increase or decrease in the volumetric charge of Tier 1.
    - An increase or decrease in the annual charges for the State Water Project, as compared to the prior year, will result in an increase or decrease in the volumetric charge of Tier 2.
- Notices of any adjustments will be provided at least 30 days before the increases will go into effect as required by California Government Code Section 53756.

The adjustments shall not cause water system revenues to exceed the cost of providing water service to the community.

[1] Government Code Section 53755

ATTACHMENT 1

Pro Forma - Current Rates

	A	B	C	D	E	F	G	H
1								
2								
3	**Oceano CSD**	**Rate Increase**	**Supply**	**3%**	**3%**	**3%**	**3%**	**3%**
4			**Base**	**3%**	**3%**	**3%**	**3%**	**3%**
5	**Revenues and Expenses**		Cost Inflation	3%	3%	3%	3%	3%
6								
7								
8	Total Water Sales (CCF)	286,637	298,522	298,522	298,522	298,522	298,522	298,522
9		2018-19 Actual	2019-20 Estimated	2020-21 Budget	2021- 22 Projection	2022-23 Projection	2023-24 Projection	2024-25 Projection
10								
11	Water Sales - Supply	1,155,432	1,269,794	1,280,760	1,319,183	1,358,758	1,399,521	1,441,507
12	Water Sales - Base	984,006	1,022,206	1,049,240	1,080,717	1,113,139	1,146,533	1,180,929
13	System Connection Fees	45,493	50,884	51,639	53,188	54,784	56,427	58,120
14	Delinquent Fees	28,481	27,930	27,000	27,810	28,644	29,504	30,389
15	New Account Setup Fees	2,700	3,240	3,240	3,337	3,437	3,540	3,647
16	Courtesy Notices Fees	4,322	4,329	4,500	4,635	4,774	4,917	5,065
17	Wheeling Fees	22,621	21,525	25,000	25,750	26,523	27,318	28,138
18	Interest	2,370	0	0	0	0	0	0
19	Grant Revenue	104,318	0	0	0	0	0	0
20	Other Revenues	19,978	29,330	11,350	11,691	12,041	12,402	12,775
21	**Total - Revenues**	**2,369,720**	**2,429,238**	**2,452,729**	**2,526,311**	**2,602,100**	**2,680,163**	**2,760,568**
22								
23	Water Supply - Lopez (Pass through)	472,914	462,693	493,997	493,997	493,997	493,997	493,997
24	Water Supply - State (Pass through)	953,953	1,101,264	1,151,000	1,151,000	1,151,000	1,151,000	1,151,000
25	**Source of Supply- Expenses**	**1,426,867**	**1,563,957**	**1,644,997**	**1,644,997**	**1,644,997**	**1,644,997**	**1,644,997**
26								
27	Salaries & Benefits	238,932	267,692	349,858	360,354	371,164	382,299	393,768
28	Admin Allocation	378,606	517,907	555,363	572,024	589,185	606,860	625,066
29	Services & Supplies	223,649	203,911	291,220	299,957	308,955	318,224	327,771
30	Transfers	71,375	34,888	56,075	57,757	59,490	61,275	63,113
31	**O&M- Expenses**	**912,562**	**1,024,398**	**1,252,516**	**1,290,091**	**1,328,794**	**1,368,658**	**1,409,718**
32								
33	CIP Projects - Fixed Assets	267,821	270,057	40,000	75,000	150,000	150,000	150,000
34	**Capital - Expenses**	**267,821**	**270,057**	**40,000**	**75,000**	**150,000**	**150,000**	**150,000**
35								
36	**Total - Expenses**	**2,607,250**	**2,858,412**	**2,937,513**	**3,010,088**	**3,123,791**	**3,163,655**	**3,204,715**
37								
38	Revenues minus Expenses	(237,530)	(429,174)	(484,784)	(483,778)	(521,691)	(483,492)	(444,147)
39								
40	Water Fund Ending Reserve Balance	1,390,488	961,314	476,530	(7,248)	(528,939)	(1,012,430)	(1,456,577)
41								
42	Minimum Reserve Balance (3 months expenses)	651,812	714,603	734,378	752,522	780,948	790,914	801,179

ATTACHMENT 2

Pro Forma - Phased Increase

	A	B	C	D	E	F	G	H
3	**Oceano CSD**	**Rate Increase**	**Supply**	**13%**	**Actual**	**Actual**	**Actual**	**Actual**
4			**Base**	**13%**	**10%**	**10%**	**3%**	**3%**
5	**Revenues and Expenses**		Cost Inflation	3%	3%	3%	3%	3%
6								
7								
8	Total Water Sales (CCF)	286,637	298,522	298,522	298,522	298,522	298,522	298,522
9		2018-19 Actual	2019-20 Estimated	2020-21 Budget	2021- 22 Projection	2022-23 Projection	2023-24 Projection	2024-25 Projection
10								
11	Water Sales - Supply	1,155,432	1,269,794	1,434,867	1,644,997	1,644,997	1,644,997	1,644,997
12	Water Sales - Base	984,006	1,022,206	1,155,093	1,270,602	1,397,663	1,439,592	1,482,780
13	System Connection Fees	45,493	50,884	51,639	53,188	54,784	56,427	58,120
14	Delinquent Fees	28,481	27,930	27,000	27,810	28,644	29,504	30,389
15	New Account Setup Fees	2,700	3,240	3,240	3,337	3,437	3,540	3,647
16	Courtesy Notices Fees	4,322	4,329	4,500	4,635	4,774	4,917	5,065
17	Wheeling Fees	22,621	21,525	25,000	25,750	26,523	27,318	28,138
18	Interest	2,370	0	0	0	0	0	0
19	Grant Revenue	104,318	0	0	0	0	0	0
20	Other Revenues	19,978	29,330	11,350	11,691	12,041	12,402	12,775
21	**Total - Revenues**	**2,369,720**	**2,429,238**	**2,712,689**	**3,042,010**	**3,172,863**	**3,218,699**	**3,265,910**
22								
23	Water Supply - Lopez (Pass through)	472,914	462,693	493,997	493,997	493,997	493,997	493,997
24	Water Supply - State (Pass through)	953,953	1,101,264	1,151,000	1,151,000	1,151,000	1,151,000	1,151,000
25	**Source of Supply- Expenses**	**1,426,867**	**1,563,957**	**1,644,997**	**1,644,997**	**1,644,997**	**1,644,997**	**1,644,997**
26								
27	Salaries & Benefits	238,932	267,692	349,858	360,354	371,164	382,299	393,768
28	Admin Allocation	378,606	517,907	555,363	572,024	589,185	606,860	625,066
29	Services & Supplies	223,649	203,911	291,220	299,957	308,955	318,224	327,771
30	Transfers	71,375	34,888	56,075	57,757	59,490	61,275	63,113
31	**O&M- Expenses**	**912,562**	**1,024,398**	**1,252,516**	**1,290,091**	**1,328,794**	**1,368,658**	**1,409,718**
32								
33	CIP Projects - Fixed Assets	267,821	270,057	40,000	75,000	150,000	150,000	150,000
34	**Capital - Expenses**	**267,821**	**270,057**	**40,000**	**75,000**	**150,000**	**150,000**	**150,000**
35								
36	**Total - Expenses**	**2,607,250**	**2,858,412**	**2,937,513**	**3,010,088**	**3,123,791**	**3,163,655**	**3,204,715**
37								
38	Revenues minus Expenses	(237,530)	(429,174)	(224,824)	31,922	49,072	55,044	61,195
39								
40	Water Fund Ending Reserve Balance	1,390,488	961,314	736,490	768,412	817,483	872,527	933,722
41								
42	Minimum Reserve Balance (3 months expenses)	651,812	714,603	734,378	752,522	780,948	790,914	801,179

ATTACHMENT 3

Oceano Community Services District

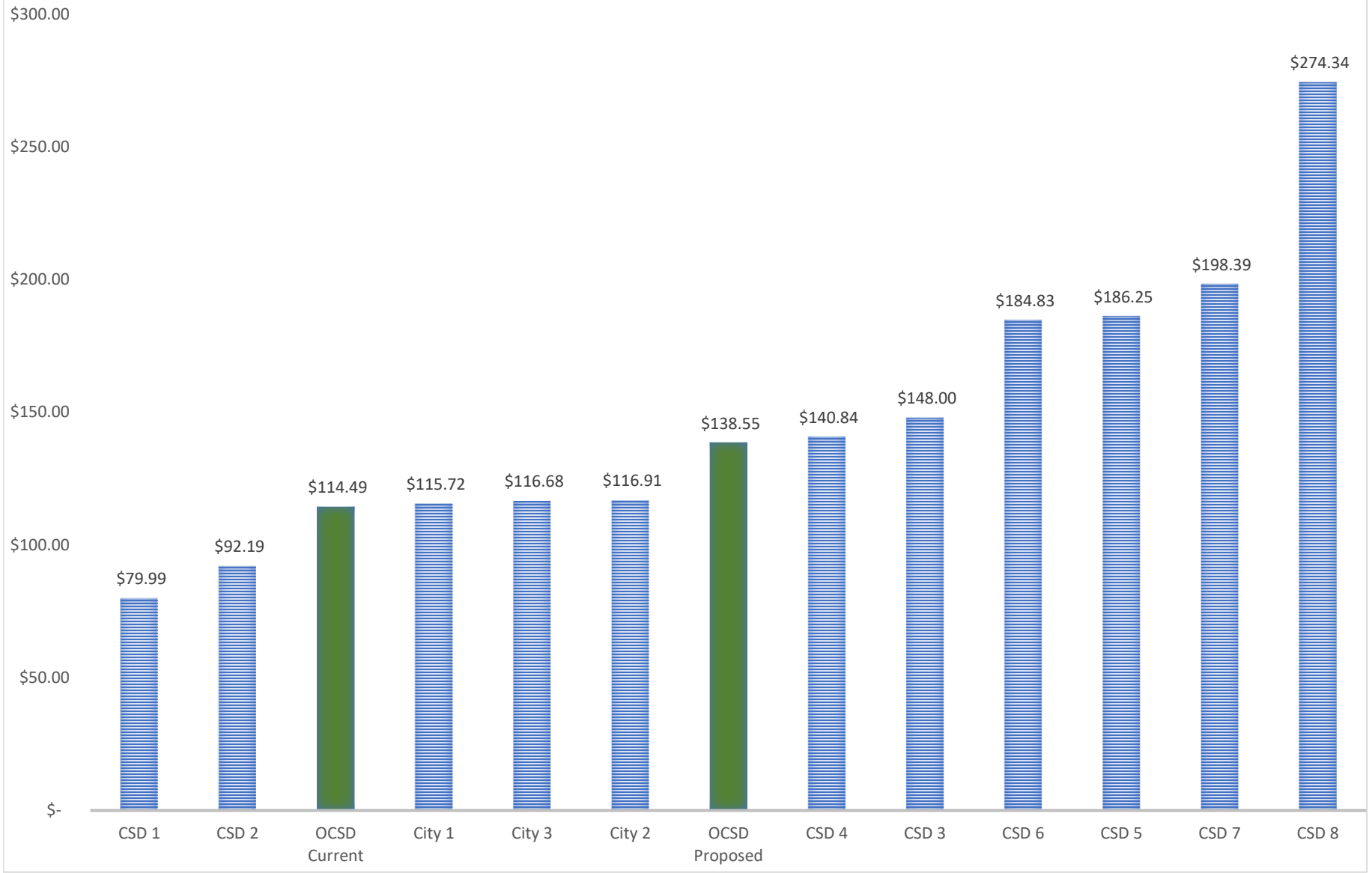
Water Rate Adjustments

Bi-Monthly Rates

	Current	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Single Family Residential Base Charge	$53.56	$60.52	$66.58	$73.23	$75.43	$77.69
Multi Family Residential Base Charge	N/A	$45.39	$49.93	$54.92	$56.57	$58.27
Non-Residential Base Charge						
5/8	$59.80	$67.57	$74.33	$81.76	$84.22	$86.74
3/4	$72.81	$82.28	$90.50	$99.55	$102.54	$105.62
1	$111.40	$125.88	$138.47	$152.32	$156.89	$161.59
1&1/2	$201.21	$227.37	$250.10	$275.11	$283.37	$291.87
2	$312.52	$353.15	$388.46	$427.31	$440.13	$453.33
3	$497.30	$561.95	$618.14	$679.96	$700.36	$721.37
4	$844.80	$954.62	$1,050.09	$1,155.10	$1,189.75	$1,225.44
6	$1,317.12	$1,488.35	$1,637.18	$1,800.90	$1,854.93	$1,910.57
Volume Charges (1 CCF= unit)						
per unit	per unit	per unit	per unit	per unit	per unit	per unit
0-6 units	$1.80	$3.30	Actual	Actual	Actual	Actual
7-12 units	$5.44	$6.47	Actual	Actual	Actual	Actual
13-18 units	$5.83	$6.47	Actual	Actual	Actual	Actual
19-24 units	$6.31	$6.47	Actual	Actual	Actual	Actual
24+ units	$6.54	$6.47	Actual	Actual	Actual	Actual
Other:						
Hydrant Meter	$3.53	$6.47	Actual	Actual	Actual	Actual
Out of Area Charge	$8.51	$9.62	$10.58	$11.64	$11.98	$12.34
Backflow Preventer Inspection	N/A	Pass-through	Pass-through	Pass-through	Pass-through	Pass-through
Meter Test Charge	$40.00	$150.00	$150.00	$150.00	$150.00	$150.00

Actual costs are wholesale pass-through costs for Lopez and State water supplies

ATTACHMENT 4
BI-MONTHLY WATER RATE COMPARISON - (SFR) 15 UNITS



CHAPTER 9 (Updated December 2019)

CAPITAL IMPROVEMENT PROGRAM

This chapter summarizes the District's recommended Capital Improvement Program (CIP) to meet existing and future needs, and to assist the District in the financial planning aspects of implementing the recommended improvements. The improvements are described as first, second, and third priorities. The costs for these improvements are summarized in Table 9.1 and illustrated in Figure 9.1. The 5-year Capital Improvement Program is comprised of all First priority projects, and subsequent projects can be addressed in future CIP planning.

BASIS OF CAPITAL IMPROVEMENT PROJECT COSTS

The CIP costs were developed based on engineering judgment, confirmed bid prices for similar work in the Central Coast area, consultation with vendors and contractors, established budgetary unit prices for the work, and other reliable sources. Hard construction costs are multiplied by a factor of 1.4 to budget and allow for preliminary engineering, engineering, administration, construction management, construction contingency, and inspection costs. **All CIP costs are expressed in Year 2019 (October) dollars, using an ENR Construction Cost Index of 11,326, and will need to be escalated to the year during which the midpoint of construction occurs.**

SUMMARY OF RECOMMENDATIONS AND CAPITAL IMPROVEMENT PROJECTS

The projects are listed in order of necessity.

First priority projects are those considered necessary for correcting existing health and safety deficiencies, such as fire flow and low water service pressures, and are generally recommended to be completed within five years. As part of this Report and recommendations, first priority projects were listed for areas that are significantly deficient in fire flow requirements at the minimum residual pressure of 20 psi.

Second priority projects are those needed to correct lower priority system deficiencies, and anticipated future deficiencies (depending on growth and development) within 1 to 10 years. Given the number of fire flow deficiencies, and understanding the limitations of completing all fire flow related improvements within 5 years, second priority projects also included those areas that have deficient fire flow requirements at the minimum residual pressure of 20 psi, but are operating closer to the required minimums. These projects may also include undersized mains that are nearing the end of their useful life. These older, smaller diameter pipe sizes are more apt to leak or break, which could cause serious consequences if not replaced in a timely manner.

Third priority projects are generally those that that do not present immediate deficiencies, but should be corrected in the future as budgets allow, such as looping dead-end mains, increasing water main sizes when a pipeline's useful life is nearing the end, increasing undersized pipelines to the District’s 8-inch minimum, valve replacements or additions, and other such improvements. The costs of these improvements were estimated as described in the above section, Basis of Capital Improvement Project Costs. While the following proposed projects address system deficiencies, each project and comparable alternatives should be considered prior to design.

In addition to the operational deficiencies noted above, ranking of projects also considered

future County of San Luis Obispo and Caltrans street improvement projects. Higher priority projects that are in areas where development or street improvements projects are planned have been elevated on the priority list in order to minimize excavation in recently repaved streets, or provide service to new developments.

RECOMMENDATIONS

The following is a list of general recommendations to the District:

Un-accounted for Water

The District's un-accounted for water is considered within industry standards, and acceptable. It is recommended, however, that the District document incidental uses such as water used for line flushing, metered construction water, fire flow events, fire department training, and other incidences. This will help further refine the estimates of unaccounted for water that may be the result of inaccurate meters or unauthorized use.

To help reduce un-accounted for water, the District has implemented a meter replacement program to replace all the meters in the system. To this date, over half of the meters have been replaced, and the District is on track to complete the replacements in the next few years. It is recommended that this program continue until all meters have been replaced.

Water Conservation Programs

The District does an excellent job in conserving water, as is portrayed by the relatively low per capita water demands. The District is encouraged to continue promoting water conservation through education and outreach programs, and tiered water rates.

Water Supply

The District previously participated in the State Water Drought Buffer Program to enhance water supply reliability. Reliable delivery of State Water Project water varies from year to year, and the State is currently evaluating options to make delivery more reliable in future years. One such proposal is the Delta Conveyance Project. It is recommended that the District participate in the in the preliminary efforts in support of this project to ensure future reliability and delivery.

Tank Lining and Coating

Over time the linings and coatings on steel tanks breaks down and needs replacement. Regular inspections of the tank and its coatings should be performed by a qualified coating specialist either by diving, or at the next scheduled tank cleaning, to assess the condition of both tanks. The 0.3 MG water storage tank is likely in need of re-coating and re-lining. The Division of Drinking Water (DDW) performed an inspection of both tanks in 2017 for their Sanitary Survey Report, and noted both tanks needed spot-repairs to address external corrosion, particularly on the tank roofs. This should be completed soon to avoid holes forming in the tank due to lack of maintenance.

Tank coatings last 15-20 years or more, and the life can be extended by performing spot-repair work on the tank periodically. Budgeting for tank lining and coating of the 0.3 MG water tank should be anticipated for some time within the next 5-10 years. This therefore has been included as a Priority 1 CIP. Tank lining and coating of the 1.0 MG tank can be deferred with minor spot repairs now, but should be budgeted for in the next 10-15 years or so.

Capital Improvement Projects

This section presents a brief description of recommended first priority capital improvements. The G&T 2004 WMP and the Wallace 2009 WMP Update provided an extensive list of CIPs to address many conditions. Some of these projects have been completed and others were beyond the needs of the District. Table 9.1 summarizes the projects required to meet pressure and fire flow requirements throughout the system, as well as improve the functionality of the operation of the overall system.

Priority 1 Improvements (Orange Figure 9.1)

First priority projects are those considered necessary for correcting existing health and safety deficiencies, such as fire flow and low water service pressures, and are generally recommended to be completed within five years. As part of this Report and recommendations, first priority projects were listed for areas that are deficient in fire flow capacity at the minimum residual pressure of 20 psi. These projects are summarized in Table 9.1 and illustrated in Figure 9.1. The Priority 1 projects listed in table 9.1 are also considered to be the 5-year CIP.

1-1 Cabrillo Hwy (Hwy 1 at 21st St.)
Cabrillo Highway between 19th and 21st St is served by a 2-inch line. This is one of several undersized and dead-end lines that result in fire flows as low as 120 gpm (3,500 gpm required). To provide sufficient fire flow to this area, an 8-inch water line will be required. It will connect to the new water line in 21st Street and extend west to Front Street. This line should be upgraded to the district 8-inch minimum, and connect to the existing fire hydrant near 19th St that is currently fed from the alleyway to the north.

1-2 Cabrillo Hwy and Front Street
A fire hydrant on Front St between Cabrillo Hwy and Nipomo Street is fed by a dead-end line and has low fire flow capacity. To increase the fire flow to this hydrant, the existing dead-end water main in Front street should be extended to the northwest and connect to the proposed Cabrillo Hwy water main described in Project 1-1. An 8-inch looping water main would increase fire flow and eliminate the dead end main in this location.

1-3 22nd Street at Paso Robles Street
There is a gap in the piping network in 22nd Street between Warner St. and Paso Robles St. Approximately 225 feet should be installed in this location to loop the system to allow the District the flexibility to isolate the system more effectively in the event of an outage. An 8-inch looping water main would increase fire flow and eliminate the dead end main in this location. Timing is of the essence since the County of SLO has planned to do a street overlay in the next fiscal year, and installation of the main prior to this project would maintain the integrity of the freshly paved roadway. If this project is not completed in a timely manner, it may need to be re-prioritized to a later date to avoid trenching in a freshly paved street.

1-4 Truman Drive
Fire flows in this area are as low as 500 gpm (2,500 gpm required). Replacing the existing 4-in ACP line in Truman Drive between Norswing Dr and Railroad St will increase the fire flow in this area. There is also a slow leak at the intersection of Truman Drive and Norswing Drive that needs to be addressed along with this project. This is another project that needs to be addressed soon so that it can be completed before the County of SLO street overlay project passes through this area.

1-5 Railroad Street Alley (Truman to Airpark)

Fire flows to The Strand (beach area) were as low as 1,150 gpm at one point (2,500 gpm required), but improvements to the water mains in Air Park Drive and the new 10-inch lagoon crossing at Maui Circle have helped increase these flows. There are still undersized water mains that need to be replaced to allow The Strand area to achieve the full fire flows required. To help remedy these deficiencies, the existing 4-inch and 6-inch lines in the Railroad Street Alley should be upgraded to a 10-inch pipe from Air Park Drive to Truman Street. The portion between Truman Dr. and Pier Ave has already been upgraded to a 10-inch pipe, and upsizing the pipe in this area will allow additional flow to reach Pier Ave, and ultimately increase the fire flow to The Strand area.

1-6 Norswing Drive and Pershing Drive

Fire flows in this area are as low as 500 gpm (2,500 gpm required). Replacing the existing 2-in steel lines in Norswing Drive from Pier Ave to Pershing Drive, and in Pershing Drive from Norswing Drive to Railroad St. will increase the fire flow in this area. This is another project that needs to be addressed soon so that it can be completed before the County of SLO street overlay project passes through this area.

1-7 Strand Way (South of Utah)

South of Utah Avenue the fire flow is as low as 1,600 gpm (2,500 gpm required). Replacing the existing 4-inch lines south of Utah Ave with 8-inch mains will provide sufficient fire flow to this area of the system.

1-8 Laguna Dr Alley (South of Utah)

South of Utah Avenue the fire flow is as low as 1,600 gpm (2,500 gpm required). Replacing the existing 4-inch lines south of Utah Ave with 8-inch mains will provide sufficient fire flow to this area of the system.

1-9 Cabrillo Hwy Alley (at 19th Street)

In this area there are several undersized and dead-end lines that result in fire flows as low as 120 gpm (3,500 gpm required). To provide sufficient fire flow to these areas an 8-inch and 12-inch water main will be required. It will connect the Front St Alley water main to the existing 12-inch main between 19th St and 21st St.

1-10 Utah Ave Alley (between Strand Way and Utah)

The alley between Strand Way and Laguna Drive Alley connects the two water mains with a 3-inch AC pipe. The fire flow in this area is as low as 1,600 gpm (2,500 gpm required). To increase the fire hydrant's capacity and loop the system this main should be upgraded to the district 8-inch minimum along with Projects 1-7 and 1-8.

1-11 Pershing Drive across Hwy 1

From Pershing Dr South 700 feet along Cabrillo Hwy the existing 6-inch dead end line provides only 1100 gpm fire flow (2,500 gpm required) and is a long dead end main. Both of these deficiencies can be solved by connecting the dead-end line to the proposed 10-inch main (Project 1-5) at intersection of Railroad St Alley and Pershing Dr. This will require crossing Caltrans right of way with a steel casing pipe.

1-12 Tank Inspection

The storage capacity at the District's Corp Yard includes a 0.3 MG and a 1.0 MG water storage tank. The District should provide coatings inspection by a qualified diver/coatings inspector, either while tanks are in service, or at the next scheduled

cleaning. The inspection of both tanks should be conducted to assess the need for re-lining and re-coating of the tanks, and recommendations for rust/corrosion repairs to the tank exteriors. This assessment should be done at the following intervals after re-coating and re-lining is completed:

- Year 5: First inspection
- Years 5-15: Every 2-3 years
- Years 15+: Annually

1-13 Tank Re-line and Re-coat

The recommendations from the tank inspection reports should be followed. If spot repairs are needed to extend the life of the tank, those should be addressed immediately. If deferred maintenance is noted, or corrosion is too severe and the tanks need to be re-lined and re-coated, they should be done at separate intervals so both tanks are not out of service at the same time. Spot repairs on both tanks should be done right away, and relining and recoating of the tanks should be completed as funding becomes available.

Priority 2 Projects (Green Figure 9.1)

Second priority projects are those needed to correct lower priority system deficiencies, and anticipated future deficiencies (depending on growth and development) within 1 to 10 years. Given the number of fire flow deficiencies, and understanding the limitations of completing all fire flow related improvements within 5 years, some fire flow improvement projects are included as Priority 2 projects instead of Priority 1 projects. Completion of these projects should take place as soon as funding becomes available. These projects are summarized in Table 9.1 and illustrated in Figure 9.1.

2-1 Pier Avenue

Fire flows to The Strand (beach area) were as low as 1,150 gpm at one point (2,500 gpm required), but improvements to the water mains in Air Park Drive and the new 10-inch lagoon crossing at Maui Circle have helped increase these flows. There are still undersized 6-inch water mains in Pier Avenue that need to be replaced to allow The Strand area to achieve the fire flows required. To help remedy these deficiencies, the existing 6-inch lines in Pier Avenue from Air Park Dr to Railroad Street Alley should be upgraded to a 10-inch pipe. The portion in the existing 80-foot bridge crossing has already been upgraded to a 10-inch pipe.

2-2 Norswing Drive Loop (North of Pier)

The Norswing alley main that provides service to the area north of Pier Ave is a 1,050-foot long dead-end main. Fire flow at the north end of the Norswing Drive Alley is approximately 740 gpm (2,500 gpm required). Replacing the existing 4-inch line from Coolidge Dr to Harding Dr with an 8-inch main will provide sufficient fire flow, while water quality and reliability of service to this area can be improved by installing a new 8-inch line looping the main back to Pier Ave in Norswing Dr.

2-3 Railroad Street (Creek Rd. to 17th St.)

Fire flow provided by the existing waterline at Sand Dollar Ave and Creek Rd is 2,200 gpm (3,500 gpm required) and it is a dead-end line. To increase the fire flow in this area, the only way to address the issue is to connect the system on the west side of the railroad tracks to the system on the east side of the tracks. Currently the only connections across the railroad tracks are at Air Park Drive. If the crossings in this location were ever compromised, there would be no way to get water to the western

portions of the distribution system. Installing another water main across the railroad tracks on the southern end of the system would provide an added measure of security to the operational functionality of the system. To address this deficiency, a new 8-inch water main should be installed in a new steel casing pipe under the UPRR right of way in Railroad Street.

2-4 Creek Road (Sand Dollar to Railroad St)
Fire flow provided by the existing waterline at Sand Dollar Ave and Creek Rd is 2,200 gpm (3,500 gpm required) and it is a dead-end line. To increase the fire flow in this area, the only way to address the issue is to connect the system on the west side of the railroad tracks to the system on the east side of the tracks. Once the connection in Railroad St is completed (Project 2-3), a new water main can be installed in Creek Rd from Sand Dollar to Railroad St to address the fire flow deficiencies and provide a benefit to the entire system by looping the piping network.

2-5 16th Street and Warner Street
Existing fire flows in this area are as low as 1000 gpm (2,500 gpm required). Replacing the existing 2-inch, 4-inch, and 6-inch lines in the area with 8-inch mains will provide sufficient fire flow to the area.

2-6 14th Street at Wilmar Ave
The existing waterline between Wilmar Ave and Rice St is only a 2-inch line limiting the fire flow to 1650 gpm (2,500 gpm required). Upgrading the existing 2-inch line to an 8-inch main will provide sufficient fire flow to the area.

2-7 Vista Street (19th St to 21st St)
Vista St is provided service by a 2-inch line between 19th St. and 21st St. This line should be upgraded to the district 8-inch minimum to provide additional fire flow.

2-8 Warner Street (19th to 21st)
Warner St is provided service by a 2-inch line between 19th St. and 21st St. This line should be upgraded to the district 8-inch minimum to provide additional fire flow.

2-9 South 4th Street Upgrade
There is a 200-foot 2-inch dead end line located in S 4th St, just past the UPPR and Highway 1 crossing at Air Park Drive. This line should be upgraded to the district 8-inch minimum to eliminate the old undersized steel main, and prevent a future leak or break in the main.

2-10 Temple St and Halcyon Rd
There is currently a 2,300 lf long dead-end reach of pipe on the eastern end of the District's system that serves several homes near Halcyon Rd. The pipe is sized properly for fire flow, but it is a dead end main in the system. Extending this pipe to the intersection of Halcyon Rd and The Pike would allow the District to serve new and existing developments along Halcyon Rd, and could also provide an interconnect with the City of Arroyo Grande for emergency conditions if ever needed. Although there is not an immediate need for this main, the long term returns for the District are beneficial.

2-11 Jetty Ave Alley (Palace Ave. to Fountain Ave.)
Currently there are dead end mains at both these streets and both have fire flow deficiencies. Connecting the two with an 8-inch line will provide a loop, allow sufficient fire flow, and greatly reduce the length of dead-end mains.

Priority 3 Projects (Blue Figure 9.1)

Priority 3 projects are generally those that do not pose any immediate concern to the operation of the system, but would benefit the longevity and life expectancy of the system as a whole. There are several un-looped water mains and dead ends in the system. If these lines can be looped it would benefit water quality and reliability of service. Also, replacing any existing 2-inch, 3-inch, and 4-inch lines with 8-inch mains would be beneficial to the fire flow capabilities of the system. Some of these projects will rely on outside parties to complete, and therefore have been placed as a lower priority on the overall list. These projects are summarized in Table 9.1 and illustrated in Figure 9.1.

3-1 La Verne Ave. (Between 22nd St. and 23rd St.)
La Verne Ave. service is provided by a 4-inch main. The 4-inch line should be upgraded to the District 8-inch minimum.

3-2 23rd Street (Between Wilmar Ave. and Tamera Dr.)
There is a short reach of 4-inch water line in 23rd St, just north of Wilmar Ave. that should be upgraded to the District 8-inch minimum size pipe.

3-3 18th Street at Wilmar Ave.
The water main in 18th Street is a dead-end main right near the intersection of Wilmar Avenue. The existing 4-inch piping was never connected to the water main in Wilmar Avenue. Connecting these water mains would provide a looping system in this area, providing increased pressure and fire flows to this area. Upsizing the water main from 4-inches to the District's 8-inch minimum would also provide a benefit to the system.

3-4 Laguna Drive Alley (from Utah Ave. to Juanita Ave.)
The Strand is fed by an 8-inch water main, with a 4-inch loop around the alley that connects back to Juanita Ave. Existing fire flows on Laguna Alley are as low as 2,200 gpm (2,500 gpm required). To provide better fire flow, looping capabilities, and to meet the District's pipe sizing minimum; an 8-inch water main should be installed to replace the old main in this location. In conjunction with Projects 1-7, 1-8, 1-10, and 3-5, this will provide a more robust system that gives operational flexibility to the District in this area.

3-5 Utah Ave Alley (Between York and Utah)
The alley between York Ave and Utah Ave is provided service by a 3-inch main. This pipeline should be upgraded to the District 8-inch minimum.

3-6 Rochelle Way Loop
Rochelle Way is provided service by a 370-foot dead-end 6-inch main. To improve water quality this main should be connected to the nearby 8-inch main if it is possible to obtain an easement.

3-7 Security Ct at Sunset Lane
Security Ct service is provided by a 2-inch dead end line. The 2-inch line should be upgraded to the district 8-inch minimum.

3-8 21st Street at River Ave
The dead-end waterline on River Ave provides fire flows of 2,680 gpm (3,500 gpm required). By looping the system with an 8-inch line running north along 21st St to Nipomo St, sufficient fire flow will be provided and the dead-end line will be eliminated.

3-9 La Vista Ct at The Pike

Existing fire flows are approximately 490 gpm (1,000 gpm required). To provide sufficient fire flow the existing 4-inch dead-end line should be upgraded to an 8-inch main. Although this area is served by the District, the homes on this street are actually in the City of Arroyo Grande. Funding for upgrading these mains may need to come from the City.

3-10 Lancaster Drive at The Pike

Existing fire flows on Lancaster Dr are as low as 750 gpm (1000 gpm required). To provide sufficient fire flow the existing 4-inch main should be upgraded to an 8-inch. Although this area is served by the District, the homes on this street are actually in the City of Arroyo Grande. Funding for upgrading these mains may need to come from the City.

3-11 Trinidad Drive at Martinique

Existing fire flows are approximately 1,700 gpm (2,500 gpm required). To provide sufficient fire flow the existing 4-inch line along Trinidad Dr should be upgraded to an 8-inch main. This main, along with others on Antigua Drive, Barbados Street, and Tobago Street are all undersized per District standards, but are actually owned by the Cienega Seabreeze development so minimum District sizing does not necessarily apply. As a good rule of practice though, these 4-inch and 6-inch ACP water mains should be upsized in the future when their service life has been reached.

Other Projects

While it is not hydraulically necessary to upgrade all of the distribution system's 4-inch lines to the District's new 8-inch standard, it is recommended that they be replaced if the budget is available, or at least upsized in the future when they reach the end of their serviceable life. Replacement of these 4-inch lines offers the further benefit of replacing old piping, improving looping, and providing better water quality and reliability.

Table 9.1 – Capital Improvement Projects List

Project No.	Description	Priority	Existing (in.)	Proposed (in.)	Length (lf)	Unit Cost	Construction Cost	Soft Cost	Total Cost
1-1	Cabrillo Hwy (Hwy 1 at 21st St.)	1	2	8	650	$150	$97,500	$39,000	$136,500
1-2	Cabrillo Hwy and Front St	1	-	8	400	$150	$60,000	$24,000	$84,000
1-3	22nd Street at Paso Robles St	1	-	8	225	$150	$33,750	$13,500	$47,250
1-4	Truman Dr	1	4	8	250	$140	$35,000	$14,000	$49,000
1-5	Railroad St Alley (Truman to Air Park)	1	4,6	10	1000	$140	$140,000	$56,000	$196,000
1-6	Norswing Dr & Pershing	1	1,2	8	900	$140	$126,000	$50,400	$176,400
1-7	Strand Way (South of Utah)	1	4	8	235	$150	$35,250	$14,100	$49,350
1-8	Laguna Dr Alley (South of Utah)	1	4	8	130	$150	$19,500	$7,800	$27,300
1-9	Cabrillo Hwy Alley (at 19th St)	1	2,4	8	700	$140	$98,000	$39,200	$137,200
1-10	Utah Ave Alley (Strand Way to Utah)	1	3	8	195	$140	$27,300	$10,920	$38,220
1-11	Pershing Dr across Hwy 1	1	-	8	200	$150	$30,000	$12,000	$42,000
1-12	Tank Inspections	1	-	-	-	-	$6,500	$2,600	$9,100
1-13	Tank Re-lining and Re-coating	1	-	-	-	-	$180,000	$72,000	$252,000
2-1	Pier Ave (Lakeside to Hwy 1)	2	6	10	1140	$140	$159,600	$63,840	$223,440
2-2	Norswing Dr Loop (North of Pier)	2	4,-	8	1750	$140	$245,000	$98,000	$343,000
2-3	Railroad Street (Creek to 17th)	2	-	8	650	$250	$162,500	$65,000	$227,500
2-4	Creek Road (Sand Dollar to Railroad)	2	-	8	480	$140	$67,200	$26,880	$94,080
2-5	16th St at Warner St.	2	2,4,6	8	940	$140	$131,600	$52,640	$184,240
2-6	14th St at Wilmar Ave.	2	2	8	380	$140	$53,200	$21,280	$74,480
2-7	Vista St (19th to 21st)	2	2	8	480	$140	$67,200	$26,880	$94,080
2-8	Warner St (19th to 21st)	2	2	8	480	$140	$67,200	$26,880	$94,080
2-9	South 4th St Upgrade	2	2	8	200	$150	$30,000	$12,000	$42,000
2-10	Temple St and Halcyon Rd	2	-	12	1075	$175	$188,125	$75,250	$263,375
2-11	Jetty Ave Alley (Palace to Fountain)	2	-	8	650	$150	$97,500	$39,000	$136,500
3-1	La Verne Avenue (22nd to 23rd)	3	4	8	500	$140	$70,000	$28,000	$98,000
3-2	23rd Street at Wilmar Ave.	3	4	8	300	$150	$45,000	$18,000	$63,000
3-3	18th St at Wilmar Ave.	3	4	8	40	$250	$10,000	$4,000	$14,000
3-4	Laguna Dr Alley (Utah to Juanita)	3	4	8	1195	$150	$179,250	$71,700	$250,950
3-5	Utah Ave Alley (York to Utah)	3	3	8	195	$140	$27,300	$10,920	$38,220
3-6	Rochelle Way Loop	3	-	8	200	$200	$40,000	$16,000	$56,000
3-7	Security Ct at Sunset Ln	3	2	8	280	$140	$39,200	$15,680	$54,880
3-8	21st St at River Ave.	3	-	8	690	$130	$89,700	$35,880	$125,580
3-9	La Vista Ct at The Pike	3	4	8	425	$140	$59,500	$23,800	$83,300
3-10	Lancaster Dr at The Pike	3	4	8	1150	$140	$161,000	$64,400	$225,400
3-11	Trinidad Dr at Martinique	3	4	8	300	$130	$39,000	$15,600	$54,600
Subtotal	Priority 1 (Orange)	1	-	-	4885	-	$888,800	$355,520	$1,244,320
Subtotal	Priority 2 (Green)	2	-	-	8225	-	$1,269,125	$507,650	$1,776,775
Subtotal	Priority 3 (Blue)	3	-	-	5275	-	$759,950	$303,980	$1,063,930
Total		**-**	**-**	**-**	**18385**	**-**	**$2,917,875**	**$1,167,150**	**$4,085,025**

CAPITAL IMPROVEMENT PROJECTS LIST

Project Number	Description	Priority	Existing (in)	Proposed (in)	Length (ft)
1-1	Cabrillo Hwy (Hwy 1 at 21st St.)	1	2	8	650
1-2	Cabrillo Hwy and Front St	1	-	8	400
1-3	22nd Street at Paso Robles St	1	-	8	225
1-4	Truman Dr	1	4	8	250
1-5	Railroad St Alley (Truman to Air Park)	1	4,6	10	1000
1-6	Norswing Dr & Pershing	1	1,2	8	900
1-7	Strand Way (South of Utah)	1	4	8	235
1-8	Laguna Dr Alley (South of Utah)	1	4	8	130
1-9	Cabrillo Hwy Alley (at 19th St)	1	2,4	8	700
1-10	Utah Ave Alleys (Strand Way to Laguna Alley)	1	3	8	195
1-11	Pershing across Hwy 1	1	-	8	200
1-12	Tank Inspections	1			-
1-13	Tank Re-linging and Re-coating	1	-	-	-
2-1	Pier Ave (Lakeside to Hwy 1)	2	6	10	1140
2-2	Norswing Dr Loop (North of Pier)	2	4,-	8	1750
2-3	Railroad Street (Creek to 17th)	2	-	8	650
2-4	Creek Road (Sand Dollar to Railroad)	2	-	8	480
2-5	16th St at Warner St.	2	2,4,6	8	940

Project Number	Description	Priority	Existing (in)	Proposed (in)	Length (ft)
2-6	14th Street at Wilmar Ave	2	2	8	380
2-7	Vista St (19th to 21st)	2	2	8	480
2-8	Warner St (19th to 21st)	2	2	8	480
2-9	South 4th St Upgrade	2	2	8	200
2-10	Temple St and Halcyon Rd	2	-	12	1075
2-11	Jetty Ave Alley (Palace to Fountain)	2	-	8	650
3-1	La Verne Avenue (22nd to 23rd)	3	4	8	500
3-2	23rd Street at Wilmar Ave.	3	4	8	300
3-3	18th Street at Wilmar Ave.	3	4	8	40
3-4	Laguna Dr Alley (Utah to Juanita)	3	4	8	1195
3-5	Utah Ave Alleys (Strand Way to Laguna Alley)	3	3	8	195
3-6	Rochelle Way Loop	3	-	8	200
3-7	Security Ct at Sunset Ln	3	2	8	280
3-8	21st St at River Ave.	3	-	8	690
3-9	La Vista Ct at The Pike	3	4	8	425
3-10	Lancaster Dr at The Pike	3	4	8	1150
3-11	Trinidad Dr at Martinique	3	4	8	300

LEGEND

- 2"
- 3"
- 4"
- 6"
- 8"
- 10"
- 12"
- PRIORITY 1
- PRIORITY 2
- PRIORITY 3
- PRESSURE VESSEL
- WATER WELL
- WATER TANK
- WHARF HYDRANT

1 INCH = 400 FEET

REV. NO	DATE	REVISED	CKD./APRD BY
		DESTROY ALL PRINTS BEARING EARLIER DATE	

Cannon
1050 Southwood Drive
San Luis Obispo, CA 93401
P 805.544.1407 F 805.544.3863

DATE 11/06/2019
SCALE 1" = 400'
CA JOB NO. 171019
DRAWN BY AJS
CHECKED BY

OCEANO COMMUNITY SERVICES DISTRICT
WATER DISTRIBUTION SYSTEM
CAPITAL IMPROVEMENT PROJECT LOCATIONS
OCEANO, CALIFORNIA

SHEET 1 OF 1

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Attachment - Rate Analysis