

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works		(2) MEETING DATE October 26, 2004		(3) CONTACT/PHONE Paavo Ogren, Deputy Director of Public Works (805) 781-5291	
(4) SUBJECT Review and Consideration of Water Supply, Infrastructure, and Rate Policies for County Service Area No. 10A (Cayucos)					
(5) SUMMARY OF REQUEST CSA No. 10A provides water to customers in the southern portion of the community. Policies covering the CSA 10A water supply, system infrastructure, and rates and charges, as well as policies on commercial and residential will-serve letters have been going through extensive analysis and review over recent months, and on some issues, over the past several years. A general overview of these issues was presented to your Board on May 18, 2004, and your Board's additional consideration at this time is warranted to provide staff with direction on future efforts.					
(6) RECOMMENDED ACTION That your honorable Board: 1. Approve the water supply policies in Exhibit "A." 2. Approve infrastructure policies in Exhibit "B." 3. Approve water rate policies in Exhibit "C." 4. Authorize the Director of Public Works to issue a conditional will-serve letter for commercial uses for APN 064-263-036.					
(7) FUNDING SOURCE(S) CSA 10A – Fund 0675		(8) CURRENT YEAR COST Approx. \$400,000		(9) ANNUAL COST Approx. \$400,000	
(10) BUDGETED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): Town hall meetings were conducted for CSA 10A constituents, Cayucos Citizens Advisory Council, City of San Luis Obispo, and the Cayucos Area Water Organization					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) 2nd			(14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A		
(15) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(16) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A		
(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input type="checkbox"/> N/A			(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A		

Reference: 04OCT26-BB-1

L:\MANAGMNT\OCT04\BOS\POLICIES 102604 V2-CVRfinal.DOC

(19) ADMINISTRATIVE OFFICE REVIEW
-----------------------------------

**TO: Board of Supervisors**

**FROM: Paavo A. Ogren, Deputy Director of Public Works – Administration**

**VIA: Noel King, Director of Public Works**

**DATE: October 26, 2004**

**SUBJECT: Review and Consideration of Supplemental Water, Infrastructure, and Rate Policies for County Service Area No. 10A (Cayucos)**

### **Recommendations**

That your honorable Board:

1. Approve the supplemental water policies in Exhibit "A."
2. Approve infrastructure policies in Exhibit "B."
3. Approve water rate policies in Exhibit "C."
4. Authorize the Director of Public Works to issue a conditional will-serve letter for commercial uses for APN 064-263-036.

### **Discussion**

County Service Area No. 10, Zone A (CSA 10A) provides water service to customers in the southern portion of the community of Cayucos as shown in the attached vicinity map. Over the past two years, the Public Works Department has prepared a water system master plan, and a corresponding financial plan, for the purpose of developing policy recommendations for your Board to consider. Several presentations have been made in community meetings, and many other meetings have been attended by staff to address questions on the issues. Those meetings have included detailed review with representatives of the Cayucos Citizens Advisory Council. On May 18, 2004, staff made a brief overview presentation to your Board, at which time you directed that we continue detailed efforts with the community and that we then reply back to your Board, which has resulted in the attached policy recommendations.

The timing of the overall efforts has been developed to generally coincide with the timing of decisions relating to the Nacimiento water project. In addition, the community will be voting during the November 2, 2004 general election on whether to create a Community Services District (CSD), which would take over the services of CSA 10A – as well as certain other public services – if the election results in the creation of a CSD. The policy decisions recommended at this time are important for your Board to consider so that the community understands the direction of CSA 10A if the CSD is not created. Policies relating to infrastructure (Exhibit “B”) and rates (Exhibit “C”) have reached a consensus with community representatives. Policies relating to the “quantity recommendation” on Nacimiento Water (a component of Exhibit “A”) had not reached consensus when these agenda materials were prepared.

#### Exhibit “A” – Water Supply Recommendations

CSA 10A has been operating under a resolution, adopted by your Board on March 11, 1993, which identified a “water supply emergency” and restricted the issuance of new will-serve letters to new development. Since that time, staff has been working with representatives of the other two purveyors in Cayucos (collectively known as the Cayucos Area Water Organizations, or, CAWO) in evaluating current and projected water supply demands. Those efforts provided input relating to the preparation of the Nacimiento Water Project Environmental Impact Report, and the inclusion of the community in that project’s planning efforts. Whether the community actually participates in the Nacimiento project will depend on several actions, the first of which are the Exhibit “A” policy recommendations.

Consensus was reached with community representatives that if CSA 10A participates in Nacimiento, that the cost of doing so will be borne by new development to the full extent allowed by law. Several approaches to allocating those costs to new development exist under law, and have been generally reviewed at community meetings. The alternative that solely rests within your Board’s discretion is the adoption of connections fees applicable to new development.

Connection fees have in fact been collected since 1993 to establish financial reserves for supplemental water, and currently total about \$150,000. These existing reserves are sufficient to cover project costs for the next four to five years, without any new development. Based on an average of six new homes per year (the actual average over the past five years has been 5.6), then the financial risks of project participation for existing customers and rate payers would be very low over the next 15 year period. Likewise, a decision to not participate in the project would also avoid financial risks over a similar period. After the 15 year period, however, the lack of supplemental water may prove to be a greater financial burden to the community because the “new” development in that 15 year period will not have paid for supplemental water as part of their connection fees. In other words, that source of revenue will have become a lost opportunity. In addition, a decision to participate in Nacimiento at that time will undoubtedly result in significantly greater costs.

The current recommendation that CSA 10A participate in Nacimiento for a quantity of 38 acre feet per year is based on a technical review that has included several steps, including the previously noted community review and historical efforts of CAWO. With 38 acre feet of supplemental water, the total supply will be 228 acre feet annually (including the existing 190 acre foot annual allocation from Whale Rock). The supply per single family home, including provisions for system-wide water losses (leaks, fire hydrants, etc...), is 0.23 acre feet per year. This amount means that every acre-foot of supply provides water for 4.35 homes.

At your May 18 Board hearing, a tentative recommendation of 50 acre feet was provided based on an evaluation of a long term potential need of 63 acre feet of supplemental water. Analysis leading up to the May 18<sup>th</sup> hearing had been criticized for several reasons. Although we believe we have been properly coordinating public involvement during (and not after) performing our analysis, much of the controversy seems to involve our process of stepping through general analysis and into detailed analysis. Our analysis since May 18<sup>th</sup> has been extensive, and in our opinion, conclusive. A technical overview of that analysis will be provided by engineering staff during the Board hearing (see Attachment "A" for additional information). Our presentation will include discussion of 1) the critical assumptions incorporated into the analysis, and 2) the sensitivity of conclusions if assumptions regarding the future are changed in the analysis.

In summary, the recommendations to participate for 38 acre feet per year of supplemental water through contracts for Nacimiento and a Whale Rock 'exchange' with San Luis Obispo (while pursuing a right to exchange up to 80 acre feet of Whale Rock water after 2015) reflect the refined analysis prepared since your May 18<sup>th</sup> hearing. The lower amount provides a prudent supply including a 10% planning cushion. The higher amount would enable CSA 10A to accommodate significant changes in demographics and conversion of part-time to full-time residential uses as they occur over the long-term. The recommendations have also been prepared weighing financial impacts and risks with the need to assure sufficient long-term water resources for CSA 10A constituents. Analysis that illustrates variances in estimated long term demand is summarized in Attachment "A-3".

#### Exhibit "B" – Infrastructure Improvements

The CSA 10A Water System Master Plan, prepared in 2003, includes eight projects totaling approximately \$3.4 million. Working with community representatives has resulted in a consensus to pursue design and other pre-construction efforts for three projects over the next four to five year period, with a 3.25% annual rate increase for four years to cover those costs. At the end of the five year period, obtaining a loan to cover construction costs will be specifically based on construction bids received at that time with a rate adjustment specifically calculated on those costs. The benefit of this approach addresses a) community concerns over the current infrastructure estimates, which they thought may be too high, while b) also phasing in rate impacts over time.

Exhibit “B” lists the projects identified in the master plan that will be pursued if approved by your Board.

### Exhibit “C” – Water Rate Policies

The water rate policies have been prepared based on the recommendations of supplemental water (Exhibit “A”); infrastructure improvements (Exhibit “B”); the need to cover inflationary costs on operating and maintaining the CSA 10A system; and the desire to improve long-term accountability of tracking performance in comparison to policy direction. The County’s current implementation of the Enterprise Financial System (EFS) provides us the ability to improve accountability and promote performance by, among other benefits, allowing us to establish separate funds for operations and maintenance efforts, capital project efforts, and supplemental water costs.

### Authorization to Issue Commercial Will Serve Letter (APN 064-263-036)

As noted above, your Board acted in 1993 to restrict the issuance of water will-serve letters. That action provided direction for residential uses primarily, and requires staff to bring specific items involving commercial requests to your Board. As a result, your Board’s authorization to issue a will-serve letter for the sole outstanding commercial request is needed. Overall, our recent analysis indicates that the existing 190 acre foot allocation from Whale Rock is sufficient to meet the needs of those who are on the existing residential waiting list (created as a result of the 1993 resolution). Exhibit “A” includes the general policy direction that we work with Planning Department staff to update will-serve policies for future Board consideration. Attachment “A-1” indicates that total commercial uses in CSA 10A will essentially be insignificant over the long-term. The commercial use for APN 064-263-036 would utilize approximately two acre feet of water per year, can be accommodated within existing supplies, and would be subject to all standard conditions, review, and final approval requirements.

### **Other Agency Involvement/Impact**

Town hall meetings were conducted for CSA 10A constituents on October 23, 2003 and April 22, 2004. A presentation to the Cayucos Citizens Advisory Council was made on September 1, 2004. Numerous other community meetings were attended to address questions and concerns, including detailed technical review with representatives of the Cayucos Citizens Advisory Council. CSA 10A’s participation in the Nacimiento project will depend on a water exchange with the City of San Luis Obispo. Recommendations in Exhibit “A” regarding supplemental water also support cooperation with other water purveyors in the community - to coordinate their requests for Nacimiento water (if any) - consistent with our historical cooperative efforts with CAWO.

## **Financial Considerations**

CSA 10A's costs to participate in Nacimiento are estimated at \$55,000 per year beginning in 2008 and are intended to be substantially offset by increasing connection fees charged to new development - which would increase from \$2,230 to \$8,100. A 2.75% inflation adjustment for operations and maintenance, and a 3.25% annual adjustment for four years is recommended for infrastructure improvements.

## **Results**

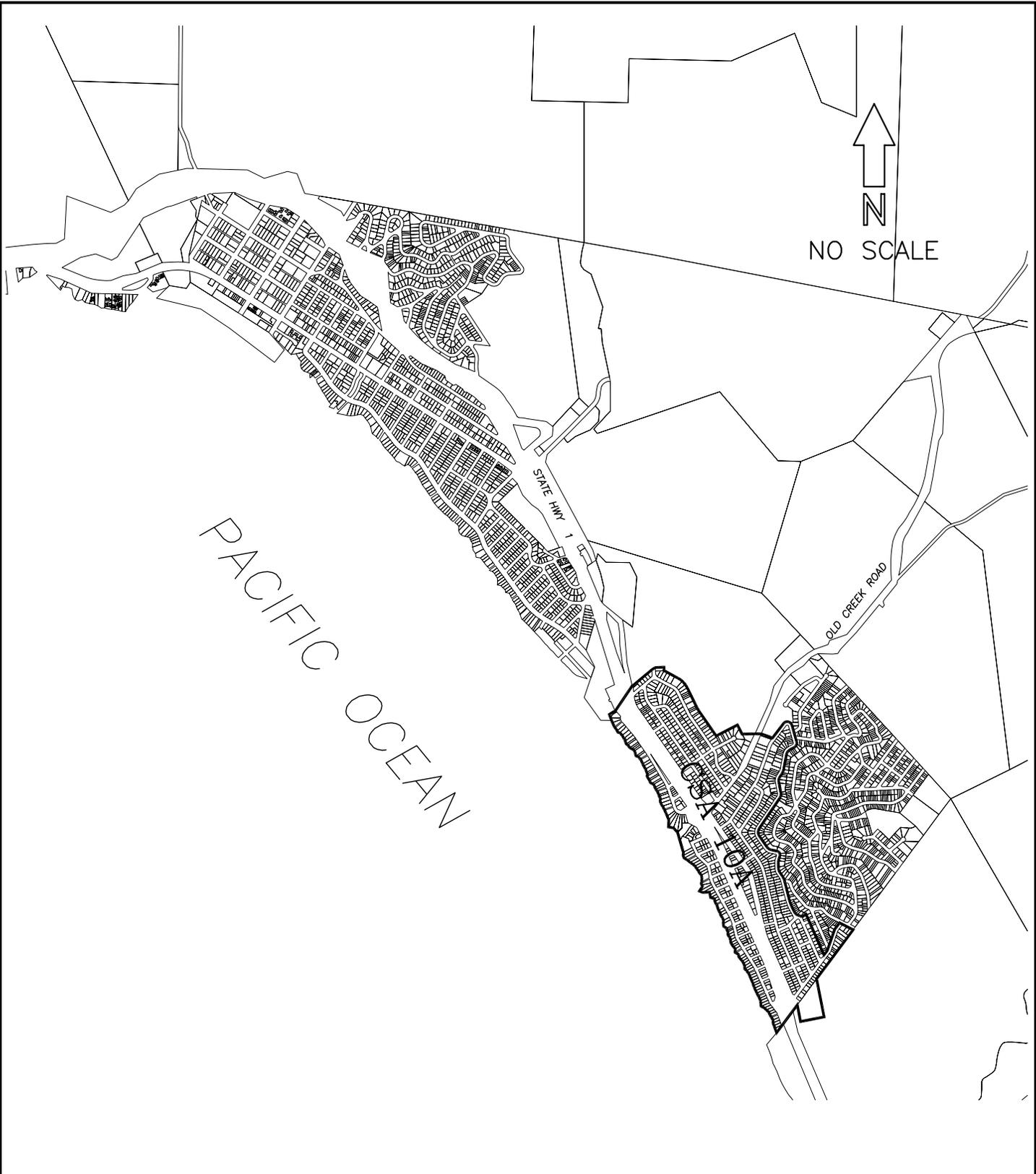
The results of your Board's review of supplemental water options for CSA 10A will be to establish policy direction. That policy direction is important so that staff can take future steps in an efficient manner – thereby promoting well-governed communities – and so that voters understand the direction of CSA 10A if the County continues to be responsible for its services.

Attachments:           Vicinity Map  
                              Exhibit A Supplemental Water Policies  
                              Exhibit B Infrastructure Policies  
                              Exhibit C Water Rate Policies  
                              Table of Contents – Other Attachments

File:   CF 320.420.02 Districts/CSA 10A

Reference:   04OCT26-BB-1

L:\MANAGMNT\OCT04\BOS\policies 102604 v2.doc.LND:PAO



VICINITY MAP

TOWN OF CAYUCOS

COUNTY OF SAN LUIS OBISPO, CA.  
PUBLIC WORKS DEPARTMENT

Exhibit "A"

County Service Area No. 10, Zone A (CSA 10A)  
Supplemental Water Policies  
October 26, 2004

1. The capital costs, including debt service, incurred by CSA 10A as a result of participating in the Nacimiento Water Project shall be included in the connection fees charged to new development, in accordance with applicable law.
2. Reserves that have been established for Nacimiento as a result of prior connection fees will be utilized for "rate stabilization" purposes. The Nacimiento reserves and connection fee revenues shall be separately accounted for so that the capital and debt costs for Nacimiento are paid from existing Nacimiento reserves and new connection fees before utilizing any other CSA 10A source of funding.
3. Staff is directed to carry-out efforts to develop water entitlement contracts so that CSA 10A can participate in the Nacimiento Water Project with a quantity of water equal to 38 acre feet per year.
4. Staff is directed to carry-out efforts to secure an exchange of Whale Rock water for Nacimiento for an amount of 38 acre feet per year, with an option to increase that amount up to 80 acre feet per year after 2015.
5. Staff is directed to coordinate community wide requests for Nacimiento water and Whale Rock exchanges with other water purveying entities in Cayucos, provided that those entities are included in the Nacimiento Project Environmental Impact Report, certified on January 6, 2004, and provided that those entities pay 100% of the costs associated with their requests.
6. Public Works staff is directed to work with the staff of the Department of Planning and Building to return to the Board with updated water will serve policies for CSA 10A.

Exhibit "B"

County Service Area No. 10, Zone A (CSA 10A)  
Infrastructure Policies  
October 26, 2004

1. Staff is directed to initiate the design and pre-construction efforts on the following projects listed in the 2003 CSA 10A Master Water Plan:
  - a. One (1) Storage Tank
  - b. Upsize Gilbert Avenue 4'-6" waterline with 8" waterline
  - c. Upsize Shearer Avenue 4" waterline with 8" waterline
2. The cost of the design and pre-construction efforts for the projects identified in #1, above, will be paid from water rates charged to customers based on 3.25% annual increases over 4 years commencing in 2005.
3. The cost of the construction efforts for the projects identified in #1 above will be based on actual construction bids and funded through construction loans (targeted for fiscal year 2008-09). The repayment of those construction loans will be made from the rate increases identified in #2, above, combined with a final rate adjustment to be calculated based on the actual loan payments required for the construction loan.

Exhibit "C"  
County Service Area No. 10, Zone A (CSA 10A)  
Rate Policies  
October 26, 2004

1. Staff is directed to return to the Board with an Ordinance to increase water rates by 2.75% annually to cover inflationary costs of operating and maintaining the water supply system.
2. Staff is directed to return to the Board with an Ordinance to increase water rates by 3.25% annually for four years, commencing in 2005 to cover design and pre-construction costs of the infrastructure capital projects identified in Exhibit "B."
3. Staff is directed to return to the Board with an Ordinance increasing connection fees for new development to \$8,100 for a single family equivalent dwelling unit and equivalents. Of this amount, \$6,600 is based on the estimated costs of Nacimiento Water and the corresponding connection fee revenues shall be dedicated to the costs of the Nacimiento Water Project; the remaining \$1,500 is based on the cost of existing infrastructure benefiting new development and the corresponding revenues shall be dedicated to water system capital projects.
4. Staff is directed to establish separate budgetary funds for a) CSA 10A operations and maintenance, b) CSA 10A capital projects, and c) CSA 10A Supplemental water; and to submit separate budgets for each as part of the annual Special District's budget beginning with fiscal year 2005-06.

TABLE OF CONTENTS - ATTACHMENTS  
County Service Area No. 10, Zone A (CSA 10A)  
October 26, 2004

The following is the list of attachments:

Attachment A-1	Water Demand Estimate (recommended)
Attachment A-2	Water Demand Estimate (May 18, 2003)
Attachment A-3	Long Term Variance Analysis
Attachment A-4	CSA 10A Customer Demand Category Map
Attachment A-5	CSA 10A Vacant Parcels 2003
Attachment A-6	Single Family Residential Water Demand Graph
Attachment B	CSA 10A Water System Improvement Projects
Attachment C	Five Year Financial Plan Information

Attachment A-1  
 Current Recommendations  
 CSA 10A Cayucos  
 Vacant/Seasonal < or =1500 gal/mo

Peak Historical consumption in AFY per EDU<sup>1</sup>

0.205

	# of Lots,Meters	EDUs/Lot,Meter <sup>2</sup>	Total EDUs	Use in AFY
Single Family	900	1	900	185
Duplexes	16	1.13	18.08	4
Fourplexes	2	3.54	7.08	1
Mixed Living	17	1.62	27.54	6
SFR w/Additional Living Unit	2	1.55	3.1	0.64
Commercial	6	3.59	21.54	4
Institutional	2	0.47	0.94	0.19
Granny Units (32) <sup>3</sup>	0	0.55	17.6	4
<b>SubTotal</b>	<b>945</b>		<b>996</b>	<b>204</b>
Distribution System Losses			8%	16
Treatment Plant Losses			2%	4
Planning Cushion			10%	20
<b>Total Est. Water Demand</b>				<b>245</b>
9% Vacant/Seasonal Use				-17
<b>Total Est. Water Demand</b>				<b>228</b>

- 1 Peak single family residential use > 1500 gallons per month in 1996;  
 see also CSA10A Historical Occupied Single Family Home Consumption graph
- 2 Based on average single family residential use > 1500 gal per month  
 between 1996 and 2003
- 3 Assumes a quarter of the 129 lots >6000 sq ft will build a granny unit

**May 18, 2004**  
**Excerpt from Agenda Materials**

Estimated CSA 10A Water Needs

	<u>Number of Units</u>	<u>Annual Consumption</u>	
Existing Customers	724	150	AFY
Existing Outstanding Will-Serve Commitments	20	5	AFY
Property Owners on Waiting List for Will-Serve Commitments	58	14	AFY
Remaining Undeveloped Properties	118	29	AFY
Estimate for Change in Property Use from Vacation Homes To Permanent Occupancy	49	10	AFY
Estimate for Allowable Density Increases (granny units)	90	22	AFY
Planning Cushion (10%)	<u>106</u>	<u>23</u>	AFY
<b>TOTAL DEMAND</b>	<b>1,165</b>	<b>253</b>	AFY

## Notes:

- a) Of the 196 vacant lots approximately 10% may not be developed due to site constraints associated with local topography and the underlying geology.
- b) The vacancy rate was estimated to decrease from the current 12% to 6% as it is anticipated that a number of the owners of rental or vacation properties will relocate to Cayucos upon retirement.
- c) The number of lots constructing granny units was assumed to be 70% of those lots that could be permitted for granny units (based on lot size & zoning).
- d) A total of 133 water commitments/will-serves have been issued since 1993, 20 of which are outstanding and can obtain water upon request.
- e) The 10% planning contingency is required pursuant to existing Board policy. It is calculated by adding the amount of actual water consumption to the calculated amount of water necessary to serve properties that have outstanding will-serves. The resulting sum is then multiplied by 10% to determine the 10% planning contingency.

Attachment A-3

Long Term Variance Analysis

The following table illustrates how long term demand can change depending on assumptions and the method of estimating demand.

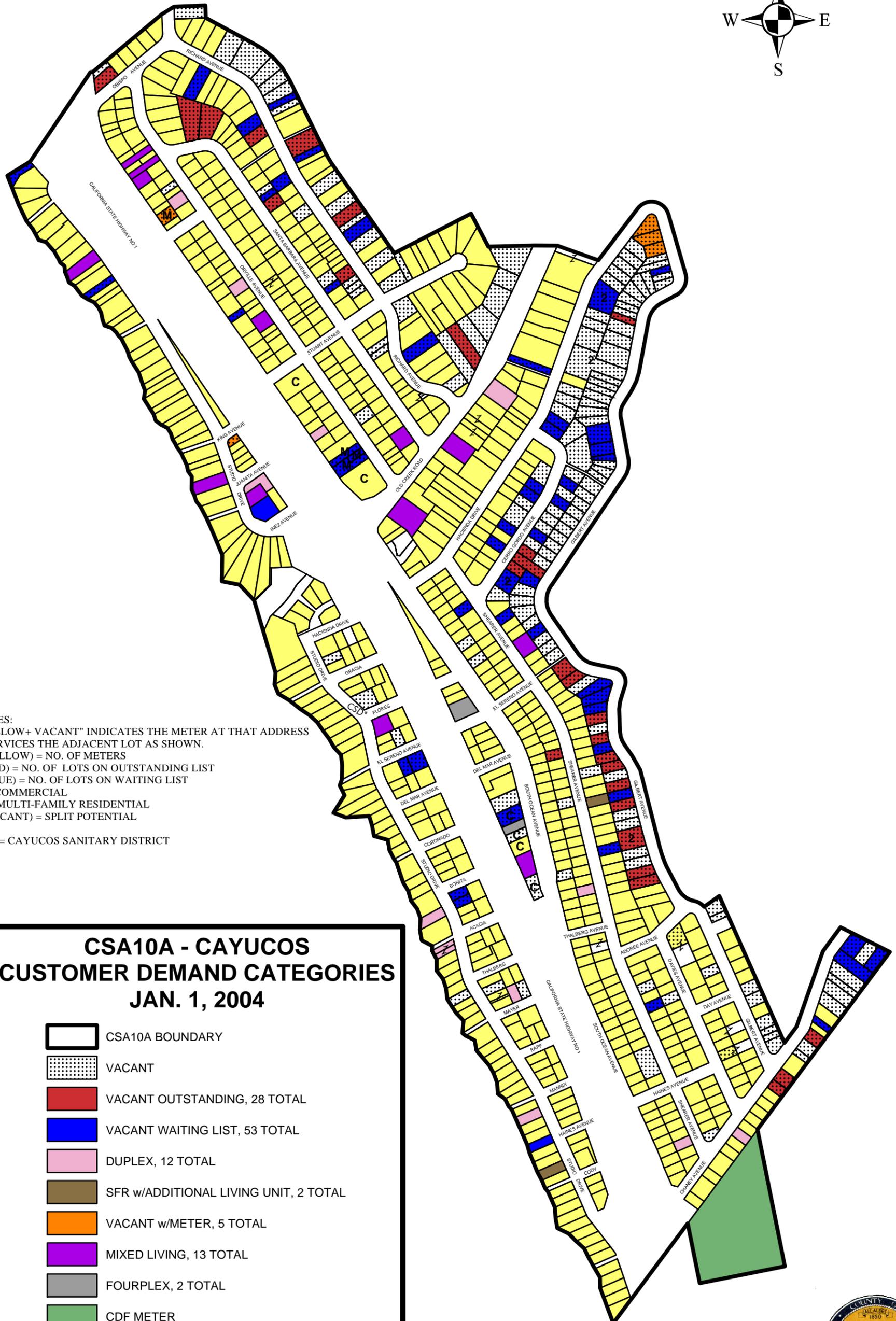
<b>Long Term Demand Estimates</b>	<b>Quantity in Acre Feet per Year</b>
Current Recommendations (Attachment A-1)	228
May 18, 2004 Estimates (Attachment A-2)	253
CAWO Recommendations (2000-2002)	218-246
Community Representatives (less than 100% build-out)	Approximately 191

\*\*\*

The following table illustrates how changing assumptions relating to part-time occupancy of homes, which occurs for vacation or other seasonal purposes, will impact conclusions on long term estimates.

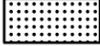
<b>Long Term Demand Assumptions</b>	<b>Quantity in Acre Feet per Year</b>
Current Recommendations (Attachment A-1) <i>"Part-time residences" are assumed to use 1,500 gallons per month or less</i>	228
Current Recommendations (Attachment A-1) <i>But</i> <i>"Part-time residences" are assumed to use 2,000 gallons per month or less</i>	239
Current Recommendations (Attachment A-1) <i>But</i> <i>"Part-time residences" are assumed to use 2,500 gallons per month or less</i>	253

Based on the analysis in Attachment A-1, properties that are occupied on a part-time basis (seasonal or vacation homes) are "assumed" to be those using less than 1,500 gallons per month, or 50 gallons per day. If that "assumption" is changed to 2,000 gallons per month (67 gpd), or 2,500 gallons per month (83 gpd) – all of which are within a reasonable range based on review of Attachment A-6 – combined with the long-term assumption that 9% of all homes will be used on a part time basis, then the long-term demand estimates will vary substantially. The variances are consistent with understanding that existing use in CSA 10A is low, and that changes in the use of property, or changes in demographics of residents, can have a significant impact on long-term water demand as compared to current property use and demographics.

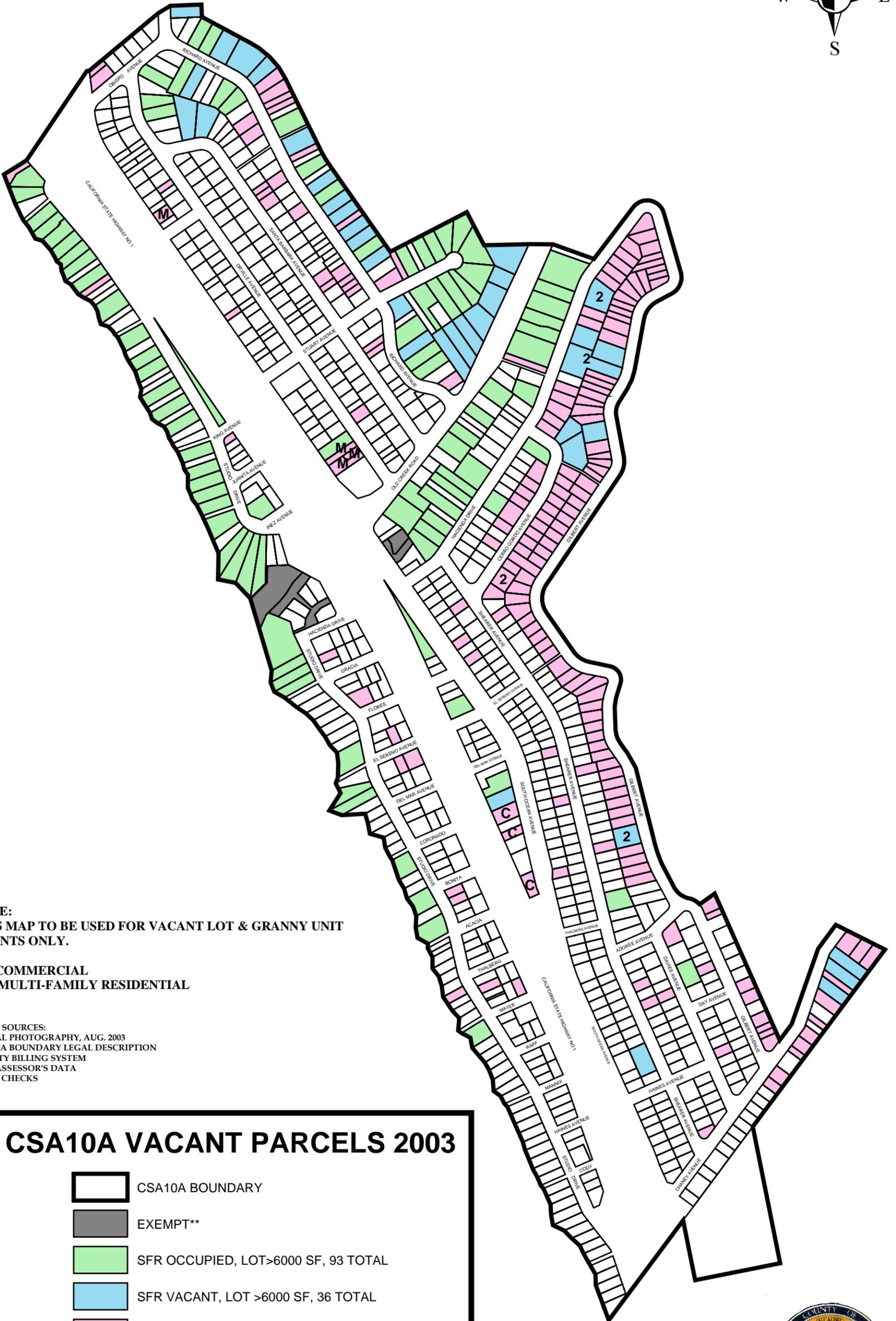


NOTES:  
 "YELLOW+ VACANT" INDICATES THE METER AT THAT ADDRESS  
 SERVICES THE ADJACENT LOT AS SHOWN.  
 #(YELLOW) = NO. OF METERS  
 #(RED) = NO. OF LOTS ON OUTSTANDING LIST  
 #(BLUE) = NO. OF LOTS ON WAITING LIST  
 C = COMMERCIAL  
 M = MULTI-FAMILY RESIDENTIAL  
 #(VACANT) = SPLIT POTENTIAL  
 CSD = CAYUCOS SANITARY DISTRICT

**CSA10A - CAYUCOS  
 CUSTOMER DEMAND CATEGORIES  
 JAN. 1, 2004**

	CSA10A BOUNDARY
	VACANT
	VACANT OUTSTANDING, 28 TOTAL
	VACANT WAITING LIST, 53 TOTAL
	DUPLEX, 12 TOTAL
	SFR w/ADDITIONAL LIVING UNIT, 2 TOTAL
	VACANT w/METER, 5 TOTAL
	MIXED LIVING, 13 TOTAL
	FOURPLEX, 2 TOTAL
	CDF METER
	SFR, 682 TOTAL



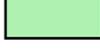


**NOTE:**  
**THIS MAP TO BE USED FOR VACANT LOT & GRANNY UNIT**  
**COUNTS ONLY.**

**C = COMMERCIAL**  
**M = MULTI-FAMILY RESIDENTIAL**

**DATA SOURCES:**  
 AERIAL PHOTOGRAPHY, AUG. 2003  
 CSA10A BOUNDARY LEGAL DESCRIPTION  
 UTILITY BILLING SYSTEM  
 FMS-ASSESSOR'S DATA  
 FIELD CHECKS

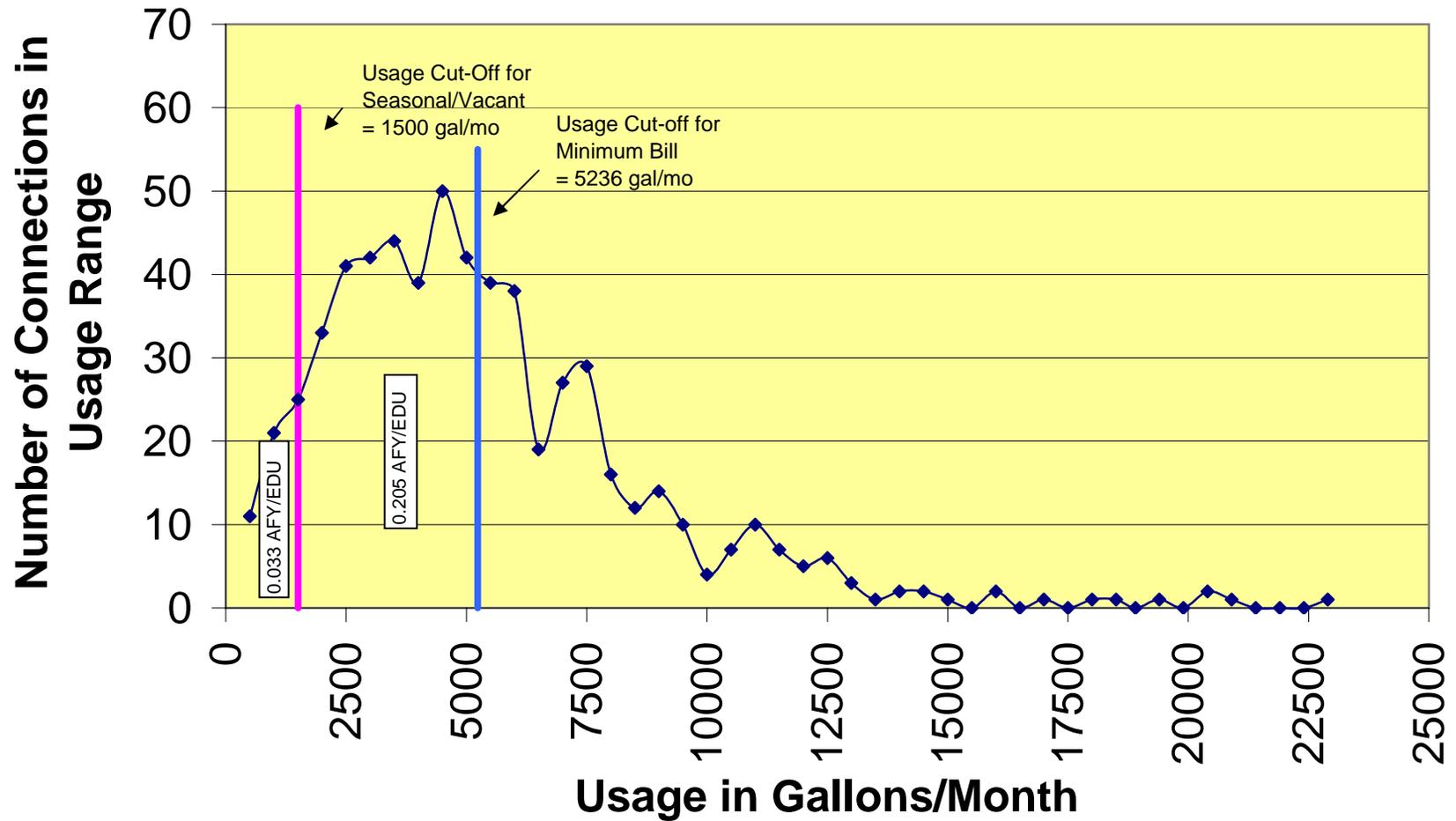
**CSA10A VACANT PARCELS 2003**

-  CSA10A BOUNDARY
-  EXEMPT\*\*
-  SFR OCCUPIED, LOT>6000 SF, 93 TOTAL
-  SFR VACANT, LOT >6000 SF, 36 TOTAL
-  VACANT, LOT<6000 SF, 188 TOTAL

**\*\* EXEMPT PARCELS INCLUDE BEACH ACCESS, OPEN SPACE, EASEMENT, CREEK, DRIVEWAY, ETC.**



# Single Family Residential Water Demand Graph Peak Year - 1996 - 0.189 AFY/EDU



## CSA 10A Water System Improvement Projects

	<b>Project</b>	<b>Estimated Cost</b>	<b>Justification</b>
<b>H</b>	<b>New Storage Tank*</b>	<b>\$930,000</b>	<b>Improves fire protection and emergency supply</b>
<b>M</b>	<b>Upsize Gilbert Waterline*</b>	<b>\$326,000</b>	<b>Increase fire flow; need pipeline at proper depth</b>
<b>M</b>	<b>Upsize Shearer Waterline*</b>	<b>\$1,101,000</b>	<b>Increase fire flow</b>
	<b>Subtotal</b>	<b>\$2,357,000</b>	
<b>M</b>	<b>Hacienda Loop</b>	<b>\$170,000</b>	<b>Alternate route in case main route breaks; landslide area</b>
<b>M</b>	<b>Upsize Stuart and Richard Waterline</b>	<b>\$348,000</b>	<b>Increase fire flow</b>
<b>L</b>	<b>Upsize Chaney Waterline</b>	<b>\$269,000</b>	<b>Improve water pressure</b>
<b>L</b>	<b>Loop Cerro Gordo Waterline</b>	<b>\$148,000</b>	<b>Improve circulation, eliminate dead-end</b>
	<b>Subtotal</b>	<b>\$935,000</b>	

**Total      \$3,292,000**

\* Projects identified for financing through rate increase



## County of San Luis Obispo Public Works Department

	A	B	C	D	E	F	G	H	I	J	K	L	M	N				
1	<b>CSA 10A - Five Year Projection</b>																	
2	<b>Operating and Maintenance</b>																	
3																		
4																		
5						<u>FY 04/05</u>		<u>FY 05/06</u>		<u>FY 06/07</u>		<u>FY 07/08</u>		<u>FY 08/09</u>				
6																		
7		<b>Sources:</b>																
8		Water Sales																
9						\$ 319,999		\$ 319,999		\$ 319,999		\$ 319,999		\$ 319,999				
10					2.75%	8,905		2.75%	18,484		2.75%	28,752		2.75%	39,810		2.75%	51,673
11						2,661		5,322		7,983		10,644		13,306				
12		Other Revenue																
13						33,873		35,567		37,345		39,212		41,173				
14						1,070		1,052		1,084		1,116		1,150				
15						<u>1,070</u>		<u>1,052</u>		<u>1,084</u>		<u>1,116</u>		<u>1,150</u>				
16		<b>Total Sources</b>																
17						<b>\$ 366,508</b>		<b>\$ 380,424</b>		<b>\$ 395,163</b>		<b>\$ 410,781</b>		<b>\$ 427,301</b>				
18		<b>Uses:</b>																
19		Operating and Maintenance																
20						(331,660)		(341,610)		(351,858)		(362,414)		(373,286)				
21		Transfers																
22						(40,183)		(36,326)		(40,743)		(45,728)		(51,297)				
23						-		-		-		-		-				
24		<b>Total Uses</b>																
25						<b>\$ (371,843)</b>		<b>\$ (377,936)</b>		<b>\$ (392,601)</b>		<b>\$ (408,142)</b>		<b>\$ (424,583)</b>				
26		<b>Net Increase (Decrease) in Funds</b>																
27						<b>\$ (5,335)</b>		<b>\$ 2,488</b>		<b>\$ 2,562</b>		<b>\$ 2,639</b>		<b>\$ 2,718</b>				
28		<b>Fund Reserves at Beginning of Year</b>																
29						<b>88,250</b>		<b>82,915</b>		<b>85,403</b>		<b>87,965</b>		<b>90,604</b>				
30		<b>Fund Reserves at End of Year</b>																
31						<b>\$ 82,915</b>		<b>\$ 85,403</b>		<b>\$ 87,965</b>		<b>\$ 90,604</b>		<b>\$ 93,322</b>				
32																		

## County of San Luis Obispo Public Works Department

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>CSA 10A - Five Year Projection</b>													
2	<b>Capital Projects</b>													
3														
4														
5														
6														
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														
21														
22														
23														
24														
25														
26														
27														
28														
29														
30														
31														
32														
33														
34														
35														

