



Chorro Turnout Sleeve Valve

## *Capital Improvements*

**T**he Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

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The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2008/09 is \$380,155.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. For FY 2007/08, the following projects are recommended to be carried over to FY 2008/09:

- Santa Ynez Pumping Facility Sodium Bisulfite radar tank level transmitters: \$6,142
- Sodium Bisulfite tank modifications: \$21,950

The following non-capitalized projects are also being carried forward to FY 2008/09:

- Miscellaneous Concrete Repairs at the Water Treatment Plant: \$11,250
- Reach 4 Inspection: \$11,000
- Land Acquisition for the HCP: \$15,750
- Granular Activated Carbon Replacement: \$168,400

**Funding of Capital Improvements Expenditures**

The FY 2008/09 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2008/09 capital improvements by department and financial reach.

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<b>FY 2008/09 Capital Improvements</b>					
Capital Improvements	Specific		Water Treatment		Total
	Financial Reach	Administration	Plant	Distribution	
Computer Network Server Replacements	ADM	60,000			60,000
Computer Network Server Replacements	WTP		20,000		20,000
Vehicle Replacement-Pickup Truck	WTP		17,855		17,855
PLC Remote I/O Replacment	WTP		46,791		46,791
Inline Chlorine Analyzer Replacement	WTP		8,456		8,456
Inline pH Analyzer Replacement	WTP		8,231		8,231
Fire Pump Control Panel Replacement	WTP		26,496		26,496
Sludge Cross Collector Chain & Sprocket	WTP		26,496		26,496
Streaming Current Detector Replacement	WTP		11,839		11,839
Permanent Davit Arm Support Plates	WTP		9,358		9,358
Vehicles Replacements (2) Trucks	ALL			29,570	29,570
SYPF Flow Meter Replacement	SYII			39,463	39,463
Design and Environmental Permitting for Erosion Repair of the SYII Pipeline	SYII			75,600	75,600
<b>Total:</b>		<b>\$ 60,000</b>	<b>\$ 175,522</b>	<b>\$ 144,633</b>	<b>\$ 380,155</b>

**State Water Project Construction Project**

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

**Final Project Cost Allocation and Reconciliation**

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000, which refunded the outstanding \$142,985,000 of Series 1996A revenue bonds. When the 1996A revenue bonds were issued in October 1996, funds were withheld from the bond proceeds and capital deposits for the estimated future costs necessary to complete the construction of project facilities. After issuance of the 2006A refunding revenue bonds, a full reconciliation and final allocation of all project costs was completed and a corresponding net credit or additional amount due was calculated for each Santa Barbara County and San Luis Obispo County Project Participant.

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<b>Description:</b>	<b>Vehicle Replacement</b>
<b>Department:</b>	Distribution System - All Reaches
<b>Expanded Description</b>	Two vehicles will have been driven over 100,000 miles by the FY 07/08. CCWA replaces vehicles if over ten years old or over 100,000 miles. The vehicles to be replaced include (1) the Regulatory Specialist Vehicle and (2) the Distribution System Sample Vehicle.
<b>Estimated Charge</b>	\$39,880
<b>Sales Tax</b>	\$2,891
<b>Contingency (5%)</b>	\$1,994
<b>Salvage of Replaced Vehicles</b>	<u>(\$15,195)</u>
<b>Subtotal without CCWA Labor</b>	<b>\$29,570</b>
<b>Operating Budget Impact:</b>	Replacement of vehicles on a regular scheduled basis minimizes repair costs and ensures reliability.

<b>Description:</b>	<b>Santa Ynez Pumping Plant Flow Meter Replacement</b>
<b>Department:</b>	Distribution -Santa Ynez II
<b>Expanded Description</b>	The existing flow meter at the Santa Ynez Pumping Plant becomes inaccurate at low flow rates. The existing venturi meter will be replaced by an accusonic mass flow meter. The new meter will be capable of accurately measuring the ranges of flow rates expected at the Santa Ynez Pumping Plant.
<b>Estimated Charge</b>	\$35,000
<b>Sales Tax</b>	\$2,713
<b>Contingency (5%)</b>	<u>\$1,750</u>
<b>Subtotal without CCWA Labor</b>	<b>\$39,463</b>
<b>Labor and overhead</b>	\$704
<b>Operating Budget Impact:</b>	Accurate measurement of all flow rates is required for proper monitoring and verification of scheduled deliveries to Cachuma Lake.

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<b>Description:</b>	<b>Design and Environmental Permitting for Erosion Repair of the Santa Ynez II Pipeline</b>
<b>Department:</b>	Distribution System
<b>Expanded Description</b>	There are two areas where significant erosion has exposed the pipeline along the Santa Ynez II Reach. The pipeline is exposed at the San Lucas Creek crossing and the second area is located on property owned by the Bureau of Reclamation, near Cachuma Village.
<b>Estimated Charge - Environmental Permitting</b>	\$22,000
<b>Preliminary Engineering</b>	\$50,000
<b>Contingency (5%)</b>	<u>\$3,600</u>
<b>Subtotal without CCWA Labor</b>	<b>\$75,600</b>
<b>Financial Reach</b>	Santa Ynez II
<b>Operating Budget Impact:</b>	There is the potential of pipeline break due to erosion and high flow events in the Santa Ynez River. If there is a pipeline break, significant impact to operations will result as well as costly pipeline break response efforts.

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<b>Description:</b>	PLC Remote I/O Replacement of PCM 110, PCM 210 and PCM 220
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	This is phase 3 of a three phase project. The PLC components in PCM 110, PCM 210 and PCM 220 will be replaced. These remote PLC are located in the inet building, blower building and chlorine contact basin building, respectively.
<b>Estimated Charge</b>	\$41,500
<b>Sales Tax</b>	\$3,216
<b>Contingency (5%)</b>	<u>\$2,075</u>
<b>Subtotal without CCWA Labor</b>	<b>\$46,791</b>
<b>Labor and overhead</b>	\$7,101
<b>Total Cost</b>	\$53,892
<b>Operating Budget Impact:</b>	Replacement parts for the existing PLC components are obsolete and no longer available. Failure of an existing component may require additional labor to respond to malfunctions and repair, which increases operational costs.

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<b>Description:</b>	<b>Inline Chlorine Analyzer Replacement</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	Two existing inline chlorine analyzers will be replaced. The existing chlorine analyzers are obsolete and no longer supported by the manufacturer.
<b>Estimated Charge</b>	\$7,500
<b>Sales Tax</b>	\$581
<b>Contingency (5%)</b>	<u>\$375</u>
<b>Subtotal without CCWA Labor</b>	<b>\$8,456</b>
<b>Labor and overhead</b>	\$2,665
<b>Total Cost</b>	\$11,121
<b>Operating Budget Impact:</b>	The manufacturer no longer supplies spare parts for the two existing inline chlorine analyzers. The instruments are critical monitoring instrumentation for process control and therefore need to be serviceable. Failure of an existing component may require additional labor to respond to malfunctions and repair, which increases operational costs.

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<b>Description:</b>	<b>Inline pH Analyzer Replacement</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	Four existing pH inline analyzers will be replaced. The existing pH analyzers are past their useful service life.
<b>Estimated Charge</b>	\$7,300
<b>Sales Tax</b>	\$566
<b>Contingency (5%)</b>	<u>\$365</u>
<b>Subtotal without CCWA Labor</b>	<b>\$8,231</b>
<b>Labor and overhead</b>	\$3,746
<b>Total Cost</b>	\$11,977
<b>Operating Budget Impact:</b>	These instruments are critical monitoring instrumentation for process control. Replacement of the analyzers will ensure reliability. Failure of an existing component may require additional labor to respond to malfunctions and repair, which increases operational costs.

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<b>Description:</b>	<b>Fire Pump Control Panel Replacement</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	The Fire Pump Control Panel will be replaced. The existing Fire Pump Control Panel is past its useful service life. In addition, the components are obsolete and any modification to the existing panel will void the Fire Rating.
<b>Estimated Charge</b>	\$23,500
<b>Sales Tax</b>	\$1,821
<b>Contingency (5%)</b>	<u>\$1,175</u>
<b>Subtotal without CCWA Labor</b>	<b>\$26,496</b>
<b>Labor and overhead</b>	\$3,483
<b>Total Cost</b>	\$29,979
<b>Operating Budget Impact:</b>	The Fire Pump Control Panel is a critical element of the fire suppression system at the water treatment plant. Replacing the panel will ensure reliability of an essential fire suppression system. A reliable fire suppression system will assist to minimize property loss in the event of a fire.

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<b>Description:</b>	<b>Sludge Cross Collector Chain and Sprocket Replacement</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	The existing cross collector chain and sprocket in the flocculation/sedimentation basin will be replaced. Inspection of this system and contact with the manufacturer indicates the chain and sprocket is past its useful service life.
<b>Estimated Charge</b>	\$23,500
<b>Sales Tax</b>	\$1,821
<b>Contingency (5%)</b>	<u>\$1,175</u>
<b>Subtotal without CCWA Labor</b>	<b>\$26,496</b>
<b>Labor and overhead</b>	\$8,705
<b>Total Cost</b>	\$35,201
<b>Operating Budget Impact:</b>	The cross collector chain and sprocket are essential components of the sludge removal system in the flocculation/sedimentation basin. Should this system fail, it would interfere with the water treatment plant's ability to maintain treatment production. Replacement of this system will ensure reliability. Failure of this component will require additional labor to respond to the failure, which increases operational costs.

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<b>Description:</b>	<b>Streaming Current Detector Replacement</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	One of the two existing inline streaming current detectors will be replaced. The streaming current detector planned for replacement is past its useful life. Spare parts are available for repair, but repair costs exceed replacement costs. The other detector was replaced last year.
Estimated Charge	\$10,500
Sales Tax	\$814
Contingency (5%)	<u>\$525</u>
Subtotal without CCWA Labor	<b>\$11,839</b>
Labor and overhead	\$792
<b>Total Cost</b>	\$12,631
<b>Operating Budget Impact:</b>	The streaming current detector planned for replacement monitors the settled water and is used to optimize process dosage rates. This optimization reduces chemical over-use and ensures reliable consistent water treatment. Failure of this component will require additional labor to respond to the failure, which increases operational costs.

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<b>Description:</b>	<b>Installation of Permanent Davit Arm Support Plates</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	Upgrading the fall protection man-hoist through installation of a permanent Davit Arm base at locations throughout the plant. This project will bring plant into OSHA compliance with respect to man-hoist operation.
<b>Estimated Charge</b>	\$8,300
<b>Sales Tax</b>	\$643
<b>Contingency (5%)</b>	\$415
<b>Subtotal without CCWA Labor</b>	<b>\$9,358</b>
<b>Labor and overhead</b>	\$5,093
<b>Total Cost</b>	\$14,451
<b>Operating Budget Impact:</b>	Through installation of permanent man-hoist supports, labor is saved by avoiding reinstallation of portable bases.

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<b>Description:</b>	<b>Vehicle Replacement</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	One vehicle will have been driven over 100,000 miles by the FY 07/08. CCWA replaces vehicles if over ten years old or over 100,000 miles. The vehicle to be replaced is the Maintenance Superintendent Vehicle.
<b>Estimated Charge</b>	\$21,545
<b>Sales Tax</b>	\$1,565
<b>Contingency (5%)</b>	\$1,075
<b>Salvage of Replaced Vehicles</b>	<u>(\$6,330)</u>
<b>Subtotal without CCWA Labor</b>	<b>\$17,855</b>
<b>Operating Budget Impact:</b>	Replacement of vehicles on a regular scheduled basis minimizes repair costs and ensures reliability.

<b>Description:</b>	<b>Computer Network Server Replacements</b>
<b>Department:</b>	Administration and Water Treatment Plant
<b>Expanded Description</b>	Replacement of existing computer network servers to new virtualization servers. Replaces 5 existing servers with 2 new virtualization servers and one back-up server.
<b>Estimated Charge</b>	\$75,000
<b>Sales Tax</b>	\$-0-
<b>Contingency (5%)</b>	<u>\$5,000</u>
<b>Subtotal without CCWA Labor</b>	<b>\$80,000</b>
<b>Funding Source</b>	Reach Specific Assessments: <ul style="list-style-type: none"> <li>• Administration: \$60,000</li> <li>• Water Treatment Plant: \$20,000</li> </ul>
<b>Operating Budget Impact:</b>	Decrease in computer hardware costs and decreased electrical costs due to a reduction in total computer servers.