



**CITY OF MORRO BAY
WATER RECLAMATION FACILITY
CITIZEN ADVISORY COMMITTEE (WRFCAC)
AGENDA**

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

**Regular Meeting
Wednesday, March 11, 2015
Community Center Multi-Purpose Room - 3:00 P.M. to 5:00 P.M.
1001 Kennedy Way, Morro Bay, CA**

John Diodati, Chairperson

Bill Woodson,
Vice Chairperson

Dale Guerra

Barbara Spagnola

Mary (Ginny) Garelick

Paul Donnelly

Valerie Levulett

Planning Commission
Member: Richard Sadowski

Public Works Advisory Board
Member: Steven Shively

Notice: Committee Member Diodati will attend the meeting via teleconference, as permitted by Government Code, section 54953, from the following location

**Double Tree Hotel Berkeley Marina Lobby
200 Marina Blvd., Berkeley, CA 94710**

This agenda will be posted at the teleconference location which will be accessible to the public, should the public wish to attend the meeting at the teleconferencing location

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE
ANNOUNCEMENTS/PRESENTATIONS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Public Works Department at (805) 772-6262. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of minutes from the Water Reclamation Facility Citizen Advisory Committee meeting of February 11, 2015
Staff Recommendation: Approve minutes as submitted.

B. OLD BUSINESS

- B-1 WRFCAC Sub-Committee Updates and Recommendations
Finance, Environmental and Engineering Sub-Committees to present their analyses and findings to the entire committee.
Recommendation: Receive and consider updates.
- B-2 Cayucos Sanitary District (CSD) Draft Proposed Memorandum of Understanding (MOU) between the City of Morro Bay and Cayucos Sanitary District
Recommendation: Review CSD version of a draft MOU and provide comments to staff.

C. NEW BUSINESS

- C-1 Draft Request for Proposals (RFP) for Facility Master Plan (FMP)
Recommendation: Review draft FMP RFP and provide comments to staff.

D. COMMITTEE MEMBER CLOSING COMMENTS

E. ADJOURNMENT

Adjourn to the Water Reclamation Facility Citizen Advisory Committee meeting at the Community Center Multi-Purpose Room, 1001 Kennedy Way, on April 8, 2015, at 3:00 p.m.

This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Public Works Department, 955 Shasta Avenue, for any revisions or call the department at 772-6262 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours in the Public Works Department, at Mill's/ASAP, 495 Morro Bay Boulevard, or the Morro Bay Library, 695 Harbor, Morro Bay, CA 93442, or online at www.morro-bay.ca.us/wrfcac. Materials related to an item on this Agenda submitted to the Committee after publication of the Agenda packet are available for inspection at the Public Works Department during normal business hours or at the scheduled meeting.

AGENDA ITEM: A-1

DATE: March 11, 2015

ACTION: _____

CITY OF MORRO BAY
WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (WRFCAC)

SYNOPSIS MINUTES

Regular Meeting – February 11, 2015

PRESENT: Bill Woodson Steven Shively
Barbara Spagnola Dale Guerra
Paul Donnelly Valerie Levulett

ABSENT: John Diodati
Richard Sadowski
Mary (Ginny) Garelick

STAFF: Rob Livick Public Services Director
Rick Sauerwein Capital Projects Manager
Kay Merrill Administrative Utilities Technician

CONSULTANT: John Rickenbach

ESTABLISH QUORUM AND CALL TO ORDER

Bill Woodson called the meeting to order at 2:06pm, stating all Committee Members were present with the exception of John Diodati, Richard Sadowski, Mary (Ginny) Garelick and there is a quorum. He asked for a moment of silence then led the Pledge of Allegiance.

ANNOUNCEMENTS

Rob Livick announced there is a ground breaking ceremony for the Morro Creek Bridge and Multi-Use Trail at 4:30pm today.

PUBLIC COMMENT

Bill Woodson opened Public Comment period, seeing none, closed Public Comment period.

A. CONSENT CALENDAR

A-1 Approval of minutes from the WRFCAC meeting of January 14, 2015

MOTION: Steven Shively moved to approve the minutes, Dale Guerra seconded and the motion passed unanimously. (6-0).

B. OLD BUSINESS

B-1 WRFCAC Sub-Committee Updates and Recommendations

Finance, Environmental and Engineering Sub-Committees to present their analysis and findings to the entire committee.

Finance Sub-Committee: Barbara Spagnola provided the committee with the following memorandum and summarized it:

MEMORANDUM

DATE: February 11, 2015

TO: Mayor Irons and City Council Members

CC: Dave Buckingham, City Manager
Rob Livick, Public Works Director
Members of the Water Reclamation Facility Citizens Advisory Board (WRFCAC)

FROM: Mary Garelick, WRFCAC Finance Subcommittee Member
Richard Sadowski, WRFCAC Finance Subcommittee Member
Barbara Spagnola, WRFCAC Finance Subcommittee Member

SUBJECT: Proposed Strategy for Community Outreach and Grants for the WRF

At the January 14, 2015 WRFCAC meeting we discussed several goals for the WRF including (1) improve community outreach, and (2) aggressively pursue federal and state grants. This memo provides our proposed strategy and recommendations to accomplish these two goals.

Goal #1: Improve Community Outreach

Background:

Currently, the community of Morro Bay learns about the status of the WRF in one or more of the following ways: newspaper (the SLO Tribune, New Times, Bay News); public meetings (City Council, Public Works Advisory Board, Planning Commission, WRFCAC, Morro Bay-Cayucos Sanitary District (JPA); SLO-Span (Channel 20); and the City's website. However, these outreach methods are insufficient for community members who do not read newspapers, attend public meetings, watch SLO-Span, nor own (or have access to) a computer. Instead, the information they receive about the WRF is often secondhand and distorted.

Recommendations:

We recommend that, in addition to the outreach tools listed above, the city publish a series of brochures and flyers that summarize key issues and milestones during the planning and construction phases of the WRF. The informational materials developed by the San Luis Obispo County Public Works staff for the Los Osos WWTP are excellent and should be considered as models. We recommend the outreach materials be posted on the City's Website and be available at the Morro Bay Library, Community Center, Public Works Office, Chamber of Commerce, and the Natural History Museum. The brochures would address:

- *Project Approach* (milestones, WRFCAC, Questions and Answers)

- *Proposition 218* (Overview of Prop 218 requirements, FAQs, timeline)
- *Project Affordability* (Affordability Guidelines, Strategy for Pursuing Grants)
- *WRFCAC Pro/Con Analysis* (summary of criteria for effluent disposal/water resources options, treatment technology options, bio-solids treatment and disposal options, treatment plant site options, collection system options; Q&A)
- *Project Selection and Monthly Costs* (project technologies v. financing terms, project selection strategies, financial considerations, Prop 218 ballot questions, monthly estimated costs, Q&A)

The flyers would address:

- *Prop 218* (Q&A, timeline)
- *Pursuing Affordability Through Grants* (Q&A, City's efforts)
- *Project Selection* (process, timeline)
- *Reviewing Project Benefits* (objectives, timeline, benefits)

We also recommend that the City consider holding a series of town hall meetings at the Morro Bay Community Center that would coincide with the publication of these materials. The purpose of these meetings would be to provide timely updates on the WRF and answer questions. WRFCAC members would be encouraged to attend these town hall meetings.

Proposed Next Steps:

- Public Services staff to review communications plan and outreach materials prepared for the Los Osos WWTP project; develop and implement a communications plan for the WRF; prepare and disseminate brochure and flyer on Project Approach/Prop 218 (May 2015).

Goal # 2: Aggressively Pursue Federal and State Grants

Background:

According to USEPA more than \$600 billion is needed over the next 20 years to maintain and improve the nation's water infrastructure. The clean water and drinking water infrastructure needs for California alone are \$74.8 billion (\$29.9 billion for clean water infrastructure and \$44.9 billion for drinking water infrastructure needs).

The Phase I cost estimates to construct the new regional wastewater treatment plant are \$75 million. The Phase II cost estimates to construct the water reclamation component of this project are yet to be determined. The most likely sources of funding for the WRF are (1) low cost loans (Clean Water State Revolving Fund); (2) bonds (California Infrastructure and Economic Development Bank); (3) sewer fees; and (4) federal and state grants.

According to a report prepared for the City by Kestrel Consulting in September 2014, the cost to prepare a competitive grant proposal can range from \$10,000 to \$200,000 and it's unlikely that Morro Bay could obtain grants to finance more than 10% of the cost for the WRF. Also, Morro Bay would be required to provide a

financial match (which can be 20%-75% or more of the total project cost) and cover overhead charges and administrative costs.

Kestrel Consulting identified only two federal grants and two state grants that were considered to be viable options for the WRF: (1) U.S. Bureau of Reclamation Title 16 Grant Program; (2) U.S. Bureau of Reclamation WaterSMART Program; (3) California Department of Water Resources Integrated Regional Water Management Grant Program (funding through Prop. 1) and (4) California Water Resources Control Board's Water Recycling Facilities Grant Program (funding through Prop 1). For the Prop 1 funded grants, the request for grant proposals would probably not occur until late 2015 with awards made in early 2016.

Recommendations:

Given the extreme competition for a decreasing amount of federal and state grant funding available for infrastructure projects we recommend a systematic and proactive approach to locate and obtain grants for the WRF. Specifically, we recommend that the Public Services staff accomplish the following:

- Develop a strategy for regularly identifying grants for the WRF that have the greatest potential to be awarded to Morro Bay. The strategy would include milestones (e.g., grant deadlines, monthly or quarterly status reports at WRFCAC and City Council meetings).
- Identify additional grant opportunities through on-line research and funding fairs (e.g., Catalog of Federal Domestic Assistance, USEPA's Catalog of Funding for Watershed Protection and Restoration Programs, California Financing Coordinating Committee Funding Fairs).
- Write grant proposals

Los Osos was able to obtain a low interest loan from the U.S. Department of Agriculture (USDA-Rural Development) for their WWTP despite having a population greater than 10,000 (one of the eligibility requirements). This occurred because Representative Capps and her colleagues granted Los Osos a Congressional exemption from the population requirement. We recommend that Mayor Irons and appropriate staff meet with Representative Capps to request this exemption for the City of Morro Bay so it could pursue this funding mechanism.

To foster effective partnerships with regulatory agencies that offer grants for WWTPs, we recommend that Mayor Irons and appropriate staff initiate meetings with representatives from USEPA Region 9 (San Francisco office, Washington, D.C. office), U.S. Department of Interior - Bureau of Reclamation (Washington, D.C. office), and U.S. Department of Agriculture (Washington, D.C.).

Proposed Next Steps:

- Public Services staff to develop a grant strategy for the WRF (July 2015).
- Mayor Irons and appropriate staff to meet with representatives of USEPA, US Bureau of Reclamation, USDA (April – September 2015).

Discussion took place amongst the committee and staff regarding options to provide information to the public.

Rob Livick stated a defined project description needs to be in place prior to meeting with the various agencies.

Dale Guerra stated he will e-mail staff and committee the guidelines and calendar for applying for grants for Prop 1.

Environmental Sub-Committee: Paul Donnelly provided the committee with the following memorandum:

Re: Proposed Next Steps – Staff Report of January 14, 2015 WRFCAC Meeting (Item C-1)

It is the recommendation of the WRFCAC Environmental Sub-Committee that City staff consult with the local tribal communities and discuss the New Water Reclamation Facility Project with them before anything else is done. We believe that it would be in the best interest of the project to start out on the right foot and have them onboard early in the process. They should be included with any activity from here on out which may disturb the ground surface such as doing the proposed geotechnical investigations. Failure to do this may just be that “unknown potential fatal flaw” about which the City is concerned.

Rob Livick replied City Council gave direction to address this in the fatal flaws analysis which includes cultural resources.

Engineering: No new analysis at this time.

Bill Woodson opened Public Comment period.

Steve McIlvaine asked staff if there is a deadline they are aiming for, for the fatal flaw analysis.

Rob Livick responded within a few months.

Bill Woodson closed Public Comment period.

C. NEW BUSINESS

C-1 Review of Draft Proposed Memorandum of Understanding (MOU) between the City of Morro Bay and Cayucos Sanitary District

Rob Livick stated City Council gave direction to staff to develop an MOU. It establishes the relationship as the City being the Project Manager and Cayucos Sanitary District (CSD) as a customer. The CSD has concerns that they will not have 50/50 voting rights and some of their ideas will not be incorporated into the project. The draft MOU states the City’s desire is to have the CSD as a bulk rate paying customer based on their flow. Rob stated the City will expect rates to be pledged by the CSD through a long term agreement to pay back the State Revolving Fund (SRF) loan.

Discussion amongst the committee and staff continued regarding rate structures, utility demand and energy cost, the billing process, former project studies, term and scope agreements, what percent the CSD will pay, clarification of meetings and City Council will consider the CSD’s advice and suggestions but the final decision will be made by City Council.

Bill Woodson opened Public Comment period, seeing none, closed Public Comment period.

C-2 Presentation of Preliminary Water and Sewer Rate Study

Rob Livick and Steve Shively presented the following Water Rate Study which included:

Water finances and increased rates, the bond debt covenant, tier rate system, proposing a new rate base rate and billing for each unit of water used, linear progression for different units of water, a 10-year financial projection that assumes operating costs, State water costs will increase, water sales will decrease, adding a desal surcharge rate when the plant is running and the City will pursue funding through the State iBank for capital projects.

Bill Woodson opened Public Comment period.

Bob Keller agrees with the staff report and agrees there needs to be a base line rate. He suggested the City could use a percentage increase by units.

Bill Woodson closed Public Comment period.

Rob Livick clarified when CCWA issued the bonds, the City made a promise to meet the debt coverage ratio. Water rates need to bring in at least 125% of total State Water costs for each year and the City is well below that figure and the current rates do not meet the debt coverage. When the City does not meet the debt coverage on a bond, banks are reluctant to loan money to the City if promises will not satisfied on former bonds.

Rob Livick presented the following Sewer Rate Study which included:

Sewer finances and increased rates, sewer rates will be a fixed cost for residential use rate, the City needs to fund \$75 million for the wastewater project, the SRF loan and repayment, collection system upgrades, I and I inspections, pipe repair and capital maintenance ongoing costs, a 10-year financial projection that assumes operating costs to increase, revenue a slight decline, capital cost increase, non-residential has 5 strengths that users will be categorized by and assessments and operational cost billing.

The next steps are:

- Feb-19: Additional PWAB review and input
- Feb-24: Council Workshop (Set Public Hearing & Approve Notices)
- March: Initiate Prop 218 process
- May 26: Council Meeting/Public Rate Hearing
- July 1: New rates become effective

The complete Water and Sewer Rate Study presentation by Alex Handlers (Bartle Wells) is on the City's website.

Bill Woodson opened Public Comment period, seeing none, closed Public Comment period.

Rob Livick clarified the current rate structure is a general rate structure. Money from sewer rates has been used on several collection projects and sewer rates also pay for the consultants and studies. Reclaimed water is not included in this sewer rate study and in the next few months there will be more data regarding reclaimed water. The existing facility maintenance cannot be deferred anymore and the City will do the minimum amount of maintenance until the new plant is built. The figure for the project, in the next version of this report, will provide more detail and clarity.

D. COMMITTEE MEMBER CLOSING COMMENTS - None

E. ADJOURNMENT

The meeting adjourned at 3:39 p.m. to the next regular WRFCAC meeting at the Community Center, Multi-Purpose Room, 1001 Kennedy Way, on Wednesday, March 11, 2015 at 3:00pm.

Bill Woodson, Vice-Chairperson

ATTEST:

Rob Livick, Secretary



AGENDA NO: B-2

MEETING DATE: March 11, 2015

Staff Report

DATE: March 6, 2015
TO: Water Reclamation Facility Citizens Advisory Committee
FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer
SUBJECT: Review of DRAFT CSD Memorandum of Understanding between the City of Morro Bay and Cayucos Sanitary District

RECOMMENDATION

Staff recommends the WRFCAC review and provide any comments to staff regarding the DRAFT MOUs that will be forwarded to Council prior to their discussions with the Cayucos Sanitary District at the March Joint Meeting.

DISCUSSION

At the WRFCAC February meeting the Morro Bay authored Draft MOU between the City of Morro Bay and the Cayucos Sanitary District was reviewed. Since that meeting the CSD has prepared a counter proposal to that MOU. The City Council expressed their opinion at their February 24, 2015 meeting that they preferred the City MOU, but wanted the WRFCAC to have the opportunity to discuss the CSD MOU.

ATTACHMENTS

1. CMB DRAFT MOU
2. CSD DRAFT MOU

Prepared by: RL Dept. Review: RL

City Manager Review: _____

City Attorney's Review: _____

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORRO BAY AND
THE CAYUCOS SANITARY DISTRICT
FOR THE PRELIMINARY DEVELOPMENT OF A NEW WATER RECLAMATION
FACILITY ON THE PROPOSED RANCHO COLINA SITE**

This **MEMORANDUM OF UNDERSTANDING (this MOU)** is hereby made and entered into this ___ day of March, 2015 (the “Effective Date”) by and between the City of Morro Bay, a municipal corporation, (CMB) and the Cayucos Sanitary District (CSD) [formed and operating under the authority set forth in _____] (sometimes referred to individually as the Party and collectively as the Parties).

WHEREAS, CMB has completed and approved a New (Regional) Water Reclamation Facility (WRF) Preliminary Planning and Siting Study for the replacement of the existing wastewater treatment plant located in the City of Morro Bay with a New WRF initially proposed to be located at the site known as Rancho Colina (sometimes referred to as the Project); and

WHEREAS, the State of California Water Board desires entities to cooperate regionally where feasible for the beneficial treatment of wastewater to effect economies of scale and reduce discharge of waste materials into the waters of the State; and

WHEREAS, on February 25, 2014, the CMB City Council resolved to have a WRF operational prior to the expiration of the discharge permit for the existing Waste Water Treatment Plant (WWTP), being five years more or less;

WHEREAS, the Parties currently share the capacity of the WWTP with CMB using 72% and CSD using 28% (the Current Capacities); and

WHEREAS, the Morro Bay community has provided input on the New WRF project through goal setting designating project goals, including, but not limited to:

- Produce tertiary, disinfected wastewater in accordance with Title 22 requirements for unrestricted urban irrigation in a cost effective manner for all ratepayers.
- Design to be able to produce reclaimed wastewater for potential users, which could include public and private landscape areas, agriculture, or groundwater recharge. A master reclamation plan should include a construction schedule and for bringing on customers in a cost effective manner.
- Allow for onsite composting
- Design for energy recovery
- Design to treat contaminants of emerging concern in the future
- Design to allow for other possible municipal functions
- Ensure compatibility with neighboring land uses; and

WHEREAS, CMB and CSD have been operating under a Joint Powers Agreement (JPA) for the operation of the existing WWTP located in the City of Morro Bay on Atascadero Road

since June 16, 1953, as amended by letters on May 9, 1969, and June 26, 1973; and cancelled and replaced with the current agreement on October 25, 1982; and

WHEREAS, the existing JPA agreement does not consider, outline, or guide, CMB and CSD in their relationship, obligations, or responsibilities to develop a plan for the proposed construction of a New WRF at the proposed Rancho Colina site to the benefit of both communities; and

WHEREAS, CMB and CSD have come together to collaborate and to make and develop a plan for the proposed construction of a New WRF at the Rancho Colina site to the benefit of both communities; and

WHEREAS, CMB and CSD believe wastewater generated in both communities will be more advantageously treated at the New WRF proposed to be located at the Rancho Colina site that ultimately will be owned and operated by CMB; and,

WHEREAS, prior to making a final decision to proceed with the New WRF, including making a final determination as to the location of the New WRF, CMB, the lead agency for purposes of California Environmental Quality Act (CEQA) must first complete and approve or certify all legally required environmental analysis under CEQA; and,

WHEREAS, CMB and CSD anticipate at least some of the funding for this project will be provided through federal grants or other federal financing programs and one or more federal permits may be required for this project, which shall constitute federal undertakings requiring environmental review in compliance with the National Environmental Policy Act prior to release of federal funding and/or issuance of federal permits.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

- 1) **Description of the Project.** The Project is proposed to include the New WRF and related infrastructure to convey (i) municipal sewage to the new WRF from the terminus of CMB's and CSD's existing facilities, including a new raw wastewater pumping station and (ii) treated wastewater to points of discharge into the waters of the State or for beneficial reuse within legally authorized areas. Conveyance infrastructure and facilities may be located within existing or future rights-of-way.
- 2) **Components of the New WRF Project subject to this MOU.** Immediately following execution of this MOU the project team shall commence with the following tasks:
 - Preparation of an RFP and selection of consultant(s) to act as Project Manager
 - Selection of consultants to perform fatal flaws analysis for the following areas:
 - Biological Resources, Cultural Resources, Geotechnical and Groundwater
 - Application for a State Revolving Fund Planning Loan
 - Preparation of an RFP for the Facility Master Plan (FMP)
 - Preparation of an RFP for Environmental Review (ER) (CEQA/NEPA)

- Selection of FMP and ER consultants
 - Preparation of the FMP
 - Preparation and circulation of the Initial Study for the project based on the results of the FMP
- 3) **Development of Initial Stage (Reclamation Ready).** The Project shall be developed in stages and the initial stage (Reclamation Ready) shall be developed on a timeline necessary to meet the goal of CMB. The design capacity of the New WRF and necessary conveyance infrastructure and facilities shall accommodate the peak wet weather build-out wastewater flows from both communities with CMB owning 100% of the capacity and CSD having rights to a capacity equal of its share of the Current Capacity.
- 4) **Roles and Responsibilities**
- a) CSD and CMB shall reimburse each other for all expenses incurred for the development of the New WRF facilities incurred since January 8, 2013, proportional to their respective anticipated capacity (72% CMB share/28% CSD share basis) in the new WRF.
 - b) The CSD agrees to support and not oppose grant or loan applications, permit amendments or applications, including land use entitlements or annexation requests, in conjunction with the Project.
 - c) The CMB Public Works Director/City Engineer with the assistance of CMB planning, engineering and operations staff will oversee the FMP, ER and preliminary property acquisition process. The CMB Public Works Director/City Engineer shall consult with CSD General Manager for review and to provide opportunity for CSD's input into the process. CMB and CSD staff will hold monthly meetings to review the progress of the Project.
 - d) CMB City Council and CSD Board of Directors shall provide policy direction for the Project and shall meet at least quarterly to review the status of the Project, , as well as needed to ensure CSD's concerns have been heard and considered prior to CMB making any final decisions as to all matters related to the development and construction of the New WRF. Council/Board of Directors meetings related to this MOU shall be separate and distinct meetings from the existing joint (aka JPA) meetings Nothing in this section prevents the new meeting from occurring on the same day and directly following the adjournment of the existing joint meetings.
 - e) The ultimate operation and ownership of facilities shall be the responsibility of CMB. CSD shall be a wholesale wastewater customer. The details and terms of that relationship is beyond the scope of this MOU and shall be negotiated, in good faith, by the Parties to this MOU with the goal of achieving an agreement executed on behalf of both Parties prior to the execution of a construction or Design/Build contract by CMB for the new WRF and ancillary infrastructure and facilities.
 - f) CSD shall share the cost with CMB for the items listed in paragraph 2 for the Project. That cost sharing shall be based on the Current Capacities. At a minimum, the Facilities Master Plan report shall address project phasing, treatment methodology and anticipated project costs.
 - g) Consultant Selection process shall follow all policies of CMB. CSD shall have the express right to participate and provide input in selection process of consultant firm(s) required to fulfill the items in paragraph 2 and possible final design phases of the Project.

- h) CMB and CSD agree to disseminate information to the public regarding this MOU and the Project jointly, whenever feasible, and will support and assist each other in developing and implementing their respective public information programs.
- i) For purposes of environmental review under the CEQA, CMB shall be the lead agency and CSD shall be a responsible agency. Furthermore, for purposes of any environmental review required for federal funding or permits, CMB shall be the primary contact with any federal agencies conducting any environmental review under the National Environmental Policy Act or any other federal laws or regulations.

5) **Termination of this MOU.** This MOU shall expire at the earliest of (i) when the Parties enter into the agreement as discussed in subparagraph 4e, or (ii) June 30, 2016. Notwithstanding the above, this MOU may be extended by written agreement of CMB and CSD. If the time needed for the study of the Project extends beyond the expected timeline set forth herein, then the Parties agree to reasonably negotiate an amendment to this MOU.

6) **Modifications.** Modifications within the scope of this MOU shall be made by mutual consent of the Parties, by the issuance of a written modification, signed and dated by both Parties, prior to any changes being performed.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding to be effective as of the Effective Date.

CITY OF MORRO BAY

ATTEST:

JAMIE L. IRONS, Mayor

DANA SWANSON, Deputy City Clerk

CAYUCOS SANITARY DISTRICT

ATTEST:

ROBERT ENNS, President of the Board
of Directors

RICK KOON, District General Manager

APPROVED AS TO FORM:

JOSEPH W. PANNONE, CMB City Attorney

TIMOTHY CARMEL, CSD General Counsel

c: Agencies and Interested Parties

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MORRO BAY
AND
THE CAYUCOS SANITARY DISTRICT FOR THE PRELIMINARY DEVELOPMENT
OF A NEW WATER RECLAMATION FACILITY ON THE PROPOSED RANCHO
COLINA SITE**

This **MEMORANDUM OF UNDERSTANDING** (MOU) is made and entered into this ____ day of March, 2015 (Effective Date) by and between the City of Morro Bay (CMB), a municipal corporation, and the Cayucos Sanitary District (CSD), a California special district (sometimes referred to individually as a Party and collectively as the Parties).

WHEREAS, CMB has completed and approved a New Water Reclamation Facility (WRF) Preliminary Planning and Siting Study for the replacement of the existing wastewater treatment plant (WWTP) located in the City of Morro Bay with a New WRF initially proposed to be located at the site known as Rancho Colina (sometimes referred to as the Project); and

WHEREAS, on February 25, 2014, the CMB City Council resolved to have a WRF operational prior to the expiration of the discharge permit for the existing WWTP, being five years more or less; and

WHEREAS, the Parties currently share the capacity of the WWTP with CMB using approximately 72% and CSD using approximately 28% (the Current Capacities); and

WHEREAS, CMB and CSD have been operating under a Joint Powers Agreement (JPA) for the operation of the existing WWTP located in the City of Morro Bay on Atascadero Road since June 16, 1953, as amended by letters on May 9, 1969 and June 26, 1973; and cancelled and replaced with the current agreement on October 25, 1982; and

WHEREAS, Paragraph 14 of the existing JPA states that: “No relocation, reconstruction, alteration to, addition to, or replacement of any portions of the wastewater treatment plant shall occur without the prior written approval by MORRO BAY and CAYUCOS. Unless otherwise agreed to by the parties, the cost of such an agreed to reconstructed plant will be allocated based upon the capacity rights agreed to at the time of reconstruction.”; and

WHEREAS, CMB and CSD have come together to collaborate and to study and determine the feasibility of constructing a New WRF at the Rancho Colina site for the benefit of both communities.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

- 1) **Description of the Project.** The Project is proposed to include the New WRF and related infrastructure to convey (i) sewage to the new WRF from the terminus of CMB’s and CSD’s existing facilities, including a new raw wastewater pumping station and (ii) treated

wastewater to points of discharge into either the waters of the State, effluent injection wells to aid in aquifer recharge and subsidence control, or to prevent saltwater intrusion or for beneficial reuse.

2) Components of the New WRF Project subject to this MOU. Immediately following execution of this MOU the project team shall commence with the following tasks:

- Preparation of a Request for Proposal (RFP) and selection of consultant(s) to act as Project Manager
- Selection of consultants to perform fatal flaws analysis for the following areas: Biological Resources, Cultural Resources, Geotechnical and Groundwater
- Preparation of an RFP for the Facility Master Plan (FMP)
- Preparation of an RFP for Environmental Review (ER) (CEQA/NEPA)
- Selection of FMP and ER consultants
- Application for a State Revolving Fund Planning Loan

3) Roles and Responsibilities

- a) The Parties agree to mutually support one another in grant or loan applications, permit amendments or applications, including land use entitlements or annexation requests, in conjunction with the Project.
- b) The Parties shall share the cost for the items listed in Section 2 for the Project. That cost sharing shall be based on the Current Capacities. Each Party shall be responsible for payment of costs and expenses of their respective staff, including attorneys and consultants not jointly retained by the Parties.
- c) The Parties agree to disseminate information to the public regarding this MOU and the Project jointly, whenever feasible, and will support and assist each other in developing and implementing their respective public information programs.
- d) For purposes of environmental review under the CEQA, CMB shall be the lead agency and CSD shall be a responsible agency. Furthermore, for purposes of any environmental review required for federal funding or permits, CMB shall be the primary contact with any federal agencies conducting any environmental review under the National Environmental Policy Act or any other federal laws or regulations.
- e) The ultimate operation and ownership of facilities is beyond the scope of this MOU and shall be negotiated, in good faith, by the Parties to this MOU.

4) Termination of this MOU. This MOU shall expire at the earliest of (i) when the Parties enter into the agreement referenced in subparagraph 3e; or (ii) without cause by either Party by giving sixty days (60 days) written notice to the other Party of the intent of the Party giving the notice to terminate this MOU. Notwithstanding the above, this MOU may be extended by written agreement of CMB and CSD. If the time needed for the feasibility study of the Project extends beyond the expected timeline set forth herein, then the Parties agree to reasonably negotiate an amendment to this MOU.

5) Modifications. Modifications within the scope of this MOU shall be made by mutual consent of the Parties, by the issuance of a written modification, signed and dated by both Parties, prior to any changes being performed.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding to be effective as of the Effective Date.

APPROVED:

CITY OF MORRO BAY

ATTEST:

JAMIE L. IRONS, Mayor

DANA SWANSON, Deputy City Clerk

CAYUCOS SANITARY DISTRICT

ATTEST:

ROBERT ENNS, President of the Board
of Directors

RICK KOON, District General Manager

APPROVED AS TO FORM:

JOSEPH W. PANNONE, Morro Bay City Attorney

TIMOTHY J. CARMEL, District Legal Counsel

c: Agencies and Interested Parties



AGENDA NO: C-1

MEETING DATE: March 11, 2015

Staff Report

DATE: March 6, 2015
TO: Water Reclamation Facility Citizens Advisory Committee
FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer
SUBJECT: Review of DRAFT Request for Proposals (RFP) for Facility Master Plan (FMP)

RECOMMENDATION

Staff recommends the WRFCAC review and provide any comments to staff regarding the DRAFT RFP that will be forwarded to Council prior to their discussions with the Cayucos Sanitary District at the March Joint Meeting.

DISCUSSION

This item was discussed at the January 8, 2014 Joint meeting of the Morro Bay City Council and the Cayucos Sanitary District. And again at the "Technical Committee" meeting, on February 5, 2015 where it was agreed that City and CSD staff would prepare a draft RFP for the FMP.

The attached FMP RFP was prepared by City staff, as of the date of this report no editorial comments have been received from the Cayucos Sanitary District.

ATTACHMENTS

1. CMB DRAFT FMP RFP

Prepared by: RL Dept. Review: RL
City Manager Review: _____
City Attorney's Review: _____



NOTICE TO CONSULTANTS
GENERAL CONDITIONS AND SPECIAL PROVISIONS
PROPOSAL/QUALIFICATIONS AND CONTRACT
FOR
A NEW WRF SERVING MORRO BAY AND CAYUCOS
FACILITY MASTER PLAN

FEBRUARY-MARCH 16, 2015

Approved/Issued by:



Rob Livick, PE/PLS - Public Works Director/City Engineer
Public Works Department
955 Shasta Avenue
Morro Bay, California 93442

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City of Morro Bay

Notice Requesting Proposals for Consulting Services:

MORRO BAY – WATER RECLAMATION FACILITY FACILITY MASTER PLAN

NOTICE IS HEREBY GIVEN ~~THAT~~ the City of Morro Bay (~~the~~ “City”) ~~and the Cayucos Sanitary District (“CSD”)~~, located in the County of San Luis Obispo, State of California, will receive proposals from firms desiring to perform consulting services necessary for the development of a new Water Reclamation Facility (WRF) Facility Master Plan (FMP) to provide a comprehensive facility planning document to treat wastewater flows and deliver reclaimed water to a variety of uses for at least a 30-year planning period. The City of Morro Bay Public Works Department must receive all proposals **by 3:00 p.m. on Wednesday, April 21~~28~~, 2015.**

The City ~~and CSD~~ will not consider proposals received after ~~said that date and~~ time. Submit proposals to the City of Morro Bay Public Works Department in a sealed envelope plainly marked with the proposal title, consultant name and address, and time and date of the proposal submittal deadline.

A mandatory pre-proposal informational meeting will be held at the City of Morro Bay offices on April, 2015, at 10 AM. All proposers are required to attend this meeting, because it will not be possible for proposals to be fully responsive to the City’s needs without understanding the project’s complexities that will be more fully discussed at this meeting. Subcontractors to prime proposers are not required to attend.

Proposals shall be mailed to: City of Morro Bay, Public Works Department, 595 Harbor St., Morro Bay, 93442; or had delivered to the Department at 955 Shasta Avenue, Morro Bay, 93442.

General Work Description:

The scope anticipated by this RFP will result in the development of a Water Reclamation Facility (WRF) Facility Master Plan (FMP) for a new WRF ~~for serving~~ the Communities of Morro Bay ~~(and Cayucos).~~

This FMP ~~is to will~~ serve as a comprehensive planning document for a facility that will treat wastewater flows from the City of Morro Bay and its wholesale customer, the Cayucos Sanitary District, for a 30-year planning period.

The City recently made a site preference selection for the location of the facility and through that site selection process the community has adopted the following goals:

- Produce tertiary, disinfected wastewater in accordance with Title 22 requirements for unrestricted urban irrigation in a cost effective manner for all ratepayers.
- Design to be able to produce reclaimed wastewater for potential users, which could include public and private landscape areas, agriculture, or groundwater

recharge. A master reclamation plan should include a construction schedule and a plan for bringing on recycled water customers in a cost effective manner.

- Allow for onsite composting
- Design for energy recovery
- Design to treat contaminants of emerging concern in the future
- Design to allow for other possible municipal functions, i.e. City Corporation Yard on site.
- Ensure compatibility with neighboring land uses

The Morro Bay City Council has resolved to have a WRF operational prior to the expiration of the discharge permit for the existing WWTP, being five years more or less.

The existing WWTP is currently designed to accommodate an average dry-weather flow of 2.06 MGD. All wastewater is treated through a primary treatment process, which includes screening, grit removal, and primary sedimentation. The WWTP contains a secondary treatment unit with a design capacity of a nominal 1.0 MGD, consisting of trickling filters, a solids-contact chamber, and a secondary clarifier. Typically, the majority of the flow (often more than 1 MGD) is diverted through the secondary treatment process. Secondary treated effluent is subsequently blended with primary effluent prior to discharge to the Pacific Ocean through a permitted outfall line.

On December 9, 2014 the Morro Bay City Council was presented the final site preference study prepared by John F Rickenbach Consulting and they adopted Resolution 77-14 expressing their preference to locate the new WRF on the Rancho Colina site. The Schedule, developed by John F. Rickenbach and Michael K Nunley Associates Engineers, outlines the required steps necessary to develop, perform and complete the construction of a New WRF.

The Facility Master Plan will include evaluation and analysis of:

The construction of a new ~~Water Reclamation Facility~~ WRF on the Rancho Colina site, ~~exin~~ including all ancillary conveyance facilities thus replacing the existing wastewater treatment facilities. [The conveyance facilities, pumping station and collectionsystem modifications will be issued as a separate RFP.](#)

Evaluation and comparison of the viable treatment alternatives for reliable long-term compliance with the current and anticipated future WWTP waste discharge requirements and 30-year flows.

The FMP will make use of existing work prepared during the development of the former rehabilitation/reconstruction project at the existing site and documents prepared by the City and its consultants since the denial of the Coastal Development Permit for the reconstruction project. These documents are available on the City's web site: www.morro-bay.ca.us/NEWWRF.

Proposal packages may be obtained at no cost, ~~from the City of Morro Bay Public Works Department, 955 Shasta Avenue, Morro Bay, CA 93442~~ [on the City's web site www.morro-bay.ca.us in the doing business/bid posting section.](http://www.morro-bay.ca.us/in-the-doing-business/bid-posting-section) The telephone number for the Public Works Department is (805) 772-6261. For additional information, contact ~~Rob Livick, Public Works Director or~~ Bruce Keogh, Wastewater Division Manager Department at (805) 772-6261.

DESCRIPTION OF WORK

1. INTRODUCTION

The future New Water Reclamation Facility is proposed to be ~~constructed~~ constructed on an approximately ~~44-10 to 15~~ acre parcel of property, which is a portion of an 187-acre property located approximately one mile East of the Morro Bay ~~City limits~~ jurisdictional boundaries and on the North side of Highway 41, ~~and~~ The project will require modifications to the collection system, a new force main and pumping station to convey the raw wastewater to the site. The new WRF is currently proposed by the City to be owned and operated by the City of Morro Bay, and will serve residents of the City as well as those of the unincorporated community of Cayucos. The contractual agreement between the City and the Cayucos Sanitary District regarding the facility has yet to be determined. with the community of Cayucoa, as served by the Cayucos Sanitary District, to be a wholesale customer with rights to approximately 28 percent of the facilities Capacity. These ownership discussions are currently on going.

Additionally, tThe projects ultimate goal for the WRF is to ultimately produce the maximum amount of reclaimed water as feasible to supplement the City of Morro Bay's water supply. The ultimate use of the reclaimed water is unknown at this time, but ~~includes~~ potentially includes: groundwater recharge, agricultural offsets, and/or indirect or direct potable use. Since the ultimate use of the reclaimed water will drive the selection of the treatment process, the City is looking to this FMP to address that issue.

The existing Morro Bay - Cayucos Wastewater Treatment Plant (WWTP) is currently owned by the City of Morro Bay and the Cayucos Sanitary District and operated by the City under a Joint Powers Agreement ("JPA"). Under the terms of the JPA, the WWTP property is owned 60% by the City, and 40% by the District, and the City has rights to 65% of the WWTP capacity, the District 35 % of the capacity rights. The plant is located at 160 Atascadero Road in Morro Bay.

The current WWTP serves a population base of approximately 14,000 people within the two communities. The WWTP treated an average measured daily flow of 0.934 MGD during the 2014 calendar year and 1.244 MGD in 2011. The WWTP was designed to accommodate an average dry-weather flow of 2.06 MGD and presently contains a secondary treatment unit with a design capacity of 1.0 MGD, consisting of trickling filters, a solids-contact chamber, and a secondary clarifier. All wastewater is treated through a primary treatment process, which includes screening, grit removal, and primary sedimentation. Typically, the majority of the flow (often more than 1 MGD) is diverted through the secondary treatment process. Secondary treated effluent is subsequently blended with primary effluent. The entire blend is chlorinated for disinfection and then dechlorinated. The disinfected effluent is discharged into Estero Bay (Pacific Ocean) through a 27-inch diameter outfall that extends a distance of approximately 4400-feet in a northwesterly direction. The outfall terminates in a multiport diffuser situated approximately 2,900 feet from shore. The diffuser lies in 50 feet of water referenced to Mean Lower Low Water.

2. BACKGROUND

The WWTP is operated under a modified National Pollutant Elimination Discharge Permit (NPDES) No. CA007881 issued by the United States Environmental Protection Agency (USEPA) and the Central Coast Regional Water Quality Control Board (RWQCB). The WWTP has operated under a 301(h) modified discharge permit since it's last upgrade in 1984. On July 7, 2003 the City submitted an application for renewal of NPDES permit No. CA0047881 to USEPA and the RWQCB.

That permit expired in March 2014 and the final discharge permit for this plant is expected to be issued later this year. The [City and CSD have recently received correspondence from the](#) Regional Water Quality Control Board ~~expects~~ [expecting](#) the new facility to be fully operational by 2021. [Reference letter from RWQCB saying operational by 2021?](#)

It is the intent of the City [and CSD](#) to develop and implement a long-term project ~~to~~ [and](#) construct a New [Water Reclamation Facility \(WRF\)](#) ~~on~~ [at a currently preferred site](#), a property approximately one mile east on the City's [Corporate-jurisdictional](#) Boundaries on a site known as "Rancho Colina".

On December 9, 2014 the Morro Bay City Council was presented the final site preference study prepared by John F Rickenbach Consulting and ~~they~~ [it](#) adopted Resolution 77-14 [which](#) expressed ~~its~~ [their](#) preference to locate the new WRF on the Rancho Colina site. The Schedule, developed by John F. Rickenbach and Michael K Nunley Associates Engineers, outlines the required steps necessary to develop, perform and complete the construction of a New WRF. The Schedule anticipated using alternative delivery methods in order to complete the project in the allotted 5 ± - year time schedule. The development of a Facility Master Plan ("FMP") is listed as the next priority task in the Schedule. [. The City and CSD intend to follow an alternative delivery approach \(ex. Design-Build\) for the New WRF and follow a conventional design-bid-build delivery approach for wastewater collection system improvements, influent lift station near the existing WWTP site, and the pipelines to and from the New WRF.](#)

[The development of a Facility Master Plan is listed as the next critical step needed to meet the City's schedule goal.](#)

The City has available for review the many engineering studies and reference documents on its website www.morro-bay.ca.us/NEWWRF and <http://ca-morrobay.civicplus.com/index.aspx?nid=352> for the previous project.

3. GENERAL PROJECT DESCRIPTION

The purpose of this project is to develop a FMP ("~~Facilities~~ [Facility](#) Master Plan") for the new Morro Bay WRF to provide a comprehensive planning document to treat wastewater flows for a 30-year planning period. The City recently adopted the Schedule for constructing the New WRF to meet full tertiary treatment standards within five years. The Facility Master Plan will be utilized by the City to determine the steps necessary construct the new WRF and demolish the existing plant, and to select a preferred treatment alternative.. The completed goal for the project will is to result in a facility with full tertiary treatment capacity that is ready to provide water for further treatment to meet its water reclamation goals. The Facility Master Plan should include detailed cost estimates for each of the treatment alternatives identified, and the demolition of the existing plant.

[The FMP will be a component of the City's Master Reclamation Plan, which includes ongoing hydrogeological investigation to determine feasibility of percolation or subsurface injection of highly treated effluent; coordination with potential agricultural customers; development of a financing strategy; and establishment of effluent disposal goals. The FMP consultant will work collaboratively with all team members to share information and work toward a comprehensive, cohesive Reclamation Plan.](#)

This ~~Facility Master Plan~~FMP will build upon the previous work performed including capacity evaluation already performed as a part of Amendment 2 to the ~~previous~~ FMP for the previous project for reconstruction of the existing wastewater treatment plant. This process will include analysis of viable wastewater treatment process alternatives. The City ~~and CSD are~~is aware of and would like to explore several wastewater treatment options, including but not limited to phased in tertiary treatment, full tertiary treatment, and quaternary (or equivalent) treatment to meet reclaimed water quality standards.

The Facility Master Plan shall include one or more viable treatment alternatives that provides reliable, cost effective, long-term wastewater treatment, and value for the City, CSD and their customers. It is assumed the final process selection and detailed site design will be performed by the alternative delivery team. Therefore, it is expected that at least two viable conceptual alternatives must be presented in the FMP.

It is the express intent of the City and CSD all communications with any and all other parties (RWQCB, EPA, non-profits, etc.) during the preparation of this proposal and on work thereafter, shall occur only with prior authorization of the Project Manager

Project Budget: The Contract award will be based on qualifications as determined by the City ~~and CSD~~, as outlined in the proposal evaluation and selection criteria described in Section 3 of the Special Terms and Conditions. Following the award of contract, the City, in concert with the CSD, will negotiate a not to exceed value compensation and payment schedule with the selected consultant.

4. SCOPE OF CONSULTANT SERVICES

The City ~~and CSD~~ intends to hire a qualified consultant or consultant team to provide the following services and products. It is assumed the FMP will focus efforts on the Rancho Colina site and that the collection system modifications, influent lift station, and offsite pipelines will be addressed under a separate contract for design of these elements. The consultant team is encouraged ~~and expected~~ to provide additional or alternative scope items as they see fit and that are appropriate for the desired City goals. Conceptually, the scope of work should address the following:

1. Develop a ~~WRF Facility Master Plan~~FMP for the WRF that will provide a comprehensive planning document to treat wastewater flows for a 30-year planning period.
2. The ~~Facility Master Plan~~FMP shall include, but is not limited to, the following:
 - Evaluate the existing wastewater flows and constituent loadings at the existing WWTP and identify and or confirm the projected future capacity requirements are correct.
 - Coordinate with the City's ongoing work to update its General Plan in order to consider impacts to future flows and loadings.
 - Evaluate the current and anticipated future waste discharge requirements. Potential future WRF upgrades that may be required to comply with anticipated future regulations shall be identified.

- Evaluate the ~~present and~~ future solids generation, treatment, storage capacity, handling, and disposal or reuse options. The analysis should also consider alternatives including the City's stated goals of on-site composting of biosolids as well as potential energy recovery from the solids handling process.
- Evaluate and provide a summary and comparison of the viable treatment alternatives for reliable long-term compliance with the current and anticipated future WWTP waste discharge requirements and 30-year flows. Upgrade options include, but are not limited to:
 - a. Full tertiary treatment for 30-year future flows;
 - b. Full ~~secondary treatment plus partial tertiary~~ Title 22 treatment for 30-year future flows. ~~The Schedule identified a 700 Acre Feet/Year of partial tertiary option;~~
 - c. Full ~~secondary tertiary~~ treatment plus 700 Acre Feet/Year of ~~tertiary~~ Title 22 treatment and phased implementation to full Title 22 ~~tertiary~~ treatment for twenty (30) year future flows.
 - d. Identification and evaluation of any additional treatment requirements (above and beyond tertiary treatment) necessary to treat 100% of the design flow to water quality standards that can be utilized for water reclamation projects.
 - Anticipated uses for reclaimed water include: replacement of agriculture and landscape irrigation supplies and other non-potable uses, groundwater recharge and direct potable reuse as regulations change to accommodate. These additional treatment concerns include: salts removal and removal of emerging contaminants
 - e. Criteria for the evaluation of the recommended treatment alternative should include but not be limited to economic analysis that considers both capital and life cycle costs, reliability, energy use, process complexity, environmental impacts, public acceptance, and professional judgment.
- Evaluate the demolition requirements for the existing WWTP.
- ~~A Water Reclamation Master Plan should be developed and include~~ Coordinate with the ongoing work by the City on the Master Reclamation Plan, which includes an analysis of potential reclamation and disposal options including but not limited to percolation basins, groundwater recharge within the Morro Valley and the continued use of the ocean outfall for those time when reclaimed water cannot be delivered. ~~The Water Reclamation Master Plan should evaluate and provide recommendations for dealing with the impact of total dissolved solids on the proposed water reclamation program.~~
- Provide ~~recommended treatment process a recommended treatment alternative~~ based upon a summary and comparison of the viable treatment alternatives identified in the ~~Facility Master Plan~~ FMP. It is assumed the final process and site design will be selected by the City during the alternative delivery procurement process While a complete design is not expected during planning, there should be presentation of the relevant design parameters to insure that all major components of the system have been included. ~~Identification and evaluation~~ Identify and evaluate of space requirements and/or site development options required to implement the recommended treatment alternative.

- Consider space allocation for future salts removal and/or other treatment processes that may be required for implementation of future phases of the City's Master Reclamation Plan. This may include the relocation of the City's desalinization facility to be co-located with the WRF.
- The FMP should also inform other City goals such as the Co-location of the City's Corporation Yard at the FRF Facility site, construction of a "Solar Farm" to offset energy needs, the potential for a small Water Resources Education Center and incorporating a community park and openspace.

Include detailed cost estimates for each of the treatment alternatives identified, as well as the costs for decommissioning and demolition of the existing plant. The cost estimates should include but are not limited to capital costs, staffing plan, and operation and maintenance costs; along with addressing life cycle costs so that the most cost effective alternative that meets the projects goals is selected

3. The Consultant shall submit ten (10) copies plus an electronic copy of the Facility Master Plan at the 33%, 67%, and 90% completion stages for City and CSD staff review and comment.
4. The Consultant will meet with City and CSD staff for an initial kick off meeting, and as required to complete the Facility Master Plan. It is estimated that eight (8) such staff level meetings will be held.
5. The Consultant will also need to allow for sufficient meetings with, the Water Reclamation Facility Citizens' Advisory Committee ant other advisory bodies, the Morro Bay City Council, and the Cayucos Sanitary District Board of Directors. It is estimated that fifteen (15) such public meetings will be held.

Deliverables: Finished product shall include:

Twenty five (25) copies of the public review draft Facility Master Plans and twenty five (25) copies of the final Facility Master Plans, with the public review draft and final documents including an Executive Summary, along with an electronic version of the final document on compact disc.

PROJECT SCHEDULE

A detailed schedule shall be included in the proposal. The schedule shall include a realistic time frame for all major tasks and identify milestone dates.

INTENDED USE OF CONSULTANT'S WORK

The Facility Master Plan produced by the Consultant is a necessary component of the process required for the City and CSD for the ultimate construction of a new Water Reclamation Facility WRF. After review and approval of the Facility Master Plan FMP, and approval of a recommended treatment alternative the City or the City City and CSD will proceed with the next phases of the project to conduct the Environmental Review Process based on the preferred treatment alternative selected. Additionally due to the very aggressive timeline the FMP will serve as the basis for developing bridging documents to implement the alternative delivery project for the WRF. the Design-Build process.

GENERAL TERMS AND CONDITIONS

PROPOSAL REQUIREMENTS

1. **Requirement to Meet All Provisions.** Each individual or firm submitting a proposal shall meet all of the terms and conditions of the Request for Proposals (RFP) specifications package. By virtue of its proposal submittal, proposing consultant acknowledges agreement with and acceptance of all provisions of the RFP specifications.
2. **Proposal Submittal.** Each proposal must be submitted on the form(s) provided in the specifications and accompanied by any other required submittals or supplemental materials. Enclose proposal documents in a sealed envelope addressed to the City of Morro Bay Public Works Department, 595 Harbor, Morro Bay, California, 93442. In order to guard against premature opening, clearly label the proposal with the proposal title, name of consultant, and date and time of proposal deadline. The CityCity and CSD will not accept FAX submittals.
3. **Insurance Certificate.** Each proposal must include a current certificate of insurance showing:
 - a. The insurance carrier and its A.M. Best rating of at least A-.
 - b. Scope of coverage , occurrence based and limits, with a single limit of at least \$5M. and limits.
 - c. Deductibles self-insured retention, neither of more than \$25,000Deductibles and self-insured retention.

The purpose of this submittal is to generally assess the adequacy of the proposing consultant's insurance coverage during proposal evaluation; as discussed under paragraph 12 below, endorsements are not required until contract award.

4. **Proposal Withdrawal and Opening.** A proposing consultant may withdraw its proposal, without prejudice, prior to the time specified for the proposal opening, by submitting a written request to the Public Works Director for its withdrawal, in which event the proposal will be returned to the consultant unopened. The CityCity and CSD will not consider proposals received after the time specified or at any place other than that stated in the "Notice Requesting Proposals." The CityCity and CSD will open and declare all proposals in public. Proposing consultants or their representatives are invited to be present at the opening of the proposals.
5. **Submittal of One Proposal Only.** No individual or business entity of any kind shall be allowed to make or file, or to be interested in more than one proposal, except an alternative proposal when specifically requested in writing by the CityCity and CSD; however, an individual or business entity which has submitted a sub-proposal to a proposing consultant submitting a proposal, or who has quoted prices on materials to such proposing consultant, is not thereby disqualified from submitting a sub-proposal or from quoting prices to other proposing consultants submitting proposals.
6. **Communications.** All timely requests for information submitted in writing will receive a written response from the CityCity and CSD. The CityCity and CSD does not encourage telephone communications with CityCity and CSD staff but will allow them. However, any such

oral communication shall not be binding on the [CityCity and CSD](#). [Refer to this Request for Proposal's Special Terms and Conditions, Paragraph 7.]

CONTRACT AWARD AND EXECUTION

9. **Proposal Retention and Award.** The [CityCity and CSD](#) reserves the right to retain all proposals for a period of 60 days for examination and comparison. The [CityCity and CSD](#) also reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations. The special terms and conditions of these specifications include proposal evaluation and contract award criteria.
10. **Competency and Responsibility of Proposing Consultant.** The [CityCity and CSD](#) reserves full discretion to determine the competence and responsibility, professionally and/or financially, of proposing consultants. Proposing consultants will provide, in a timely manner, all information ~~that~~ the [CityCity and CSD](#) deems necessary to make such a decision.
11. **Contract Requirement.** The proposing consultant to whom award is made (Consultant) shall execute a written contract with the [CityCity and CSD](#) within ten (10) calendar days after notice of the award has been sent by mail to it at the address given in its proposal. The contract shall be made in substantially the form adopted by the [CityCity and CSD](#) and incorporated in these specifications.
12. **Insurance Requirements.** The Consultant shall provide insurance policies and endorsements of insurance policies in the form, coverages, and amounts specified in the Consultant Services Agreement within 10 (ten) calendar days after notice of contract award as a precondition to contract execution.
13. **Business License.** The Consultant must have a valid City of Morro Bay business license prior to execution of the contract. Additional information regarding the City's business license program is available at the City of Morro Bay City Hall at 595 Harbor Street, Morro Bay, CA, 93442, (805) 772-6200.

CONTRACT PERFORMANCE

14. **Ability to Perform.** The Consultant warrants that it possesses, or has arranged through subcontracts, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all federal, state, county, city, and special district laws, ordinances, and regulations.
15. **Laws to be observed.** The Consultant shall keep itself fully informed of and shall observe and comply with all applicable state and federal laws and county and City of Morro Bay ordinances, regulations and adopted codes during its performance of the work.
16. **Payment of Taxes.** The contract prices shall include full compensation for all taxes that the Consultant is required to pay.
17. **Safety Provisions.** The Consultant shall conform to the rules and regulations pertaining to safety established by OSHA and the California Division of Industrial Safety.
18. **Public and Employee Safety.** Whenever the Consultant's operations create a condition hazardous to the public or [CityCity and CSD](#) employees, it shall, at its expense and without cost to the [CityCity and CSD](#), furnish, erect and maintain such fences, temporary railings, barricades, lights, signs and other devices and take such other protective measures as are necessary to prevent accidents or damage or injury to the public and employees.
19. **Preservation of [CityCity and CSD](#) Property.** The Consultant shall provide and install suitable safeguards, approved by the [CityCity and CSD](#), to protect [CityCity and CSD](#) property from injury or damage. If [CityCity and CSD](#) property is injured or damaged as a result of the Consultant's operations, it shall be replaced or restored at the Consultant's expense and to a condition as good as when the Consultant began work.
20. **Consultant Non-Discrimination.** In the performance of this work, the Consultant agrees that it will not engage in, nor permit such subconsultants as it may employ, to engage in discrimination in employment of persons because of age, race, color, sex, national origin or ancestry, sexual orientation, or religion of such persons.
21. **Disadvantaged Business Enterprise (DBE) Program.** The selected applicant's proposal will comply with all the requirements prescribed in the [CityCity and CSD](#)'s DBE program or demonstrate a good faith effort to do so. Adequate good faith efforts must be documented. A non-certified DBE may meet the [CityCity and CSD](#)'s goal through use of DBE subcontractors or suppliers.
22. **Terms and Conditions of Contract:** ~~The City standard general consultant contract form is attached to this Request for Proposals.~~—The successful firm will be required to enter into a contract substantially in the form attached and abide by all of ~~its~~the terms and conditions. As part of the Proposal, all firms shall specify and submit all conflicts with or exceptions to the terms and conditions. The [CityCity and CSD and CSD](#) will view all firms not submitting such conflicts or exceptions to be in agreement with all of the terms and conditions therein.

SPECIAL TERMS AND CONDITIONS - REQUEST FOR PROPOSALS

1. **Proposal Content.** Your proposal must include the following information:

- a. Proposal submittal summary.

Qualifications

- b. Experience of your firm in performing similar services. Project understanding and examples of recent projects on which your firm has worked which you believe had similar facility master plan services for the proposed water reclamation facility construction project.
- c. The firm's capabilities and expertise in engineering, design, and construction of wastewater treatment facilities, and project management services.
- d. Resumes of the individuals assigned to this project, including any sub-consultants.
- e. Name(s) and specific experience of the individual or individuals at your firm that you propose as Project Manager or other substantial roles.
- f. Standard hourly billing rates for the assigned staff, including any sub-consultants.

Work Program

- g. Description of your approach to completing the work.
- h. Tentative schedule for completing the work, including estimated staff hours and rate schedule.
- i. Services or data to be provided by the City.
- j. Any other information that would assist us in making this contract award decision.

Submittal Forms

- k. Certificate of insurance.
- l. References from at least three firms for whom you have provided similar services (use form in proposal package).
- m. Statement and explanation of any instances regarding past governmental agency bidding or contract disqualifications or removal from a project.

Proposal Length and Copies

- n. Submit ten (10) bound copies and one electronic copy of the proposal.

2. **Consultant Information.** Proposing consultant shall submit a statement identifying contact information.

3. **Proposal Evaluation and Selection.** Proposals will be ranked by the [City and CSD's](#) review committee, made up of City Staff, Water Reclamation Citizens Advisory Committee

representatives, and Cayucos Sanitary District Representatives, based on established ranking criteria. The request for proposals will be evaluated utilizing the following qualifications-based criteria:

Criteria	Points
1. Understanding of the Scope of Work (e.g. completeness of proposal; demonstrated grasp of work to be completed under this contract; expressed understanding of the project scope, objectives, and complexity).	15
2. Past performance and related experience of firm (e.g. previous experience in performing similar projects, results of reference checks, administrative information)	10
3. Expertise of technical and professional team members assigned to the project (e.g. team qualifications, specialized experience, professional competency of members in critical aspects, proven innovative approaches/techniques, knowledge of issues associated with the facility master plan).	25
4. Proposed project approach (e.g. conceptual and technical approach in preparing the plan, including assurance of the consultant's ability to provide deliverables in a timely fashion and with high quality).	25
5. Recent experience in successfully performing similar services in the Coastal Zone.	10
6. Demonstrated ability to conform to CityCity and CSD contract requirements (The City's standard general consultant contract is attached to this Request for Proposals).	10
7. Good faith effort to comply with the City's Disadvantaged Business Enterprise (DBE) program.	5
Total	100

The [CityCity and CSD](#) reserves the right to request clarification of information submitted, and to request additional information of one or more applicants prior to the selection for interviews. Based on the results of the review and ranking process, utilizing the stated evaluation criteria, the 3-4 top ranked firms may be invited to the City of Morro Bay (at no cost to the [CityCity and CSD](#)) for interviews.

If interviews are held, each interview will last approximately one hour. Approximately thirty minutes will be devoted to the firm's presentation of its proposal and its various elements, and the remainder a question and answer format between the Interview Committee and the consultant. Upon completion of all interviews, the Interview Committee will deliberate and rank the consultants, and designate the most qualified consultant for award of contract. The other firm's will be notified, and if negotiations are not successful with the top-ranked firm, or if that firm does not execute a contract agreeable to the [CityCity and CSD](#) within 45 days of the

notification, the [City and CSD](#) will cease discussions, and begin negotiations with the second highest ranked firm, etc., until a satisfactory contract is agreed upon; or the [City and CSD](#) may decide to reject all proposals and re-advertise the RFP.

4. **Contract Award.** Subject to the reservations set forth in Paragraph 9 of the General Terms and Conditions of these specifications, the City will award the contract to the most qualified, responsible, responsive proposing consultant, using the proposal evaluation and selection criteria.

Following the award of contract, the consultant will negotiate with the City a compensation and payment schedule tied to accomplishing key tasks. The proposed compensation and payment schedule shall be tabulated in spreadsheet form, presenting each task complete with the level of effort from each team member. The proposed compensation schedule shall include a per meeting cost associated with staff level meetings as well as advisory Committees, City Council, and District Board meetings. The City must be able to determine and differentiate the costs associated with reviewing the partial tertiary, and tertiary treatment, and other recommended alternatives alternatives. The Consultant shall monitor costs throughout the project. The “not to exceed fee” for this project will not be increased unless the scope of work is amended to include additional consulting services. Any increase in fees for additional consulting services must be confirmed in writing by the City **prior** to undertaking extra work.

5. **Failure to Accept Contract.** The following will occur if the Consultant whose proposal is accepted fails or refuses to enter into the contract: the City may negotiate with the next most qualified proposing consultant.
6. **Proposal Review and Award Schedule.** The following is an outline of the anticipated schedule for proposal review and contract award:

1. Issue RFP	Monday, March 16, 2015
2. Pre-proposal Conference	Friday, April 10, 2015
2. Receive proposals	Tuesday, April 28, 2015
3. Complete proposal evaluation and finalize staff recommendation	Tuesday, May 25, 2006
4. Award contract	Tuesday, June 9, 2015
5. Execute contract	Tuesday, June 25 2015
7. Start work	Tuesday, June 30, 2015

7. **Questions.** Direct questions or information requests concerning this project to Rob Livick, Public Works Director or Bruce Keogh, Wastewater Division Manager, City of Morro Bay Public Works Department, 955 Shasta, Morro Bay, CA, 93442, rlivick@morro-bay.ca.us or Bkeogh@morro-bay.ca.us no later than 4 p.m. on Friday, April 3, 2015. Questions received after this time and date will not receive responses. The [City and CSD](#) will forward all questions and responses to all proposal holders to assure no one firm gains a competitive advantage or suffers a competitive disadvantage. The [City and CSD](#) will attempt to respond to questions within one working day of their receipt.

8. **Ownership of Materials.** All original drawings, plan documents, computer models and other materials prepared by or in possession of the Consultant as part of the work or services under these specifications shall become the permanent property of the [CityCity and CSD](#). The Consultant shall deliver any or all of these materials and documents to the [CityCity and CSD](#) upon demand.
9. **Release of Reports and Information.** Any reports, information, data, or other material given to, prepared by or assembled by the Consultant as part of the work or services under these specifications shall be the property of [CityCity and CSD](#) and shall not be made available to any individual or organization by the Consultant without the prior written approval of the [CityCity and CSD](#).
10. **Copies of Reports and Information.** If the [CityCity and CSD](#) request additional copies of reports, drawings, specifications, or any other material in addition to what the Consultant is required to furnish in limited quantities as part of the work or services under these specifications, the Consultant shall provide such additional copies as are requested, and [CityCity and CSD](#) shall compensate the Consultant for the costs of duplicating of such copies at the Consultant's direct expense.
11. **Accuracy of Scope of Consultant Services.** The [CityCity and CSD](#) finds the Scope of Consultant Services for this project to be accurate and to contain no affirmative misrepresentation or any concealment of fact. Although the effect of ambiguities or defects in the Scope will be as determined by law, any patent ambiguity or defect shall give rise to a duty of proposing consultant to inquire prior to proposal submittal. To the extent that the Scope of Consultant Services constitute performance parameters, the [CityCity and CSD](#) shall not be liable for costs incurred by the successful proposing consultant to achieve the project's objectives or standards beyond the amounts provided therefore in the proposal.

PROPOSAL SUBMITTAL FORM - SUBCONSULTANT LISTING

Describe briefly the work scope of each sub-consultant. Attach additional pages if required.

Sub-consultant

Company Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Description of services to be provided.	

Sub-consultant

Company Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Description of services to be provided	

Sub-consultant

Company Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Description of services to be provided	

REFERENCES

Number of years engaged in providing the services included within the scope of the consultant services under the present business name:_____.

Describe fully the last three contracts performed by your firm that demonstrate your ability to provide the services included with the scope of the consultant services. Attach additional pages if required. The [City and CSD](#) reserve the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1

Customer Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

Reference No. 2

Customer Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when provided and project outcome	

Reference No. 3

Customer Name	
Contact Individual	
Telephone & FAX number	
Street Address	
City, State, Zip Code	
Description of services provided including contract amount, when	

provided and project outcome	
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Attach Current Consultant Agreement Here [Appendices](#)

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[A. Figures](#)

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[B. Sample City Contract](#)

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CITY OF MORRO BAY

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made, by and between, the City of Morro Bay, a municipal corporation (“City”) and [REDACTED], a California corporation, *and/or [insert individual’s name] dba [insert business name if not a corporation]* (“Consultant”). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on **XXXX ____ 2015**, and shall remain and continue in effect until tasks described herein are completed, but in no event later than September 30, 2014, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. CITY MANAGEMENT

City’s Public Services Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation due to Consultant. City’s City Manager shall be authorized to act on City’s behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change Consultant’s compensation, subject to Section 5 hereof.

5. PAYMENT

(a) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, and based upon actual time spent on the above tasks. That amount shall not exceed **{INSERT AMOUNT IN THE FOLLOWING FORMAT}. Twenty-Five Thousand, Seven Hundred Fifty-Three Dollars and no cents (\$25,753.00)** for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed ten percent (10%) of the amount of the Agreement, but in no event shall such sum exceed {INSERT AMOUNT 10% OF THE ABOVE TOTAL, IN THE FOLLOWING FORMAT} Two Thousand, Five Hundred Seventy-Five Dollars and thirty cents (\$2,575.30). Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within fifteen (15) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten-days' (10-days') prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, then such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 3.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date Consultant is notified of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the City Manager of his/her delegate determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be served upon Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, and full payment by City for services performed pursuant to, this Agreement, all final work product such as documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, as a service in addition to those set forth herein, at Consultant's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent same are caused by any negligent act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the computer files or any other document provided by Consultant under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with applicable legal requirements in effect at the time the drawings and specifications are prepared. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent

of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City if Consultant, or any of its officers, employees, agents, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate with City by providing the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:	City of Morro Bay 595 Harbor Street Morro Bay, CA 93442 Attention: Contact
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To Consultant:

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF MORRO BAY

CONSULTANT (2 signatures required)

By: _____
[Authorized City Representative or Mayor]

By: _____
 (Signature)

Attest:

 (Typed Name)

Dana Swanson, City Clerk

Its: _____
(Title)

By: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Approved As To Form:

Joseph W. Pannone, City Attorney

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