



**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.

**March 1, 2016
Veterans Memorial Building – 3:00 P.M. to 5:00 P.M.
209 Surf Street, 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: Stephen Shively

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 2, 2016

Staff Recommendation: Approve minutes as submitted.

B. BUSINESS ITEMS

B-1 WRF Program Update

Staff Recommendation: Receive update.

B-2 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-3 Summary of February 25, 2016, Neighborhood Workshop

Recommendation: Receive update and discuss.

B-4 Discussion of WRF Site Recommendation

Recommendation: Provide input to council for their regular March 8 meeting on recommended WRF site (Righetti property) for Facility Master Plan and California Environmental Quality Act (CEQA) process.

C. COMMITTEE MEMBER CLOSING COMMENTS

D. ADJOURNMENT

Adjourn to the regular Water Reclamation Facility Citizen Advisory Committee meeting at the Morro Bay Veteran's Memorial Building, 209 Surf Street, on April 5, 2016, 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.

This agenda may be found on the Internet at: <http://www.morrobayca.gov/wrfcac> or you can subscribe to Notify Me for email notification when the Agenda is posted on the City's website. To subscribe, go to <http://www.morrobayca.gov/notifyme> and follow the instructions.

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.

Richard Sadowski stated on Item C of the January 5, 2016 minutes, he stated “The City should not be subsidizing not only California State Parks *but also industrial waste dischargers that are into collection system.*”

MOTION:

Steve Shively made a motion to approve both minutes of the meetings with the *amendments* made by Richard Sadowski. The motion was seconded by Bill Woodson and carried 9-0.

B. BUSINESS ITEMS

B-1 WRF PROGRAM UPDATE

<https://youtu.be/X30iYmW36vc?t=6m26s>

Mike Nunley presented the Staff Report.

The public comment period was opened, seeing none, the public comment period was closed.

B-2 WRFCAC SUB-COMMITTEE UPDATES AND RECOMMENDATIONS

<https://youtu.be/X30iYmW36vc?t=11m46s>

Barbara Spagnola stated the Finance Sub-Committee met and discussed the commitments log and what they might do in terms of defining the requirements for a more comprehensive budget and accounting information to help manage a project of this magnitude. Barbara submitted a WRFCAC Quarterly Budget Report to be included in the minutes.

Richard Sadowski asked if there is an advantage to having a column that shows staff time.

Rob Livick clarified there is an area for staff time on the report.

Richard Sadowski asked if Cayucos is being charged or billed for staff time.

Rob Livick stated no, and clarified if they enter the project again Cayucos will get a lump sum bill.

Ginny Garelick stated it appears there is no budget for the fatal flaws analysis for geotechnical, initial hydrogeologic and field testing for the Righetti property.

Mike Nunley replied the Fugro report included this work and clarified 30% of the funding for grant and State Revolving Fund (SRF) support was used for two applications and additional research for funding sources that Kestrel provided.

Ginny Garelick stated the EPA’s Water Infrastructure and Resilience Finance Center has developed regional environmental finance centers to help communities across the country to help meet environmental goals. Ginny announced there was a press release that stated EPA Region 9 announced more than 182 million dollars in additional funding to California for investment in statewide water quality projects and another press release states the EPA’s recent survey indicates 271 billion dollars are needed for the nations waste water infrastructure.

Bill Woodson concurs with Barbara Spagnola that a percent complete column should be added to the budget report. He questioned the difference between year-to-date and fiscal year and there are several contracts that will be longer than a year and there needs to be a roll-up column for multi-year contracts.

Barbara replied columns will be added and explained the difference between year-to-date and fiscal year.

Rob Livick suggested combine fiscal and year year-to-date and create a life-to-date section.

John Diodati agrees with full life-cycle costs for the multi-year contracts.

Steve Shively stated the Engineering Sub-Committee met with John Rickenbach and Mike Nunley and discussed Item B-4 Report.

The public comment period was opened, seeing none, the public comment period was closed.

B-3 UPDATE OF SITE EVALUATION AND FATAL FLAW ANALYSIS
<https://youtu.be/X30iYmW36vc?t=29m32s>

John Rickenbach presented the staff report.

The public comment period was opened.

Bill Martony stated many site locations were studied and Toro Creek was discussed but was not for sale at the time of discussion. It is currently for sale and it is a preferred site for Cayucos and they will make their site decision on February 18. The Righetti site may be available for re-partnering with Cayucos. The Tri-W site was never studied, is in the City limits and is for sale, so there are other options to look at.

The public comment period was closed.

B-4 MORRO VALLEY GROUNDWATER RECONNAISSANCE STUDY
<https://youtu.be/X30iYmW36vc?t=1h3m46s>

Paul Sorenson with Fugro presented the study and findings of this report.

Richard Sadowski stated he disagrees with staff, and stated the nitrates identified in the Morro Basin are coming from dilapidated sewer mains.

The public comment period was opened.

Bill Woodson moved the meeting go past 5:00 p.m. The motion was seconded by Barbara Spagnola and carried unanimously, 9-0.

Bill Martony stated the study did not go any further up Hwy 41 than MacElvaine's property and there are 600 acres of avocado trees upstream that is pulling water out of the upper aquifer. If the water was run and recharged upstream that would double the size of the aquifer. In regards to offsite retention, the concept is to grab water and put the water in an offsite pond or lake and release the water in the spring and summer as needed. The Tri-W property has the potential for offsite retention.

The public comment period was closed.

In response to Richard Sadowski's comments made during Sorenson's presentation, Rob Livick clarified what was characterized as staff's opinion regarding the Morro Valley nitrates. Staff's opinion, which is supported by the Regional Board staff, is that the nitrate contamination in the Morro Valley is mainly coming from agricultural runoff. There was a sucralose and caffeine study done which showed there is sucralose and caffeine in the Morro Valley. While working with the Regional Board staff, it was determined that nitrate was tied to irrigation return water for those concentrations. Staff is not of the opinion that nitrate contamination in the Morro Valley is primarily due to sewage, it is primarily due to agricultural runoff.

Richard Sadowski stated, first of all, no sucralose was found in the Morro Valley, it was found downstream of the sewer lines and secondly, the nitrate contaminations that occurred in the tests, and it was stated in a 2007 letter to the Regional Board, stating the City had ruled out any sewage as contributing to nitrate contamination. Then later, the City changed its position. What I'm saying is not all of the nitrates come from City sewage, but it's contributing to the nitrates in the Morro Basin.

Rob Livick stated he stands by his comments.

C. COMMITTEE MEMBER CLOSING COMMENTS

<https://youtu.be/X30iYmW36vc?t=1h56m13s>

Dale Guerra thanked Paul Sorenson for his report.

Valerie Levulett asked if there are any plans to do further testing up the valley.

Mike Nunley replied the direction from City Council is to focus on enhancing City water supply. The focus is on the lower end of the valley because the hydraulic direct connectivity is there.

John Diodati stated he sees that as part of a menu of reuse options if the beneficiaries upstream are willing to fund infrastructure and pay for the benefits received than that is an option.

Mike Nunley stated part of the master reclamation plan, which will be funded by 50% of the State Water Board Grant, is to look at a variety of recycled water opportunities including direct delivery to folks up the valley.

Bill Woodson questioned if you could find out where sewage comes from through DNA.

Rob Livick replied isotope testing was performed and the conclusion of the Regional Board is to not expend anymore effort in researching this.

Bill Woodson asked if desal is in this equation.

Rob Livick replied, yes, it is in the equation in order to make highest and best use for direct or indirect use of the water. The water will have to be desal either on the way up or the way down, or possibly both.

Paul Donnelly thanked Paul Sorenson for his report, it was very educational.

AJOURNMENT

The meeting adjourned at 5:08 p.m.

WRFCAC QUARTERLY BUDGET REPORT

City of Morro Bay
Water Reclamation Facility Advisory Committee (WRFCAC) Quarterly Budget Review Summary

EXPENDITURES

Existing Department Data From City Manager's Report		Quarter Projected Budget	Portion of Fiscal Year Budget Management		YTD Projected Budget	Sum Of Current Quarter Projected		FY Encumbrance Balance	Sum Of All Fiscal Year	
New Departmental Data For WRFCAC Budget Review			Expects Necessary to Meet Quarter			Budget and All Prior Quarter			Contracts Less Actual Expenditures	
No Data Entry			Expenditures			Projected Budgets			Against Contracts	

Accounts				Quarter X				Year To Date (YTD)				Fiscal Year (FY)				
Fund	Organization	Object Range	Object Name	Projected Budget	Expenditures	Percent Expended	Variance	Projected Budget	YTD Expenditures	Percent Expended	Variance	Amended Budget	YTD Expenditures	Encumbrance Balance	Percent Expended	Variance
Fund and Organization Level																
xxx	xxxx	XXXX - XXXX	Contractual Services													
			KMA	\$12,835	\$9,395	73.20%	\$3,440	\$12,835	\$9,395	73.20%	\$3,440	\$12,835	\$9,395	\$0	73.20%	\$3,440
			Fugro	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Far Western	\$3,000	\$3,725	124.17%	(\$725)	\$3,000	\$3,725	124.17%	(\$725)	\$12,000	\$3,725	\$0	31.04%	\$8,275
			LWA	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Kestrel	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Black & Veatch	\$177,531	\$116,384	65.56%	\$61,147	\$177,531	\$116,384	65.56%	\$61,147	\$710,123	\$116,384	\$0	16.39%	\$593,739
			ESA	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			MKN	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Subtotal	\$193,371	\$129,504	66.97%	\$63,867	\$193,371	\$129,504	66.97%	\$63,867	\$734,963	\$129,504	\$0	17.62%	\$605,459
Account Level																
xxx	xxxx	4110 - 4999	Pay and Benefits													
			Regular	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Overtime	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Part-time	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Benefits	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Subtotal	\$4	\$0	0.00%	\$4	\$4	\$0	0.00%	\$4	\$4	\$0	\$0	0.00%	\$4
xxx	xxxx	5109 - 5503	Operational													
			Misc Operating Supplies	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Meetings and Conferences	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Notices and Publications	\$1	\$0	0.00%	\$1	\$1	\$0	0.00%	\$1	\$1	\$0	\$0	0.00%	\$1
			Subtotal	\$3	\$0	0.00%	\$3	\$3	\$0	0.00%	\$3	\$3	\$0	\$0	0.00%	\$3
Variance Reporting																
			TOTALS	\$193,378	\$129,504	66.97%	\$63,874	\$193,378	\$129,504	66.97%	\$63,874	\$734,970	\$129,504	\$0	17.62%	\$605,466

REVENUE

Existing Department Data From City Manager's Report		Quarter Projected Budget	Portion of Fiscal Year Budget Management		YTD Projected Budget	Sum of Current Quarter Projected Budget		FY Encumbrance Balance	Sum Of All Fiscal Year	
New Departmental Data For WRFCAC Budget Review			Expects To Be Recognized During Quarter			and All Prior Quarter Projected Budgets			Contracts Less Actual Expenditures	
No Data Entry			Expenditures			Projected Budgets			Against Contracts	

Accounts				Quarter X				Year To Date (YTD)				Fiscal Year (FY)				
Fund	Organization	Revenue Range	Revenue Name	Projected Budget	Recognized Revenue	Percent Recognized	Variance	Projected Budget	YTD Recognized Revenue	Percent Recognized	Variance	Amended Budget	YTD Recognized Revenue	Encumbrance Balance	Percent Recognized	Variance
Fund and Organization Level																
xxx	xxxx	XXXX-XXXX	Revenue A													
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0	\$0	0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0	\$0	0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0	\$0	0.00%	(\$1)
			Subtotal	\$3	\$0	0.00%	(\$3)	\$3	\$0	0.00%	(\$3)	\$3	\$0	\$0	0.00%	(\$3)
xxx	xxxx	XXXX-XXXX	Revenue B													
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0	\$0	0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0	\$0	0.00%	(\$1)
				\$1	\$0	0.00%	(\$1)	\$1	\$0	0.00%	(\$1)	\$1	\$0	\$0	0.00%	(\$1)
			Subtotal	\$3	\$0	0.00%	(\$3)	\$3	\$0	0.00%	(\$3)	\$3	\$0	\$0	0.00%	(\$3)
Variance Reporting																
			TOTALS	\$6	\$0	0.00%	(\$6)	\$6	\$0	0.00%	(\$6)	\$6	\$0	\$0	0.00%	(\$6)

Staff Report

DATE: February 25, 2016

TO: Water Reclamation Facility Citizens Advisory Committee

FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: WRF Program Update

RECOMMENDATION

Staff recommends WRFCAC review the current status and the proposed next steps regarding the development of a WRF program.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

Attachment 1 is a report that summarizes the status of expenditures relative to budgets and encumbrances (contracts/agreements).

DISCUSSION

Staff provides this report as a monthly update to the progress made to date on the new WRF project. With the denial of the permit for the WWTP project in its current location, the City has embarked on a process for a WRF. This staff report provides the following a review of what has occurred to date. See the list of major milestones or accomplishments since the last update to City Council below.

Accomplishments and Milestones

The City's Program Management team and technical consultants performed the following tasks since the February 2 program update:

- Continued coordination with California Department of Water Resources and State Water Resources Control Board for review and approval of the Recycled Water Facilities Planning Grant application. SWRCB is planning to issue an award but requested a new resolution from City Council with revised wording. This is scheduled for the consent agenda on March 8.
- Continued fatal flaw analysis and negotiation with owners of Morro Valley properties

- Completed siting study for comparison of Righetti and MacElvaine/Rancho Colina properties
- Conducted joint WRFCAC/City Council meeting on February 9

Budget and Expenses

The Financial Subcommittee provided an example of a budget report prior to the February meeting. MKN and City staff developed a new report based on this example. The attachment includes the summary, which now includes all City expenses (including staff time with benefits, copies, and other office expenses) in addition to consultant contracts. The second page provides a higher level of detail on budget status of individual consultant contracts. This new report will be provided quarterly to City Council and WRFCAC.

Near-Term Schedule

An updated schedule for upcoming meetings and workshops will be prepared after selection of a preferred site by City Council.

ATTACHMENTS

1. Quarterly Budget Report for WRFCAC and City Council.

City of Morro Bay

Water Reclamation Facility Advisory Committee (WRFCAC) Quarterly Budget Review Summary 3Q15/16

EXPENDITURES

Key Definitions

Quarter Projected Budget	Portion of Fiscal Year Budget Management Expects Necessary to Meet Quarter Expenditures	YTD Projected Budget	Sum Of Current Quarter Projected Budget and All Prior Quarter Projected Budgets	Encumbrance Balance	Sum Of All Project Contracts Less Actual Expenditures Against Contracts (See Note 3)
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Fund/ Code	Accounts Object Name	Current Quarter				Fiscal Year To Date (YTD)				Total Project				
		Projected Budget	Expenditures	Percent Expended	Variance	Projected Budget	YTD Expenditures	Percent Expended	Variance	Amended Budget	Expenditures	Encumbrance Balance	Percent Expended	Variance
599-8312	Contractual Services													
6105	Past Siting Studies (Completed - no further encumbrance)	--	--	--	--	--	--	--	--	\$534,418	\$448,057	\$0	83.84%	\$86,361
6105	Current Consultant Contracts (see P. 2)	\$200,000	\$63,902	31.95%	\$136,098	\$2,245,276	\$929,642	41.40%	\$1,315,634	\$2,245,276	\$929,642	\$1,315,634	41.40%	\$1,315,634
6105	Water Rights Legal Support (See Note 2)	--	\$0	--	--	--	\$0	--	--	--	\$7,880	--	--	--
	Subtotal	\$200,000	\$63,902	31.95%	\$136,098	\$2,245,276	\$929,642	41.40%	\$1,315,634	\$2,779,694	\$1,377,699	\$1,315,634	49.56%	\$1,401,995
599-8312	Labor (Fully Burdened)													
4910,4999	Labor and Benefits	\$12,500	\$5,857	46.85%	\$6,643	\$50,000	\$34,001	68.00%	\$15,999	\$400,000	\$138,544	--	34.64%	\$261,456
	Subtotal	\$12,500	\$5,857	46.85%	\$6,643	\$50,000	\$34,001	68.00%	\$15,999	\$400,000	\$138,544	--	34.64%	\$261,456
599-8312	Other Costs													
6105,	Laboratory/Sampling	\$25,000	\$8,917	35.67%	\$16,083	\$100,000	\$16,841	16.84%	\$83,159	\$200,000	\$16,841	--	--	\$183,159
6199,6106,6105, 6750	Printing and Advertising	--	\$0	--	--	--	\$661	--	--	--	\$4,768	--	--	--
5199	Software license and fees	\$0	\$0	--	--	\$42,205	\$42,205	100.00%	\$0	\$371,205	\$42,205	\$329,000	11.37%	\$329,000
5199,7101	Property Acquisition	\$31,000	\$25,000	80.65%	\$6,000	\$31,000	\$25,000	80.65%	\$6,000	--	\$30,500	--	--	--
	Subtotal	\$56,000	\$33,917	60.57%	\$22,083	\$173,205	\$84,707	48.91%	\$88,498	\$571,205	\$94,314	\$329,000	16.51%	\$476,891
	TOTALS	\$268,500	\$103,675	38.61%	\$164,825	\$2,468,481	\$1,048,350	42.47%	\$1,420,131	\$3,750,899	\$1,610,557	\$1,644,634	42.94%	\$2,140,342

REVENUE

Key Definitions

Quarter Projected Budget	Portion of Fiscal Year Budget Management Expects To Be Recognized During Quarter	YTD Projected Budget	Sum of Current Quarter Projected Budget and All Prior Quarter Projected Budgets
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Funding Source	Accounts (See Note 1) Revenue Name	Current Quarter				Fiscal Year To Date (YTD)				Total Project				
		Projected Budget	Recognized Revenue	Percent Recognized	Variance	Projected Budget	YTD Recognized Revenue	Percent Recognized	Variance	Amended Budget	Recognized Revenue		Percent Recognized	Variance
SWRCB	Grants													
	Recycled Water Grant (Pending)	\$0	\$0	0.00%	\$0	\$37,500	\$0	0.00%	(\$37,500)	\$75,000	\$0		0.00%	(\$75,000)
	Subtotal	\$0	\$0	0.00%	\$0	\$37,500	\$0	0.00%	(\$37,500)	\$75,000	\$0		0.00%	(\$75,000)
SWRCB	Loans													
	SRF Planning/Design (Pending)	\$0	\$0	0.00%	\$0	\$10,375,000	\$0	0.00%	(\$10,375,000)	\$10,375,000	\$0		0.00%	(\$10,375,000)
	Subtotal	\$0	\$0	0.00%	\$0	\$10,375,000	\$0	0.00%	(\$10,375,000)	\$10,375,000	\$0		0.00%	(\$10,375,000)
SWRCB	Supplemental Environmental Project													
	SEP from California Men's Colony	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$87,361	\$87,361		100.00%	\$0
	Subtotal	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$87,361	\$87,361		100.00%	\$0
	TOTALS	\$0	\$0	0.00%	\$0	\$10,499,861	\$87,361	0.83%	(\$10,412,500)	\$10,537,361	\$87,361		0.83%	(\$10,450,000)

Notes:

- 1) Unless shown otherwise, current project expenses are funded by revenue from user rates and fees. There is no separate revenue fund for the WRF.
- 2) Budgets for water rights legal support and property acquisition have not yet been established. Detailed budget development will take place after completing the project descriptions in the Facility Master Plan and Master Reclamation Plan.
- 3) Encumbrance balance is only calculated for projects with contracts.

City of Morro Bay

Water Reclamation Facility Advisory Committee (WRFAC) Quarterly Budget Review Summary 3Q15/16

Current Consultant Contracts

Number	Title	Status	Total	Approved Change Orders	Total With Approved Change Orders	Draw Requests	Total Payments	Total Remaining	% Paid	Pending Change Orders	Vendor
SC--001	Facility Master Plan	Approved	\$710,123.00	\$0.00	\$710,123.00	\$521,631.55	\$334,974.65	\$375,148.35	73.46%	\$0.00	Black & Veatch
SC--002	CEQA/NEPA Documentation and Consulting	Approved	\$346,538.00	\$0.00	\$346,538.00	\$0.00	\$0.00	\$346,538.00	0.00%	\$0.00	ESA
SC--003	MacElvaine Property - Fatal Flaw - Cultural Resources	Approved	\$12,000.00	\$0.00	\$12,000.00	\$9,979.00	\$9,979.00	\$2,021.00	83.16%	\$0.00	Far Western
SC--004	Righetti Property - Fatal Flaw - Cultural Resources	Approved	\$6,485.59	\$0.00	\$6,485.59	\$0.00	\$0.00	\$6,485.59	0.00%	\$0.00	Far Western
SC--005	MacElvaine Property - Fatal Flaw - Biological Resources	Approved	\$12,835.00	\$0.00	\$12,835.00	\$11,240.00	\$11,240.00	\$1,595.00	87.57%	\$0.00	Kevin Merk Associates
SC--006	Survey - Righetti Property	Approved	\$15,644.00	\$0.00	\$15,644.00	\$6,477.50	\$6,477.50	\$9,166.50	41.41%	\$0.00	JoAnn Head Land Surveying
SC--007	Survey - Highway 41 and MacElvaine Property	Approved	\$45,050.00	\$0.00	\$45,050.00	\$41,343.00	\$41,343.00	\$3,707.00	91.77%	\$0.00	JoAnn Head Land Surveying
SC--008	Salinity Identification Study	Approved	\$23,640.00	\$0.00	\$23,640.00	\$22,920.00	\$22,920.00	\$720.00	96.95%	\$37,020.00	Larry Walker Associates
SC--009	MacElvaine Property (SE) - Fatal Flaw - Geotech and Initial Hydrologic Field Testing	Approved	\$38,600.00	\$47,800.00	\$86,400.00	\$77,809.95	\$77,809.95	\$8,590.05	90.06%	\$0.00	Fugro
SC--010	Grant and Loan Funding - Tracking and SRF Support	Approved	\$65,752.00	\$0.00	\$65,752.00	\$19,989.79	\$19,989.79	\$45,762.21	30.40%	\$0.00	Kestrel
SC--011	2015 Program Management	Approved	\$920,808.00	\$0.00	\$920,808.00	\$218,251.20	\$149,392.15	\$771,415.85	23.70%	\$0.00	MKN & Associates, Inc.
Total			\$2,197,475.59	\$47,800.00	\$2,245,275.59	\$929,641.99	\$674,126.04	\$1,571,149.55	30.02%	\$37,020.00	

Staff Report

DATE: February 25, 2016

TO: Water Reclamation Facility Citizens Advisory Committee

FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Summary of February 25, 2016, Neighborhood Workshop

RECOMMENDATION

Staff recommends WRFCAC review the report from staff and provide comments

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

All current outreach efforts and studies are being performed under existing contracts and authorizations. No additional expenditures are proposed as part of this report.

DISCUSSION

John Rickenbach, Deputy Program Manager, will provide a summary of the February 25, 2016, Neighborhood Workshop for the proposed WRF site at the Righetti property. Due to the timing of the workshop, a written summary will not be available prior to posting the WRFCAC meeting packet.

Staff Report

DATE: February 25, 2016

TO: Water Reclamation Facility Citizens Advisory Committee

FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Discussion of WRF Site Recommendation

RECOMMENDATION

Staff recommends WRFCAC provide input to council for their regular March 8 meeting on the Righetti property as the recommended WRF site. This will allow the Program Management team and consultants to proceed with the Facility Master Plan and California Environmental Quality Act (CEQA) process.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

All current outreach efforts and studies are being performed under existing contracts and authorizations. No additional expenditures are proposed as part of this report.

DISCUSSION

In 2013, the City of Morro Bay examined many potential sites for building a new WRF, which included a large area within the Morro Valley among six other possible locations. To inform that process, there were several public workshops and stakeholder interviews, which culminated in the release of the Options Report, which the City Council considered and adopted on December 10, 2013. Based on the evidence presented, the Council chose the Morro Valley as the highest-ranking location for citing a new WRF to serve the City, and confirmed its goals related to the WRF. The Morro Valley location, as examined in the Options Report, included both the Rancho Colina and Righetti sites.

At that time, the Council also directed staff to further investigate the top three sites in the Options Report, for the purpose of establishing the best overall location for a new WRF. With respect to the

Morro Valley location, the Council directed further investigation of both the Rancho Colina and Righetti sites in more detail. The result of this analysis was included in the Report on Reclamation and Council Recommended WRF Sites (JFR Consulting, May 2014).

On May 13, 2014, the City Council chose the Rancho Colina site as its preferred location for a new Water Reclamation Facility (WRF), and authorized further investigation of the site as part of a preliminary planning process leading to the construction and operation of the facility. The Righetti site was determined to be the second best site, although in some respects was equal to or better than the Rancho Colina site.

The primary comparative advantages of Rancho Colina at that time were as follows:

- A highly motivated property owner at Rancho Colina; uncertainty at Righetti relative to the City's ability to buy part or all of the property;
- Relatively fewer visual impacts, because the Rancho Colina site would be located in the southeasterly portion of the property, at lowest elevation, relatively farther from Highway 41 and nearby residences;
- More flexibility to locate potential facilities on the Rancho Colina site, because of a relatively larger, flatter area, if the WRF were located in the southeastern portion of the site;
- Rancho Colina would be farther from potential residential neighbors, if built on the southeastern portion of that site;
- Potentially easier to be operational in 5 years (a City goal) because of the cooperative landowner, site flexibility, and ability to more easily avoid jurisdictional waters with respect to permitting.

As an ancillary benefit to the Rancho Colina property owner, development of a new WRF at that location would provide an opportunity to improve water and wastewater services to the adjacent Rancho Colina residential community by connecting this area to city services. These services are currently provided by the Rancho Colina property owner.

However, since the Council's May 2014 direction, several conditions have changed that affect the outcome of that investigation. Some of these changes are the result of further studies authorized by the Council at that time, while others are related to evolving property ownership issues, including limitations posed on the development of the Rancho Colina property by the property owner.

Specifically, the conditions that have changed include the following:

- The Rancho Colina property owner now wishes to limit WRF-related development to a less favorable 8-acre portion of the property not previously investigated in the May 2014 report;
- The property owner does not want any City facilities other than those related to the

WRF and possibly the City Water Treatment Plant developed there, including a corporation yard;

- Subsequent geotechnical investigation of the 8+/- acre portion of the property reveals shallow rock and steep slopes that would add substantial earthwork cost to the development of a WRF at that location as compared to the original location on the property;
- The neighboring Righetti property has been offered for sale, and the City has entered into an MOU under which it could acquire the entire Righetti property to help meet other City goals in addition to siting a new WRF.

As a result of investigations conducted since the Council's direction in May 2014 study, and other conditions that have changed since that time, the **Righetti site is now recommended by staff as the preferred site for the new WRF.**

Key considerations in this determination include:

- City control of the Righetti site, as compared to substantial restrictions placed on the use and development location of the Rancho Colina site by that property owner;
- Likely lower lifecycle costs at the Righetti site because less pipeline would be required, and less energy to pump wastewater to the site from the existing collection system;
- Proximity to the deeper portion of the Morro Valley groundwater basin, which will likely be an important reclamation opportunity;
- Development on the Righetti site will be less visually prominent than on the portion of the Rancho Colina site available to the City, which may be an important consideration to the Coastal Commission in their permitting process.

The February 2 WRFCAC meeting and February 9 joint WRFCAC/City Council meeting presented a summary of the biological, cultural, and geotechnical evaluations conducted at each site. The meetings also presented a matrix that compared the Rancho Colina and Righetti properties based on several criteria (ownership, environmental and physical site issues, regulatory and permitting issues, proximity, and cost and timing issues).

At the February 9 joint meeting, City Council directed staff to conduct outreach with the neighbors to the Righetti property. The Program Management team conducted a neighborhood workshop on February 25 to discuss the project and receive comments and questions from attendees. The previous agenda item included a summary of that workshop.

At the February 9 joint meeting, City Council also expressed their intention to discuss the selection of a preferred site for development of the Facility Master Plan and for initiating the permitting and CEQA processes. This discussion was planned for their March 8 regular meeting in order to allow time for consideration and input from the neighborhood and from WRFCAC.

At this time, the Facility Master Plan and all permitting efforts are on hold until a site is selected for planning activities. Both the Facility Master Plan and CEQA process will involve public outreach and input into the layout and design of the facilities that will be located on either site. WRFCAC and the public will continue to provide input to the Program Management team and the City's consultants as those various efforts move forward.

With this in mind, Program Management team and City staff ask that WRFCAC consider recommending the Righetti site to City Council for further planning and permitting efforts.