



**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.

**October 4, 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

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

Hilton San Diego
401 K Street
San Diego, CA 92101

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 August 2, 2016
Staff Recommendation: Approve minutes as submitted.

B. BUSINESS ITEMS

- 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 Program Status Report
Recommendation: Receive and consider updates.
- B-3 Schedule Update and Tentative WRFCAC Schedule
Recommendation: Receive and consider updates.

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 December 6, 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: 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 www.morro-bay.ca.us/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.

MINUTES – WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (WRFCAC)
REGULAR MEETING – AUGUST 2, 2016
VETERAN’S MEMORIAL BUILDING – 3:00 to 5:00 P.M.

PRESENT: Dale Guerra Barbara Spagnola
Paul Donnelly Valerie Levulett
Steven Shively Richard Sadowski
Mary (Ginny) Garelick

ABSENT: John Diodati
Bill Woodson

STAFF: Rob Livick Public Works Director
Janeen Burlingame Management Analyst
Mike Nunley WRF Program Manager
John Rickenbach WRF Deputy Program Manager

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 3:01 p.m. and a quorum was present.

As the Chair and Vice Chair are absent, Barbara Spagnola nominated Richard Sadowski to run the meeting. Ginny Garelick seconded and the nomination carried 7-0. Richard Sadowski took over presiding the meeting.

MOMENT OF SILENCE/PLEDGE OF ALLEGIENCE

ANNOUNCEMENTS

<https://youtu.be/PN7f39-UII8?t=2m29s>

Ginny Garelick provided an update on the Cayucos Sanitary District activities with the development of their treatment plant: issued RFQ on July 1 for construction manager at risk services, SOQ due July 29, RFP to be distributed to the short list on August 5, successful proposer to be announced September 26, and contract issued to be for a construction phase and design phase.

Barbara Spagnola announced that the Citizen Finance Advisory Committee would be hosting a public workshop on Tuesday, August 30 from 5:30 to 7:30 pm to soliciting input from citizens how we can communicate budget information to not only WRFCAC, but to the public in general. Additionally, the Committee has a couple of openings for anyone interested.

PUBLIC COMMENT

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

A. CONSENT AGENDA

<https://youtu.be/PN7f39-UII8?t=7m19s>

A-1 APPROVAL OF MINUTES FROM THE WRFCAC REGULAR MEETING ON JULY 5, 2016

MOTION:

Steve Shively moved to approve Item A-1. The motion was seconded by Barbara Spagnola and carried 5-0-2 (Paul Donnelly and Dale Guerra abstaining).

B. BUSINESS ITEMS

B-1 WRFCAC SUB-COMMITTEE UPDATES AND RECOMMENDATIONS

<https://youtu.be/PN7f39-UII8?t=8m10s>

Finance: Barbara Spagnola stated she would provide comments during Item B-2.

Ginny Garelick asked what was found out about whether areas of the City could qualify as economically disadvantaged and provided information about the US EPA's Water Infrastructure and Resiliency Finance Center and forums they have been holding, and recommends the team, consultants and anyone from the public to look at different ways to finance this project.

Richard Sadowski noted there is a pocket from Prop 1 that is disadvantaged at Hwy 41 and 1 and inquired if staff has looked into getting funding for all the sewer collection infrastructure at the Morro Basin aquifer narrows.

Discussion, comments and questions continued amongst committee members and staff.

Environmental – no updates

Engineering – no updates.

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

B-2 WRF PROGRAM UPDATE AND QUARTERLY BUDGET REPORT

<https://youtu.be/PN7f39-UII8?t=13m27s>

Mike Nunley and John Rickenbach presented the staff report and PowerPoint presentation of the budget report.

Discussion, comments and questions continued amongst committee members and staff.

The public comment period was opened.

Bart Beckman stated this was a fantastic discussion, noting the task for Line 29, property procurement, does not have any intermediate milestones, noted Activity 600 has been rescheduled and the WRFCAC should be notified when schedule changes occur, and urged the City to look at how can make this happen sooner.

Tina Metzger asked that there be a description of what will happen at the EIR scoping meeting, including what to bring. She wanted to know the status of the MOU for the Tri-W site, the status of the draft notice of prep for the EIR and how interested parties could get on the list to be notified about the project, and noted that on Table 2 in the staff report it still does not mention the WRFCAC vote to remove the Righetti site from the project of alternative sites. She asked what are the project alternative sites for the EIR, what are the criteria for eliminating alternative sites, and for a summary of the trip to Santa Paula. She also asked if there is no full project description for the EIR scoping meeting, how could stakeholders give comments or know how to proceed.

The public comment period was closed.

Mike Nunley responded to comments from Bart Beckman.

Richard Sadowski asked, and there was consensus from the WRFCAC, to continue the meeting past 5:00 pm.

John Rickenbach responded to comments from Tina Metzger.

Mike Nunley noted there would be a discussion about the Santa Paula trip on the October agenda and there was consensus from the WRFCAC to add it to the agenda.

Discussion, comments and questions continued amongst committee members and staff.

C. COMMITTEE MEMBER CLOSING COMMENTS

<https://youtu.be/PN7f39-UII8?t=2h7m47s>

Ginny Garelick expressed hope the outreach strategy in Attachment 2 of Item B-2 would reflect the WRFCAC comments in the next update and asked about when would be the neighborhood workshop to discuss the preferred site.

Discussion amongst committee members and staff regarding outreach for the neighborhood of the preferred site.

Paul Donnelly said happy anniversary, noting there would be no September meeting and it was two years ago in September that the group began meeting.

Barbara Spagnola inquired about other public meetings to attend aside from the August 16 EIR scoping meeting.

ADJOURNMENT

The meeting adjourned at 5:12 p.m. The next Regular Meeting will be held on Tuesday, October 4, 2016 at 3:00p.m. at the Veteran's Memorial Building located at 209 Surf Street, Morro Bay, CA.



AGENDA NO: B-2

MEETING DATE: October 4, 2016

Staff Report

DATE: September 28, 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 of the WRF program.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

No additional fiscal impact is proposed within this update. All work is proceeding within the City's fiscal year budget for the Water Reclamation Facility.

DISCUSSION

With the denial of the permit for the WWTP project in its current location, the City has embarked on a process for a new WRF. This staff report provides the following:

- Review of what has occurred to date. See the list of major milestones or accomplishments since the last update to City Council below. This summary is typically provided each month.
- Update on property negotiation
- Year-end summary for fiscal year (FY) 15/16
- Update on project financing
- Update on environmental review and permitting

Accomplishments and Milestones

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

- Conducted the Environmental Impact Report (EIR) Scoping Meeting on Tuesday, August 16, 2016 at 4 PM at the Morro Bay Veterans Memorial Building
- Completed evaluation of alternatives to modify the collection system and reduce the size of the planned influent lift station. Concluded that capital costs to upgrade Lift Stations 2 and 3

Prepared By: ___MN___

Dept Review: ____

City Manager Review: _____

City Attorney Review: _____

to pump directly into the influent force main would not result in a significant decrease or a reasonable payback period for power costs.

- Developed preliminary pipeline alignments, field notes, and maps with utility conflicts for use by the Facility Master Plan team
- Prepared preliminary groundwater model of lower Morro Valley and completed initial assessment of water reclamation opportunities in Chorro Valley. This work will be summarized within and will supplement the Master Water Reclamation Plan.
- Continued compiling water quality and flow data for use by design/construction teams during the proposal process for the Phase I WRF
- Prepared and reviewed internal administrative draft of the Facility Master Plan
- Internally reviewed draft site plans for Phase I WRF. Draft site plan includes potential layout and area required for facilities to meet stated City goals, including City Corporation Yard facilities, solar power generation, and Phase II advanced water purification systems, as well as expansion area for future upgrades and/or to serve Cayucos Sanitary District. These other elements will be clearly identified and differentiated from the Phase I WRF in the draft Facility Master Plan to allow Council to understand the areas required for future phasing and for the other potential community facilities (solar and corporation yard). Since the operations center for the WRF and some other WRF facilities can share space with other Public Works uses (water, wastewater collections, streets, and maintenance), the shared facilities will also be clearly identified for Council consideration in the draft Master Plan. It is assumed costs for “non-shared” corporation yard facilities would be paid from General Fund, whereas solar panels could be added to the WRF Program or could be installed through a power purchase agreement or other contract vehicle.

At this time, the City has not budgeted for a new corporation yard so that planning process would proceed separately under direction of the Public Works Department. The purpose of including the area required for the Corporation Yard in the Facility Master Plan is to ensure adequate area is purchased, to allow for these facilities to be programmed as appropriate.

- The Program Management team met and negotiated terms for draft Memorandum of Understanding (MOU) with property owner at South Bay Boulevard. Terms were mutually agreed upon by staff and the property owner’s representative in order to develop an MOU for Council consideration. A draft Memorandum has been provided by the property owner and comments have been provided by City staff.
- Completed final Salinity Control Plan and began development of draft ordinance, outreach materials, and draft report for future WRFCAC and Council consideration
- Prepared and reviewed initial draft architectural simulation of the property, incorporating architectural elements and themes discussed in City community workshops
- Met with Regional Water Quality Control Board staff to discuss status of draft discharge permit for the existing Wastewater Treatment Plant, as well as status of the City’s WRF Program. The importance of salinity control in meeting future reuse goals was specifically discussed during the meeting and RWQCB staff expressed support for the City’s efforts to manage salinity in the wastewater collection system.
- Coordinated with EIR consultant team relative to the FMP progress, and began description of existing conditions on the project site to frame the context of the proposed project analysis once FMP is completed.

Update on Property Negotiation

Property negotiation is centered around purchasing enough area to meet anticipated WRF Phase I and Phase II facilities, expansion area to meet new regulatory requirements, future solar generation, and potentially a future corporation yard. In addition, the property owner's desire to minimize creation of unusable property is also a consideration. Since mid-June, the Facility Master Plan team and Program Management team have been developing draft site plans in order to inform the City's decision to enter into an MOU and ultimately to purchase part the property.

After an acceptable MOU is negotiated by City staff and the property owner, that MOU will be brought to City Council for review and approval. On September 27, the Program Management team attended closed session meeting with Council to discuss the terms. The MOU is expected to be finalized in October. Final purchase cost will depend on an appraisal so no cost impact will be available at the time the MOU is brought to Council. The City attorney has advised Council not to purchase the property until the Final Environmental Impact Report is certified, which is anticipated in November 2017.

FY 15/16 Year End Summary

As discussed at the last WRFCAC meeting, a budget update for the fourth quarter of fiscal year 2015/16 (4Q15/16) has been prepared. In the August meeting, it was noted that the final consultant invoices and charges through June 30 of FY 16/17 may not arrive at the City until August 2016.

As discussed in prior meetings, MKN and City staff developed a budget and expense report format with input from the WRFCAC Financial Subcommittee. The summary is attached, and 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 report will be provided quarterly to City Council and WRFCAC, and currently represents expenses through June 30, 2016.

The following sections provide an analysis and overview of the City's WRF budget for FY15/16. The budget summary presents budget information on quarterly, annual (based on the fiscal year for the City between July and June) and total project time periods. All costs for a given period are based on the invoice dates (except for consultant costs as described below). This resulted in minor changes to the costs per quarter compared to the previous report, but working from the invoice dates allows us to better automate the reporting process since that is the information the City uses to report miscellaneous costs.

EXPENDITURES: The following table describes the line items from Attachment 1, as well as any comments regarding budget status.

Object Name (from Attachment 1)	Description	Comments
Past Siting Studies	Contractual services for studies completed prior to initiating the Facility Master Plan process (2013-2015)	These work efforts were completed, contracts expired, and there are no further encumbrances

Current Consultant Contracts	Summary of Page 2 from Attachment 1	Work efforts are under budget for FY 15/16, but major contracts (ex. Facility Master Plan and CEQA/Permitting) for the planning and permitting phase of the program were delayed by the City's site selection process. Contract amounts will be fully utilized, and in some cases required amendments (ex. Facility Master Plan) but delays resulted in contracts rolling over to the new FY 16/17. In order to facilitate a more automated reporting process, consultant costs for a given period will be based on the dates work was performed instead of invoice or payment dates.
Water Rights Legal Support	Contract attorney fees for input on water reuse alternatives and legal constraints	--
Labor and Benefits	City staff labor and benefits (also called "fully burdened labor") for the WRF Program	Current FY 15/16 efforts included wastewater sampling, meeting attendance, administrative support, collection system flow monitoring, and all activities related to the WRF Program
Laboratory/Sampling	Contract laboratory services for wastewater analysis to support Facility Master Plan and future detailed design efforts	--
Printing and Advertising	Costs from outside vendors for copies, printing, and postage to develop and distribute WRF Program materials	
Software License and Fees	Fee for Procore Project/Construction Management Software	Procore software is used to manage and track consultant budgets and contracts, store program documents and deliverables, coordinate and record meetings, and track work efforts during the planning/permitting phase. During construction, the software will be used for tracking contractor submittals, pay requests, field observations, and other work efforts. Annual fee is \$42,205 over the next 5 to 8 years.
Property Acquisition	Cost to purchase property options and appraisals	A nonrefundable fee of \$25,000 was spent for an option to purchase the Righetti Property. The option expired in July 2016. A total of \$5500 has been spent in appraisal fees.

Program Equipment	Office	Copier, monitor, telephone, and other office equipment to equip the Program Office in the City Hall Annex	--
----------------------	--------	--	----

REVENUE: At this time, the City is funding the project through user rates, the Recycled Water Facilities Planning Grant, and Supplemental Environmental Project (SEP) money from California Department of Corrections and Rehabilitation for California Men’s Colony. SEP funds were intended to offset costs for the CMC evaluations completed last year.

User rates fund the City’s sewer enterprise, including efforts not related to the new WRF. Incoming revenue is not directed into a specific fund for the WRF. Therefore, the budget table includes the revenue anticipated for the WRF which is 75% of \$75M, or \$56.25M, with 25% of debt service coverage (assumed in the Rate Study) to increase the projected available revenue up to \$70.4. This assumes debt service coverage would be reduced and/ reallocated by reprioritizing other wastewater capital projects.

The goal of the Facility Master Plan is to develop a more refined Phase I WRF project budget than the estimates from the 2014 Site Options Report (which assumed a project would be constructed at the Rancho Colina site and is the origin of the \$75M Phase I budget in the 2015 Rate Study).

Project Financing Update

The City has applied for a State Revolving Fund (SRF) Planning Loan for \$10.3M and according to the State Water Resource Control Board (SWRCB) Project Manager, a draft agreement should be available in October.

The City intends to pursue an SRF Construction Loan for the balance of the Ph I WRF program. The SRF Construction Loan application cannot be completed until the Environmental Impact Report is certified. In the 2016/17 Intended Use Plan for Clean Water State Revolving Fund, Small Community Grant and Water Recycling Funding Programs, SWRCB reviewed the list of projects that have been submitted for SRF funding and have concluded that additional bond sales or other revenues may be required to fund them all. The Program Management team will continue to monitor status of the SRF program in case alternative financing approaches are required. Funding programs continually evolve in response to their commitments and availability of resources, so the situation could be considerably different in a year when EIR certification is eminent.

The City also intends to identify and apply for state and federal construction grants. Completion of the California Environmental Quality Act (CEQA) program is often required to receive funding or to be competitive for many of these grant programs. The City’s grant and funding strategist, Kestrel Consulting, continues to monitor grant and funding opportunities in anticipation of the City’s completion of the Facility Master Plan, Master Reclamation Plan, and Environmental Impact Report. A detailed project description is critical to identification and successful pursuit of funding opportunities.

Project Environmental Review and Permitting Update

A Notice of Preparation (NOP) for the Environmental Impact Report (EIR) was released on August 7, 2016, which began a 30-day review period during which public comments could be received to refine the scope of the study. The required EIR Scoping Meeting was held on August 16. As a result of the NOP release and the Scoping Meeting, staff received many comment letters that will be used to help better define the issues to be examined in the EIR. At this time, it is expected that the EIR consultant's budget and scope of work anticipated these issues. The consultant has begun work on the EIR, framing the existing conditions with respect to these issues, and is coordinating with staff and the FMP consulting team, because the FMP will be a central component of the project description analyzed in the EIR. The EIR will also analyze the Master Reclamation Plan, which is currently under development. It is anticipated that the EIR is on schedule, with an expected release of the Draft EIR in summer 2017, with Final EIR certification in November 2017.

Program management staff and the EIR consultant are coordinating closely with outside agencies that would have potential permitting authority over one aspect or another of the project, including the Coastal Commission, Regional Water Quality Control Board, and a variety of regulatory resource agencies such as the California Department of Fish and Wildlife. Their input will be useful to help guide the EIR analysis. The EIR itself will be used to support permitting efforts, once the Final EIR is certified by the City.

ATTACHMENTS

1. Final FY 15/16 WRFCAC Budget Report and Commitment Summary

City of Morro Bay Water Reclamation Facility Advisory Committee (WRFCAC) Quarterly Budget Review Summary 4Q15/16														
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)		
Accounts		Current Quarter				Fiscal Year To Date (YTD)				Total Project				
Fund/Code	Object Name	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	\$296,472	148.24%	(\$96,472)	\$2,403,483	\$1,430,369	59.51%	\$973,114	\$2,403,483	\$1,441,662	\$961,821	59.98%	\$961,821
6105	Water Rights Legal Support (See Note 2)	--	\$0	--	--	--	\$0	--	--	--	\$7,880	--	--	--
6105	Rate Study	--	\$1,457	--	--	--	\$1,457	--	--	--	\$1,457	--	--	--
	Subtotal	\$200,000	\$297,929	148.96%	(\$97,929)	\$2,403,483	\$1,431,826	59.57%	\$971,657	\$2,937,901	\$1,899,056	\$961,821	64.64%	\$1,038,845
599-8312	Labor (Fully Burdened)													
4910,4999	Labor and Benefits	\$12,500	\$20,809	166.48%	(\$8,309)	\$50,000	\$70,128	140.26%	(\$20,128)	\$400,000	\$213,012	--	53.25%	\$186,988
	Subtotal	\$12,500	\$20,809	166.48%	(\$8,309)	\$50,000	\$70,128	140.26%	(\$20,128)	\$400,000	\$213,012	--	53.25%	\$186,988
599-8312	Other Costs													
6105,6162	Laboratory/Sampling	\$25,000	\$6,797	27.19%	\$18,203	\$100,000	\$21,910	21.91%	\$78,090	\$200,000	\$23,638	--	--	\$176,362
5199,6106,6105,6710	Printing and Advertising	--	\$6,392	--	--	--	\$10,290	--	--	--	\$21,267	--	--	--
5199	Software license and fees	\$0	\$0	--	--	\$42,205	\$42,206	100.00%	(\$1)	\$371,205	\$42,206	\$329,000	11.37%	\$329,000
5199,7101	Property Acquisition	\$31,000	\$0	0.00%	\$31,000	\$31,000	\$25,000	80.65%	\$6,000	--	\$25,000	--	--	--
5199,6106,6750	Program office equipment	\$0	\$370	--	--	\$0	\$3,746	--	--	--	\$3,746	--	--	--
5199,6514	Travel expense	--	\$716	--	--	--	\$829	--	--	--	\$829	--	--	--
	Subtotal	\$56,000	\$14,275	25.49%	\$41,725	\$173,205	\$103,981	60.03%	\$69,224	\$571,205	\$116,685	\$329,000	20.43%	\$454,520
	TOTALS	\$268,500	\$333,013	124.03%	(\$64,513)	\$2,626,688	\$1,605,934	61.14%	\$1,020,754	\$3,909,106	\$2,228,753	\$1,290,821	57.01%	\$1,680,353
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							
Accounts (See Note 1)		Current Quarter				Fiscal Year To Date (YTD)				Total Project				
Funding Source	Revenue Name	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	\$0	\$0	--	\$0	\$75,000	\$0		0.00%	(\$75,000)
	Subtotal	\$0	\$0	0.00%	\$0	\$0	\$0	--	\$0	\$75,000	\$0		0.00%	(\$75,000)
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
User Rates	User Rates													
	User Rates (Allocated for WRF per May 2015 Rate Study)									\$70,312,500				*Cannot be separated from City's sewer revenue
	Subtotal									\$70,312,500				*Cannot be separated from City's sewer revenue
	TOTALS	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$70,474,861	\$87,361		0.12%	(\$70,387,500)

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 expenditures associated with contracts.
- 4) Amended Budget for User Rates for WRF based on May 2015 Water and Sewer Rate Studies. Original budget was \$75M including 25% participation from Cayucos SD which was removed in this analysis. 25% debt coverage (on City's contribution only) was included in the rate study and in this calculation.
- 5) Expenditures for Current Consultant Contracts for a period (quarter or fiscal year) are based on the dates on which the work was performed, and not on invoice or payment date.

City of Morro Bay										
Water Reclamation Facility Advisory Committee (WRFAC) Consultant Contract Summary (From Inception through 6-30-2016)										
Current Consultant Contracts										
Number	Title	Status	Total	Approved Change Orders	Total With Approved Change Orders	Draw Requests	Total Remaining	% Complete	Pending Change Orders	Vendor
SC--001	Facility Master Plan	Approved	\$710,123.00	\$0.00	\$710,123.00	\$ 623,925.04	\$86,197.96	88%	\$0.00	Black & Veatch
SC--002	CEQA/NEPA Documentation and Consulting	Approved	\$346,538.00	\$0.00	\$346,538.00	\$ 10,542.69	\$335,995.31	3%	\$0.00	ESA
SC--003	MacElvaine Property - Fatal Flaw - Cultural Resources	Approved	\$18,260.87	\$0.00	\$18,260.87	\$ 18,260.87	\$0.00	100%	\$0.00	Far Western
SC--005	MacElvaine Property - Fatal Flaw - Biological Resources	Approved	\$12,835.00	\$0.00	\$12,835.00	\$ 11,240.00	\$1,595.00	88%	\$0.00	Kevin Merk Associates
SC--006	Survey - Righetti Property	Approved	\$15,644.00	\$0.00	\$15,644.00	\$ 12,502.50	\$3,141.50	80%	\$0.00	JoAnn Head Land Surveying
SC--007	Survey - Highway 41 and MacElvaine Property	Approved	\$45,050.00	\$0.00	\$45,050.00	\$ 47,820.50	(\$2,770.50)	106%	\$0.00	JoAnn Head Land Surveying
SC--008	Salinity Identification Study	Approved	\$23,640.00	\$37,080.00	\$60,720.00	\$ 40,989.08	\$19,730.92	68%	\$0.00	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	\$ 86,364.95	\$35.05	100%	\$0.00	Fugro
SC--010	Grant and Loan Funding - Tracking and SRF Support	Approved	\$65,752.00	\$0.00	\$65,752.00	\$ 35,924.97	\$29,827.03	55%	\$0.00	Kestrel
SC--011	2015 Program Management	Approved	\$920,808.00	\$0.00	\$920,808.00	\$ 486,397.55	\$434,410.45	53%	\$0.00	MKN & Associates, Inc.
SC--012	Evaluate Alternative Concepts for Disposal of Treated Effluent	Approved	\$22,000.00	\$0.00	\$22,000.00	\$ 21,992.24	\$7.76	100%	\$0.00	GSI Water Solutions
SC--013	Geotechnical Services Righetti II Site	Approved	\$35,902.00	\$0.00	\$35,902.00	\$ 27,325.35	\$8,576.65	76%	\$0.00	Yeh and Associates
SC--014	Survey Services for South Bay Blvd Site	Approved	\$29,850.00	\$0.00	\$29,850.00	\$ 6,182.50	\$23,667.50	21%	\$0.00	JoAnn Head Land Surveying
SC--015	Geotechnical Services South Bay Blvd Site	Approved	\$33,600.00	\$0.00	\$33,600.00	\$ 12,193.31	\$21,406.69	36%	\$0.00	Yeh and Associates
Total			\$2,318,602.87	\$84,880.00	\$2,403,482.87	\$1,441,661.55	\$961,821.32	60%	\$0.00	

Note: 1) Contract SC-004 was unused and was combined with Contract SC-003. 2) Contracts SC--006 and SC--007 for JoAnn Head Land Survey are one amended contract with the City and balance remaining is \$371.50.



AGENDA NO: B-3

MEETING DATE: October 4, 2016

Staff Report

DATE: September 28, 2016
TO: Water Reclamation Facility Citizens Advisory Committee
FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager
SUBJECT: Schedule Update and Tentative WRF Meeting Schedule

RECOMMENDATION

Staff recommends WRFCAC review the updated schedule for the WRF Program.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

No additional fiscal impact is proposed within this update. All work is proceeding within the City's fiscal year budget for the Water Reclamation Facility.

DISCUSSION

FY 16/17 activities are primarily planning, permitting, and procurement of consultants for elements of the Phase I WRF. Specific objectives include completion of the Facility Master Plan, Master Water Reclamation Plan, technical studies and initial drafts of the Environmental Impact Report, and procurement of the State Revolving Fund Planning and Design Loan. The updated program schedule is provided as Attachment 1. Revised schedule items have been highlighted to facilitate review of changes.

The most significant items are as follows:

- November 9 release date for the Public Draft Facility Master Plan
- Additional details for work efforts within the Master Reclamation Plan

The anticipated schedule for significant milestones and Council decisions is summarized below, as reported to Council on August 9, and all critical path efforts are on schedule.

Prepared By: ___MN___

Dept Review: ____

City Manager Review: _____

City Attorney Review: _____

Item	Date
Release of Public Draft Facility Master Plan	November 9, 2016
Community Workshop/Input on Phase I WRF Architecture	Rescheduled to November Facility Master Plan Workshop (Tentatively week of November 14 th – Date and Location TBD)
Draft Facility Master Plan	November 2016
Final Facility Master Plan	December 2016
Council Selection of Delivery Method for Phase I WRF	January 2017
Draft Master Water Reclamation Plan	March 2017
Confirmation of Phase I and Phase II WRF Budget	April 2017
Council Selection and Award for Phase I WRF Offsite Improvements (Lift Station and Pipelines)	April 2017
RFQ for Design/Construction of Phase I WRF Onsite Improvements	June 2017
Release of Public Draft EIR	August 2017
RFP for Design/Construction of Phase I WRF Onsite Improvements	October 2017
Certification of Final EIR (Critical Timeline for Grant Pursuit)	November 2017
Negotiation/Award of Contract for Phase I WRF Onsite Improvements	May 2018
Award of Contract for Construction of Phase I Offsite Improvements (Lift Station and Pipelines)	April 2019
Completion of Phase I WRF Improvements	May 2021

The Program Management Team has developed the following schedule and tentative topics (other than routine program and schedule updates) for WRFCAC meetings through June of 2017 (end of the Fiscal Year 16/17).

Date	Topics
November Community Workshop (Date TBD)	<ul style="list-style-type: none"> • Draft Facility Master Plan presentation
December 6	<ul style="list-style-type: none"> • 1Q FY 16/17 Budget Update • Draft Facility Master Plan Input and Comments
January 3, 2017	<ul style="list-style-type: none"> • Hydrogeology and Water Reuse Opportunities within the Morro Valley and Chorro Valley • WRF Phase I Delivery Options • RFP for Ph I Lift Station and Pipelines

February 7, 2017	<ul style="list-style-type: none"> • Master Water Reclamation Plan – Alternatives Analysis for Water Reuse • 2Q FY 16/17 Budget Update
March 7, 2017	<ul style="list-style-type: none"> • Draft Master Water Reclamation Plan
April 4, 2017	<ul style="list-style-type: none"> • Phase I and Phase II Program Budget • Financing Strategy Update
May 2, 2017	<ul style="list-style-type: none"> • RFQ for Design/Construct Team (Ph I WRF) • Grant and Loan Funding Opportunities • 3Q FY 16/17 Budget Update

It should be noted that the Facility Master Plan will include many of the findings from the Technical Memoranda reviewed during WRFCAC meetings of the past year. A summary of conclusions from WRFCAC and City Council review are provided below, and are providing the foundation for the Facility Master Plan.

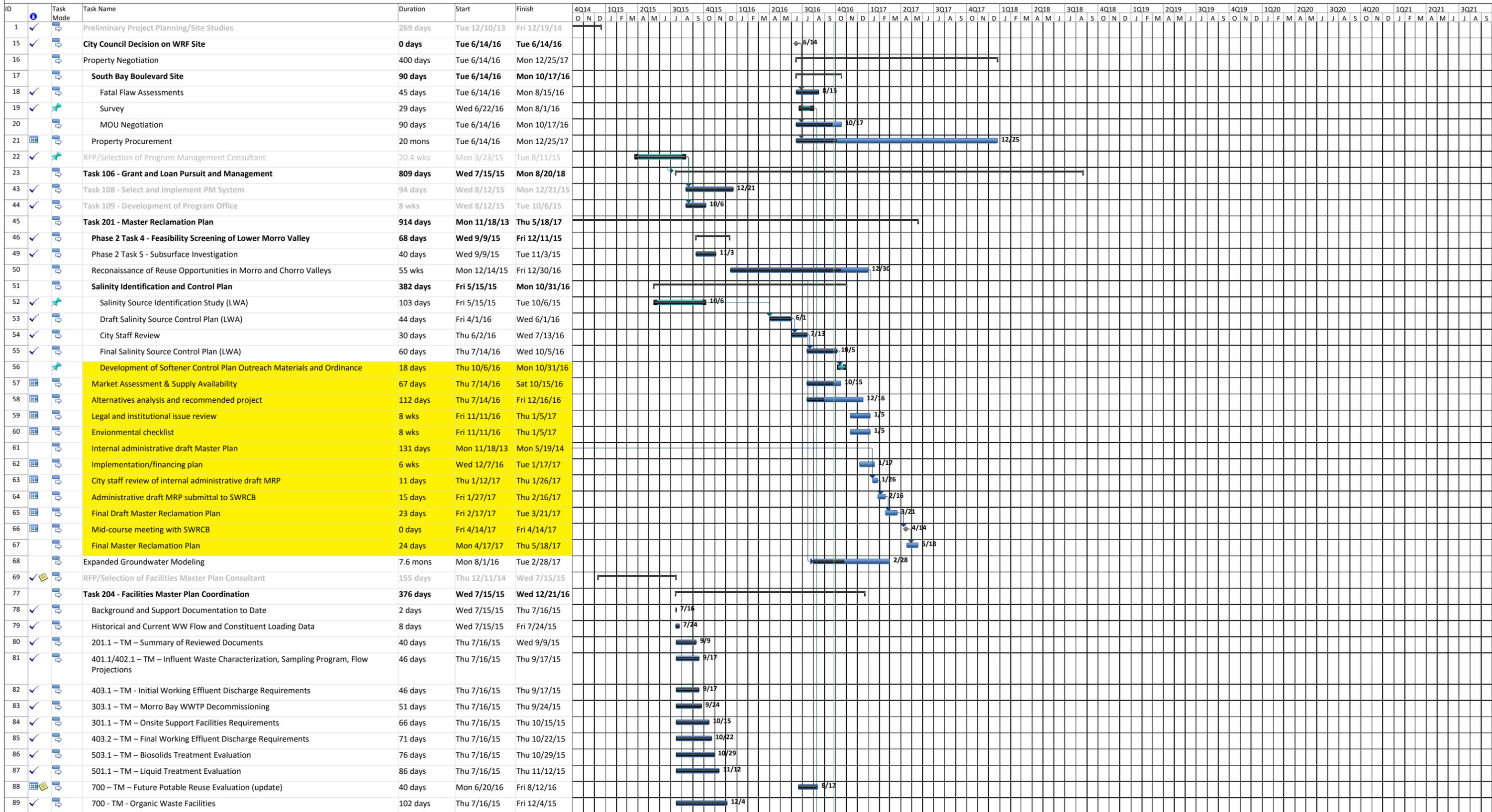
Document or Meeting	Conclusion
TM 2 – Influent Waste Characteristics, Flow Projects, and Effluent Discharge Requirements	<ul style="list-style-type: none"> • Plant design criteria (average and peak flows and loads) for future and existing conditions were defined.
TM 3 – Morro Bay-Cayucos WWTP Decommissioning	<ul style="list-style-type: none"> • Decommissioning the existing WWTP, removing structures and pipelines to 4-5 ft below existing grade, and restoring site elevation with fill material is anticipated to cost up to \$5M (including contingencies and allowances for hazardous material removal). The actual cost opinion will depend on final decisions for the site.
Facility Master Plan Presentation – October 20, 2015, WRFCAC Meeting	<ul style="list-style-type: none"> • Eight (8) lift station sites were evaluated. • Two (2) top-ranked lift station sites are in the vicinity of the existing Wastewater Treatment Plant • Approximate sizes of a range of possible onsite support facilities for the WRF (including operation buildings, backup power, and storage) and non-WRF programs (including solar farm, corporation yard, hazardous waste station, City WTP) were explored
TM 7 – Liquid Treatment Evaluation	<ul style="list-style-type: none"> • Top-ranked technologies to meet a range of water treatment objectives: <ul style="list-style-type: none"> ○ Sequencing batch reactor with membrane filtration and ultraviolet disinfection ○ Membrane bioreactor with ultraviolet disinfection • Treatment processes to include rough screening, grit removal, fine screening, and flow equalization to manage wet weather events • All water reuse options will require reverse osmosis to reduce salinity for agricultural use or to meet regulatory

	requirements for groundwater recharge
TM 6 - Biosolids Treatment Evaluation	<ul style="list-style-type: none"> • Contracting with regional hauler/composter is more cost-effective and neighborhood-friendly than onsite composting • Most cost-effective strategy is dewatering, containment in odor-controlled bins, and hauling offsite to regional composter • Regional effort is underway for food waste and green waste recycling and energy recovery- no incentive for City to “go it alone”

ATTACHMENTS

1. Updated Program Schedule

Morro Bay Water Reclamation Facilities Project
Program Schedule



MB Reclamation Program Schedule
Date: Tue 9/27/16

Task	External Tasks	Manual Task	Finish-only	Path Successor Normal Task	Path Driving Predecessor Summary Task	Critical Split
Split	External Milestone	Duration-only	Deadline	Path Driven Successor Normal Task	Path Predecessor Normal Task	Progress
Milestone	Inactive Task	Manual Summary Rollup	Path Successor Milestone Task	Path Predecessor Milestone Task	Path Driving Predecessor Normal Task	
Summary	Inactive Milestone	Manual Summary	Path Successor Summary Task	Path Driving Predecessor Milestone Task	Path Driven Successor Milestone Task	
Project Summary	Inactive Summary	Start-only	Path Driven Successor Summary Task	Path Predecessor Summary Task	Critical	

