

**STAFF REPORT**

**MORRO BAY-CAYUCOS J.P.A.  
WASTEWATER TREATMENT PLANT**

**To:** Honorable Mayor and City Council, City of Morro Bay  
Honorable President and Board of Directors, Cayucos Sanitary District

**From:** Dennis Delzeit, P.E., Project Manager

**Date:** September 13, 2012

**Subject:** Status Report on Upgrade Project as of September 1, 2012

**Recommendation:** Receive the Status Report and direct staff accordingly

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**Activities during August 2012**

Major activities during August consisted of preparing for the August 9, 2012 California Coastal Commission (CCC) de novo hearing and then reacting to the postponement.

- The CCC staff report was issued at the close of business on Friday, July 27 recommending denial of the permit, leaving very little time prior to the August 9 hearing to respond. The MBCSD team prepared a 24 page response letter to the staff report;
- The MBCSD staff and consultants met with the CCC staff in their Santa Cruz office August 3, 2012 and discussed the staff report, the MBCSD response letter and our request for approval of the Coastal Development Permit;
- On August 7 at 10:19 PM, the Coastal Commission staff notified the MBCSD that the CCC staff is postponing the de novo Coastal Commission hearing on the project that was scheduled for August 9, 2012;
- McCabe & Company coordinated meetings and phone conferences with Coastal Commissioners that included Morro Bay and Cayucos staff and project consultants. To date, nine Commissioners and one alternate Commissioner have been briefed on the project. McCabe & Company is also in frequent contact with other officials that have a stake in the project;
- The monthly project status report was issued to the Regional Water Quality Control Board;
- The project web site was updated.

## Looking Ahead-September and October 2012

The primary goal for September is to assure that the Coastal Commission hearing will be re scheduled for their October 10,11,12, 2012 meeting in Oceanside.

- Morro Bay staff has been requesting meetings with Coastal Commission staff to discuss the proposed project and request their recommendation for approval of the Coastal Development Permit (with conditions);
- Despite repeated attempts to schedule a meeting with Coastal staff, they have replied that they are not prepared to meet and they have also been unwilling to commit to "place holder" meeting appointments;
- McCabe & Company are continuing to communicate the project issues with the Coastal Commissioners.

### Fiscal Impact:

- There are no new expenditures to report.

### Discussion/Project Overview:

#### Major Milestone Schedule

- Council certified the EIR and approval of the Conditional Use Permit and Coastal Development Permit January 11, 2011
- Deadline for Coastal Commission Appeals January 31, 2011
- Coastal Commission substantial issue hearing March 11, 2011
- Public Outreach/Workshops June 27 & 28, 2011
- Deadline for the rough screening criteria and alternative sites public comments July 15, 2011
- Coastal Commission staff level meeting in Santa Cruz August 25, 2011
- Public release of the Rough Screening analysis September 1, 2011
- **Rough Screening Analysis Presentation to the JPA** **September 8, 2011**
- Public workshop- Alternative Sites Update September 19, 2011
- Deadline for public comments on the Rough Screening Analysis and Fine Screening criteria and alternative sites September 30, 2011
- Public release of the draft Fine Screening analysis November 3, 2011
- **Fine Screening Analysis Presentation to the JPA** **November 10, 2011**
- Coastal Commission staff level meeting in Santa Cruz (review de novo materials) December 9, 2011
- 2012 Recycled Water Feasibility Study released March 9, 2012
- **2012 Recycled Water Feasibility Study Presentation to the JPA** **April 12, 2012**
- Coastal Commission staff level meeting in Santa Cruz (review de novo materials) June 22, 2012
- Coastal Commission staff level meeting in Santa Cruz (review of staff report for the August 9, 2012 CCC mtg.) August 3, 2012

- **Coastal Commission de novo hearing, Santa Cruz** **August 9, 2012**  
**Postponed by CCC staff**
- **Coastal Commission de novo hearing, Oceanside** **October 10-12, 2012**
- Submit SRF loan application to the State Board On hold
- Issuance of SRF Financing Agreement On hold
- Submit first SRF disbursement request to State Board On hold
- Completion of the Design On hold
- Advertise for Construction Bids On hold
- Receive Construction Bids On hold
- Award Construction Contract, after receiving State Revolving Fund Loan Approval On hold
- Start Construction On hold
- Completion of Construction On hold
- Achieve full compliance with federal secondary treatment Requirements Deadline on hold per force majeure

**Dudek - California Coastal Commission - Substantial Issues Study**

Dudek contract Fee Status:

- Original Contract Amount: \$345,485.00
- Amendment: \$110,157.00
- Revised Contract Amount: \$455,642.00<sup>1</sup>
- Amount invoiced to date: \$429,742.87
- Amount remaining in contract: \$ 25,899.13
- Most recent billing amount (7/17/12): \$ 3,601.38
- Percent of contract billed: 94%

**MWH Design**

Final design of the project will resume after completion of the Coastal Commission Appeal Process.

MWH Contract Fee Status:

- Contract Amount: \$2,700,000.00
- Addendum #1, updated flows and loadings: \$ 9,000.00
- Addendum #2, advanced treatment options: \$ 9,600.00
- Addendum #3, updated cost estimate \$ 18,700.00
- Revised MWH Contract Amount: \$2,737,300.00
- Amount Billed to Date: \$ 474,490.33
- Amount Remaining: \$2,225,509.67
- Most Recent Billing Amount (10/7/11)<sup>2</sup> \$ 4,631.46
- Percent of contract billed: 18%

<sup>1</sup> \$21,627 is reserved as an optional task for archaeology services, if required by Coastal.

<sup>2</sup> The 5/2/11 invoice is for services rendered 1/1/11 through 1/28/11. MWH work was suspended on 11/19/10 except for completion of surveying, geotechnical report, floor plan layout and support at the PC and CC meetings in support of the permits.

McCabe & Company) California Coastal Commission Communications/Liaison Services

• Invoice 4/11/11: \$12,500 + \$857.47 <sup>3</sup> =	\$13,347.57
• Invoice 5/3/11: \$12,500 + \$98.28 <sup>4</sup> =	\$12,598.28
• Invoice 6/3/11: \$12,500 + \$4,032 <sup>5</sup> =	<u>\$16,532.00</u>
• Total billings from start of contract to suspension:	\$42,477.85 <sup>6</sup>
• Invoice for January 2012, dated 2-29-12:	\$12,500.00
• Invoice for February 2012, dated 3-23-12:	\$12,500.00
• Invoice for March 2012, dated 4-23-12:	\$12,500.00
• Invoice for April 2012, dated 5-15-12:	\$12,500.00
• Invoice for May 2012, dated 6-25-12:	\$12,991.97 <sup>7</sup>
• Invoice for June 2012, dated 7-23-12:	\$12,500.00
• Amount billed to date:	\$117,969.82
• Not to exceed limit:	\$155,000
• Percent billed to date:	76%

State Revolving Fund Loan:

The SRF process is on hold pending approval of the California Coastal Commission. Without a Coastal Development Permit from the CCC, the project work scope components are unknown as is the total project cost.

Project Manager, Dennis Delzeit, Services:

- Prepared and submitted the monthly report to the RWQCB;
- Prepared the monthly status report to the JPA;
- Updated the web site information;
- Reviewed the McCabe invoice;
- Coordinated with McCabe & Company on communications;
- Coordinated with Dudek, Earth Systems Consultants and Coastal staff;
- Participated in project meetings with MBCSD staff and consultants August 2, 6, 13, and 30;
- Participated in briefings with Coastal Commissioners Bloom, Mitchell, Bochco and Stone in the San Fernando Valley, Santa Monica and Santa Cruz;
- Assisted in the preparation of Commissioner briefing slides;
- Reviewed, studied and commented on the Coastal Commission staff report;
- Interviewed with the Wall Street Journal reporter.

<sup>3</sup> Travel expenses to Morro Bay and the Santa Cruz Coastal Commission hearing on 3/11/11. The contract fee is \$12,500 per month plus outside expenses.

<sup>4</sup> Conference calls outside expenses.

<sup>5</sup> This is the prorated fee from March 22 through 31 that was not previously billed.

<sup>6</sup> This is the total fee for services from the beginning to the suspension of the contract: Feb 22 through May 31, 2011. No services were provided between May 31 through December 31, 2011.

<sup>7</sup> Expenses for meeting with CCC staff in Santa Cruz: \$407.60 airfare; \$45.54 car rental; \$8.83 gas; \$30 taxi.

Dennis Delzeit's Contract Fee Status:

▪ Original Contract amount:	\$250,000.00
▪ Contract Amendment (PERC)	\$ 3,000.00
▪ Revised Contract Amount:	\$253,000.00
▪ Amount Billed to Date:	\$182,884.44
▪ Amount Remaining:	\$ 70,115.56
▪ Most Recent Billing Amount (9/1/12)	\$ 9,918.00
▪ Percentage of contract billed:	72%