

**SPECIAL JOINT MEETING
CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT
(UNDER JOINT POWERS AGREEMENT)**

Cayucos Sanitary District Board of Directors:

Robert Enns, President
Dan Chivens, Vice-President
Michael Foster, Director
Shirley Lyon, Director
Dan Lloyd, Director

City of Morro Bay City Council:

Jamie Irons, Mayor
Christine Johnson, Mayor Pro Tem
George Leage, Councilmember
Nancy Johnson, Councilmember
Noah Smukler, Councilmember

AGENDA

MEETING DATE:

6:00 p.m., Thursday, October 9, 2014

HOSTED BY:

Cayucos Sanitary District

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos, CA 93430

Notice: Mayor Jamie Irons will attend the meeting
by teleconference, as permitted by Government Code, section 54953,
from the following location:

**Portola Hotel, Ironwood 1 Conference Room,
Two Portola Plaza, Monterey, CA 93940.**

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

CALL TO ORDER AND ROLL CALL

COUNCIL AND BOARD ANNOUNCEMENTS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the governing bodies on Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) business matters may do so at this time. By the conditions of the Brown Act, the governing bodies may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes. All remarks shall be addressed to the governing bodies, as a whole, and not to any individual member thereof. This governing body requests that you refrain from making slanderous, profane, or personal remarks. Please refrain from public displays or outburst such as unsolicited applause, comments, or cheering. Any disruptive activity that substantially interferes with the ability of this governing body to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. Your participation in these joint meetings is welcome and your courtesy will be appreciated.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council or Cayucos Sanitary District Board, the following items are approved without discussion

A-1 MINUTES OF SEPTEMBER 11, 2014 JPA MEETING

Recommendation: Approve as submitted

A-2 STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP

Recommendation: Receive and file

C. NEW BUSINESS

C-1 REPORT BY THE MAYOR AND CAYUCOS SANITARY DISTRICT PRESIDENT ON THE OCTOBER 2, 2014 JPA TECHNICAL COMMITTEE MEETING (*NO STAFF REPORT*)

Recommendation: Receive and file

C-2 PRESENTATION BY JOHN F RICKENBACH CONSULTING ON THE PROJECT STATUS OF THE WATER RECLAMATION FACILITY

Recommendation: Receive and file

C-3 OVERVIEW OF THE PARTNERSHIP ON CMC ALTERNATIVE ANALYSIS BY CAROLLO ENGINEERS

Recommendation: Council and District Board review and provide direction to staff for any future action resulting from the CMC analysis.

C-4 SCHEDULE NEXT JOINT MEETING AND FUTURE AGENDA ITEMS

ADJOURNMENT - (Next meeting will be hosted by the Cayucos Sanitary District)

Copies of staff reports and other public documentation relating to each item of business for this meeting are available for inspection at Morro Bay City Hall at 595 Harbor Street and the Cayucos Sanitary District at 200 Ash Ave. A copy of this packet is available from the City of Morro Bay for copying at Mills Copy Center and from the Cayucos Sanitary District for a copy and duplication charge. Any person having questions regarding any agenda items may contact Bruce Keogh, Wastewater Division Manager (City of Morro Bay) at 772-6261 or Rick Koon, District Manager (Cayucos Sanitary District) at 995-3290. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Public Services' Administrative Technician at (805) 772-6261, or the Cayucos Sanitary District at (805) 995-3290. Notification 24 hours prior to the meeting will enable the City and District to make reasonable arrangements to ensure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City of Morro Bay or the Cayucos Sanitary District after distribution of the agenda packet are available for public inspection at the scheduled meeting.

may not discuss issues not on the agenda, but may set items for future agendas. When recognized by the Chair, please come forward to the podium and state your name and address for the record. Comments should be limited to three minutes.

Mayor Irons opened Public Comment period.

- Doug Claassen, Manager of Morro Dunes RV Park, presented signatures from guests of Morro Dunes RV Park and the City of Morro Bay, requesting the removal of the current wastewater treatment plant when the new plant is built in a different location.
- Jim Nance stated he is interested in the possibility of getting water from the WWTP to go to agriculture land out on Hwy 41.

Mayor Irons closed Public Comment period.

A. CONSENT CALENDAR

Mayor Irons opened Public Comment period for the Consent Calendar, and seeing none, closed Public Comment period.

A-1 MINUTES OF JUNE 12, 2014 JPA MEETING

Recommendation: Approve as submitted

A-2 WWTP OPERATIONS REPORT THROUGH JULY, 2014

Recommendation: Receive and file

A-3 STATUS REPORT ON THE NPDES PERMIT RENEWAL PROCESS

Recommendation: Receive and file

Christine Johnson pulled Item A-1

MORRO BAY MOTION: Christine Johnson moved to approve Consent Calendar Items A-2 and A-3, Noah Smukler seconded and the motion passed unanimously (4-0).

Christine Johnson requested on Item A-1, to adjust the title of Vice-Mayor to Mayor Pro Tem in future JPA Agendas and Minutes.

MORRO BAY MOTION: Christine Johnson moved to approve the Consent Calendar Item A-1, Mayor Irons seconded and the motion passed unanimously. (4-0).

CAYUCOS MOTION: Dan Lloyd moved to approve the Consent Calendar, Shirley Lyon seconded and the motion passed unanimously. (4-0). Robert Enns was not present.

B. OLD BUSINESS

B-1 STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP

Recommendation: Receive and file

Bruce Keogh presented an overview of the MMRP status report noting recent areas of accomplishments and highlighting some of the projects which are ongoing at this time.

Digester #2 Repair

The repair projects for Digester #2 have been successfully completed. Focus will now be on the cleaning and coating of Digester #1.

Headworks Influent Screening Project

This project remains on schedule, City and District Staff anticipates a Notice to Proceed in September with completion of the project by November 2014.

Chlorine Contact Basin Improvements Project

Plant staff issued a purchase order on August 15, 2014 for the purchase of the required equipment to replace the head and idler shaft assemblies in the chlorine contact tank. The work will require by-passing the chlorine contact for up to a twenty-four hour period. By-passing of the tank will result in an effluent violation and the associated minimum mandatory penalty of \$3,000. During the time period the tank is off-line, staff will chlorinate and disinfect the effluent, but will not be able to dechlorinate the effluent resulting in the violation. Staff at the Regional Water Quality Control Board and the California Department of Health Shellfish Division have been notified of the repair plans and the intent to by-pass the chlorine contact tank.

MMRP Projects and Budget for FY 14/15

The City and District adopted a budget for the WWTP. The adopted FY14/15 budget contains \$1.221M for funding MMRP projects. The funds represent new MMRP projects as well as roll-over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs discussed above.

New MMRP projects for the FY14/15 fiscal year:

The following MMRP projects are included in the adopted FY14/15 budget.

1. The cleaning and coating of digester #1: This will provide funding for the cleaning and coating of digester #1; in addition, structural analysis and potential structural repair work will be required. This project also includes funding for piping and valving repairs on digester #3 and digester #2 and replacement of various equipment required to operate the digesters.
2. Rehabilitation of primary clarifier #2: This will provide funding for the highest priority projects on primary clarifier #2 and includes repairs to the metal framework on the flights and skimmer cage assembly; repair and replacement of piping and valving, and other associated repairs.
3. Purchase and installation of new distributor arms on biofilter improvement project: This will provide funding for several projects to improve biofilter #2 and the interstage pump station to include the purchase and installation of new distributor arms on biofilter #2 and replacement of the main bearing on the turntable. The biofilter arms are badly corroded and have exceeded their useful life. These units are a critical component of the secondary treatment system. Funds will also be used to install flood walls surrounding the two biofilters and interstage pumps to prevent inundation during a flooding event.

Staff will continue to bring a status report on the development of the MMRP at future joint Council and District Board meetings.

Mayor Irons stated for the record President Enns is present.
Mayor Irons recommended to receive and file this report.

Mayor Irons opened Public Comment period for Item B-1

- Jim Nance stated he would like to get water from the WWTP transported to agriculture on Highway 41.

Mayor Irons closed Public Comment period.

C. NEW BUSINESS

C-1 VERBAL REPORT BY THE CITY AND DISTRICT ON THE PROGRESS OF THE FUTURE WWTP

Rob Livick presented an update on the progress made over the summer and some upcoming key events that will be happening over the next few months to present at the City Council meeting on November 12, 2014 where the City is proposing to finalize site selection.

In July, City staff held a kick-off meeting with consultant Larry Walker and Associates to discuss discharge permit requirements for the various disposal and re-use options for the Water Reclamation Facility. The City Council appointed a Water Reclamation Facility Citizen Advisory Committee (WRFCAC). The first meeting was held on September 10, 2014. The next three meetings will be held on October 8, October 22 and November 5, 2014. The regular meeting schedule for WRFCAC will be the second Wednesday of the month from 3:00-5:00pm. Staff is working on getting a permanent venue for the meetings.

Some of the upcoming issues to be presented to City Council prior to and at the November 12, 2014 meeting are:

- Review the permitting issues presented by Larry Walker and Associates
- A presentation on Funding Options by Monica Reid of Kestrel Consulting
- A presentation on Potential Water Use Benefits by Cleath-Harris
- At a date to be determined, Carollo Engineers will give a presentation on what it takes to bring additional flows to California Men's Colony (CMC) and types of upgrade issues. The report will be ready for the City Council meeting.

The WRFCAC will be assisting with the reports and these meetings will be broadcast live and AGP can provide DVD's for the public.

There was discussion regarding the County's role in the WWTP and Rob Livick stated the last correspondence from the County dated August 15, 2014, stated they believe the scope of work with suggested changes by Morro Bay is appropriate. The County will provide support as they are able through the Chorro Valley working group to facilitate communication on water structure issues but they are not in the position to be Carollo's client at this point.

Rick Koon, Cayucos Sanitary District Manager, stated the CSD met with SLO County and had a different interpretation than the City of Morro Bay in regards to who would be leading the CMC analysis.

Mayor Irons suggested the City of Morro Bay and Cayucos communicate better and it is critical to share information with each other. The objective is to get the best project for Cayucos and Morro Bay.

There was discussion regarding the CMC site and the Rancho Colina site. These reports will be presented at the City Council meeting on November 12, 2014.

Rob Livick clarified the reports will be available with the Agenda prior to the City Council meeting on November 12, 2014.

C-2 FINANCIAL AUDIT CONTRACT RENEWAL.

Susan Slayton stated this is a discussion item for the Council and the Board to make a decision about the financial auditor and the future of the contract. Bob Crosby's contract expires with the 2014 fiscal year audit. Ms. Slayton can issue a RFP for audit services or extend Bob Crosby's contract who is an independent contractor and does the audit just on the WWTP. The other option is the City's auditor already does the audit of the WWTP as part of the City audit and he would create a separate report.

There was discussion regarding the cost pertaining to keeping the present auditor versus hiring a new auditor.

George Leage recuses himself stating Bob Crosby is his auditor/accountant.

Mayor Irons opened Public Comment period, and seeing none, closed Public Comment period.

CAYUCOS MOTION: Robert Enns moved to take staff's number three recommendation to request for a RFP for audit services for the 2015/17 fiscal years, Dan Chiven seconded and the motion passed unanimously. (5-0).

MORRO BAY MOTION: Mayor Iron's moved to take staff's number three recommendation to request for a RFP for audit services for the 2015/17 fiscal years, Noah Smukler seconded and the motion passed unanimously. (3-0). Nancy Johnson absent and George Leage recusing himself on this item.

C-3 SCHEDULE NEXT JOINT MEETING AND AGENDA ITEMS

The next JPA meeting is scheduled for October 9, 2014 and will be hosted by Cayucos.

ADJOURNMENT

Mayor Irons adjourned the meeting at 7:13 pm.

Minutes Recorded by:
Kay Merrill, Morro Bay Public Services Department

STAFF REPORT

CITY OF MORRO BAY-CAYUCOS SANITARY DISTRICT WASTEWATER TREATMENT PLANT (WWTP)

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

FROM: Bruce Keogh, Morro Bay Wastewater Division Manager

DATE: October 3, 2014

SUBJECT:

Status Report of a Major Maintenance & Repair Plan (MMRP) for the WWTP

RECOMMENDATION:

Morro Bay and Cayucos Sanitary District staffs recommend this report be received and filed.

FISCAL YEAR:

No fiscal impact at this time as a result of this report. Fiscal impact is addressed through the budget process.

BACKGROUND:

This staff report is intended to provide an update on the development of the MMRP for the WWTP. At the February 14, 2013, JPA meeting the Council and District Board approved the development of an MMRP and made the following motion:

- Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget;
- The JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by Morro Bay's Public Services Director and Cayucos Sanitary District Manager; and
- The Morro Bay Public Services Director and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP.

Development of a MMRP will assist the City and District in projecting the budgeting of expenditures required to keep the current plant operating in compliance with regulatory requirements.

Staff's focus has been on developing and implementing work on the MMRP projects approved for the FY14/15 budget. The adopted FY14/15 budget contains \$1.221M for funding MMRP projects. The funds represent new MMRP projects as well as roll over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs. Staff is continuing to develop and refine the implementation schedule for projects funded in the FY 14/15 budget. This staff report includes a status report on the on-going MMRP projects.

DISCUSSION

Digester #1 Repair

Plant staff anticipates cleaning digester #1 in mid to late October, with the sandblasting and coating projects as well as piping and valving repair and replacement to follow. The goal will be to have digester #1 back on-line prior to May 2015. Staff from the City, District, and Mike Nunley and Associates (MKN) will utilize the lessons learned from digester #2 in preparing and implementing the scope of work for digester #1.

Headworks Influent Screening Project

The headworks influent screening project remains on schedule. The screens and associated equipment were delivered on September 12. City staff issued a Notice to Proceed to Raminha Construction, Inc. on September 3. Raminha Construction began demolition of the existing bar screen and equipment on September 8. Raminha has completed the installation of the first bar screen in the north influent channel as well as the washer compactor and associated equipment. The factory representative was on-site on September 30 for start-up of the equipment as well as staff training. Completion of the project is scheduled by November, 2014.

During the month of September, plant staff made arrangements with Speiss Construction for maintenance and repair services for the jib crane at the headworks. The repairs included disassembly and inspection of the jib crane and coating of the crane components. In addition, plant staff made arrangements to replace the hoist on the crane with a new hoist system and controls. The jib crane will be used to lift out the washed and compacted screenings from the lower headworks.

Chlorine Contact Basin Improvements

Plant staff issued a purchase order on August 15 for the purchase of the required equipment to replace the head and idler shaft assemblies in the south portion of the chlorine contact tank. Staff is making arrangements with a contractor for the installation of the shafts and associated equipment in late October or early November depending on the lead time for receiving the equipment. Plant staff will also be making minor repairs to other equipment within the tank when the tank is off-line. The work will require by-passing the chlorine contact for at most a twenty-four hour period. By-passing of the tank will result in an effluent violation and the associated minimum mandatory penalty of \$3,000. During the time period the tank is off-line, staff will chlorinate and disinfect the effluent, they will not be able to dechlorinate the effluent resulting in the violation. Both staff at the Regional Water Quality Control Board and the California Department of Health Shellfish Division have been notified of our repair plans and the intent to by-pass the chlorine contact tank.

CONCLUSION

Staff will continue to bring a status report on the development of the MMRP at future joint Council and District Board meetings.

STAFF REPORT

**CITY OF MORRO BAY-CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT**

DATE: October 6, 2014

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

FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer, City of Morro Bay

SUBJECT: **Presentation by John F. Rickenbach Consulting (JFR) on the Project Status of the Water Reclamation Facility**

RECOMMENDATION

Staff recommends the Council and District Board receives the presentation.

FISCAL IMPACT

There is no direct fiscal impact from this informational only item.

DISCUSSION

As part of an alternatives evaluation for siting a new WRF, the City has been conducting a number of studies to determine the best location for a new WRF that meets the City's stated goals and objectives for the new WRF.

The City is currently on a parallel path of evaluating and ranking the Rancho Colina site against a possible regional facility at CMC. The alternatives evaluation process is designed to get an "apples to apples" comparison of the two sites so the City and the CSD can make a site selection and begin the next phases of the project. Currently the City has numerous consultants working on permitting issues, hydrologic assessments of the Chorro and Morro Valleys, and possible funding sources for the new WRF. The goal is to bring this information back to the Council at the November 12 for a final decision on site selection.

Background for this presentation can be reviewed at www.morro-bay.ca.us/newwrf.

STAFF REPORT

**CITY OF MORRO BAY-CAYUCOS SANITARY DISTRICT
WASTEWATER TREATMENT PLANT**

DATE: October 6, 2014

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

FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer, City of Morro Bay
Rick Koon, General Manager, Cayucos Sanitary District

**SUBJECT: Overview of the Partnership on California Men’s Colony (CMC)
Alternative Analysis by Carollo Engineers**

RECOMMENDATION

Staff recommends the Council and District Board provide direction to staff for any future action related to the CMC analysis.

FISCAL IMPACT

The contract and associated work scope with Carollo Engineers is for a not to exceed cost of \$101,945. The Cayucos Sanitary District (CSD) has offered to pay a portion of the study cost, the percent allocation has not been determined at this time. City and CSD staff are working with Regional Water Quality Control Board (Water Board) staff to determine whether Supplemental Environment Project (SEP) funds from administrative civil liability monetary penalties imposed on CMC plant operations can be used to pay for all or part of the study.

SUMMARY

The City of Morro Bay has been conducting an alternative site analysis to determine the best location to site a new Water Reclamation Facility (WRF). The City Council in May 2014 selected the Rancho Colina site as their preferred location for a new WRF. At the request of Council and based on suggestions from the Water Board Executive Officer, the fact that the CSD Board of Directors has identified the CMC WWTP site as its preferred location for wastewater treatment, and the City’s own needs to fully investigate alternatives, the City has agreed to participate in an analysis of the CMC wastewater treatment facility to determine the feasibility of siting a regional WRF at the CMC location.

DISCUSSION

As part of an alternatives evaluation for siting a new WRF, the City has been conducting a number of studies to determine the best location for a new WRF that meets the City’s stated goals and objectives for the new WRF. These adopted goals are as follows:

- *Production of tertiary, disinfected wastewater in accordance with Title 22 requirements*

for unrestricted urban irrigation

- *Designed to be able to produce reclaimed wastewater for potential users (phased in over time based on a recycled water master plan), which could include public and private landscape areas, agriculture, or groundwater recharge*
- *Onsite composting*
- *Energy recovery*
- *Ability to treat contaminants of emerging concern in the future*

Additionally the Morro Bay City Council adopted Resolution Number 17-14 committing to have new Water Reclamation Facility operational prior to the expiration of the discharge permit for the existing wastewater treatment plant, being five years more or less.

The City is currently on a parallel path of evaluating, comparing and ranking the Rancho Colina site and a potential regional facility at the CMC site. The alternatives evaluation process is designed to achieve an “apples to apples” comparison of the two sites so the City and the CSD can make a site selection and begin the next phases of the project. Currently the City has numerous consultants working on permitting issues, hydrologic assessments of the Chorro and Morro Valleys, and possible funding sources for the new WRF. The goal is to bring this information back to the Council at the November 12 for a decision on site selection.

The City and CSD have had conversations over the past year with the Water Board and San Luis Obispo County (County) concerning expanding and upgrading the existing CMC facility to a regional WRF that could accommodate flows from all current users as well as the City and CSD. In the initial conversation with the various agencies, the County had agreed to be the lead agency in conducting the capacity analysis of the CMC facility. All parties were in agreement that Carollo Engineers would be the preferred choice to conduct the study as they were the designers of the existing treatment facility at CMC. Over the past several months it became apparent to City staff that the County was not in a position to be the lead agency and direct the capacity analysis. In written correspondence to the City, the County has stated they do not have the staff resources at this time to be the lead agency on the project. This was reiterated by County Supervisor Bruce Gibson at the October 2 JPA Technical Committee meeting.

The City entered into a contract with Carollo Engineers on September 30, 2014. The scope of work for the Carollo study was developed with input from the County, Morro Bay, and CSD staff. All parties agreed that the scope was appropriate for determining the capacity and feasibility of constructing a regional facility at the CMC location.

At the October 2 JPA Technical Committee meeting the City and CSD reiterated their desire to move forward cooperatively and expeditiously on the CMC evaluation. City staff has agreed that it is in the best interest of all parties to share the draft study with both CSD and the County staff to ensure that all parties agree with the conclusions reached by the capacity and feasibility evaluation.

The scope of work for the Carollo study is designed to:

- Provide a detailed analysis of the existing capacity of the entire WWTP. This analysis will include hydraulic, organic, and solids evaluations in the current operational mode. The basis of

analysis will be the current requirements in the existing NPDES permit and the requirements to provide recycled water for unrestricted use per Title 22.

- Provide a detailed analysis of the improvements required to the existing WWTP to provide sufficient capacity to serve the agencies noted above as well as the communities of Morro Bay and Cayucos.
- Provide a planning level document that notes approximate footprint and area of new facilities required to provide sufficient capacity to serve the agencies noted above as well as the communities of Morro Bay and Cayucos.
- Provide a planning level cost estimate to construct the improvements required to provide sufficient capacity to serve the agencies noted above as well as the communities of Morro Bay and Cayucos.
- Provide a planning level estimate of lifecycle cost for the regional treatment facility.
- Confirm feasibility and cost (capital and lifecycle) of the proposed pipelines and pump station(s) necessary to convey raw wastewater from the existing Morro Bay/Cayucos Sanitary District (MBCSD) WWTP site to the CMC WWTP site.

The project schedule calls for Carollo to provide a draft Technical Memo (TM) after 45 calendar days from the notice to proceed and a final TM after 60 days. Staff will be working with Carollo to accelerate the schedule to give the City Council the appropriate information needed to make their decision in November. As discussed earlier, the City will provide the draft TM to the CSD, County, and the RWQCB staff for review and comments.

In addition to the capacity evaluation being performed by Carollo, the JPA Technical Committee agreed to reconvene in the near future to discuss other aspects of a regional facility at CMC. Specifically they agreed that the institutional and governance aspect of CMC should be explored further. The Committee recommended the continuing discussions with the appropriate agencies to get a better understanding of the governance issues related to a regional facility. The County has been in discussions with the California Department of Corrections and Rehabilitation (CDCR) concerning transitioning the operations of the CMC facility to the County. Without the transition of operations at the CMC facility to the County, the concept of a regional facility at CMC would be far more difficult to achieve. For this reason, the Technical Committee is recommending that the City and CSD get a better understanding of this process and a realistic timeline for completing the potential transition of plant operations at CMC to County control. The transitional process, while supported by both RWQCB and the County is a complex and potentially difficult process.

ATTACHMENT

Carollo Contract and Scope of Work

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 Carollo Engineers, Inc., a Delaware corporation authorized to do business in California, ("Consultant"). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on September 30, 2014 and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 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. If there are any conflicts between terms contained in the schedule of performance and the terms of this Agreement, the terms of this Agreement shall be controlling.

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 One Hundred One Thousand Nine Hundred Forty-Five Dollars and no cents (\$101,945.00) 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 Ten Thousand, One Hundred Ninety-Four Dollars and fifty cents (\$10,194.50). 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.

(d) Consultant shall not be responsible for acts and decisions of third parties including governmental agencies (except the City and any and all of its employees, officials and agents) that impact project completion and/or success. Notwithstanding the foregoing, Consultant shall be responsible for the acts and decisions of Consultant's subconsultants that impact project completion and/or success.

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
Attention: Rob Livick, PE/PLS Public Services Director
595 Harbor Street
Morro Bay, CA 93442

To Consultant: Carollo Engineers, Inc.
Attention: Steve Swanback
2700 Ygnacio Valley RD., #300
Walnut Creek, CA 94598

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.

23. CITY-PROVIDED INFORMATION AND SERVICES

City shall furnish Consultant available studies, reports and other data pertinent to Consultant's services; obtain or authorize Consultant to obtain or provide additional reports and data as required; furnish to Consultant services of others required for the performance of Consultant's services hereunder, and Consultant shall be entitled to use and rely upon all such information and services provided by City or others in performing Consultant's services under this Agreement.

24. ACCESS

City shall arrange for access to and make all provisions for Consultant to enter upon public and private property as required for Consultant to perform services hereunder.

25. THIRD PARTIES

The services to be performed by Consultant are intended solely for the benefit of City. No person or entity not a signatory to this Agreement shall be entitled to rely on Consultant's performance of its services hereunder, and no right to assert a claim against Consultant by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of Consultant's services 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

By: Rob Livick
Rob Livick, PE/PLS – Public Services Director

Attest:
Jamie Boucher
Jamie Boucher, City Clerk

CONSULTANT (2 signatures required)

By: Steve Swanback
(Signature)

STEVE SWANBACK
Steve Swanback

Its: V.P. President
(Title)

By: Louis J. Carella
(Signature)

Louis J. Carella
(Typed Name)

Its: SR. VP
(Title)

Approved As To Form:

Joseph W. Pannone
Joseph W. Pannone, City Attorney

EXHIBIT A

TASKS TO BE PERFORMED

AND

PAYMENT SCHEDULE

**CAPACITY EVALUATION
of the
CALIFORNIA MEN'S COLONY
WASTEWATER TREATMENT PLANT**

PROJECT BACKGROUND

The California Men's Colony (CMC) Wastewater Treatment Plant (WWTP) treats the entire flow from the California Men's Colony East Facility, California Men's Colony West Facility, County of San Luis Obispo (County Jail, Juvenile Services, and County Education and Engineering, Maintenance and Support Services Facilities), Camp San Luis Obispo (California National Guard Base), and Cuesta College. Each of these organizations has a contractual agreement with CMC and agreed to capacity of the WWTP.

The WWTP has a current rated capacity as noted in the following table.

Table 1. Existing WWTP Design Criteria		
	Units	Value
Flow		
Average Dry Weather (ADWF)	MGD	1.2
Average Annual (AAF)	MGD	1.3
Average Day Maximum Month (ADMM)	MGD	1.8
Peak Hour Dry Weather (PHDW)	MGD	2.4
Peak Hour Wet Weather (PHWW)	MGD	5.2
Loadings		
Biological Oxygen Demand (BOD)	Mg/l	500
BOD Annual Average	PPD	5,400
BOD Average Day Maximum Month	PPD	7,500
Total Suspended Solids (TSS)	Mg/l	500
TSS Annual Average	PPD	5,400
Ammonia (as Nitrogen)	Mg/l	30
Ammonia Annual Average	PPD	450
1. Mg/l = milligrams per liter; PPD = pounds per day		

The WWTP treatment process consists of preliminary treatment including bar screens and aerated grit removal, secondary treatment with oxidation ditch technology and secondary clarifiers, tertiary treatment with continuous backwash filters, disinfection with a recently constructed in-line UV system, solids storage in an existing anaerobic sludge digester, and dewatering with centrifuges.

There is current interest in developing a regional WWTP to provide services to not only the agencies noted above but also the communities of Morro Bay and Cayucos Sanitary District. The intent of this project is to reassess the capacity of each process component of the WWTP

and determine the upgrades necessary to provide adequate capacity for the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District.

ENGINEERING SERVICES

The objective of this project is to:

- Provide a detailed analysis of the existing capacity of the entire WWTP. This analysis will include hydraulic, organic, and solids evaluations in the current operational mode. The basis of analysis will be the current requirements in the existing NPDES permit and the requirements to provide recycled water for unrestricted use per Title 22.
- Provide a detailed analysis of the improvements required to the existing WWTP to provide sufficient capacity to serve the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District.
- Provide a planning level document that notes approximate footprint and area of new facilities required to provide sufficient capacity to serve the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District.
- Provide a planning level cost estimate to construct the improvements required to provide sufficient capacity to serve the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District.
- Provide a planning level estimate of lifecycle cost for the regional treatment facility.
- Confirm feasibility and cost (capital and lifecycle) of the proposed pipelines and pump station(s) necessary to convey raw wastewater from the existing Morro Bay/Cayucos Sanitary District (MBCSD) WWTP site to CMC.
- Confirm and update the conclusions in the 2008 Los Osos Report on the CMC Regional Option.

The assumptions for this project include:

- The limits of the analysis will be conveyance of raw sewage to the treatment facilities and capacity of the treatment facilities on the current site and will not address capacity, cost, or layout of other off-site facilities. These facilities include, but are not limited to:
 - Facilities necessary to expand reclamation in the CMC region.
 - Pipelines and pump station(s) necessary to convey treated effluent from CMC to Morro Bay for reuse or disposal (i.e., existing MBCSD outfall).
- No permit or regulatory issues will be investigated or addressed. These include Basin Plan objectives or TMDL limits for Chorro Creek or other possible discharge locations, recharge capacity of Chorro Creek for downstream use, etc.
- The analysis will be based on the ability of the CMC facility to treat the combined influent of CMC, Morro Bay, and Cayucos Sanitary District to meet current water quality requirements (i.e. TDS, BOD, TSS, etc.).
- No groundwater hydrology analysis of Chorro Creek or geotechnical analysis of the existing WWTP site will be performed.
- No analysis of potential wastewater reclamation sites in the region will be completed.

TASK 1 – PROJECT MANAGEMENT

This task will involve the day-to-day administrative, technical, and financial management of the project activities to ensure that the project budget, schedule, scope, and quality objectives are achieved. This effort will include scheduling and coordinating meetings, task completion, and quality assurance/quality control (QA/QC) review of the work.

Deliverables:

- Monthly status reports included with invoices

TASK 2 - PROJECT DEFINITION

The purpose of this task is to reach consensus on the goals and approach to the project and confirm the criteria used to determine the hydraulic and process capacity of existing treatment facilities. This can be completed via a conference call that will be held early in the study to reach consensus on these criteria. Carollo will develop draft assumptions in preparation for the workshop.

Task 2.1 – Project Approach Kick-Off Meeting

Hold a Project Approach Kick-Off Meeting to reach consensus on the following issues:

- The capacity study goals and approach.
- Level of reliability required for individual process components.
- The monthly average, weekly average, and/or daily average secondary effluent discharge limits for BOD, TSS, and nitrogen (ammonia, nitrate, total inorganic nitrogen [TIN], and/or total nitrogen [TN]) based on anticipated requirements.
- The effluent distribution channel water surface elevation (WSEL) as a basis for calculating hydraulic capacity, and other criteria, such as minimum freeboard downstream of weirs or tanks.
- Treatment facility operating approach, including the strategy for determining:
 - Number of bar screens, influent pumps, and aerated grit basins in service
 - Number of oxidation ditches in service
 - Number of secondary clarifiers in service
 - Number of tertiary filters in service
 - Number of in-line UV vessels in service
- Effluent discharge flow requirements to Chorro Creek

Deliverables:

- Meeting notes, which detail the conclusions of the Project Approach Kick-Off Meeting including project reliability/redundancy criteria assumptions.

TASK 3 - HISTORICAL OPERATIONS AND PERFORMANCE DATA

The purpose of this task is to review and verify historical operations and performance data to estimate future influent flow and loading conditions. Verified operations and performance data from the five most recent years will be used to estimate critical influent loading conditions.

Verified operations and performance data from the most recent year will be used for capacity analysis.

TASK 4 – CAPACITY ANALYSIS

The purpose of this task is to:

- Determine the maximum dry weather flow and corresponding wet weather flow that can be treated reliably through the existing treatment facilities, while meeting the treatment goals and reliability/redundancy requirements established in Task 2.
- Determine the necessary additional treatment components required to provide reliable treatment capacity for the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District assuming the treatment goals and reliability/redundancy requirements established in Task 2.
- Determine the maximum flow that can be transported through the existing treatment facilities within the reliability/redundancy guidelines defined in Task 2.
- Determine the necessary additional treatment components required to provide reliable hydraulic capacity for the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District assuming the treatment goals and reliability/redundancy requirements established in Task 2.
- Use standard of the industry loading rates and design criteria to determine size and number of units.

Task 4.1 – Treatment Capacity Analysis

Using standard of the industry loading rates and design criteria develop the necessary additional treatment components required to provide reliable capacity for the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District assuming the treatment goals and reliability/redundancy requirements established in Task 2.

Deliverables:

- Written summary of treatment capacity analysis included in the Technical Memorandum (TM).

Task 4.2 – Hydraulic Capacity Analysis

Configure a steady-state hydraulic model to calculate the hydraulic capacity of the existing treatment facilities. Run the hydraulic model using a range of flow rates to determine the capacity between each pair of hydraulic control points, or hydraulic reach. The scenarios will include dry weather and wet weather conditions with the corresponding number of tanks in service, based on the reliability/redundancy criteria established in Task 2.

Deliverables:

- Written summary of hydraulic capacity included in the TM

Task 4.3 – BioWin Process Model Configuration/Calibration

A "whole-plant" process simulator will be configured using BioWin (EnviroSim Associates, Ltd., Hamilton, Ontario, Canada). The whole-plant simulator will include primary and secondary treatment facilities, solids handling facilities, and solids handling recycle streams to simulate the interaction of the liquid treatment and solids handling facilities accurately.

The whole-plant simulator will be calibrated using the operations and performance data and wastewater characterization data collected during the special sampling period. The model calibration approach to be used for this study corresponds to the highest level, "Level 4," as defined in Melcer, et al., Methods for Wastewater Characterization in Activated Sludge Modeling (WERF, 99-WWF-3, 2003).

Deliverables:

- Written summary of process modeling results included in the TM.

TASK 5 – RAW SEWAGE CONVEYANCE SYSTEM ANALYSIS

Provide a planning level review of the proposed raw sewage conveyance system and address feasibility, technical design constraints, technical operational constraints, and pump station sizing and location including any intermediate pump stations.

Deliverables:

- Pipeline alignment included in the TM
- Pump station sizing and location included in the TM

TASK 6 – PLANNING LEVEL FACILITY LAYOUT

Based upon the results of Task 4 a layout will be developed which provides the approximate footprint and location of any new facilities that may be required to provide reliable capacity for the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District assuming the treatment goals and reliability/redundancy requirements established in Task 2.

Deliverables:

- Facility layout included in the TM

TASK 7 – PLANNING LEVEL FACILITY COST ESTIMATE

Based upon the results of Tasks 3, 4, 5 and 6 develop a Facility Cost Estimate for the estimated construction and engineering cost of any new treatment and conveyance facilities that may be required to provide reliable capacity for the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District assuming the treatment goals and reliability/redundancy requirements established in Task 2. The cost estimating categories developed in the Options Report prepared for the City of Morro Bay will be the basis for presenting the Facility Cost Estimate.

Deliverables:

- Facility cost estimate presented in the TM

TASK 8 – TECHNICAL MEMORANDUM

Based upon the results of Tasks 3, 4, 5, 6 and 7 develop a TM assembling the capacity analysis, the facility footprint layout and the estimated construction and engineering cost of any new facilities that may be required to provide reliable capacity for the agencies noted above as well as the communities of Morro Bay and Cayucos Sanitary District assuming the treatment goals and reliability/redundancy requirements established in Task 2.

Deliverables:

- Draft TM
- Final TM

SCHEDULE

The project schedule from written Notice to Proceed is expected to require 45 calendar days to deliver a draft TM and 60 days to deliver a final TM.

**CAPACITY EVALUATION FEE ESTIMATE
for the
CMC
WASTEWATER TREATMENT PLANT**

TASK	CAROLLO										OTHER DIRECT COSTS					COST SUMMARY			
	2014 Fee Schedule	Swimback	Case	Application	Engineer	Staff Eng.	Staff Eng.	CADD/IGS Technician	Clerical Support	Subtotal Hours	Subtotal Budget	PRICE \$11.80	Field Work - Oxy Testing Survey	Subtotal	Sub-consultant 10/9/9	Misc. Costs and Printing	Travel	Total Costs	Total
TASK 1 - PROJECT MANAGEMENT																			
1.1 Project Management		8	16	0	0	0	0	0	0	0	24	\$5,688	\$288	\$0	\$0	\$0	\$2,754	\$3,040	\$8,728
TASK 2 - DEVELOP PROJECT DEFINITION																			
2.1 Project Approach Kickoff Meeting/Consensus Notes		4	8	4	0	0	0	0	0	0	16	\$3,696	\$180	\$0	\$0	\$0	\$2,754	\$3,040	\$8,728
Task 2 Total Hours		4	8	4	0	0	0	0	0	0	16	\$3,696	\$180	\$0	\$0	\$0	\$2,754	\$3,040	\$8,728
Task 2 Total Budget		\$1,080	\$1,728	\$892	\$0	\$0,016	\$0	\$0	\$0	\$0	\$816	\$666	\$0	\$0	\$0	\$0	\$918	\$1,584	\$12,152
TASK 3 - REVIEW HISTORICAL OPERATIONS AND PERFORMANCE DATA																			
3.1 Review Existing Performance Data		4	8	4	0	0	0	0	0	0	16	\$3,696	\$180	\$0	\$0	\$0	\$2,754	\$3,040	\$8,728
Task 3 Total Hours		4	8	4	0	0	0	0	0	0	16	\$3,696	\$180	\$0	\$0	\$0	\$2,754	\$3,040	\$8,728
Task 3 Total Budget		\$1,080	\$1,728	\$892	\$0	\$1,014	\$0	\$0	\$0	\$0	\$6,132	\$333	\$0	\$0	\$0	\$0	\$0	\$333	\$6,465
TASK 4 - CAPACITY ANALYSIS																			
4.1 Treatment Capacity Analysis		2	4	4	0	0	0	0	0	0	10	\$4,022	\$200	\$0	\$0	\$0	\$0	\$4,222	\$4,222
4.2 Hydraulic Capacity Analysis		2	4	0	0	0	0	0	0	0	10	\$4,022	\$200	\$0	\$0	\$0	\$0	\$4,222	\$4,222
4.3 Biofilm Process Model Configuration/Calibration		4	8	8	0	0	0	0	0	0	20	\$8,044	\$400	\$0	\$0	\$0	\$0	\$8,444	\$8,444
Task 4 Total Hours		8	16	12	0	0	0	0	0	0	40	\$16,088	\$800	\$0	\$0	\$0	\$0	\$16,888	\$16,888
Task 4 Total Budget		\$2,120	\$3,568	\$2,676	\$0	\$15,040	\$0	\$0	\$1,020	\$0	\$24,424	\$1,500	\$0	\$0	\$0	\$0	\$0	\$1,500	\$25,924
TASK 5 - RAW SEWAGE CONVEYANCE SYSTEM ANALYSIS																			
5.1 Raw Sewage Conveyance System Analysis		3	6	0	0	0	0	0	0	0	12	\$4,848	\$240	\$0	\$0	\$0	\$0	\$5,088	\$5,088
Task 5 Total Hours		3	6	0	0	0	0	0	0	0	12	\$4,848	\$240	\$0	\$0	\$0	\$0	\$5,088	\$5,088
Task 5 Total Budget		\$795	\$1,784	\$0	\$0	\$5,768	\$0	\$0	\$0	\$0	\$3,347	\$559	\$0	\$0	\$0	\$0	\$0	\$559	\$9,806
TASK 6 - PLANNING LEVEL FOOTPRINT LAYOUT																			
6.1 Planning Level Footprint Layout		2	4	4	0	0	0	0	0	0	10	\$4,022	\$200	\$0	\$0	\$0	\$0	\$4,222	\$4,222
Task 6 Total Hours		2	4	4	0	0	0	0	0	0	10	\$4,022	\$200	\$0	\$0	\$0	\$0	\$4,222	\$4,222
Task 6 Total Budget		\$539	\$1,784	\$892	\$0	\$4,512	\$0	\$1,256	\$0	\$0	\$8,014	\$547	\$0	\$0	\$0	\$0	\$0	\$547	\$9,561
TASK 7 - PLANNING LEVEL FACILITY COST ESTIMATE																			
7.1 Planning Level Facility Cost Estimate		4	8	0	0	0	0	0	0	0	12	\$4,848	\$240	\$0	\$0	\$0	\$0	\$5,088	\$5,088
Task 7 Total Hours		4	8	0	0	0	0	0	0	0	12	\$4,848	\$240	\$0	\$0	\$0	\$0	\$5,088	\$5,088
Task 7 Total Budget		\$1,080	\$1,784	\$0	\$0	\$4,432	\$0	\$0	\$0	\$0	\$7,356	\$428	\$0	\$0	\$0	\$0	\$0	\$428	\$7,784
TASK 8 - TECHNICAL MEMORANDUM																			
8.1 Technical Memorandum		4	8	16	0	0	0	0	0	0	24	\$9,696	\$480	\$0	\$0	\$0	\$0	\$10,176	\$10,176
Task 8 Total Hours		4	8	16	0	0	0	0	0	0	24	\$9,696	\$480	\$0	\$0	\$0	\$0	\$10,176	\$10,176
Task 8 Total Budget		\$1,080	\$1,784	\$3,568	\$0	\$7,520	\$0	\$2,592	\$2,448	\$0	\$19,972	\$1,285	\$0	\$0	\$0	\$250	\$918	\$2,463	\$21,425
TOTALS		37	65	44	0	0	0	0	0	0	144	\$5,951	\$3,004	\$0	\$0	\$250	\$4,500	\$10,444	\$19,345
Hour Cost		\$8,018	\$18,028	\$18,172	\$0	\$39,104	\$0	\$3,888	\$4,244	\$0	\$13,877	\$11,804	\$0	\$0	\$250	\$918	\$0	\$10,444	\$19,345

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EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all contractors and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
3. All insurance coverage and limits provided by Contractor and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail

written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that an insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increased benefit to City.
13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.