

**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
Cary Maffioli, Director
Shirley Lyon, Director
Dan Lloyd, Director

City of Morro Bay City Council:

Jamie Irons, Mayor
Christine Johnson, Mayor Pro Tem
Matt Makowetski, Councilmember
John Headding, Councilmember
Noah Smukler, Councilmember

AGENDA

MEETING DATE:

6:00 p.m., Thursday, December 11, 2014

MEETING PLACE:

Cayucos Veterans Hall
10 Cayucos Drive
Cayucos, CA 93430

HOSTED BY:

Cayucos Sanitary District

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

Recommendation: Receive and file

A-2 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE PROJECT NO. MB-2014-WW03, MMRP HEADWORKS IMPROVEMENTS PROJECT

Recommendation: Authorize staff to file the Notice of Completion of the MMRP: Headworks Improvement Project.

C. NEW BUSINESS

C-1 SUMMARY OF THE INFORMATION PRESENTED AND CITY COUNCIL ACTION REGARDING THE WRF AT THE DECEMBER 9, 2014 CITY COUNCIL MEETING (VERBAL REPORT-MORRO BAY STAFF)

Recommendation: Receive and file

C-2 DISCUSSION AND DIRECTION REGARDING THE NEXT STEPS REQUIRED TO CONTINUE DEVELOPMENT OF THE WRF PROJECT FOLLOWING FINAL SITE SELECTION

Recommendation: Council and District Board provide direction to staff for development of a new WRF, including adopting the following:

- 1. Each agency staff to work cooperatively in the development of Request for Proposals for a Facilities Master Plan and Environmental Review at the Morro Valley – Rancho Colina site.**
- 2. Reaffirming that the previous direction stated at the November 13, 2014 JPA meeting is still desired.**

C-3 SCHEDULE NEXT JOINT MEETING AND FUTURE AGENDA ITEMS

ADJOURNMENT - (Next meeting will be hosted by the City of Morro Bay)

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.

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: December 5, 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 continued to be on developing and implementing work on the MMRP projects approved for the FY14/15 budget. The adopted FY14/15 budget contains \$1.221M in 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 continued the process of cleaning digester #1. They discovered that upon opening the digester, the amount of solids and debris within the digester was greater than anticipated. They have coordinated with the digester cleaning company to modify the scope of work to include additional cleaning time as well as dewatering of the solids and debris removed in the cleaning process. They are currently working with the contractor to schedule the cleaning and dewatering process.

Headworks Influent Screening Project

The headworks influent screening project has been completed. The screens and associated equipment have been installed and are now operational. City staff will have a Notice of Completion on the December 13 JPA meeting for approval by the Council and District Board. The new influent screens have greatly reduced the amount of debris in the downstream plant processes. Plant staff is happy to report the screens are removing approximately two hundred pounds of rags, plastics, and debris on a daily basis.

Chlorine Contact Basin Improvements

On October 24, plant staff received the required equipment to replace the head and idler shaft assemblies in the south portion of the chlorine contact tank. Staff has continued to work with the contractor on the contract and associated required documents. Staff is currently working to find a scheduling window to complete the work in late November or early December. 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, but 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 has 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.

Agenda No. A-2

Date: December 11, 2014

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: Rick Sauerwein, P.E., Capital Projects Manager
Bruce Keogh, Wastewater Treatment Plant Manager

Date: November 6, 2014

Subject: Authorization to File Notice of Completion for the Project No. MB-2014-WW03, MMRP: Headworks Improvement Project for the Wastewater Treatment Plant

RECOMMENDATION

Authorize staff to file the Notice of Completion of the MMRP: Headworks Improvement Project.

SUMMARY

City and District staff issued an Invitation to Bid for the installation of two owner-furnished mechanically cleaned bar screens, a sluice channel, a washer compactor, and associated electrical, controls, and appurtenances on June 18, 2014. Bids were due by July 15, 2014. Raminha Construction, Inc. was the lowest responsive bidder at \$138,495. Raminha Construction was given the Notice to Proceed on September 8, 2014. The Certificate of Substantial Completion was delivered to Raminha Construction on October 21, 2014.

FISCAL IMPACT

The Project is fully funded from the projects contained within the FY 14/15 WWTP budget that was adopted by both the City and District. The adopted budget contains \$1.22M in funding for MMRP projects presented during the budget hearing at the JPA meeting. \$550,000 was specifically allocated to purchase and install the new headworks-influent bar screen and motor project. \$341,582.40 was spent in purchasing the mechanically cleaned multiple rake bar screens and washer-compactor equipment for this project, per the MMRP MB2014-WW01: Headworks Screens Equipment Procurement 2014.

Raminha Construction completed the project for a total of \$149,203.41, which included 4 contract change Orders.

Contract Change Order #1 was for miscellaneous concrete saw cutting and additional grout work for \$2,496.40.

Contract Change Order #2 was for the welding of anchor plates to the headwork equipment for \$3,274.45.

Contract Change Order #3 was for the fabrication of additional pedestrian channel grate for \$1,505.68.

Contract Change Order #4 was for required electrical wiring and installation of pushbutton disconnects for \$3,431.88.

Total equipment and construction project cost including change orders is \$490,785.81

DISCUSSION

Filing of a Notice of Completion is a routine task for public works projects. Raminha Construction, Inc. has completed the Project, and staff recommends the City of Morro Bay and Cayucos Sanitary District accepts the Project and authorize the filing of a Notice of Completion.

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: Rob Livick, PE/PLS - Public Services Director/City Engineer

DATE: December 8, 2014

SUBJECT: Discussion and direction regarding the Next Steps Required to Continue Development of the WRF Project Following Final Site Selection

RECOMMENDATION

Council and District Board provide direction to staff for development of a new WRF, including adopting the following:

1. Each agency staff to work cooperatively in the development of Request for Proposals for a Facilities Master Plan and Environmental Review at the Morro Valley – Rancho Colina site.
2. Reaffirming that the previous direction stated at the November 13, 2014 is still desired.

FISCAL IMPACT

The cost of the development of the facilities master plan and environmental document has been estimated to range from \$750,000 to \$1,250,000.

DISCUSSION

At the November 13, 2014 JPA meeting there was a presentation by John Rickenbach and Morro Bay City Manager David Buckingham summarizing the studies and analyses conducted over the past eighteen months regarding the siting of a new WRF at either the Rancho Colina site or upgrading the existing California Men's Colony (CMC) to accommodate the flows from Morro Bay and Cayucos.

A discussion followed between the Council and District Board concerning the information currently available and any other information that might be crucial in assisting the City and District in selecting the preferred site for the new WRF. The Council and District Board requested more information on numerous items related to siting a WRF. This staff report is intended to update the Council and District Board on the status of the items they requested be placed on the December JPA agenda.

The Council and District Board requested information or action on the following items:

1. **Set up a tour of the CMC facility:** City and District staff and elected officials toured the CMC facility on December 1.
2. **Discussion of community goals for the new WRF:** The City has established a set of project goals that have been an essential component in its discussions regarding the siting of the new WRF. The Sanitary District has not publically established a set of goals regarding the WRF. A discussion between the City and District concerning establishing and adopting common goals for the new WRF will be a critical component in the successful completion of a new WRF project. One example of a common goal for the two communities might be to reaffirm their goal of tertiary treatment of the effluent. It is also possible that the two agencies could have some goals that differ, which could

frame the nature of a cooperative working framework and the relative project costs and benefits. One example of this could involve the role of water reclamation, which might not be as high a priority to the District since it does not provide municipal water services.

3. **An update on the California Coastal Commission (CCC) and any concerns they may have regarding the studies and analyses conducted to date on the siting of a new WRF.** City staff met with CCC staff regarding numerous City planning issues on November 24. City staff provided a brief update on the WRF at the meeting, and on December 2, CCC staff provided a letter to the City regarding the most suitable location for development of a new WRF. The following is an excerpt from the CCC letter dated December 2, 2014 letter. *“While we have not yet reviewed all of the details associated with the two sites, based on the information contained in the comparative site analysis and what we currently understand, the long term benefits of siting the WRF at the Rancho Colina site, including groundwater basin replenishment and reduced reliance on State Water, appear to make it a better choice to pursue than the CMC site. In addition, the increased likelihood of the implementation of green technologies at the Rancho Colina site along with the fact that it is substantially closer to the City’s existing infrastructure and would require less energy, equating to lower greenhouse gas emissions, also weigh in its favor. We acknowledge that this is a preliminary evaluation, but wanted to make sure we provided you with our input as the City Council considers which option to focus on for the next stage of review. In any case, we look forward to continuing to work with the City to further evaluate and identify the best possible WRF site and WRF facility, and we are excited to be a partner with the City in its efforts to develop a WRF project that has the potential to be a prime example for the entire state and the nation of how to address aging infrastructure in constrained areas along the shoreline.”* A copy of the CCC letter is attached.
4. **A status report on a Memorandum of Understanding (MOU) between the City and the Rancho Colina property owner, Steve Macelvaine.** City staff has had a preliminary discussion with Mr. Macelvaine regarding terms and conditions for purchasing property for the WRF. The MOU is currently under development by the City Attorney.
5. **Coordination and outreach with the Native American community.** Staff has not made contact with the local Native American representatives due to time constraints and the primary goal of staying focused on finalizing the numerous studies regarding the siting of a new WRF. City and District staff understand the importance of outreach to the local Native American representatives and intend to contact them for discussion and feedback on the siting of the WRF as soon as possible.
6. **A summary discussion of the possible framework for cooperation in a regional CMC wastewater treatment facility.** Mike Nunley and Associates has written a memorandum that summarizes conversations among CDCR, City, and District staff regarding a possible framework for development and operating an upgraded CMC facility. That memorandum is included as an Appendix to the Carollo Capacity Evaluation of California Men’s Colony Wastewater Treatment Plant. The results of the Carollo Study were presented to the City Council at their December 9 Council meeting and will also be summarized at the December 11 JPA meeting. We received confirmation from Ken Harris on 12/4 that the memo provides an accurate overview of the current state of the discussion. This memo has been included as one of the appendices to the JFR report and included as an assumption in the Carollo cost analysis.
7. **Staff level discussions regarding governance for the new project.** Staff from the City and District have not had a chance to meet and discuss formation of a new JPA or other forms of governance due to time constraints and the primary goal of staying focused on finalizing the numerous studies

regarding the siting of a new WRF. This will be a crucial discussion and staff will need input from the Council and District Board on the desired framework for moving forward with this project, which could range anywhere from a formal JPA to the District providing an advisory role on a City-only project, and ultimately being involved as a customer. These will be critical discussions that will help shape the nature of the relationship between the City and District.

After consultation with the City Attorney, staff's opinion is the current agreement between the City and the District does not address a future WRF on a completely different site. Therefore prior to preceding any steps toward a cooperative Facilities Master Plan and Environmental Review, some form of agreement or memorandum of understanding is required. This agreement will establish cost sharing, lead agency and the span of control for each of both the City and District for the purpose of moving forward cooperatively with these next critical steps.

Based on the results of the JFR report to the City Council, staff is assuming that the City Council and District Board will want to move forward to the next step of the WRF project development. This next step, after establishing the aforementioned agreement, will require development of an RFP to select an engineering consultant to develop a Facilities Master Plan for the site. In addition to the facilities master plan and in order to stay on meet the City Council's time goals staff recommends engaging a firm that has expertise in the preparation of an environmental document or documents needed to fund and construct a project of this scope.

Once the joint staff has vetted the RFP respondents, finalists will be presented at a future JPA meeting for award of the consulting contract(s).

CONCLUSION

The selection of a preferred site for the new WRF will be a major milestone in the development of a new WRF. Selection of a preferred site will allow the WRF project to enter into the next phases including Facility Master Planning, Environmental Review and permitting, and numerous discussions on how the City, District, and future reclaimed water users will partner into the future. This process will require the Council and District Board to provide direction to staff on the various aspects of the project as needed to drive the project to a successful completion. This includes procuring consultant services for the preparation of the Facilities Master Plan and the Environmental Document.