

**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, January 8, 2015

MEETING PLACE:

Multi-Purpose Room, Community Center
1001 Kennedy Way
Morro Bay, CA 93442

HOSTED BY:

City of Morro Bay

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 NOVEMBER 13, 2014 JPA MEETING

Recommendation: Approve as submitted

A-2 MINUTES OF DECEMBER 11, 2014 JPA MEETING

Recommendation: Approve as submitted

A-3 STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP

Recommendation: Receive and file

C. NEW BUSINESS

C-1 WATER RECLAMATION FACILITY (WRF) PROJECT UPDATE; INCLUDING REVIEW OF PROPOSED NEXT STEPS

Recommendation: Review, then receive and file.

C-2 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.

Betty Winholtz spoke on Agenda item C-2 and stated selecting a site has taken entirely too long and enough delay has taken place in making a decision for the final site selection of the Water Reclamation Facility. She stated the CMC location came in at the “11th hour”.

Bill Martony spoke on Agenda item C-2 and stated it appears the RWQCB is forcing their thoughts and ideas on the site location for the Water Reclamation Facility. He stated the logical choice is Rancho Colina and suggested the JPA look into the Los Osos regional site.

Marla Jo Bruton Sadowski stated the comments made at the City Council meeting last night were intimidating and it was unusual that the RWQCB and LAFCO were at last night’s meeting. She also spoke about the Los Osos project.

Richard Sadowski stated there is a capacity issue with the current WWTP and hopes the new project is capable of handling large volumes. He stated the public needs to be aware of the different outfalls for various sites.

Mayor Irons closed Public Comment period.

A. CONSENT CALENDAR

A-1 MINUTES OF OCTOBER 9, 2014 JPA MEETING

A-2 MINUTES OF OCTOBER 9, 2014 SPECIAL JPA MEETING

A-3 STATUS REPORT OF THE MAJOR REPAIR AND MAINTENANCE PLAN (MMRP) FOR THE WWTP

A-4 WWTP OPERATIONS REPORT THROUGH JULY, 2014

MORRO BAY MOTION: Christine Johnson moved to approve Consent Calendar, Noah Smukler seconded and the motion passed unanimously (5-0).

CAYUCOS MOTION: Dan Lloyd moved to approve the Consent Calendar, Michael Foster seconded and the motion passed unanimously. (5-0).

B. OLD BUSINESS - None

C. NEW BUSINESS

C-1 REPORT ON STATUS OF CMC ALTERNATIVE CAPACITY ANALYSIS BY CAROLLO ENGINEERS

Mike Nunley provided an update on the Corollo analysis. Some of the preliminary findings are based on recommendations from the California Department of Corrections and Rehabilitation (CDCR) and have concluded a minimum of two more oxidation ditches will have to be installed, at least two more clarifiers will have to be added, the number and size of filter modules and UV units will double.

Mike Nunley clarified there is insufficient capacity for either Morro Bay or for Cayucos at the CMC site and will ask Corollo to address oxidation ditch systems and equalization storage in their report.

Rob Livick clarified CDCR, Regional Water Quality Control Board (RWQCB), County staff and Supervisor Gibson were invited to the City Council meeting on November 12, 2014 to provide information regarding the process and to educate the council concerning their views on the various reports.

C-2 REVIEW OF CITY COUNCIL DISCUSSION AND ACTION ON FINAL SITE SELECTION OF THE WATER RECLAMATION FACILITY

David Buckingham stated the City Council did not select a site during the meeting on November 12, 2014 because the Carollo cost analysis was not complete.

Robert Enns stated in response to public comment that the CMC site just “popped up” at the last minute is incorrect. The CMC site has been on the table for a couple of years.

John Rickenbach gave a presentation on Site Comparison.

The goals of the presentation were to:

- Summarize City Council Direction
- Summarize Preliminary Report Findings
- Make Recommendations for Next Steps
- Take Public Input

The goals for the new WRF are:

- Produce Tertiary Treated Wastewater
- Reclaim Wastewater for a Variety of Purposes
- Allow for Onsite Composting
- Design for Energy Recovery
- Design to Treat for Contaminants of Emerging Concern
- Design for Other City Functions
- Ensure Compatibility with Neighboring Land Uses

Previous Public Input and City Council Direction – Historical Context:

- Rough Screening Evaluation (Dudek; September 2011)
 - Examined 17 sites, including current WWTP site
- Fine Screening Evaluation (Dudek; November 2011)
 - Examined 3 sites; recommended current WWTP site
- Coastal Commission denies CDP (January 2013)
- City begins process to find new WRF site (May 2013)
- Stakeholder Interviews and Workshops (June – November 2013)

Recent Public Input Opportunities:

- Stakeholder Interviews (July 2013)
- Public Workshop #1 (August 2013)
- Technical Presentation (September 2013)
- Public Workshop #2 (November 2013)
- First City Council Hearing (November 2013)
- City Council Recommends Sites (December 2013)
- City Council Establishes 5-Year Goal (February 2014)
- City Council Chooses Site; Directs CMC Study (May 2014)

Recent Reports and Findings:

- Options Report (December 2013)
 - Narrowed 17 Sites from 2011 Screening Report to 7
 - Analysis based on relative weight of public concerns
 - Report assumed “City only”, not regional participation

- Morro Valley (Site B) ranked highest

- Report on Reclamation and Recommended Sites (May 2014)
 - Identified Reclamation Opportunities in detail
 - Recommended Rancho Colina Site of four studied
 - Presented 5-Year Work Plan

City Council Direction:

- Confirmed Goals for New WRF (Dec 2013)
- Established 5-Year Goal to be Operational (Feb 2014)
- Choose Three Preferred Sites for further study and refinement (Dec 2013)
 - Morro Valley (Site B)
 - Chorro Valley (Site C)
 - Giannini Property (Site G)

Directed Staff to Report on:

- Water Reclamation Opportunities
- Schedule, Work Plan, and Cash flow Analysis
- Project Management Approach
- Technical Advisory Committee Structure

City Council Direction:

- Chose Rancho Colina Site as City's Preferred Option (May 2014)
- Directed Investigation of Regional Option at CMC (May 2014)
- Council to Make Final Site Decision in Fall 2014

Report Purpose and Structure

Purpose of the Report:

- Respond to City Council Direction
- Compare CMC and Rancho Colina as regional options
- Provide preliminary conceptual cost comparison
- Update previous information as appropriate
- Provide input from WRFCAC
- Facilitate a Recommendation about the most appropriate site

Comparative Analysis: Key Issues

- Rough Cost of Expanding Existing Site for Regional Flows
- Funding Options – Realistic Look at Grants and Loans
- Permitting Implications
- Potential Water Use Benefits to City
- Logistics of a Regional Partnership
- Implications for Morro Bay Rate Payers

Conceptual Framework of Analysis:

- Compares CMC to Rancho Colina
- Technical Studies inform the Full Report
- Report is Framed with Key Questions

Key Questions:

- Unique regional benefits for either site?
- Comparative Cost Savings at the two sites?
- Relative Water Supply Benefits?
- Relative Water Reclamation Opportunities?
- Relative Regulatory or Logistical Constraints?
- Physical Constraints for Expansion?
- Environmental Issues?
- Discharge limitations that affect design?
- Is City's 5-Year Goal Achievable at either site?
- City's role in constructing and operating a regional plant?
- Comparative site advantages for securing funding?

Key Technical Studies:

- Expansion-Related Cost (Carollo Engineers)
- Funding Options (Kestrel Consulting)
- Permitting for Discharge (Larry Walker Associates)
- Potential Water Use Benefits to City (Cleath-Harris)

Reporting to City Council:

- Sept 23 – Permitting Issues (LWA)
- Oct 14 – Funding Options (Kestrel)
- Oct 28 – Water Use Benefits (Cleath-Harris)
- Nov 12 – Report to Council (JFR Consulting)

Preliminary Report Findings

Preliminary Conclusions

- Rancho Colina appears to be better overall
- CMC Site faces substantial logistical challenges
- Cost analysis still not complete
 - Could affect report's conclusions
 - Will shed more light on facility needs and design

A. Unique Regional Benefits?

- Both sites have advantages
 - CMC combines multiple agencies at one site
 - Rancho Colina maximizes regional Ag reclamation
 - Both sites are close to regional water network
- Will take longer to realize regional benefits at CMC
- Rancho Colina potentially better overall

B. Comparative Cost Savings?

- TBD Pending Carollo Report
- Progress Report on Carollo Study
- Preliminary Findings

C. Unique Water Supply Benefits?

- CMC Site

- Greater potential direct benefit in drought years
- Could be negated somewhat by minimum stream flow and water rights issues

- Rancho Colina Site
 - Better in normal and wet years
 - CSD's participation would improve the City's benefit
 - Ag reclamation would indirectly benefit City supply
 - Less complex permitting

Both sites are beneficial, with unique considerations

D. Agricultural Reclamation Potential?

- CMC Site (Chorro Valley)
 - 545 acres of potential irrigated acreage between CMC site and City
 - Much of this is at higher elevation than the plant site
 - Dairy Creek Golf Course uses about 250 AF – 188 from current plant
- Rancho Colina Site (Morro Valley)
 - 1,100 acres of irrigated Ag, most near WRF site and City
 - About 70% of this is at lower elevation than the site
 - Greater Ag water demand in Morro Valley

Rancho Colina is better overall – greater opportunity potential
Existing CMC plant could still serve Dairy Creek

E. Regulatory or Logistical Constraints?

- CMC Site – Substantial Logistical Challenges
 - CDCR recently upgraded plant; not interested in more expansion soon
 - Potential transfer of site encumbered by bond restrictions
 - Would take much study and time to get potential go ahead from other state agencies
 - County in best position to lead, but not a priority for County Public Works Department
 - State cannot directly serve municipal customers under current regulations
 - Multi-agency framework would be needed, and would take time
 - Lack of coordinated effort among agencies makes timing goals problematic
- Rancho Colina Site – Fewer Challenges
 - Private property owner
 - Multi-agency framework not needed, unless CSD participates
 - 5-Year Goal is more realistically achievable

Rancho Colina is substantially better overall

F. Physical Constraints Affecting Design?

- TBD Pending Carollo Report
- Progress Report on Carollo Study
- Preliminary Findings

G. CCC Environmental Issues?

- CMC Site
 - Far from coast; so visual and coastal access not issues

- ESHA adjacent to, but not on, developable site area
- Prime agricultural soils on site
- Rancho Colina Site
 - Far from coast; so visual and coastal access not issues
 - ESHA adjacent to, but not on, developable site area
 - Pipeline would traverse known cultural resource site (CA-SLO-165)
 - Less energy used and GHG emissions, because site is closer to City

Both sites similar overall, within some minor differences

H. Is a 5-Year Goal Achievable?

- CMC Site – No
 - CDCR recently upgraded plant; not interested in more expansion soon
 - Would take much study and time to get potential go ahead from other state agencies
 - County in best position to lead, but not a priority for County Public Works Department
 - State cannot directly serve municipal customers under current regulations
 - Multi agency framework would be needed, and would take time
 - Lack of coordinated effort among agencies makes timing goals problematic
- Rancho Colina Site – Potentially
 - Private Property Owner
 - Multi-agency framework not needed, unless CSD participates
 - 5-Year Goal more realistically achievable

Rancho Colina is substantially better overall; not possible to achieve 5-Year Goal at CMC

I. City's Role in Regional Facility?

- CMC Site
 - City would not direct overall project
 - CDCR would retain control over facility; County likely involved
 - City would be customer, not operator
 - City and CSD would be responsible for pipelines and related infrastructure
- Rancho Colina Site
 - City would direct project to meet City's needs
 - City would own, operate and maintain facility
 - If CSD involved, that agency could be a customer

Rancho Colina allows more control for City

J. Relative Funding Advantages?

- Both Sites
 - Water supply benefits improve grant/loan potential
 - Most funding opportunities would be the same at either site
- CMC Site
 - Potential access to various state funding sources
 - If WRF does not further CDCR goals, unlikely to get money from them

- Rancho Colina Site
 - Solving seawater intrusion and water quality issues could improve funding

Neither site has major advantages

Summary

- Rancho Colina appears to have more relative advantages
- CMC faces substantial logistical challenges
- 5-Year Goal potentially achievable at Rancho Colina, not at CMC
- Completion of Carollo study will shed light on cost and design issues
- Final recommendation would benefit from cost information

Recommendation

- Complete the Carollo Study
- Take Public Input on Preliminary Report
- Refine Report as appropriate in coming weeks
- Council should base decision on full report

Next Steps

- Complete Carollo Study
- Revise Full Report
- WRFCAC to meet prior to Council to provide input
- City Council to choose a site
- Begin Master Planning and Reclamation Planning Phase

David Buckingham provided an update on the WRF Project which was presented to City Council at the November 12, 2014 meeting. City Council will make a final preference for the site at the December 9, 2014 meeting and anticipates the choice to be Rancho Colina. He suggested that Morro Bay and Cayucos present their preferences for a site at the December 11, 2014 JPA Meeting.

Mayor Irons asked Cayucos if they had any questions.

Dan Lloyd stated he would like an overview from CDCR on what was presented at last night's City Council meeting.

Associate Director, Fred Cordero, from CDCR spoke regarding the CMC site. He stated they are not in the utility business and are not interested in expanding their role in that area.

Dan Lloyd stressed the importance of obtaining information on the expected cost, how will it be financed, what will be the impact to rate payers, economics (the sale of water) and contractual agreements with agricultural neighbors.

John Rickenbach stated they are gathering information to generate a report that will show what reclaimed water will cost per acre foot in the Chorro and Morro Valley.

Discussion continued between staff, consultants and Cayucos. John Rickenbach stated the 5-Year Goal is on the City's website which provides answers to the concerns that were being discussed.

Rob Livick stated Coastal staff will be meeting with City Planning staff on November 18, 2014.

David Buckingham stated data for both sites will be provided to Coastal staff and City staff will question if both sites appear to be viable from Coastal's perspective.

Dan Chivens asked what the terms are and cost for the Rancho Colino site.

Rob Livick replied the detailed terms and cost have not been discussed, however, Steve MacElvaine, understands the public purchase process and a draft list and a draft MOU will be presented to City Council in the near future.

Michael Foster stated this is his last JPA meeting and Morro Bay and Cayucos need to act as a joint regionalism and work together.

Robert Enns stated he does not understand the cost or design for the two options. It is time for Cayucos and Morro Bay to work together as one, in an effort to move forward. He recommends that the Morro Bay City Attorney, City Manager, at least one member of the council, Cayucos's Attorney, District Manager and one member from their Board get together and discuss what percentage of the new effort are we going to share, how much are we going to pay and how we will work together and move forward.

Noah Smukler agreed for the need to work together and key issues need to be in draft form, a rough outline and a timeline for the Rancho Colina and CMC site which staff can provide and present at the next JPA Meeting, December 13, 2014. Council would like a draft MOU for Rancho Colina to bring to the next City Council meeting on December 9, 2014. He suggests the Cayucos Board take a tour of the CMC site, which will be arranged. Morro Bay needs to stabilize water supply before subsidizing farmers.

Nancy Johnson stated it is important to note Rancho Colina is not in the City of Morro Bay, it is in the County which means there will be County issues, it's on a State Highway, which means there will be State issues and annexation is not a possibility.

John Rickenbach replied in regards to annexation, he spoke with LAFCO staff this week and staff stated they are receptive to annexation. The site does not have to be contiguous with the rest of the City; it could be an island annexation because it is a public facility.

Christine Johnson agreed with Council's previous statements and reiterated concern for the rate payers. Regarding a possible other site in Cayucos, she would like to know the location.

Mike Nunley stated he spoke to Spencer Harris with Cleath and Associates regarding seawater intrusion at both sites. The Chorro site is furthest from the ocean and there is greater opportunity for seawater intrusion at the Morro site.

Rob Livick clarified since currently there is not a project at the CCC we cannot accurately assess what the conditions would be, but it is safe to assume that there will have to be some form of reclamation.

Mayor Irons thanked Michael Foster for his service. At the JPA meeting he would like to discuss what the shared goals are and it is good we will be moving forward together.

Mayor Irons opened Public Comment period.

Bill Martony stated off-site storage facilities are an important issue. There are more options for storage at the Morro site than at the CMC site.

Marla Jo Bruton Sadowski said there are issues with the EIR Report and AB52.

Mayor Irons closed Public Comment period.

John Rickenbach clarified AB52 will be addressed in the CEQA process.

Rob Livick stated the issues that need to be brought to the next meeting are:

- Results of the Carollo Analysis
- Staff level discussion on the formation of the new JPA
- Each communities goals
- An update on discussions with CCC
- Information regarding MOU on the Rancho Colino site
- Institutional process steps for the CMC site
- Coordinate tours of both sites

Rob Livick clarified the Cayucos General Manager will get a copy of the admin draft of the Carollo report prior to the report being presented to the public.

John Rickenbach stated in addition to the release of the Carollo report, Mike Nunley will be able to use the findings to report on cost and design issues at the Rancho Colina site.

Mayor Irons asked that the letter showing another possible site in Cayucos be forwarded to staff.

George Leage stated this is his last meeting and asked that members keep the cost of the project in consideration, as there are a lot of folks on a fixed income in the community.

Nancy Johnson stated this is her last meeting and stated keep the rates down.

Robert Enns thanked George Leage, Nancy Johnson and Michael Foster for their service and introduced John Heading as a new member on the Morro Bay City Council.

Michael Foster apologized for the last failed project and encouraged the board to move forward and thanked staff for doing a good job.

The next JPA meeting is scheduled for December 11, 2014 and will be hosted by Cayucos.

ADJOURNMENT

Mayor Irons adjourned the meeting at 9:04 pm.

Minutes Recorded by:

Kay Merrill

Morro Bay Public Services Department

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

MINUTES

**CAYUCOS SANITARY DISTRICT
BOARD OF DIRECTORS:**

Robert Enns, President
Dan Chivens, Vice-President
Cary Maffioli, Director
Shirley Lyon, Director
Dan Lloyd, Director

MEETING DATE:

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

HOSTED BY:

Cayucos Sanitary District

**CITY OF MORRO BAY CITY COUNCIL
MEMBERS:**

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

MEETING PLACE:

Cayucos Veteran's Hall
10 Cayucos Drive, Cayucos, CA 93430

CALL TO ORDER AND ROLL CALL

President Enns called the meeting to order at 6:10. Roll call was taken and all Cayucos Sanitary District Board Members were present. All Morro Bay City Council members were present with the exception of Councilmember Headding who arrived at 6:12 p.m.

Cayucos staff members present were District Manager Rick Koon, District Counsel Tim Carmel and Administrative Services Accounting Manager Anita Rebich.

Morro Bay staff members present were Public Services Director Rob Livick, Engineering/Capital Projects Manager Rick Sauerwein, WWTP Division Manager Bruce Keogh, City Legal Counsel John W. Fox, and City Manager David Buckingham.

COUNCIL AND BOARD ANNOUNCEMENTS

President Enns introduced and welcomed the new Cayucos Sanitary District Board Member Cary Maffioli. Mayor Irons introduced and welcomed the two new City Council Members Matt Makowetski and John Headding.

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.

President Enns opened Public Comment period. Hearing none.

President Enns closed Public Comment period.

A. CONSENT CALENDAR

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

CAYUCOS MOTION: Director Lloyd moved to approve the Consent Calendar. Chivens seconded.

VOTE: Lloyd-yes, Chivens-yes, Enns-yes, Maffioli-yes, Lyon-yes

Motion passed **5-0**

MORRO BAY MOTION: Mayor Pro Tem Johnson moved to approve the Consent Calendar. Headding seconded.

VOTE: Johnson-yes, Headding-yes, Irons-yes, Makowetski-yes, Smukler-yes

Motion passed **5-0**

It was reported that the minutes from the November 13, 2014 JPA meeting would be presented for approval at the January 2015 meeting.

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

Recommendation: Receive and file

Livick announced the Morro Bay City Council adopted Resolution 77-14 accepting the site analysis findings on the Rancho Colina site vs. CMC site for the WRF, and directed staff to move forward on the next steps. Livick introduced John Rickenbach who outlined the presentation given at the December 9, 2014 City Council Meeting. Mr. Rickenbach's brief presentation included:

- City Goals for the new WRF
- Key Updates since the November meeting
- Key Conclusions with Summary of Findings
- Cost Estimate Comparison Summary

Mr. Rickenbach turned the presentation over to Eric Casares from Carollo Engineers who reviewed the evaluation prepared by Carollo Engineers on the CMC WWTP site. Main topics of the evaluation were:

- Evaluation Methodology
- Anticipated Discharge Requirements
- Design Criteria

- Historical Data Analysis
- Biological Process Modeling

Cost estimates were done using historical information and quantities from planning level design criteria. The cost estimates were for sizing, unit costs and quantity. Casares pointed out that substantial infrastructure is required to get from Morro Bay to CMC; 8.1 miles of 24” diameter force main, a new pump station an 800 hp connected load. Casares explained the salinity of the discharge would have a significant impact on the project due to meeting TDS requirements and an 8” brine disposal force main would be required to get the brine from CMC back to the ocean outfall pipe in Morro Bay. Casares then recapped the estimated costs for a CMC WRF:

- Improvements to existing CMC WWTP of \$50,883,000
- New Conveyance Facilities & Brine Disposal of \$12,211,000
- **Total Construction Costs** (including contingency, GC overhead & profit, sales tax and cost escalation to mid-point of construction) of \$119,617,000
- **Total Project Costs** (including engineering, administration and legal costs using an industry standard 35%) \$161,484,000

Director Lloyd asked Mr. Casares if there was any advantage to low flow pumping. Mr. Casares explained their analysis of the pumping requirements to meet minimum flow all the way through peak wet weather flow.

President Enns stated he was impressed with all the work that has been done, and also with Morro Bay’s consideration in site selection. He concluded by saying the CSD Board would need time to get up to speed since they had just received the report.

President Enns opened Public Comment period.

- Bill Martoney, Morro Bay - Questioned the report; \$26m for a couple miles of piping to get water from the Morro Valley to farmers. Normal cost is \$10,000-\$20,000 per mile and the ag community usually picks up those costs, so it shouldn’t cost the City anything. \$26m is way too high, the figures need to be looked at again.
- Bob Keller, Morro Bay – Ask Cayucos Sanitary District to join Morro Bay in selecting the Rancho Colina site. He said we can have our own regional facility that will have a long term investment for our Estero Bay. Don’t delay this any longer; time is money. Morro Bay is going to build a facility regardless, and if we decide later on to join in, it will cost us more.
- Susan Heinemann, Morro Bay – Thanked Morro Bay City Council, staff, and John Rickenbach for all their work on this project to date.
- Nancy Bast, Morro Bay – Wants to see Morro Bay build the WRF facility themselves and have Cayucos be a customer, due to the agreement between them being problematic in the past. She recalled Cayucos stating that if the CMC is the selected site, they would be a customer there. She sees partnerships as problematic and wants Morro Bay to build this on their own.

President Enns closed Public Comment period.

David Buckingham wanted to clarify that as reports and updates were received by Morro Bay staff; they were also provided to Cayucos staff the same day.

Mayor Irons clarified the report sharing process as well.

Livick explained that since this was such a daunting process, many of the technical studies in the report were brought to Council (and given to CSD) prior to the completion of the full report. This allowed for digestion of the various reports and studies. Those were all compiled, and are included in the full Comparative Site Analysis.

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**

Livick addressed this item as being where the staff gets direction on the next steps going forward. He outlined a couple items from his report; one being the preparation of a Facilities Master Plan and initiation of environmental documents. Another would be to finish an MOU with the property owner of the Rancho Colina site, Steve Macelvaine. Livick feels an important talking point is Item #7 of his report; Staff level discussions regarding governance for the new project. He stated the current JPA Agreement doesn't anticipate a new facility at another site, some sort of agreement needs to happen to establish roles and responsibilities, cost sharing etc.

Johnson thanked Livick for his report and asked CSD Legal Counsel Carmel about the legality of going forward without addressing #7 on Livick's list regarding governance for the new WRF.

Carmel responded that it's a bit premature for governance and under the existing JPA we are able to move forward on RFP. Until a final site is selected and we contract for something, we can proceed on a case by case basis.

Livick clarified he wasn't intending to have the entire agreement rewritten at this time, just an MOU for this portion of the work.

There was discussion amongst the Council, Board and staff on legality of moving forward with the RFP under the current agreement. Clarification was made that the respective bodies would, or could, act independently during the RFP creation process, each body would be responsible for their own staff costs. It was understood that an MOU would need to be written once the RFP's are in hand for the Facilities Master Plan and the Environmental Review studies to determine cost sharing, and each agencies roles and responsibilities. The JPA will give staff direction on the RFP respondent process, and who will be involved in selection and interview.

Lloyd inquired of Livick and Rickenbach about the depth of the environmental studies that might be required and if that coincided with who might be the lead agency. It was stated that it's too soon to know the exact depth, but it's anticipated to be an extensive study that would involve CEQA, NEPA or both. As far as the lead agency, Rickenbach stated that would be up to the City Council and Board to determine one or the other as lead, or formalize an authority identified as MBCSD JPA. It was also opined by Rickenbach that getting an environmental consultant on board, sooner than later, would be beneficial and assist in moving into the CEQA phase

President Enns commented that the Rancho Colina site is in unincorporated area of the County, not within the city limits of Morro Bay. He asked 2nd District County Supervisor Gibson to provide some input on the County involvement in this.

Supervisor Gibson clarified he takes no formal stand on this, he's here to facilitate our decision. Supervisor Gibson offered his general observations:

- Given the size of the project, its fundamental that the City of Morro Bay and the Cayucos Sanitary District work together closely on this
- Focus on the project we need to develop and what it's going to take to solve the problem. This focus will help manage not only the cost of the project, but allow the ability to effectively communicate to our constituents; what we are doing,.
- Public Relations - Communication of our approach, costs, progress and accomplishments to the ratepayers. Keep the public informed every step of the way.
- Timeliness is very important. Map out the entirety of the steps, know the timeframe and be able to communicate this clearly to not only the ratepayers, but the many agencies involved.

President Enns opened Public Comment period.

- Bill Martoney, Morro Bay – Asked for clarification of the increase to the monthly sewer bill. He stated the current sewer bill is around \$44-\$45/mo. It was stated that the monthly bill would increase \$1/mo per \$1 million in costs. Will this additional cost and the original cost both continue once the new plant is operational, or will the old cost go away since the old plant is no longer in use.

Livick briefly addressed the monthly bill cost and clarified that the \$1/mo per \$1 million in cost to build, was an estimate. Any cost, whatever it works out to, will add to the existing amount. This is needed to pay for maintenance of the collection system, plant O&M, to build capital reserves and debt coverage ratios for any new facilities.

- Bob Keller, Morro Bay – Assumed that the CSD is trying to delay this project. We have to make a decision and move forward, not delay like Los Osos. We have a site that makes sense, stop procrastinating and commit, the more time we waste the more money it's going to cost.

President Enns closed Public Comment period.

President Enns stated that for Cayucos, the calculated estimate to build a new plant was \$2.50/mo per \$1 million, and we have one third the population of Morro Bay. He added that we are doing our best to move forward, and tonight is an example of that. We are looking forward to working with Morro Bay on this process.

Mayor Irons reiterated his view on the rate costs. As this project goes forward the costs will get nailed down and broken out as to what those costs relate to.

2. Reaffirming that the previous direction state at the November 13, 2014 JPA meeting is still desired

Livick pointed out the seven (7) items listed in his staff report and the status of where they are at:

- 1) Set up tour of CMC Facility – Done

- 2) Discussion of community goals for the new WRF – Done on the Morro Bay side
- 3) California Coastal Commission (CCC) update and concerns on siting – Letter received from CCC
- 4) Status of MOU between City and Rancho Colina property owner – Preliminary discussions have taken place
- 5) Native American coordination and outreach – No progress to date on setting up a meeting
- 6) Discussion of the possible framework for cooperation in a regional CMC WWTP – Nunley memorandum of conversations that have taken place is included as an Appendix to the Carollo Capacity Evaluation.
- 7) Discussion regarding governance for the new project – Nothing done yet. An MOU should be developed during the RFP process and prior to consultants coming on board; to address the issues of cost sharing, roles and responsibilities.

City Manager Buckingham confirmed that Item 2 is to reaffirm the commitment to work together as previously directed, and the seven items outlined in Livick's report were part of that direction. Buckingham pointed out that the seventh item regarding governance is the most crucial. He hopes to see this item on an agenda in the near future, as an informational presentation on the layout of the Facilities Master Plan process and subsequent steps. Secondly, he would like to see the initial framework on how the Council and Board will work together on the goals set forth.

Enns asked if the CSD is expected to participate in the MOU process with Rancho Colina owner Macelvaine.

Livick stated the City has already begun the process and will share the information as it moves towards an actual MOU.

Lloyd said it was imperative that we get this hammered out with Macelvaine and suggested even going into escrow with contingencies identified in case of fatal flaws. He feels we shouldn't go too far into the FMP or environmental studies without the arrangement tied up with Macelvaine. Lloyd echoed the statements of Enns regarding CSD's commitment to work with Morro Bay on the process, and Irons as far as developing a cost framework for the respective communities. Lloyd feels that keeping the public abreast of the costs and development of the facility are equally important; this speaks to transparency, and helps alleviate surprises down the road.

President Enns opened Public Comment period. Hearing none.

President Enns closed Public Comment period.

Smukler gave his thoughts on what the focus should be for the next steps including the governance framework, FMP update, shared entity project goals, draft work schedule and communication with Macelvaine.

Johnson asked for clarification on a couple items and inquired on the size of the new WRF in comparison to the existing plant. Livick explained it would depend on the type of plant i.e. oxidation ditch vs membrane filtration and the FMP will point the direction needed for the most cost effective way to produce the end product water.

Buckingham wanted to clarify that no decision is being made on site at this time, just a preference. It would be premature to make a decision prior the environmental studies. It was possible to structure a long term

escrow on the Rancho Colina site, but would be set up in such a way to allow us to walk away should the site not meet the required criteria.

Livick reminded the Council and public that Morro Bay has a sewer and water rate study underway.

Headding asked for clarification on the current agenda item in discussion and the scope of work that can be done under the existing JPA. There was brief discussion on the seven (7) items outlined in Livick's report. It was suggested that the new council members be educated on the JPA existing agreement outside of this meeting.

Livick explained that the current agreement addresses the O&M of the existing plant at its existing location, doesn't address a new plant at a new location. This is where an MOU would come in to play, until a new agreement is adopted, an MOU would set cost ratios, roles and responsibilities for the City and CSD.

Macelvaine pointed out that he was (is) a willing participant in this project and that his property is available for any tests, environmental studies and samplings etc. that need to be done.

MORRO BAY MOTION: Mayor Irons moved to approve staff recommendation for Item C-2 Item #1 where each agency and staff to are work cooperatively in the development of Request for Proposals for a Facilities Master Plan and Environmental Review at the Morro Valley – Rancho Colina site. In addition, Item #2; moving forward with the list of items discussed by Buckingham and Livick (staff report agenda item C-2) such as EIR, MOU, joint funding, joint goals etc. is still desired. Seconded by Johnson.

VOTE: Irons-yes, Johnson-yes, Smukler-yes, Headding-yes, Makowetski-yes

Motion passed **5-0**

CAYUCOS MOTION: Director Lloyd moved to approve staff recommendation for Item C-2 Item #1 where each agency and staff are 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. In addition, Item #2; moving forward with the list of items discussed by Buckingham and Livick (staff report agenda item C-2) such as EIR, MOU, joint funding, joint goals etc. is still desired. Seconded by Maffioli.

VOTE: Lloyd-yes, Maffioli-yes, Enns-yes, Chivens-yes, Lyon-yes

Motion passed **5-0**

C-3 SCHEDULE NEXT JOINT MEETING AND FUTURE AGENDA ITEMS

The next JPA meeting is scheduled for January 8, 2015 and will be hosted by The City of Morro Bay.

ADJOURNMENT

President Enns adjourned the meeting at 8:07 pm.

Minutes Recorded by:

Anita Rebich, Cayucos Sanitary District

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 31, 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

The digester cleaning contractor arrived on-site on December 15 to begin the process of removing and dewatering the solids and debris from digester #1. The cleaning process is proceeding smoothly, and should be complete by the end of December. Following the cleaning process, staff has made arrangements with Earth Systems Pacific to perform non-destructive testing on the tank. Staff will be working with Mike Nunley & Associates to develop a strategy for repairing and coating the tank interior.

Headworks Influent Screening Project

The headworks influent screening project has been completed. The screens and associated equipment have been installed and are now operational. The City and District approved a Notice of Completion at their December 13 JPA meeting. As noted in previous staff reports, the new influent screens have greatly reduced the amount of debris in the downstream plant processes by 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 executed a contract with the contractor and staff is currently working to find a scheduling window to complete the work in early January, weather permitting. 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: C-1
MEETING DATE: January 8, 2015

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

Staff Report

DATE: December 31, 2014
**TO: Honorable Mayor and City Council
Honorable President and Board of Directors, Cayucos Sanitary District**
FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer
**SUBJECT: Water Reclamation Facility (WRF) Project Update; Including Review
of Proposed Next Steps**

RECOMMENDATION

Staff recommends the City Council and Cayucos Sanitary Board of Directors review, then receive and file information regarding the current status and proposed next steps regarding the development of a WRF project proposal for the Rancho Colina.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

The following is a summary of the existing contract with specialty consultants used to assist in the WRF site selection.

<i>JFR Consulting – Site Selection/Project Management Assistance</i>	
Original Contract	\$117,256
Amendment #1	\$76,129
Amendment #2	\$91,336
Amendment #3	\$23,147
Total Contract	\$307,868
<i>Kestrel Consulting – Assessment Funding</i>	
Contract Amount	\$20,530
<i>Larry Walker and Associates – Permitting Constraints</i>	
Original Contract	\$24,970
Amendment #1	\$5,100
Total Contract	\$30,070
<i>Cleath-Harris Associates – Stream Flow Augmentation</i>	
Contract Amount	\$7,500
Amendment #1	\$6,500

Prepared by: RL Dept. Review: RL/RS/BK
City Manager Review: _____
City Attorney’s Review: _____

Amendment #2	\$4,000
Total Contract	\$18,000
<i>Carollo Engineers – CMC Capacity, Siting Evaluation and Cost Estimate (Proposed to be Reimbursed by RWQCB using SEP Funds)</i>	
Total Contract	\$101,945
Total Consultant Contract Amount	\$478,413

The estimated cash flow needs has been \$2 million in 2015 and \$2.7 million in 2016 in order to complete the Facilities Master Plan, Environmental Review and preparation of the bridging documents (30-percent design) so the project that can be put out for an alternative delivery method, i.e. design build by late 2017. A water and sewer rate study in currently in progress in Morro Bay and to achieve success in the project, sewer rates will need to be increased to meet this cashflow need.

BACKGROUND/DISCUSSION

Since January 2013, the City has progressed towards the development of a Water Reclamation Facility (WRF) on a new site as illustrated in Attachment 1. This effort culminated on December 9, 2014 with the City Council expressing their preference for the site known as Rancho Colina for the development of the New WRF. On December 11, 2014 at the Joint meeting with the Cayucos Sanitary District, both the City Council and the Cayucos Sanitary District (CSD) agreed to move forward with the next steps with Rancho Colina as the preferred site.

Factors influencing the decision regarding site selection have been detailed in the report prepared by John F. Rickenbach (JFR) with technical information provided by MKN and Associates, Carollo Engineers, Larry Walker and Associates, Cleath-Harris Geologists and Kestrel Consulting, and was presented to the City Council at their December 2014 meeting.

The final JFR report made a compelling argument the optimal site for the benefit of Morro Bay and our CSD partners, is the Rancho Colina site and with a total project cost for CMC doubling the Rancho Colina estimate, the proposed site at Rancho Colina appears to be the viable option. The next step in the process is to begin the Facilities Master Planning and Environmental review for the preferred project location. The information and knowledge gained through studying the California Men’s Colony (CMC) site is not for naught, as it will be used in the environmental document as part of the required alternative analysis.

Included in this report is the draft project schedule. This schedule is the most current one available at the time of this report. Modifications to the schedule are required and include adjustments due to the delay of the final Carollo report and the Council preference decision occurring on December 9, 2014 and acknowledgement that final property acquisition cannot occur until the environmental review process is complete and certified. Also, additions to the schedule include the LAFCO process and schedule impacts due to accommodating the Joint CSD/City Council meetings.

Proposed Next Steps

1. Work with the Cayucos Sanitary District on an agreement for the next phase of the project development on the Rancho Colina Site for the Facilities Master Planning and Environmental Review phases including:
 - a. Defining of the roles of the City and CSD in the review the work of technical consultants.
 - b. Establishes a cost sharing formula for the future expenditures.
 - c. Consider reimbursement due to both parties for work performed since January 2013 based upon the formula established in item b.
 - d. Considers what the ultimate relationship is between the two agencies including consideration of a customer/service provider relationship.
2. Extend the contract with John F. Rickenbach Consulting for project management/facilitation, initial environmental and engineering work needed to fully develop the scope required for Facilities Master Planning and Environmental Review. The project management effort will include schedule updates, coordination with staff and technical consultants, document review, report preparation and presentations, as appropriate and other tasks, as necessary.
3. Engage the expertise of geotechnical/hydrogeological consultant that can further define any geotechnical site constraints and explore the details of groundwater recharge in the Morro valley.
4. Coordinate with Coastal Commission, LAFCO and San Luis Obispo County regarding the annexation of the WRF site and permit coordination.
5. Engage consultant(s) to review cultural, biological and other environmental issues in advance of the formal environmental process to mitigate or eliminate any unknown potentially fatal flaws.
6. Develop an agreement with the Rancho Colina property owner for the purchase of the required property for the proposed. It should be noted the actual purchase cannot be completed until after the environmental document is certified.
7. With the assistance of the project management team, develop Request for Proposals for the development of a Facilities Master Plan for the proposed New WRF.
8. Work with the JFR and CSD team to develop Request for Proposals for the Environmental Review (pursuant to CEQA and potentially NEPA) for the proposed New WRF. The Environmental Review consultant should be brought in during the development of the project description in the FMP process.

CONCLUSIONS

In order to have the new WRF operational within the time frame established in Morro Bay City Council Resolution 17-14, it is critical the project team stays engaged in the process and continues to move forward with the items listed above as next steps. To that end, it would behoove the City (and CSD) to continue to work with its existing consultant team JFR Consulting and MKN & Associates since they have the background and experience to help deliver a successful project.

ATTACHMENTS

1. Timeline of WRF events
2. Preliminary Cashflow Analysis from JFR Consulting report dated May 8, 2014
3. Draft Project Schedule

Date	Action
<i>January 13, 2015</i>	<i>City Council to review "Next-Steps" and provide direction to Staff.</i>
<i>January 8, 2015</i>	<i>Staff presentation of the "Next-Steps" to the City Council and CSD Board</i>
<i>December 11, 2014</i>	<i>Staff presented to the City Council and the CSD Board of Directors the Final JFR report, including the CMC evaluation by Carollo Engineers. The csd Board of Directors concured that based on the information presented that the Rancho Colina site appeared the most viable and cost effective.</i>
<i>December 9, 2014</i>	<i>City Council meets to review the Final JFR report, including the CMC evaluation by Carollo Engineers. The City Council expresses their preference for Rancho Colina as their preferred site for the New WRF. The cost estimates indicated that the CMC site was nearly double that of the Rancho Colina site.</i>
<i>December 8, 2014</i>	<i>Corollo Engineers releases their Technical Morandum regarding CMC WWTP capacity and necessary facility expansion to accommodate increase flows from City and CSD.</i>
<i>December 8, 2014</i>	<i>Meeting between MBNEP and City staff to discuss concerns regarding the siting of the WRF at CMC and increased pollutant loads to Chorro Creek.</i>
<i>December 8, 2014</i>	<i>Meeting between City staff and the WRF Technical Committee (Irons/Smukler) to review the project status.</i>
<i>December 1, 2014</i>	<i>Tour of the existing CMC facility with representatives from CDCR, CSD and the City.</i>
<i>November 19, 2014</i>	<i>Conference call between CDCR, CSD and Morro Bay staff regarding the logistics of siting at the CMC location.</i>
<i>November 18, 2014</i>	<i>Meeting between City and California Coastal Coastal Commission staff regarding a varieity of projects in Morro Bay including the WRF siting.</i>
<i>November 13, 2014</i>	<i>Staff presented to the City Council and the CSD Board of Directors the status of the CMC Capacity Analysis and also updated the CSD Board on the City Council meeting of November 12, 2014</i>
<i>November 12, 2014</i>	<i>The City Council reviewed the draft report from John Rickenbach Consulting regarding final site preference. As the result of the report being incomplete, without the Carollo CMC engineering analysis including comparable cost estimates, the City Council choose to delay their decision on final site preference until such time that the report is complete and the WRFCAC has had a chance to review and make a recommendation.</i>
<i>November 5, 2014</i>	<i>The WRFCAC met and reviewed the draft report from John Rickenbach Consulting regarding final site preference. As the result of the report being incomplete, without the Carollo CMC engineering analysis including comparable cost estimates, the WRFCAC moved to recommend to City Council to delay their decision on final site preference until such time that the report is complete and the WRFCAC has had a chance to review and make a recommendation to the City Council.</i>
<i>October 28, 2014</i>	<i>Cleath-Harris and Associates presented the Hydrogeological Technical Memoranda regarding the relative benefits of a Creek discharge in the Chorro Valley and In-Lieu recharge in the Morro Valley to the City Council at their regular meeting.</i>
<i>October 22, 2014</i>	<i>Meeting of the WRFCAC where they reviewed the Hydrogeological Technical Memoranda by Cleath-Harris and Associates and toured the Rancho Colina site.</i>
<i>October 20, 2014</i>	<i>A conference call between Morro Bay, CSD, CMC, Regional Board and CDCR was held to discuss the viability and timing of a regional facility at CMC. At that meeting CDCR authorized the release of WWTP data to Carollo for their process modeling.</i>
<i>October 10, 2014</i>	<i>A project kick off meeting was held at the City's Public Services offices for the Carollo CMC work, City and CSD staff along with the City's consultants were in attendance.</i>

WRF Project Timeline
January 2013 - Present

ATTACHMENT 1

Date	Action
October 9, 2014	Meeting between the Morro Bay City Council and the Cayucos Sanitary District Board of Directors Meeting in Cayucos. City Council directed, by motion, City staff to work cooperatively with Cayucos Sanitary District staff.
October 8, 2014	Meeting of the WRFCAC where they reviewed the LWA report regarding permitting constraints, Kestral Consulting report regarding financing and grants and they formed three technical subcommittees.
October 2, 2014	Meeting of the Morro Bay City Council Technical/Executive Committee and the Cayucos Sanitary District Board of Directors in Morro Bay
September 30, 2014	The Public Services director executed a contract with Carollo Engineers for the study of capacity and expansion capability at the CMC site.
September 26, 2014	Meeting with Bartle Wells (Sewer and Water Rate Consultant) regarding hearing schedule and additional data needs
September 25, 2014	Received final scope and estimated fee (\$101,945) from Carollo Engineers for the evaluation of the CMC option, Carollo requested changes to the standard City contract which are being reviewed by the City Attorney
September 23, 2014	City Council Special Meeting reviewed the Report by Larry Walker and Associates regarding the Water Quality permitting implications at each of the two final proposed sites. Council also discussed the potential of joint City Council/WRFCAC meetings and status of the CMC evaluation
September 11, 2014	Joint meeting of the Morro Bay City Council and the Cayucos Sanitary District Board of Directors Meeting in Morro Bay.
September 10, 2014	First Meeting of the WRFCAC
August 12, 2014	City Council confirmed Citizen Appointments to the WRFCAC
July 16, 2014	Kick off meeting with Larry Walker Associates regarding discharge permit requirements for various disposal/reuse options for the new WRF project.
July 10, 2014	Meeting with Cayucos Sanitary District staff to discuss the scope of work for the proposed Carollo Engineers CMC capacity evaluation study.
July 9, 2014	City Council conducted interviews for positions on the WRF Citizens Advisory Committee (WRFCAC). City Council appointed seven members to the WRFCAC.
June 30, 2014	Staff met internally to gather preliminary information for Bartle Wells Rate Study. Staff will have all info to Bartle Wells by the end of July.
June 27, 2014	Kick off meeting with Kestrel Consulting to discuss funding strategies for the new WRF project.
June 27, 2014	Meeting with Cleath-Harris to review draft Chorro Creek discharge study and effect on City water supply. Authorized Cleath-Harris to perform a similar study for the Morro Valley.
June 25, 2014	Meeting with John Rickenbach and Mike Nunley to discuss project schedule for the WRF project
June 20, 2014	City executed a contract with Larry Walker Associates in the amount of \$24,970 to advise the City regarding discharge permit requirements for various disposal/reuse options for the new WRF project.
June 15, 2014	City executed a contract with Kestrel Consulting in the amount of \$20,530 to develop funding strategies for the new WRF project.
June 14, 2014	Staff has met with a variety of alternative project delivery method firms to explore the requirements for this process, firm include: Corollo, CDMSmith; and Black and Veatch.

New items are indicated as italics.

WRF Project Timeline
January 2013 - Present

ATTACHMENT 1

Date	Action
May 27, 2014	City Council adopted Resolution 34-14 that provides direction to staff regarding the "Rancho Colina" site, continuing parallel path discussion regarding the CMC site, and forming a Citizen's Advisory Committee.
May 23, 2014	Selected Bartle Wells as Water and Sewer Rate Study consultant. The estimated fee for the study is not to exceed \$67,440.
May 22, 2014	The City Clerk posted the notice of the formation of a new, limited term and scope, i.e. Water Reclamation Facility Citizen's Advisory Committee. Applications are due to the Clerk by Friday, June 13, 2014.
May 13, 2014	Council Approved New Water Reclamation Facility Project Report on Reclamation and Council Selection of a WRF Site and provided direction to staff to return to Council with a resolution that captured the motions made.
May 8, 2014	May JPA Meeting cancelled.
May 1, 2014	Scheduled site visit at Giannini site with WRF Subcommittee, JRF Consulting and Property Owner.
April 23, 2014	Meeting to review the "Rancho Colina" site with the Morro Bay and CSD Sub-Committees along with Water Board staff.
April 21, 2014	"Rancho Colina" site visit with staff and Council persons Leage and N. Johnson.
April 18, 2014	Letter sent to property owners of potential WRF sites, inviting a discussion regarding siting potential
April 11, 2014	"Rancho Colina" site visit with staff and Council person C. Johnson.
April 10, 2014	April JPA Meeting cancelled
March 21, 2014	Meeting between City of Morro Bay (Irons/Smukler) and CSD (Enns/Lloyd) Sub-Committees along with Morro Bay and CSD County and Water Board Staff to discuss overall project status and the CMC option.
March 20, 2014	WRF Sub-Committee meeting along with staff and property owner at the "Rancho Colina" Morro Valley site to get an overview of the potential for it as a project location.
March 10, 2014	March JPA Meeting cancelled.
March 6, 2014	Scheduled WRF Subcommittee meeting with staff to discuss grant opportunities and schedules.
February 28, 2014	Received a revised scope of work for a contract amendment received from Rickenbach recognizing the accelerated time schedule for the WRF. Estimated fees not to exceed \$76,129.
February 25, 2014	City Council received a status update on the New WRF and adopted Resolution 17-14 prescribing a 5-year time frame for the construction of the New WRF.
February 13, 2014	WRF Sub-Committee meeting to discuss the 5 year time schedule and grant opportunities.
February 13, 2014	February JPA Meeting held.
February 11, 2014	Mid-year Budget adjustment to include additional funding for WRF alternative site analyses. \$100,000 was approved.
January 31, 2014	Status report preparation assigned to Public Services Director.
January 29, 2014	Received proposal from Rickenbach for a contract amendment to perform due diligence on alternative WRF sites for final site selection. Estimated fees not to exceed \$63,806.
January 23, 2014	Onsite staff meeting with property owner at Rancho Colina to tour a potential location.

New items are indicated as italics.

Date	Action
January 23, 2014	Telephone discussion with City's Water Attorney regarding water rights to creek discharge of wastewater.
January 20, 2014	Received proposal from Cleath-Harris to study Chorro Creek discharge and effect on City water supply. Estimated fees not to exceed \$7,500.
January 16, 2014	January JPA Meeting canceled.
December 19, 2013	December JPA Meeting held – Verbal update by both CMB and CSD.
December 10, 2013	Presentation of Options Report to City Council.
November 19, 2013	Meeting with RWCQB Staff regarding project Status and Permit Renewal.
November 14, 2013	November 2013 JPA Meeting Cancelled.
November 12, 2013	Presentation of Options Report to City Council.
November 5, 2013	Second Public Workshop – Presentation of Options Report for Public Feedback.
November 4, 2013	Public Works Advisory Board – Options Report to Board for Public Feedback.
October 29, 2013	Release of Public Draft – Options Report.
October 21, 2013	Quarterly Coastal Commission/City of Morro Bay Meeting.
September 27, 2013	October 2013 JPA Meeting cancelled.
September 16, 2013	Biosolids and Treatment Options Workshop at MB Veteran's Hall.
September 12, 2013	September JPA Meeting held.
August 19, 2013	Week ofmWorkshop Summary posted on City's website. Comments Form available on City's website for additional comments on the workshop and/or project.
August 15, 2013	Community Workshop #1 held at MB Veteran's Hall.
August 8, 2013	August JPA Meeting Cancelled.
July 25, 2013	Stakeholder Interviews conducted by Rickenbach team.
July 19, 2013	WSC Report entitled <u>Conceptual Wastewater Treatment Alternatives Technical Memorandum</u> commissioned by the Cayucos Sanitary District (CSD) released on the CSD website and delivered to the City. Report located at the following address: www.cayucossd.org/documents/Conceptual%20WW%20Treatment%20AltTM_CSD.pdf
July 18, 2013	Quarterly Coastal Commission/City of Morro Bay meeting, Rickenbach Team participated in review and discussion of the status of the WRF project.
July 11, 2013	July JPA Meeting Cancelled.
July 3, 2013	Tentative Schedule from Rickenbach for the New WRF posted online and available.
July 3, 2013	Working with Coastal Commission staff to finalize date for quarterly meeting/teleconference.
June 28, 2013	Work with Rickenbach to determine updated schedule pursuant to the scope of work in the RFP. Determination of Stakeholder groups/individuals.
June 24, 2013	Kick-off Meeting with John Rickenbach and team members.
June 13, 2013	JPA Meeting – Cayucos Veteran's Hall.
May 28, 2013	Closed Session Item scheduled to discuss Righetti appraisal.
May 15, 2013	Public Services staff continues to work with John F. Rickenbach, Consulting to finalize the consultant contract
May 14, 2013	City Council meeting – Approval of John F. Rickenbach, Consulting as the Preliminary Planning Consultant for the WRF project.
May 9, 2013	May JPA meeting held, "Verbal Report by the City and District on the Progress of the future WWTP" was on the agenda and discussed.
May 2, 2013	Interviews to recommend the individual/team for the WRF project manage.
April 29, 2013	WRF Study Session at Veteran's Hall.

WRF Project Timeline
January 2013 - Present

ATTACHMENT 1

Date	Action
April 25, 2013	Quarterly Meeting with California Coastal Commission staff, WRF discussion and status report on the meeting agenda.
April 25, 2013	Initial meeting with Selection Committee for the RFP for Planning Services for the WRF.
April 23, 2013	City Council meeting for the reaffirmation of 5 members of citizen selection committee.
April 16, 2013	Study Session on WRF facility announced for April 29, 2013.
April 15, 2013	RFP due.
April 11, 2013	April JPA meeting held, "Verbal Report by the City and District on the Progress of the future WWTP" and Discussion and Approval to Terminate the Consultant Services Agreements with Delzeit; Dudek, McCabe and Company; and Montgomery Watson Harza (MWH)" were on the agenda and discussed.
April 10, 2013	Addendum to RFP issued, re: selection committee
April 9, 2013	City Council meeting - appointment of 5 citizens for the RFP selection committee at City Council meeting.
April 5, 2013	Citizen selection committee deadline.
March 27, 2013	Announcement placed on City website, etc. regarding citizen selection committee application period.
March 26, 2013	City Council meeting - City Council approves citizens to serve on the RFP selection committee.
March 18, 2013	RFP issued.
March 14, 2013	City Council goal session, WRF established as Essential City Goal.
March 14, 2013	March JPA meeting held, "Status Report on the Discussion with RWQCB Staff Renewal Process for the WWTP NPDES Permit No. CA0047881" and "Verbal Report by the City and District on the Progress of the future WWTP" were on the agenda and discussed.
March 11, 2013	City Council goal session, WRF established as Essential City Goal.
February 26, 2013	City Council meeting - draft schedule/project timeline presented to City Council.
February 26, 2013	City Council directed staff to prepare an RFP for a project manager.
February 14, 2013	February JPA meeting held, "Discussion and Consideration of Next Steps for the WWTP Upgrade Project" was on the agenda and discussed.
January 24, 2013	City Staff, Morro Bay JPA Sub-Committee, Cayucos SD representatives, staff and attorney meet and discuss strategy and moving forward.
January 8, 2013	WWTP Project denied by the California Coastal Commission (CCC).
January 8, 2013	January JPA not held due to CCC meeting.
January 3, 2013	Special City Council meeting – City Adopted Resolution No. 07-13 supporting the California Coastal Commission staff recommendation for denial.

New items are indicated as italics.

Cost Cumulative Cost

ATTACHMENT 2

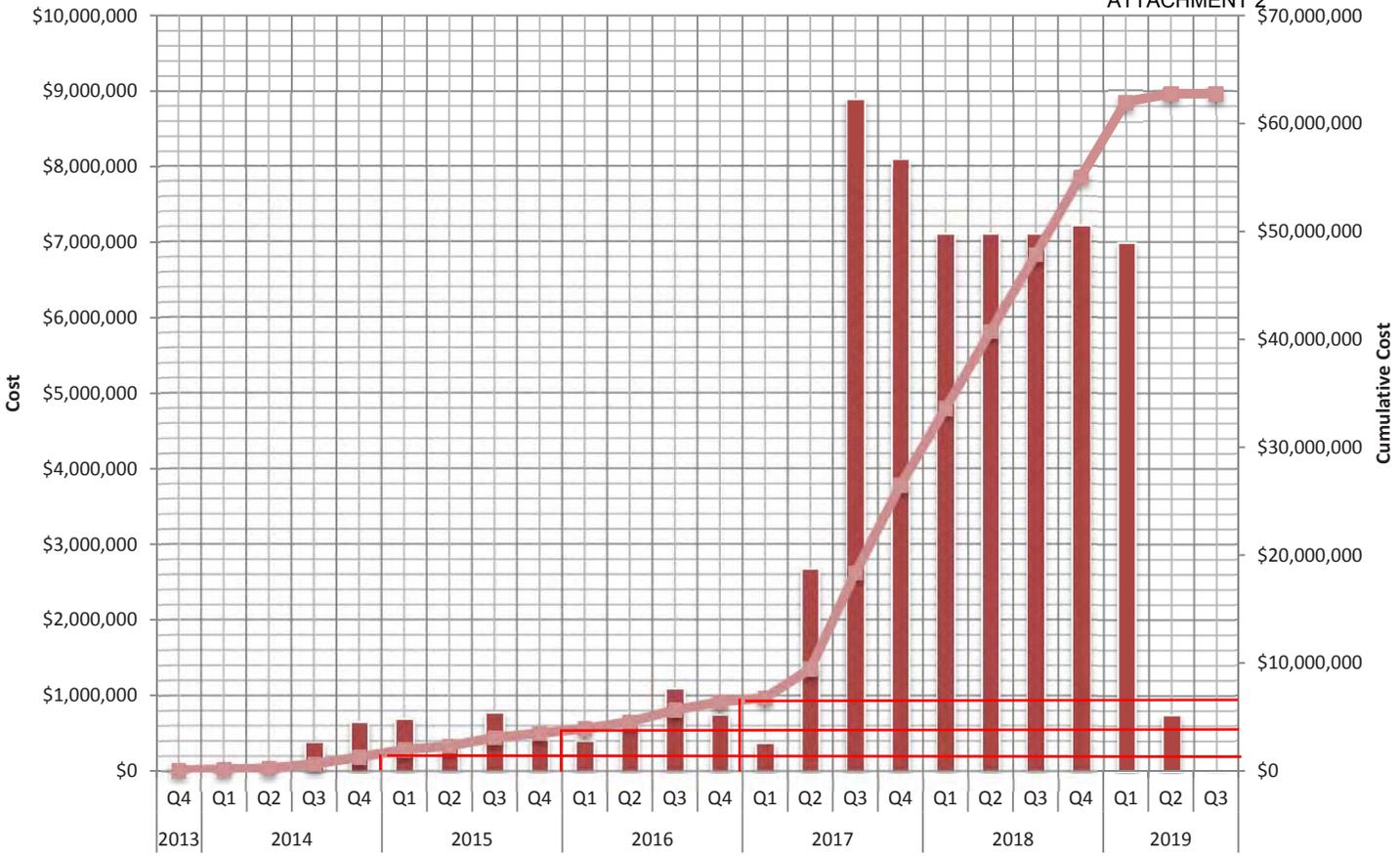


Figure 5 – Preliminary Cashflow Analysis

Morro Bay WRF Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	2014				2015				2016				2017				2018				2019				2020			
						Q4	Q1	Q2	Q3																								
1		Council Direction re: Options Report	1 day	Tue 12/10/13	Tue 12/10/13																												
2		Site Evaluation Report - JFR	185 days	Thu 2/27/14	Wed 11/12/14																												
3		Site Selection	20 days	Thu 11/13/14	Wed 12/10/14																												
4		Property Negotiation and Acquisition	9 mons	Thu 11/13/14	Wed 7/22/15																												
5		CMC Evaluation - Carollo	53 days	Fri 10/3/14	Tue 12/16/14																												
6		Notice to Proceed	0 days	Fri 10/3/14	Fri 10/3/14																												
7		Draft Report	33 days	Fri 10/3/14	Tue 11/18/14																												
8		City Review	10 days	Wed 11/19/14	Tue 12/2/14																												
9		Final Report	10 days	Wed 12/3/14	Tue 12/16/14																												
10		Preliminary Permitting Constraints Analysis - LWA	71 days	Mon 6/23/14	Mon 9/29/14																												
11		Chorro Valley Benefits Analysis - CHG	30 days	Mon 8/25/14	Fri 10/3/14																												
12		Morro Valley Benefits Analysis - CHG	60 days	Mon 8/25/14	Fri 11/14/14																												
13		Evaluation of Delivery Method TM - JFR	85 days	Mon 8/11/14	Fri 12/5/14																												
14		Initial Grant/Loan Opportunities Assessment - Kestrel	78 days	Mon 6/23/14	Wed 10/8/14																												
15		Document Management System Evaluation - JFR	48 days	Wed 10/1/14	Fri 12/5/14																												
16		Initial Caltrans Coordination/Research for Pipeline Easements (HWY 41) - JFR	51 days	Fri 9/19/14	Fri 11/28/14																												
17		City Council Decision on WRF Site	0 days	Wed 11/12/14	Wed 11/12/14																												
18		RFP/Selection of Facilities Master Plan Consultant	60 days	Thu 12/11/14	Wed 3/4/15																												
23		Facilities Master Plan	186 days	Thu 3/5/15	Thu 11/19/15																												
24		Development of Bridging Documents	4 mons	Fri 11/20/15	Thu 3/10/16																												
25		RFP/Selection of Lift Station/Force Main Design Consultant	70 days	Fri 11/20/15	Thu 2/25/16																												
30		RFQ/RFP/Selection of Design/Build Team	120 days	Fri 1/8/16	Thu 6/23/16																												
35		Owner's Representative Support - Design Phase	12 mons	Fri 1/8/16	Thu 12/8/16																												
36		Design/Bid/Build Lift Station and Force Main	805 days	Fri 4/8/16	Thu 5/9/19																												
55		Phase I Design/Build Delivery	880 days	Fri 6/24/16	Thu 11/7/19																												
68		RFP/Selection of EIR/Permitting Team	70 days	Fri 11/20/15	Thu 2/25/16																												
73		EIR/Permitting	666 days	Thu 3/5/15	Thu 9/21/17																												
83		Phase II Recycled Water Distribution System	60 mons	Fri 11/8/19	Thu 6/13/24																												

File Name: Project Schedule_5-Yr
Date: Tue 11/4/14

Task		External Tasks		Manual Task		Finish-only	
Split		External Milestone		Duration-only		Deadline	
Milestone		Inactive Task		Manual Summary Rollup		Critical	
Summary		Inactive Milestone		Manual Summary		Critical Split	
Project Summary		Inactive Summary		Start-only		Progress	