



**CITY OF MORRO BAY
WATER RECLAMATION FACILITY
CITIZEN ADVISORY COMMITTEE (WRFCAC)
AGENDA**

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

**August 2, 2016
Veterans Memorial Building – 3:00 P.M. to 5:00 P.M.
209 Surf Street, Morro Bay, CA**

John Diodati, Chairperson

Bill Woodson,
Vice Chairperson

Dale Guerra

Barbara Spagnola

Mary (Ginny) Garelick

Paul Donnelly

Valerie Levulett

Planning Commission
Member: Richard Sadowski

Public Works Advisory Board
Member: Stephen Shively

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE
ANNOUNCEMENTS/PRESENTATIONS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Public Works Department at (805) 772-6262. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of minutes from the Water Reclamation Facility Citizen Advisory Committee meeting of July 5, 2016
Staff Recommendation: Approve minutes as submitted.

B. BUSINESS ITEMS

- B-1 WRFCAC Sub-Committee Updates and Recommendations
Finance, Environmental and Engineering Sub-Committees to present their analyses and findings to the entire committee.
Recommendation: Receive and consider updates.
- B-2 Status Report and Quarterly Budget Report
Recommendation: Receive and consider updates.

C. COMMITTEE MEMBER CLOSING COMMENTS

D. ADJOURNMENT

Adjourn to the regular Water Reclamation Facility Citizen Advisory Committee meeting at the Morro Bay Veteran's Memorial Building, 209 Surf Street, on October 4, 2016, at 3:00 p.m.

This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Public Works Department, 955 Shasta Avenue, for any revisions or call the department at 772-6262 for further information.

Materials related to an item on this agenda are available for public inspection during normal business hours in the Public Works Department, at Mill's/ASAP, 495 Morro Bay Boulevard, or the Morro Bay Library, 695 Harbor, Morro Bay, CA 93442.

This agenda may be found on the Internet at: www.morrobayca.gov/wrfcac or you can subscribe to Notify Me for email notification when the Agenda is posted on the City's website. To subscribe, go to www.morro-bay.ca.us/notifyme and follow the instructions.

Materials related to an item on this agenda submitted to the Committee after publication of the agenda packet are available for inspection at the Public Works Department during normal business hours or at the scheduled meeting.

MINUTES – WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (WRFCAC)
REGULAR MEETING – JULY 5, 2016
COMMUNITY CENTER, MULTIPURPOSE ROOM – 3:00 to 5:00 P.M.

- | | | |
|----------|---|---|
| PRESENT: | John Diodati
Bill Woodson
Steven Shively
Mary (Ginny) Garelick | Barbara Spagnola
Valerie Levulett
Richard Sadowski |
| ABSENT: | Dale Guerra
Paul Donnelly | |
| STAFF: | Rob Livick
Kay Merrill
Mike Nunley
John Rickenbach | Public Works Director
Administrative Utilities Technician
WRF Program Manager
WRF Deputy Program Manager |

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE/PLEDGE OF ALLEGIENCE

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

ANNOUNCEMENTS - None

PUBLIC COMMENT

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

- A. CONSENT AGENDA
https://youtu.be/64cSOwH0_7q?t=1m57s

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

A-1 APPROVAL OF MINUTES FROM THE WRFCAC REGULAR MEETING ON JUNE 7, 2016

MOTION:
Steve Shively moved to approve Item A-1. The motion was seconded by Ginny Garelick and carried unanimously 7-0.

B. BUSINESS ITEMS

- B-1 WRFCAC SUB-COMMITTEE UPDATES AND RECOMMENDATIONS
https://youtu.be/64cSOwH0_7q?t=2m32s

Ginny Garelick presented an update on the Cayucos Sustainable Water Project and stated she is looking forward to seeing the Annual Budget Report at the next meeting. She suggested to Mike Nunley to look into Disadvantaged Community program (DAC) to obtain grants.

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

Barbara Spagnola stated she is looking forward to reviewing the fiscal year end budget report and announced the Citizen's Finance Committee is hosting a Public Workshop on August 30, 2016 from 5:30 – 7:00pm at the Veteran's Hall and invited the public to attend.

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

The public comment period was opened.

Marla Jo Bruton Sadowski stated the City has a dilapidated sewage infrastructure and sewage is leaking into the drinking water aquifer. She requested real tests for sewage be done on the drinking water aquifer.

The public comment period was closed.

B-2 WRF PROGRAM UPDATE
https://youtu.be/64cSOwH0_7q?t=22m29s

Mike Nunley and John Rickenbach presented the staff report.

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

The public comment period was opened.

Tina Metzger would like to see a field trip report and it appears the focus is on Morro Valley rather than Chorro Valley. Regarding the May 3rd WRFCAC meeting it states the recommended site is the Tri-W but it fails to state that WRFCAC voted to remove the Righetti site from the City's list and that needs to be stated. She stated property owners are not being notified of receiving notification of workshops and please use honesty in the outreach effort.

Mike Nunley responded to Tina Metzger's statement.

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

John Diodati suggested to agenize a presentation and discussion on field trips at the next WRFCAC meeting.

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

C. COMMITTEE MEMBER CLOSING COMMENTS
https://youtu.be/64cSOwH0_7q?t=1h19m31s

John Diodati stated the committee reached a major milestone last month with City Council picking a site and moving forward.

ADJOURNMENT

The meeting adjourned at 4:21p.m. The next Regular Meeting will be held on Tuesday, August 2, 2016 at 3:00p.m. at the Veteran's Memorial Building located at 209 Surf Street, Morro Bay, CA.



AGENDA NO: B-2

MEETING DATE: August 2, 2016

Staff Report

DATE: July 28, 2016

TO: Water Reclamation Facility Citizens Advisory Committee

FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: WRF Program Update and Quarterly Budget Report

RECOMMENDATION

Staff recommends WRFCAC review the current status of the WRF program and the quarterly budget report.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

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

DISCUSSION

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

- Review of what has occurred to date. See the list of major milestones or accomplishments since the last update to City Council below. This summary is typically provided each month.
- Quarterly budget update for the fourth quarter of fiscal year (FY) 15/16 (4Q15/16)
- Overview of the Adopted FY 16/17 City Budget for the WRF Program
- Program Schedule for FY 16/17

Accomplishments and Milestones

The City's Program Management team and technical consultants performed the following tasks since the July 5th program update:

- Scheduled the Environmental Impact Report (EIR) Scoping Meeting for Tuesday, August 16, 2016 at 4 PM at the Morro Bay Veterans Memorial Building
- Completed preliminary geotechnical assessment of the South Bay Boulevard site for the

Prepared By: __MN__

Dept Review: ____

City Manager Review: ____

City Attorney Review: ____

Facility Master Plan team

- Developed preliminary pipeline alignments, field notes, and maps with utility conflicts for use by the Facility Master Plan team
- Led informal kickoff of the Master Water Reclamation Plan with City staff
- Prepared preliminary assessment of Morro Valley water reuse alternatives and developed work plan for groundwater model and Chorro Valley assessment. This work will supplement the Master Water Reclamation Plan.
- Continued compiling water quality and flow data for use by design/construction teams during the proposal process for the Phase I WRF
- Developed draft Notice of Preparation for the EIR
- Met with property owners adjacent to the South Bay Boulevard site to discuss architectural input from City workshops and overall program schedule
- Met with City staff to update the 2008 Needs Assessment for the Public Works Department and identify space requirements for shared facilities at the South Bay Boulevard site
- Prepared draft postcard notifying City residents and property owners of the August 16th EIR Scoping Meeting
- Completed draft Salinity Control Plan

Quarterly Budget Update – 4Q15/16

As discussed at the last WRFCAC meeting, a budget update for the fourth quarter of fiscal year 2015/16 (4Q15/16) has been prepared. MKN and City staff developed a budget and expense report format with input from the WRFCAC Financial Subcommittee. The summary is attached, and includes all City expenses (including staff time with benefits, copies, and other office expenses) in addition to consultant contracts. The second page provides a higher level of detail on budget status of individual consultant contracts. This report will be provided quarterly to City Council and WRFCAC, and currently represents expenses through June 30, 2016.

The following sections provide an analysis and overview of the City's WRF budget for 4Q15/16. The budget summary presents budget information on quarterly, annual (based on the fiscal year for the City between July and June) and total project time periods.

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

Object Name (from Attachment 1)	Description	Comments
Past Siting Studies	Contractual services for studies completed prior to initiating the Facility Master Plan process (2013-2015)	These work efforts were completed, contracts expired, and there are no further encumbrances
Current Consultant Contracts	Summary of Page 2 from Attachment 1	Work efforts are under budget for FY 15/16, but major contracts (ex. Facility Master Plan and CEQA/Permitting) for the planning and permitting phase of the program were delayed by the City's site selection process. Contract amounts will be fully utilized, and in some

		cases required amendments (ex. Facility Master Plan) but delays resulted in contracts rolling over to the new FY 16/17
Water Rights Legal Support	Contract attorney fees for input on water reuse alternatives and legal constraints	--
Labor and Benefits	City staff labor and benefits (also called “fully burdened labor”) for the WRF Program	Current FY 15/16 efforts included wastewater sampling, meeting attendance, administrative support, collection system flow monitoring, and all activities related to the WRF Program
Laboratory/Sampling	Contract laboratory services for wastewater analysis to support Facility Master Plan and future detailed design efforts	--
Printing and Advertising	Costs from outside vendors for copies, printing, and postage to develop and distribute WRF Program materials	
Software License and Fees	Fee for Procore Project/Construction Management Software	Procore software is used to manage and track consultant budgets and contracts, store program documents and deliverables, coordinate and record meetings, and track work efforts during the planning/permitting phase. During construction, the software will be used for tracking contractor submittals, pay requests, field observations, and other work efforts. Annual fee is \$42,205 over the next 5 to 8 years.
Property Acquisition	Cost to purchase property options and appraisals	A nonrefundable fee of \$25,000 was spent for an option to purchase the Righetti Property. The option expired in July 2016. A total of \$5500 has been spent in appraisal fees.
Program Office Equipment	Copier, monitor, telephone, and other office equipment to equip the Program Office in the City Hall Annex	--

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

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

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

FY 16/17 WRF Program Budget

Attachment 2 includes excerpts from the Adopted FY 16/17 City Budget for the WRF Program. The attachment also provides a brief description of each of the major cost items. The Project Schedule section (below) identifies the major efforts, milestones and decision points for City Council within the FY.

Program Schedule for FY 16/17

FY 16/17 activities are primarily planning, permitting, and procurement of consultants for elements of the Phase I WRF. Specific objectives include completion of the Facility Master Plan, Master Water Reclamation Plan, technical studies and initial drafts of the Environmental Impact Report, and procurement of the State Revolving Fund Planning and Design Loan. The updated program schedule is provided as Attachment 3.

The following outreach activities will take place throughout FY 16/17, as detailed in the Outreach Plan (Attachment 4 - June 28, 2016):

- Technical presentations on the Master Reclamation Plan process and content
- Community Workshops on the Master Reclamation Plan (at least 2 workshops)
- Formal EIR process (including providing comments on the Draft EIR)
- WRFCAC and City Council study sessions as needed
- Permitting agency consultation (as needed)
- Resource organization outreach (as needed, in support of the permitting process)
- Website updates and educational materials
- Community and stakeholder outreach (as needed)

The anticipated schedule for significant milestones and Council decisions within this FY is summarized below:

EIR Notice of Preparation	August 2016
EIR Scoping Meeting	August 16, 2016
Community Workshop/Input on Phase I WRF Architecture	October 2016
Draft Facility Master Plan	November 2016
Final Facility Master Plan	December 2016

Council Selection of Delivery Method for Phase I WRF	January 2017
Draft Master Water Reclamation Plan	March 2017
Confirmation of Phase I and Phase II WRF Budget	April 2017
Council Selection and Award for Phase I WRF Offsite Improvements (Lift Station and Pipelines)	April 2017

ATTACHMENTS

1. 4Q15/16 WRFCAC Budget Report and Commitment Summary
2. FY 16/17 Excerpts from Adopted City Budget Related to WRF Program
3. Program Schedule
4. Community Outreach Program Update (6-28-2016)

City of Morro Bay														
Water Reclamation Facility Advisory Committee (WRFAC) Quarterly Budget Review Summary 4Q15/16 (preliminary)														
EXPENDITURES														
Key Definitions														
		Quarter Projected Budget	Portion of Fiscal Year Budget Management Expects Necessary to Meet Quarter Expenditures			YTD Projected Budget	Sum Of Current Quarter Projected Budget and All Prior Quarter Projected Budgets					Encumbrance Balance	Sum Of All Project Contracts Less Actual Expenditures Against Contracts (See Note 3)	
Accounts		Current Quarter				Fiscal Year To Date (YTD)				Total Project				
Fund/ Code	Object Name	Projected Budget	Expenditures	Percent Expended	Variance	Projected Budget	YTD Expenditures	Percent Expended	Variance	Amended Budget	Expenditures	Encumbrance Balance	Percent Expended	Variance
599-8312	Contractual Services													
6105	Past Siting Studies (Completed - no further encumbrance)	--	--	--	--	--	--	--	--	\$534,418	\$448,057	\$0	83.84%	\$86,361
6105	Current Consultant Contracts (see P. 2)	\$200,000	\$248,052	124.03%	(\$48,052)	\$2,409,968	\$1,209,444	50.19%	\$1,200,524	\$2,409,968	\$1,209,444	\$1,200,524	50.19%	\$1,200,524
6105	Water Rights Legal Support (See Note 2)	--	\$0	--	--	--	\$0	--	--	--	\$7,880	--	--	--
	Subtotal	\$200,000	\$248,052	124.03%	(\$48,052)	\$2,409,968	\$1,209,444	50.19%	\$1,200,524	\$2,944,386	\$1,657,501	\$1,200,524	56.29%	\$1,286,885
599-8312	Labor (Fully Burdened)													
4910,4999	Labor and Benefits	\$12,500	\$18,508	148.07%	(\$6,008)	\$50,000	\$70,035	140.07%	(\$20,035)	\$400,000	\$210,711	--	52.68%	\$189,289
	Subtotal	\$12,500	\$18,508	148.07%	(\$6,008)	\$50,000	\$70,035	140.07%	(\$20,035)	\$400,000	\$210,711	--	52.68%	\$189,289
599-8312	Other Costs													
6105, 6162	Laboratory/Sampling	\$25,000	\$318	1.27%	\$24,682	\$100,000	\$17,159	17.16%	\$82,841	\$200,000	\$17,159	--	--	\$182,841
5199,6106, 6105,6710	Printing and Advertising	--	\$8,873	--	--	--	\$9,048	--	--	--	\$13,359	--	--	--
5199	Software license and fees	\$0	\$0	--	--	\$42,205	\$42,205	100.00%	\$0	\$371,205	\$42,205	\$329,000	11.37%	\$329,000
5199,7101	Property Acquisition	\$31,000	\$0	0.00%	\$31,000	\$31,000	\$25,000	80.65%	\$6,000	--	\$30,500	--	--	--
5199, 6106, 6750	Program office equipment	\$0	\$2,616	--	--	\$0	\$3,746	--	--		\$3,746			
5199, 6514	Travel expense	--	\$266	--	--	--	\$266	--	--		\$379			
	Subtotal	\$56,000	\$12,073	21.56%	\$43,927	\$173,205	\$97,424	56.25%	\$75,781	\$571,205	\$107,348	\$329,000	18.79%	\$463,857
	TOTALS	\$268,500	\$278,633	103.77%	(\$10,133)	\$2,633,173	\$1,376,904	52.29%	\$1,256,270	\$3,915,591	\$1,975,561	\$1,529,524	50.45%	\$1,940,031
REVENUE														
Key Definitions														
		Quarter Projected Budget	Portion of Fiscal Year Budget Management Expects To Be Recognized During Quarter			YTD Projected Budget	Sum of Current Quarter Projected Budget and All Prior Quarter Projected Budgets							
Accounts (See Note 1)		Current Quarter				Fiscal Year To Date (YTD)				Total Project				
Funding Source	Revenue Name	Projected Budget	Recognized Revenue	Percent Recognized	Variance	Projected Budget	YTD Recognized Revenue	Percent Recognized	Variance	Amended Budget	Recognized Revenue		Percent Recognized	Variance
SWRCB	Grants													
	Recycled Water Grant (Pending)	\$0	\$0	0.00%	\$0	\$0	\$0	--	\$0	\$75,000	\$0		0.00%	(\$75,000)
	Subtotal	\$0	\$0	0.00%	\$0	\$0	\$0	--	\$0	\$75,000	\$0		0.00%	(\$75,000)
SWRCB	Supplemental Environmental Project													
	SEP from California Men's Colony	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$87,361	\$87,361		100.00%	\$0
	Subtotal	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$87,361	\$87,361		100.00%	\$0
User Rates	User Rates													
	User Rates (Allocated for WRF per May 2015 Rate Study)									\$70,312,500	*Cannot be separated from City's sewer revenue			
	Subtotal									\$70,312,500	*Cannot be separated from City's sewer revenue			
	TOTALS	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$70,474,861	\$87,361		0.12%	(\$70,387,500)

Notes:

1) Unless shown otherwise, current project expenses are funded by revenue from user rates and fees. There is no separate revenue fund for the WRF.

2) Budgets for water rights legal support and property acquisition have not yet been established. Detailed budget development will take place after completing the project descriptions in the Facility Master Plan and Master Reclamation Plan.

3) Encumbrance balance is only calculated for projects with contracts.

City of Morro Bay											
Water Reclamation Facility Advisory Committee (WRFAC) Quarterly Budget Review Summary 4Q15/16 (Thru April 30, 2016)											
Current Consultant Contracts											
Number	Title	Status	Total	Approved Change Orders	Total With Approved Change Orders	Draw Requests	Total Payments	Total Remaining	% Paid	Pending Change Orders	Vendor
SC--001	Facility Master Plan	Approved	\$710,123.00	\$0.00	\$710,123.00	\$623,925.04	\$521,631.55	\$188,491.45	73.46%	\$0.00	Black & Veatch
SC--002	CEQA/NEPA Documentation and Consulting	Approved	\$346,538.00	\$0.00	\$346,538.00	\$10,542.69	\$9,407.94	\$337,130.06	2.71%	\$0.00	ESA
SC--003	MacElvaine Property - Fatal Flaw - Cultural Resources	Approved	\$18,260.87	\$0.00	\$18,260.87	\$18,260.87	\$9,979.23	\$8,281.64	54.65%	\$0.00	Far Western
SC--004	Righetti Property - Fatal Flaw - Cultural Resources	Approved	\$6,485.59	\$0.00	\$6,485.59	\$0.00	\$0.00	\$6,485.59	0.00%	\$0.00	Far Western
SC--005	MacElvaine Property - Fatal Flaw - Biological Resources	Approved	\$12,835.00	\$0.00	\$12,835.00	\$11,240.00	\$11,240.00	\$1,595.00	87.57%	\$0.00	Kevin Merk Associates
SC--006	Survey - Righetti Property	Approved	\$15,644.00	\$0.00	\$15,644.00	\$12,502.50	\$12,502.50	\$3,141.50	79.92%	\$0.00	JoAnn Head Land Surveying
SC--007	Survey - Highway 41 and MacElvaine Property	Approved	\$45,050.00	\$0.00	\$45,050.00	\$47,820.50	\$47,820.00	(\$2,770.00)	106.15%	\$0.00	JoAnn Head Land Surveying
SC--008	Salinity Identification Study	Approved	\$23,640.00	\$37,080.00	\$60,720.00	\$40,989.08	\$32,469.08	\$28,250.92	53.47%	\$0.00	Larry Walker Associates
SC--009	MacElvaine Property (SE) - Fatal Flaw - Geotech and Initial Hydrologic Field Testing	Approved	\$38,600.00	\$47,800.00	\$86,400.00	\$86,364.95	\$86,364.95	\$35.05	99.96%	\$0.00	Fugro
SC--010	Grant and Loan Funding - Tracking and SRF Support	Approved	\$65,752.00	\$0.00	\$65,752.00	\$33,823.47	\$33,823.47	\$31,928.53	51.44%	\$0.00	Kestrel
SC--011	2015 Program Management	Approved	\$920,808.00	\$0.00	\$920,808.00	\$486,397.55	\$426,915.88	\$493,892.12	46.36%	\$0.00	MKN & Associates, Inc.
SC--012	Evaluate Alternative Concepts for Disposal of Treated Effluent	Approved	\$22,000.00	\$0.00	\$22,000.00	\$21,992.24	\$8,671.97	\$13,328.03	39.42%	\$0.00	GSI Water Solutions
SC--013	Geotechnical Services Righetti II Site	Approved	\$35,902.00	\$0.00	\$35,902.00	\$27,325.35	\$8,617.50	\$27,284.50	24.00%	\$0.00	Yeh and Associates
SC--014	Survey Services for South Bay Blvd Site	Approved	\$29,850.00	\$0.00	\$29,850.00	\$6,182.50	\$0.00	\$29,850.00	0.00%	\$0.00	JoAnn Head Land Surveying
SC--015	Geotechnical Services South Bay Blvd Site	Approved	\$33,600.00	\$0.00	\$33,600.00	\$12,193.31	\$0.00	\$33,600.00	0.00%	\$0.00	Yeh and Associates
Total			\$2,325,088.46	\$84,880.00	\$2,409,968.46	\$1,439,560.05	\$1,209,444.07	\$1,200,524.39	50%	\$0.00	
Note: Contracts SC--006 and SC--007 for JoAnn Head Land Survey are one amended contract with the City and balance with \$371.50 remaining.											

CITY OF MORRO BAY

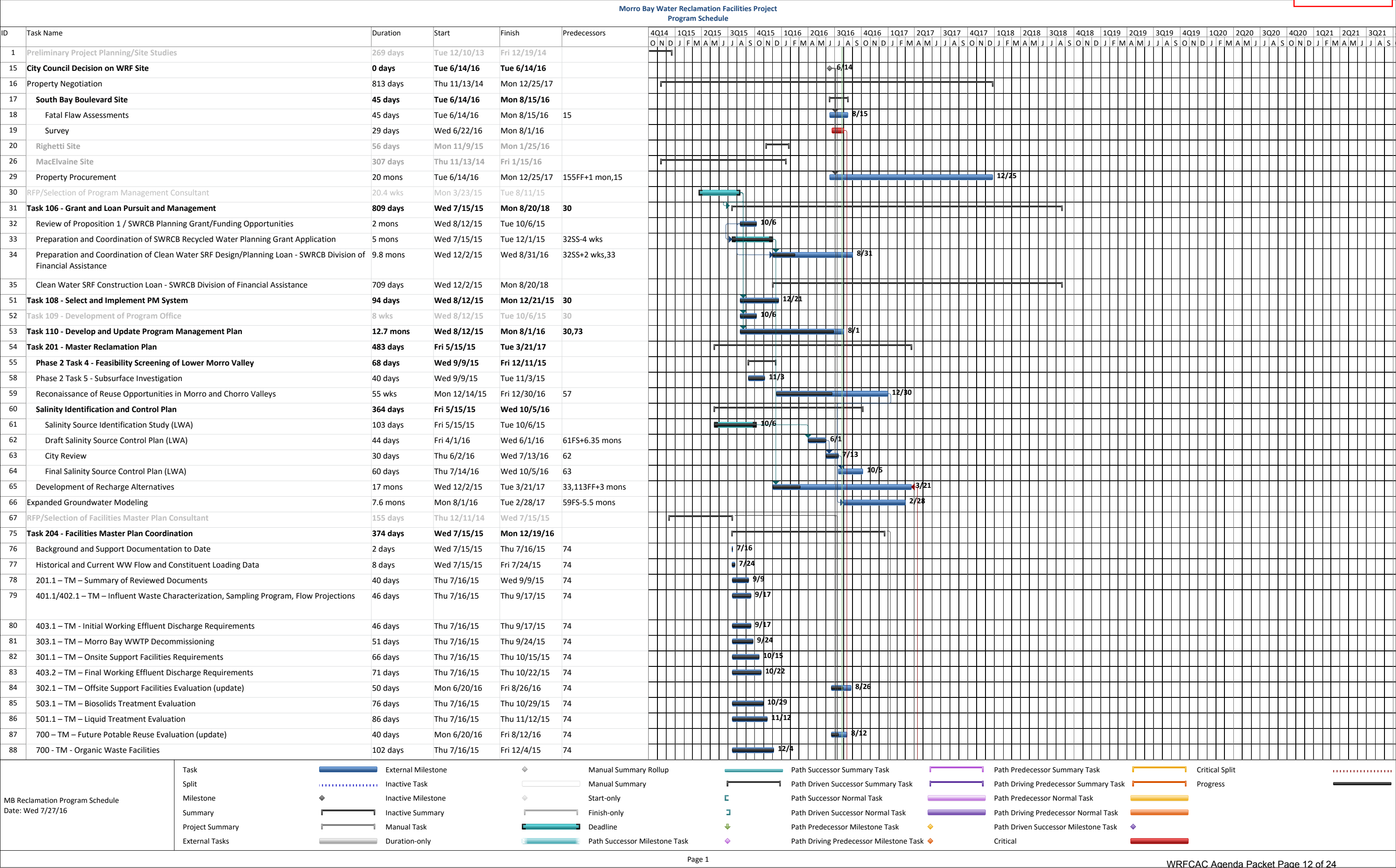
SCHEDULE OF WASTEWATER TREATMENT CAPITAL PROJECT

WATER RECLAMATION FACILITY (WRF)

	Prior Years Actual	2015/16 Amended Budget	2016/17 Budget
Beginning cash balance	\$ -	\$ (677,324)	\$ (3,153,424)
Revenues from:			
State grants:			
RWQCB Supplemental Env Project award	-	87,361	-
Recycled Water Planning Grant	-	-	75,000
SRF Planning Loan	-	-	10,375,000
Total revenues	-	87,361	10,450,000
Expenditures:			
Program Management	-	(920,808)	(900,000)
Staff Support	(142,885)	(150,000)	(200,000)
Supplies	(3,788)	-	-
Central coast AgAppraisal - righetti	(5,500)	-	-
ASAP - printing	(655)	-	-
Outside counsel	(7,880)	-	-
Abalone Coast Analytical	(1,728)	-	-
Kestrel (Grant Spt)	(8,380)	(65,752)	(32,000)
Procore Software	-	(42,204)	(42,204)
Preliminary Engineering:			
Carollo	(87,361)	-	-
Facility Master Plan	-	(710,123)	(205,018)
Cleath-Harris	(18,348)	-	-
GSI Water	-	(22,000)	(165,000)
Yeh and Associates	-	(35,902)	(53,902)
Fugro	(7,093)	(86,400)	-
J.Head Surveying	-	(60,694)	(60,000)
Bridging/ Procurement Docs	-	-	(300,000)
Planning/CEQA/Permitting:			
JFR	(352,229)	-	-
LWA	(35,991)	(60,720)	(45,000)
KMA	(3,245)	(12,835)	-
Far Western Archeo	(2,241)	(12,000)	(6,000)
Far Western Archeo - Righetti	-	(6,485)	(6,485)
ESA	-	(346,538)	(338,000)
Property Acquisition	-	-	(2,400,000)
Righetti Option and Appraisal	-	(31,000)	-
Tri-W Option	-	-	(25,000)
Lift Station & Force Main Design (60%)	-	-	(1,100,000)
Total expenditures	(677,324)	(2,563,461)	(5,878,609)
Revenues over (under) expenditures	(677,324)	(2,476,100)	4,571,391
Ending cash balance	\$ (677,324)	\$ (3,153,424)	\$ 1,417,967

WATER RECLAMATION FACILITY (WRF) NOTES:

1. Staff support budget (\$200,000) includes outside counsel, sampling, analysis, staff time, reproduction, and other City support
2. Procore Software is program management software; budget is for the annual fee (\$42,204)
3. All consultant budgets (including Project Management) include carryover from FY 16/17
4. Preliminary Engineering
 - a. Prior year cost for Carollo are for the California Mens Colony (CMC) evaluation and cost option
 - b. Black & Veatch contract - FY 16/17 budget (\$205,018) includes scope amendment
 - c. Prior year cost of Cleath-Harris is for the water supply benefit study of Chorro and Morro Valley for Site Options Report and CMC Evaluation
 - d. GSI Water Solutions: 2015/16 and 2016/17 budgets are for groundwater recharge evaluation and alternatives
 - e. Yeh and Associates: 2015/16 and 2016/17 budgets are for geotechnical constraints study for Madonna and South Bay Blvd sites
 - f. Prior year and 2015/16 costs for Fugro Consultants Geotechnical are for constraints of MacElvaine property and initial hydrogeologic evaluation of Morro Valley
 - g. J. Head Surveying (\$60,000) is for the topographic survey and base mapping for sites and pipeline alignments
5. Bridging and procurement documents (\$300,000): bid documents for procuring design/construction team for Phase I WRF
6. Planning/CEQA/Permitting
 - a. Prior year cost of John F. Rickenbach (JFR) Consulting (\$352,229) for site options report and project management support prior to procuring Project Management team
 - b. Larry Walker Associates (LWA) costs are for salinity identification and control plan
 - c. Kevin Merk Associates (KMA) prior year and 2015/16 costs are for biological studies at potential sites
 - d. Far Western Archeo costs are for archeological studies at MacElvaine and along pipeline alignment
 - e. Far Western Archeo – Righetti are specific archeological studies at Righetti property
 - f. Environmental Science Associates (ESA) 2015/16 and 2016/17 costs are for CEQA/NEPA services including EIR





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Memorandum

Date: June 28, 2016 (updates original September 22, 2015 memo)

To: Morro Bay City Council; Water Reclamation Facility Citizen Advisory Committee

From: WRF Program Management Outreach Team (John Rickenbach, AICP; and Debbie Rudd, AICP)

Subject: City of Morro Bay Water Reclamation Facility, Community Outreach Program

Community outreach throughout the City of Morro Bay (City) Water Reclamation Facility (WRF) Program is key to helping the process run smoothly and with success. The following memorandum describes the outreach strategy that the Project Team is undertaking to engage the community throughout the WRF process. This outreach program includes involving a broad cross-section of the greater Morro Bay community, in a variety of ways and settings, to get quality feedback. The primary components of the program include:

1. *Key stakeholder interviews and neighborhood workshops*
2. *Community workshops*
3. *Technical presentations*
4. *Water Reclamation Facility Citizens Advisory Committee (WRFCAC) meetings*
5. *City Council study sessions and hearings*
6. *Formal Environmental Review process*
7. *Coordination with outside permitting agencies*
8. *WRF Program website and promotional materials*

Though this program outlines various likely outreach activities, it is important to remain flexible and allow for redirection and variations of the exercises and activities as the process evolves. This will allow the Program Management Team to learn from the community and customize the workshop and meetings to optimize their effectiveness.

A. Overall Strategic Framework

The success of the outreach program depends on reaching a variety of audiences, each with its own interests relative to implementing the new facility. **Table 1** summarizes the key stakeholder groups, their objectives in the context of the project, and how the program intends to involve them in the overall process.

Table 1. Strategic Framework for Targeting Key Stakeholders		
Stakeholder Group	Objectives for the Group	Outreach Approach(es)
General Public	• Education on City process • Understand impacts to water rates • Project updates • Receive feedback to guide program	• Informal communication • Stakeholder interviews • Workshops/farmer's markets/ open houses • Website/Newsletters/postcard updates/E-blasts/Surveys
Neighborhoods and Individuals Living Near Potential WRF sites	• Education, updates and feedback	• Interviews/site visits/meetings • Focused Neighborhood Workshops/meetings (HOA meeting, open forum)
City Council/WRFCAC	• Affirmation of stated goals • Education on City process • Project updates • Present technical information • Receive feedback and direction • Relationship of risk, cost, schedule	• Workshops/Study Sessions • Status reports • Formal Presentation of Draft Deliverables
Potential Recycled Water Customers	• Education on City process • Determine level of interest • Identify key motivations to participate • Identify critical path items to achieve reclamation	• Informal communication • Stakeholder interviews • Technical workshops
Interested Public Agencies	• Education on City process • Identify permitting requirements • Identify needs and constraints • Project updates • Investigate recycled water opportunities • Identify and complete critical path items • Prevent surprises	• Informal communication/meetings • Ongoing updates • Formal consultation • Workshops
Industry	• Promote fair competition • Get best value for City • Reduce risk to City	• Technical workshops • Website with registration/ contact sharing

B. Outreach Program Components and Timing

As noted in the introduction, our team is using a variety of approaches and forums to reach the various general stakeholder groups described in **Table 1** above, and we intend to gain feedback through the life of the program. This is crucial in order to allow both the technical team and elected officials to adjust the program as needed to respond to evolving perspectives in the community.

Although we have a very good idea how the next several months are likely to proceed, it is not possible to accurately predict what long-term outreach strategies will need to be employed in order to most effectively realize the City's overall goals. For that reason, our plan addresses both short-term and long-term approaches, and the likely timeframe associated with the use of the various outreach methods. We intend to update this program periodically as the overall process evolves.

The intent and conceptual understanding of each outreach approach is briefly described below. **Table 2** then summarizes how each component would be used during the program, and its timing in the context of the overall program schedule. Note also that each approach is color-coded in the descriptions below (and keyed to its inclusion within **Table 2**) to more clearly show how the various outreach components relate to one another over the length of the program.

1. Key Stakeholder Interviews and Neighborhood Workshops. Communicating with stakeholders early in the process allows stakeholders to express any concerns, issues, and ideas in a private setting before we hold the community workshop and before we begin designing. These interviews open up the communication paths for future connections throughout the process.

The PM team has already completed extensive stakeholder interviews and/or neighborhood workshops on several occasions in 2015 and 2016, notably before various groups or individuals with interests in the following issues or sites:

- Facility Master Plan contents, reclamation issues, and other project input (stakeholder interviews; October 2015)
- Righetti site (neighborhood workshop; February 2016)
- Open House/Farmers Markets—4 total meetings (April 2016)
- Madonna site (stakeholder interviews; March-April 2016)
- South Bay Blvd (Tri-W) site (stakeholder interviews and community outreach; May-June 2016)
- Updates via newsletters and postcard mailers (March and May 2016)

Debbie Rudd of RRM Design Group is leading the stakeholder interviews and neighborhood outreach, supported by John Rickenbach.

2. Community workshops. The program management team will facilitate community workshops that focus on two key aspects of the program:

- *Facilities Master Plan*
- *Master Water Reclamation Plan*

In the near term, workshops will focus on different aspects of the Facilities Master Plan (FMP). Specifically, we will be seeking input from the community on possible amenities that could be included in the facility or on the site, as well as the visual aspects of the design, including architectural and massing issues to ensure community compatibility. We will convey this input to the FMP team, who will use it to inform the overall master plan, in the context of achieving adopted city goals related to these issues. Once we have a draft plan available, a second workshop will be conducted to present the key plan components, which will provide the community an opportunity to confirm whether or not we are on the right track from their perspective. The WRFCAC and City Council can then use this feedback to fine-tune their stated goals, if needed, as the project moves forward.

Workshops related to the Master Water Reclamation Plan will follow once the FMP is near completion, and the wastewater treatment aspects of the project are well understood. In all likelihood, these workshops will occur in 2016, and follow a similar pattern to those associated with the FMP: an initial workshop to educate and receive feedback, with a second workshop to convey how the draft Master Water Reclamation Plan responded to this input, with more feedback as needed.

John Rickenbach and Debbie Rudd are leading the community workshops.

3. Technical presentations. The program includes a variety of presentations that describe various technical aspects of the FMP or the Master Water Reclamation Plan. Many of these were completed in late 2015, focused on a variety of technical memoranda that are essential to the production of the FMP. Others will focus on the Master Reclamation Plan. These have been (or will be) conducted as public workshops, with a primary focus on education, so that the general public and decisionmakers can understand provide meaningful feedback far in advance of the completion of these technical documents, which form the basis of the overall project that will be implemented.

The primary authors of the reports will conduct these presentations: Black & Veatch in the case of the FMP, and MKN in the case of the Master Water Reclamation Plan.

4. Water Reclamation Facility Citizens Advisory Committee (WRFCAC) meetings. The WRFCAC has both a key technical and advisory role in the overall process. The WRFCAC has been, and will continue to be, a crucial forum to present technical information, gain crucial feedback, and make recommendations to the City Council to move the WRF program forward. WRFCAC meetings are held monthly, but when additional input is needed, we expect that their meeting schedule may be accelerated. This was the case, for example, during the preparation of the FMP. At other times, fewer meetings may be needed, when there is less to report on, such as during the preparation of the Draft

EIR.

5. City Council study sessions and hearings. Similar to the WRFCAC, the City Council has several important roles in the overall process. In addition to approving contracts and providing general direction guiding the process, the City Council's most important role is to set the goals that drive the entire program. The Council will be asked from time to time to affirm or modify these goals as needed to respond to evolving conditions associated with implementing the WRF program. The City Council serves as an important forum for various study sessions related both to community workshop and interview input, as well as technical input from consultants associated with the overall process. The City Council will have an ongoing role throughout the entire process.

6. Formal environmental review (CEQA and NEPA) process. The project will be subject to formal environmental review under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA).

The CEQA process includes a formal public scoping meeting, as well as coordination of public and agency comments regarding the scope received during a 30-day period following the release of the Notice of Preparation. Once the Draft Environmental Impact Report (EIR) is released to the public, a 45-day review period begins, during which the City and its environmental consulting team will formally respond to comments, which will ultimately be considered in the Final EIR. This process has the potential to result in changes to the proposed project that would lessen potential impacts to the environment.

7. Coordination with outside permitting agencies. The WRF will require a variety of permits from state and federal resource regulatory agencies. It is crucial to initiate a dialogue with these agencies from the outset, in order to better understand their permitting requirements, and whatever critical path items there may be in order to secure needed permits.

Key resource regulatory permitting agencies for this project could include:

- *State Water Resources Control Board*
- *Regional Water Quality Control Board*
- *California Department of Fish and Wildlife*
- *U.S. Army Corps of Engineers*
- *NOAA Fisheries*
- *Bureau of Reclamation*
- *San Luis Obispo County Air Pollution Control District (SLOCAPCD)*

The WRF will also require a variety of permits from state and federal land use permitting agencies, notably the California Coastal Commission among others. Annexation of the project site will also require coordination with San Luis Obispo Local Agency Formation Commission (LAFCo). Coordination with San Luis Obispo County will also be required, because while the facility is allowed at that location under its LCP, a specific alternatives analysis will be required to support that finding. In addition, a Caltrans encroachment permit would be needed if pipelines will be located within the Caltrans right-of-way.

As with the resource regulatory agencies, early consultation will be crucial, which will help define and guide the most time-effective approach to implementing the WRF. Key land use permitting agencies could include:

- *California Coastal Commission*
- *LAFCo (annexation to the City)*
- *City of Morro Bay (consistency with GP/LCP and local land use permits)*
- *San Luis Obispo County (coordination on LCP consistency and Morro Bay Golf Course recycled water use opportunities)*
- *California Department of Transportation (Caltrans Encroachment Permit)*

It is anticipated that coordination with these permitting agencies will occur throughout the process, and will consist of informal meetings, formal consultation, and the permit application process. In many cases, the permit application process will need to be coordinated with the environmental review process.

In addition, we are coordinating with several resource-oriented organizations, whose input will be crucial for developing the WRF. Input from these organizations will also be useful in the permitting process. These include:

- *Coastal San Luis Resource Conservation District*
- *Morro Bay National Estuary Program*
- *Coastal Conservancy*

8. *WRF Program website and promotional materials.* The entire program depends on clear communication and easy access to the many reports and other materials associated with the effort. To this end, the program management team, led by Konig Media and MKN, have put together a website dedicated to the WRF program. This functions as a platform for the dissemination of program materials, and will also be used to inform the public about the schedule, upcoming events, and future opportunities to participate in the process.

The team, led by RRM Design Group, has also provide a logo design to brand the WRF program and use on documents, website, and exhibits. As the program moves forward, the team will also prepare graphics and exhibits to put on the website, e-blasts, newsletters, postcard updates, and use during meetings.

Table 2 summarizes these key outreach components and how they would be coordinated within the schedule of the overall WRF program.

Table 2. Summary of Outreach Program and Schedule
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Forum	Purpose	Key Topics	Timing
Completed Outreach (Aug 2015-June 2016)			
City Council study session	Education and Feedback	- Overall Program - Near-Term Schedule - Outreach Concept - Master Reclamation Plan	August 17, 2015
WRFCAC meeting	Education and Feedback	- Facility Master Plan Update - CEQA/NEPA Consultant Selection - Concept on Outreach Program	September 1, 2015
Interagency coordination (various agencies and locations)	Public Agency Outreach: - Gain input on permitting needs, critical path items, and agency concerns - Gain input on funding opportunities	Informal meetings with the following agencies: - California Coastal Commission - SLO County - RWQCB - State Water Resources Control Board (including Division of Drinking Water) - LAFCo - CDFW - Army Corps of Engineers - NOAA Fisheries - Caltrans - Bureau of Reclamation	Ongoing from Sept 2015 through life of project; Formal meetings TBD as needed
City Council study session	Education and Feedback	- Outreach Program - FMP Progress Update	September 22, 2015
Website development and promotional materials	- Program Branding - Creating Mechanisms for Distributing Information - Industry Outreach	- Website creation - Program Logo - Newsletters/Flyers - E-Blasts - Registration for potential industry to facilitate teaming and sharing of information	- Media created Sept-Nov 2015 - Information sharing ongoing
WRFCAC meeting	Review and Feedback	- Review CEQA/NEPA scope - Update on grant/loan opportunities	October 6, 2015
City Council hearing	Feedback	Selection of CEQA/NEPA consultant	October 13, 2015
Stakeholder Interviews	Feedback	- Get focused feedback on: ✓ Key Concerns in Process ✓ Facilities to include ✓ Reclamation Issues	October 14-15, 2015
Technical Presentation #1:	Education	Technical presentation on Alternative Delivery approaches	October 17, 2015
WRFCAC meeting	Technical Review	Interim report on progress of FMP	October 20, 2015
Community Workshop #1:	Process and Goals Review, Education and Feedback	- Review of City goals - Overview of FMP Process - Community input on: ✓ facilities programming ✓ visual/design issues	October 29, 2015
WRFCAC meeting	Technical Review	Receive comments from WRFCAC on Technical Memoranda 2 (Flows	November 3, 2015

Table 2. Summary of Outreach Program and Schedule			
Forum	Purpose	Key Topics	Timing
		and Loadings), 3 (WWTP Decommissioning), and presentation from prior meeting • FMP Tech Memorandum 6 (Biosolids Treatment)	
City Council study session	Education and Update	• Program budget and schedule update • Property research and negotiation update • WRFCAC input on FMP	November 2015
WRFCAC meeting	Technical Review	• FMP Tech Memoranda 7 (Liquid Treatment Processes) and 8 (Future Potable Reuse)	November 17, 2015
Technical Presentation #2: (joint Council/WRFCAC)	Education	• Liquid treatment technologies evaluated in FMP	December 1, 2015
Technical Presentation #3:	Education	• Organic waste disposal and energy conversion	Dec 2015 - Jan 2016
City Council study session	Education and Update	• Program budget and schedule update • Property research and negotiation update	January 2016
Neighborhood Workshop	Discussion of Righetti site with neighbors	• Input on Righetti site	February 25, 2016
WRFCAC meeting	Technical Review	• Consideration of Potential WRF sites	March 1, 2016
Stakeholder Interviews and Community Outreach	Feedback	• Get focused feedback on: ✓ Madonna Site	March and April 2016
Community Outreach (newsletter and postcard mailer)	Education	• Provide communitywide project updates	March and May 2016
Community Workshop #2:	Presentation and Feedback	• WRF Site selection • Community feedback	April 7 and 10, 2016
Farmer's Market Outreach	Education and feedback	• WRF Site selection • Community feedback	April 9 and 14, 2016
WRFCAC meeting	Presentation and feedback	• WRF Site Selection • Feedback and recommendation to Council for WRF site selection	May 3, 2016
City Council hearing	Presentation and feedback	• Receive Community Input on WRF site selection	May 10, 2016
Stakeholder Interviews and Community Outreach	Feedback	• Get focused feedback on: ✓ South Bay Blvd Site	May and June 2016
City Council hearing	Presentation and feedback	• WRF site selection	June 14, 2016
Short-Term Program			

Table 2. Summary of Outreach Program and Schedule			
Forum	Purpose	Key Topics	Timing
<i>(July-Dec 2016)</i>			
Release of NOP for EIR	CEQA Notice of Preparation for EIR	No meeting; begins 30-day public review period for scope	August 2016
EIR Scoping meeting	Formal CEQA scoping meeting	Public feedback on EIR scope	Aug-Sept 2016 (date TBD)
WRFCAC meeting	Presentation and feedback	Progress update	August 2016
General Plan/LCP Workshop	Education and feedback	- Describe General Plan/LCP concepts in the context of the FMP - Discuss common issues and coordination	TBD; Sept-October 2016
WRFCAC meeting	Presentation and feedback	Progress update	October 2016
Community Workshop #3:	Presentation and Feedback	- Preliminary site concepts for draft FMP - Visual simulations for WRF site and influent lift station site - Community feedback	October 2016 (date TBD)
WRFCAC meeting	Presentation and feedback	- Draft FMP - Feedback and recommendation to Council	November 2016
City Council Study Session	Presentation and feedback	- Draft FMP - Input from WRFCAC	November 2016
City Council hearing	Presentation, feedback and FMP adoption	- Adoption of FMP as project basis - Direction to Program Management team for completing the FMP - Provide direction on Master Reclamation Plan - Formal update of schedule, budget, and cashflow	December 2016
Long-Term Program <i>(2017 and beyond)</i>			
Community Workshops #4 and #5	Process and Goals Review, Education and Feedback	- Input on Master Water Reclamation Plan; - Presentation of Plan in response to feedback	Early to mid-2017
Environmental Review Process	Formal environmental documentation and public review	Environmental review of FMP and Master Reclamation Plan (likely CEQA+ process)	Jan-Dec 2017; includes formal public review and workshops
Technical Presentation #4:	Education	Reclamation Opportunities and Best Options for moving forward	Early 2017
WRFCAC meetings	Various; TBD	- Technical memos - Reclamation Plan - CEQA/NEPA documentation - Recommendation for selection of	Monthly (or as needed) in 2017 and beyond

Table 2. Summary of Outreach Program and Schedule			
Forum	Purpose	Key Topics	Timing
		Alternative Delivery Design team	
City Council study sessions and hearings	Various; TBD	• Confirmation of project goals; • Modifications to WRF Program as needed • Technical memos • Review and adoption of Reclamation Plan • Review and Certification of CEQA/NEPA documentation • Request for Proposal Review and approval of contractors for design and alternative delivery • Select Alternative Delivery Design team	As needed in 2017 and beyond
Additional Community Workshops	Various; TBD	TBD	TBD, as needed
Interagency coordination (various agencies and locations)	Public Agency Outreach: • Gain input on permitting needs, critical path items, and agency concerns • Initiate permitting process as appropriate	Informal and formal consultation and permitting as needed with the following agencies: • California Coastal Commission • SLO County • RWQCB • State Water Resources Control Board (including Division of Drinking Water) • LAFCo • CDFW • Army Corps of Engineers • NOAA Fisheries • Caltrans • Bureau of Reclamation	2017 and beyond, as needed
Resource And Conservation Organization coordination (various organizations and locations)	Organization Outreach: • Coordinate project design related to resource conservation • Coordinate water reclamation efforts • Gain input that will be useful in the formal permitting process	Coordination and outreach as needed with the following organizations: • Coastal San Luis Resource Conservation District • Morro Bay National Estuary Program • Coastal Conservancy	2017 and beyond, as needed
Website development and promotional material	Update as needed	TBD	2017 and beyond, as needed