



**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 consistent with and responsive to the needs of the public.

**January 3, 2017
Veterans Memorial Building – 3:00 P.M. to 5:00 P.M.
209 Surf Street, Morro Bay, CA**

John Diodati, Chairperson

Vice Chairperson
Vacant

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 December 6, 2016

Recommendation: Approve minutes as submitted.

B. BUSINESS ITEMS

B-1 Program Status Update

Recommendation: Receive and consider updates.

B-2 Request for Proposal – Engineering Services for WRF Lift Station, Force Main, and Brine/Wet Weather Disposal Pipeline
Recommendation: Receive and consider and appoint up to three (3) members to the proposal review committee.

B-3 Contract Amendment for Program Management Services
Recommendation: Receive and consider.

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 February 7, 2017, 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 955 Shasta, City Hall at 595 Harbor, Mill's/ASAP at 495 Morro Bay Boulevard, or the Morro Bay Library at 695 Harbor, Morro Bay, CA 93442. 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.

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.morrobayca.gov/notifyme and follow the instructions.

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.

MINUTES – WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (WRFCAC)
REGULAR MEETING – December 6, 2016
VETERAN'S MEMORIAL BUILDING – 3:00 to 5:00 P.M.

PRESENT:	Dale Guerra Paul Donnelly Richard Sadowski Mary (Ginny) Garelick John Diodati	Barbara Spagnola Valerie Levulett Steve Shively Bill Woodson
STAFF:	Rob Livick Mike Nunley John Rickenbach Gina Gregory	Public Works Director WRF Program Manager WRF Deputy Program Manager Office Assistant

ESTABLISH QUORUM AND CALL TO ORDER
The meeting was called to order at 3:00 p.m. and a quorum was present.

MOMENT OF SILENCE/PLEDGE OF ALLEGIENCE
ANNOUNCEMENTS – None

PUBLIC COMMENT
<https://youtu.be/R6p4Nr93uPI?t=1m59s>

The public comment period was opened.

Robert Davis thanked the committee, noting their work is valued and their recommendations are taken seriously by the Council.

The public comment period was closed.

A. CONSENT AGENDA
<https://youtu.be/R6p4Nr93uPI?t=3m3s>

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

Ginny Garelick asked to amend Item C of the minutes for her comment to read as follows:

Ginny Garelick asked whether staff received feedback from the public regarding the last mass mailing, noting that several residents had stated they had not received information in the mail about previous workshops, she hopes this problem has been resolved.

MOTION:
Steve Shively moved to approve Item A-1 with the correction made by Ginny Garelick. The motion was seconded by Ginny Garelick and carried 9-0.

B. BUSINESS ITEMS

B-1 Program Status Update
<https://youtu.be/R6p4Nr93uPI?t=4m26s>

Mike Nunley presented the Program Status Update.

Discussion, comments and questions continued amongst committee members and staff. Committee Members were encouraged to provide additional comments and questions to staff.

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

B-2 Draft Facility Master Plan Presentation
<https://youtu.be/R6p4Nr93uPI?t=30m32s>

Mike Nunley, John Rickenbach and Matt Thomas from Black & Veach presented the Draft Facility Master Plan.

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

The public comment period was opened.

John Mino, neighbor to the proposed South Bay Blvd facility, stated concern about the additional uses not related to the Water Reclamation Facility itself that are being proposed on the sight which include the Public Works Department and their activities, noting those needs should be addressed separately from this project and are not allowed on agriculturally zoned land.

Melinda Elster, Morro Bay resident, thanked the committee for its work on this complex project, noting having a reclaimed water facility is a good idea and concept. She expressed concern about the additional uses proposed in Phase 2, noting the agricultural land has a lot of sensitive areas downstream and does not support the uses at this site. She stated opposition to moving Public Works and Recreation and Parks offices out to this location due to the addition of greenhouse gas emissions generated as well concerns of access for the public.

The public comment period was closed.

John Rickenbach addressed comments from the public.

Discussion, comments and questions continued amongst committee members, staff, and consultants. Committee members were encouraged to submit questions and concerns to the staff in writing.

Chairman Diodati entertained a motion to continue the meeting past 5:00 p.m., noting he would need to leave shortly thereafter.

MOTION:

Steve Shively made a motion to extend the meeting beyond 5:00 pm. The motion was seconded by Barbara Spagnola and carried 9-0.

B-3 Anticipated Rate Impacts
<https://youtu.be/R6p4Nr93uPI?t=1h56m27s>

Mike Nunley presented the staff report.

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

Chairman Diodati left the meeting at 5:15 p.m. Vice Chairman Bill Woodson took over presiding the meeting.

The public comment period was opened and closed.

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

C. COMMITTEE MEMBER CLOSING COMMENTS
<https://youtu.be/R6p4Nr93uPI?t=2h39m3s>

Richard Sadowski provided the website address (morrobaywrf.info) to get information on the history of The Waste Water Treatment Plant and current up to date costs that have been paid.

ADJOURNMENT

The meeting adjourned at 5:41 p.m. The next Regular Meeting will be held on Tuesday, January 3, 2017 at 3:00p.m. at the Veteran's Memorial Building located at 209 Surf Street, Morro Bay, CA.



AGENDA NO: B-1

MEETING DATE: January 3, 2016

Staff Report

DATE: December 29, 2016
TO: Water Reclamation Facility Citizens Advisory Committee
FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager
SUBJECT: WRF Program Update

RECOMMENDATION

Staff recommends WRFCAC review the current status of the WRF program.

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.
- Update on environmental review and permitting

Accomplishments and Milestones

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

- Presented the Draft Facility Master Plan to City Council and received comments
- Received comments and questions on the Draft Facility Master Plan from the public
- Completed draft optimization runs of the Lower Morro Valley groundwater model. An update on groundwater studies is scheduled for the February 7 WRFCAC meeting.
- Continued analyzing compiling flow data for use by design/construction teams during the proposal process for design/build of the WRF
- Facilitated execution of the final Memorandum of Understanding (MOU) with property owner at South Bay Boulevard
- Completed draft request for proposals for engineering services for the WRF lift station and pipelines (Item B-2)
- Updated program schedule
- Received final agreement from the State Water Resources Control Board (SWRCB) for the State Revolving Fund Planning Loan

Prepared By: MN

Dept Review: RL

Program Schedule Update

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 anticipated schedule for significant milestones and Council decisions is summarized below, as reported to WRFCAC on December 6, and all critical path efforts are on schedule. There are no significant changes to the program schedule since the December 6 update.

Item	Date
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
RFQ for Design/Construction of Phase I WRF Onsite Improvements	June 2017
Release of Public Draft EIR	August 2017
RFP for Design/Construction of Phase I WRF Onsite Improvements	October 2017
Certification of Final EIR (Critical Timeline for Grant Pursuit)	November 2017
Negotiation/Award of Contract for Phase I WRF Onsite Improvements	May 2018
Award of Contract for Construction of Phase I Offsite Improvements (Lift Station and Pipelines)	April 2019
Completion of Phase I WRF Improvements	May 2021



AGENDA NO: B-2

MEETING DATE: January 3, 2017

Staff Report

DATE: December 29, 2016

TO: Water Reclamation Facility Citizens Advisory Committee

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

SUBJECT: Request for Proposals – Engineering Services for WRF Lift Station, Force Main, and Brine/Wet Weather Disposal Pipeline

RECOMMENDATION

Staff recommends WRFCAC receive and consider the draft Request for Proposals and consider appointing up to three (3) members to assist with proposal review.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

No additional fiscal impact is proposed. All work is proceeding within the City's fiscal year budget for the Water Reclamation Facility. The City has budgeted \$1.4M for design of the lift station and pipelines in FY 16/17. After the proposals are received, City staff will bring the recommended consultant and their proposed budget and schedule for review and approval by City Council.

DISCUSSION

The Draft Water Reclamation Facility Master Plan ("Draft FMP") was released on November 10th and made available to the public on the City's WRF Project website and by hard copy at various public facilities. The Draft FMP included design criteria for a new lift station, force main, and brine/wet weather disposal pipeline between the terminus of the existing wastewater collection system and the proposed WRF site at South Bay Boulevard.

The attached Request for Proposals is for design services for the new lift station and pipelines.

Major design efforts for the Project, including the following, are discussed in more detail in this RFP:

- Coordination with City for selection of lift station location
- Hydraulic analysis
- Pump selection
- Wetwell design
- Control building design
- Odor control design
- Design of backup power generation system
- Pipeline alignment verification

Prepared By: MN

Dept Review: RL

- Force main design
- Brine discharge pipeline design

Deliverables from the Consultant will include:

- Site Alternatives Study to finalize selection of the lift station site
- Concept Design Report
- Draft construction documents including, plans, specifications and cost opinions at the 60%, 90% completion milestones
- Final construction documents

After design is completed, the construction documents will be released for bidding and the lowest qualified bidder will be awarded the contract. The following schedule summarizes the major milestones through the procurement, design, and construction process for the lift station and pipelines.

Milestone	Date
Pre-Proposal Meeting	TBD
Written Questions Due	February 15, 2017 at 5:00 PM
Responses to Questions Posted	February 22, 2017, at 5:00 PM
Proposals Due	March 8, 2017, at 2:00 PM
Consultant Interviews (at the City's Option)	Week of March 15 (Tentatively)
Consultant Selection / Council Approval	April 11, 2017
Notice to Proceed	April 12, 2017
Final Concept Design Report	June 2018
60% Plans, Specifications, and Cost Opinion	August 2018
90% Plans, Specifications, and Cost Opinion	October 2018
Completion of Construction Documents and Bid Package	December 2018
Bid Opening	March 2019
Construction Completed	September 2020

Staff requests WRFAC appoint up to three (3) members to the design proposal review committee, similar to WRFAC's role in selection of the Environmental Impact Report and Program Management consultants. The work effort would include reviewing proposals, attending interviews, and providing input for selection of the consultant.

ATTACHMENTS

1. Draft Request for Proposals



**NOTICE TO CONSULTANTS
REQUEST FOR PROPOSAL
FOR
ENGINEERING SERVICES
WRF LIFT STATION AND OFFSITE PIPELINES**

January 24, 2017

Issued by:

**X _____
Rob Livick, PE/PLS – Public Works Director/City Engineer**



CITY OF MORRO BAY

Mailing Address: 595 Harbor Street, Morro Bay, California 93442
Physical Address: 955 Shasta Avenue, Morro Bay, California 93442
Telephone (805) 772-6261 FAX (805) 772-6268
<http://www.morrobayca.gov/>

January 24, 2017

Subject: Notice Requesting Proposals for Engineering Design Services for the City of Morro Bay WRF Project Lift Station and Offsite Pipelines

The City of Morro Bay (City) is requesting sealed proposals for professional engineering services for the City of Morro Bay Water Reclamation Facility (WRF) Project Lift Station and Offsite Pipelines. The City is in the planning stage of a major capital improvement project to replace the aging Morro Bay-Cayucos Wastewater Treatment Plant (WWTP). The Draft Morro Bay WRF Master Plan, prepared by Black & Veatch and completed in November 2016, provides detailed planning information for the new WRF including preliminary design criteria for the lift station and offsite pipelines. A lift station will be required to transport the City's raw wastewater from the existing WWTP to the new WRF. The offsite pipelines include a raw wastewater force main from the lift station to the new WRF and a brine/wet weather disposal pipeline from the new WRF to the existing ocean outfall structure located at the existing WWTP. Professional engineering services are needed to review and verify the preliminary design criteria for the lift station and offsite pipelines presented in the Draft FMP; develop a preliminary design; prepare construction documents, including plans, specifications, and cost opinion for public bid; and provide engineering services during construction. All proposals must be received by the City of Morro Bay Public Works Department by 2:00 PM on Wednesday, March 8, 2017.

Proposals received after said time will not be considered. To guard against premature opening, each proposal shall be submitted to the City of Morro Bay Public Works Department in a sealed envelope plainly marked with the proposal title proposer's name and address, time and date of the proposal submittal deadline.

Proposal packages may be obtained on the City's WRF Project website at www.morrobaywrf.com. Questions may be submitted to the City's Program Manager, Michael Nunley, via e-mail at mnunley@mknassociates.us until February 15, 2017, at 5:00 PM. All questions will be answered and posted to the WRF Program website (www.morrobaywrf.com) by February 22, 2017.

Onsite review of information related to the City's Water Reclamation Facility Project will be provided at a Pre-Proposal Meeting to be held on [date and time TBD] at the City of Morro Bay Department of Public Works office.

Table of Contents

I.	Instructions to Proposers.....	X
A.	Pre-Proposal Meeting	X
B.	Receipt and Opening of Proposals.....	X
C.	Examination of Requirements	X
D.	Communications	X
II.	Description of Work.....	X
A.	Project Description	X
B.	Background	X
C.	Scope of Work.....	X
D.	Fee	X
E.	Project Schedule	X
III.	General Terms and Conditions	X
A.	Proposal Requirements	X
B.	Contract Award and Execution	X
IV.	Proposal Content and Selection Process	X
A.	Proposal Content	X
B.	Proposal Evaluation and Consultant Selection	X
V.	Appendices.....	X
A.	Standard Agreement	
B.	Site Plan	
C.	FEMA Flood Insurance Rate Map (FIRM)	
D.	Tsunami Inundation Map	

I. INSTRUCTIONS TO PROPOSERS**A. Pre-Proposal Meeting**

A non-mandatory pre-proposal meeting for this request for proposal (RFP) will be held on **[date and time TBD]** at the City of Morro Bay's (City) Department of Public Works, located at 955 Harbor Street, Morro Bay, CA 93442.

B. Receipt and Opening of Proposals

The City invites qualified firms to submit sealed proposals for professional engineering services for the City of Morro Bay Water Reclamation Facility (WRF) Lift Station and Offsite Pipelines. Proposals will be received at the City's Public Works Department by 2:00 PM on Wednesday, March 8, 2017, located at:

Mailing Address: City of Morro Bay Public Works Department
595 Harbor Street
Morro Bay, CA 93442

Hand Delivery: City of Morro Bay Public Works Department
595 Harbor Street
Morro Bay, CA 93442

An envelope containing five (5) hard copies and one electronic copy of the proposal must be sealed and clearly labeled "Proposal for Design Services for the City of Morro Bay's WRF Lift Station and Offsite Pipelines Project". Include the electronic copy in Adobe PDF format on a CD, DVD, or flash drive. FAX submittals will not be accepted.

Proposals may be withdrawn upon written request at any time prior to the established closing date and time. The proposer or the proposer's authorized agent must sign such request.

C. Examination of Requirements

Each proposer must carefully examine the requirements of the request for proposal (RFP). Each proposer shall meet all of the terms and conditions of the RFP. By submitting a proposal, the proposer acknowledges acceptance of all provisions of the RFP.

D. Communications and Availability of Staff

All timely requests for information submitted in writing will receive a written response from the City. Any oral communication shall not be binding on the City. All requests for information must be provided in writing and directed to the City's Program Manager, Michael Nunley, PE, at mnunley@mknassociates.us. To be considered, all requests for information must be received by 5:00 PM on February 15, 2017. Responses and addenda will be posted on the WRF Project website (www.morrobaywrf.com) by 5:00 PM on February 22, 2017.

The Program Manager and City staff are available for meetings and/or site visits with each potential proposer to discuss the project. All visits will be scheduled through the Program Manager by email (above) or by phone at (805) 904-6530 x102.

II. DESCRIPTION OF WORK**A. Project Description**

The WRF Lift Station and Offsite Pipelines Project (Project) is part of a major capital improvement project intended to replace the existing Morro Bay-Cayucos WWTP with a new WRF. A lift station is required to convey the City's raw wastewater from the terminus of the existing collection system

(the existing WWTP location) to the location of the proposed WRF. The City's Draft WRF Master Plan provides detailed planning for the new Project, including design criteria for the lift station and offsite pipelines (Chapter 8). **Figure 1** presents a schematic of the proposed WRF project.

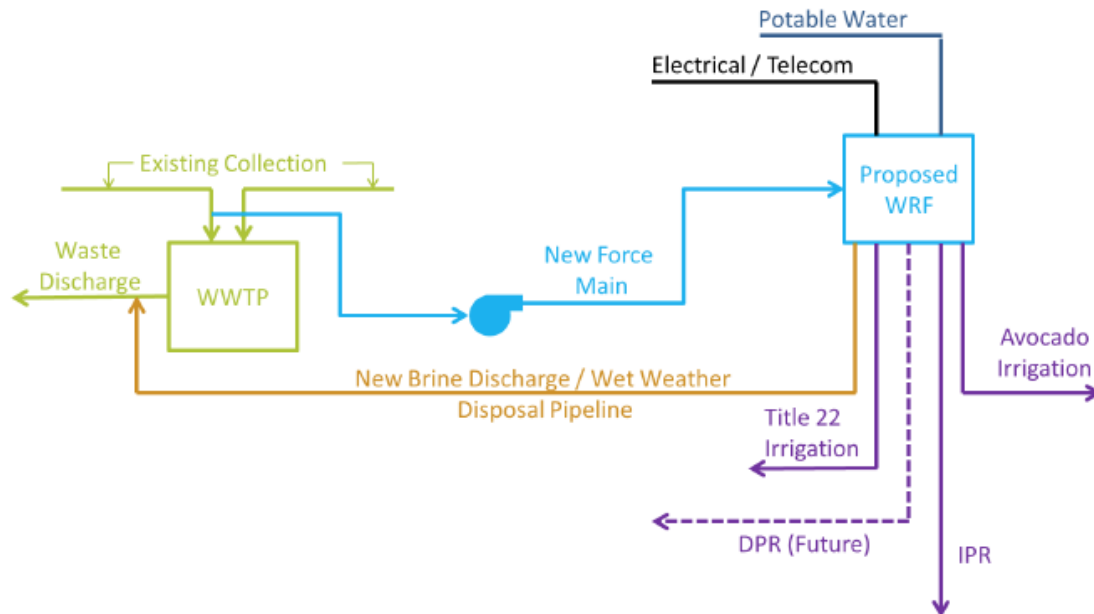


Figure 1 WRF Project Schematic

Major design tasks for the Project, summarized below, are discussed in more detail in Section B of this RFP:

- Coordination with City for selection of lift station location
- Hydraulic analysis
- Pump selection
- Wetwell design
- Control building design
- Odor control design
- Design of backup power supply
- Pipeline alignment verification
- Force main pipeline design
- Brine discharge pipeline design

Professional engineering design services for the Project will include:

- Review and verification of the preliminary design criteria presented in the Draft WRF Master Plan
- Development of a Site Alternatives Study to finalize selection of the lift station site
- Preparation of a Concept Design Report
- Preparation of draft construction documents including, plans, specifications and cost opinions at the 60%, 90% completion milestones
- Preparation of final construction documents including, plans, specifications and cost opinions

B. Background

The City's November 2016 Draft Water Reclamation Facility Master Plan (FMP) provides guidance for replacing the existing WWTP with a new water Reclamation Facility (WRF). The existing WWTP is located at the low point in the City's sewer collection system so a lift station and force main will be required to convey wastewater from near the WWTP to the new WRF located approximately 3 miles to the southeast. A discharge line intended to convey brine from and/or peak wet weather flows will be necessary from the WRF to the existing ocean outfall, connecting to an existing or new junction box structure at the existing WWTP. Figure 1 shows the relationship between the existing WWTP, the proposed lift station site, proposed pipeline alignment and the proposed new WRF location.

This section provides background information for some of the major design efforts associated with this project.



Figure 2 Site Context

1. Alternative Lift Station Locations

Eight potential lift station sites were identified and evaluated in the Draft FMP. Each was identified as being capable of meeting the City's objective of capturing and conveying flows from the existing wastewater collection system to the new WRF. Potential sites were screened based on parcel size, location and accessibility, ownership, land acquisition, parcel zoning information, potential for community impacts, reuse of existing facilities, benefit to future CIP

projects, supportive of WWTP site development, cost, and constructability. Based on the screening analysis, the Draft FMP recommended evaluating Alternatives 1A and 5A in detail.

The selected design consultant will compare the two alternatives and work with City staff to confirm the preferred site location. Considerations include potential future uses of the existing WWTP property, accessibility, constructability, flood protection, and construction cost.



Figure 3 Alternative Lift Station Locations

a. Alternative Site No 1A:

Located at the City's existing corporation yard on Atascadero Road, site 1A is an existing park maintenance shed. Site 1A will allow for maximum redevelopment of the existing WWTP site and eliminate the need to acquire new property.

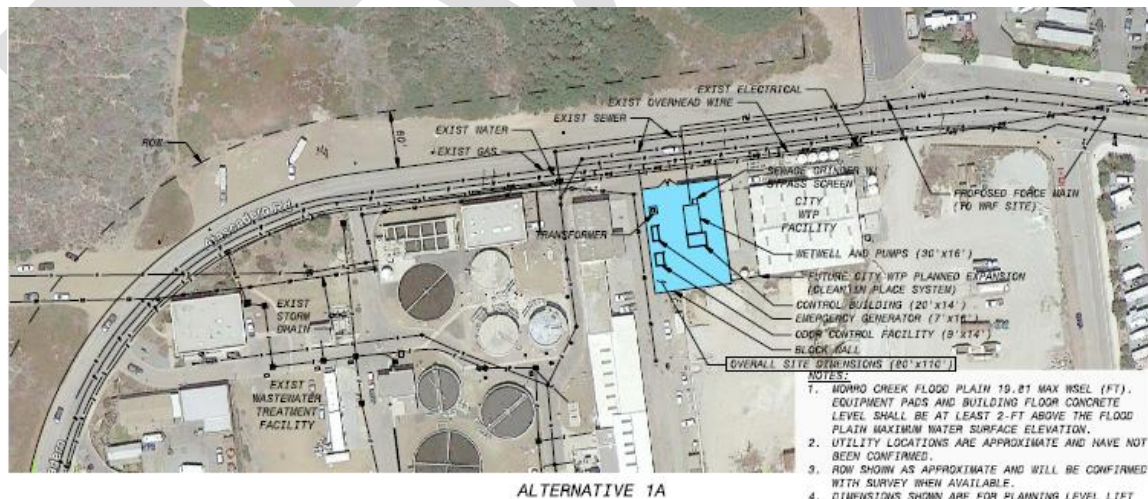


Figure 4 Lift Station Alternative 1A

b. Alternative Site No 5A:

Site 5A is located directly adjacent to Atascadero Road within public right-of-way and across from the existing WWTP. This alternative also allows for maximum reuse of the existing WWTP site and avoiding possible delays associated with private property acquisition. If the existing maintenance shed location (1A) is relocated in the future, this site would allow more of the existing City property to be repurposed.

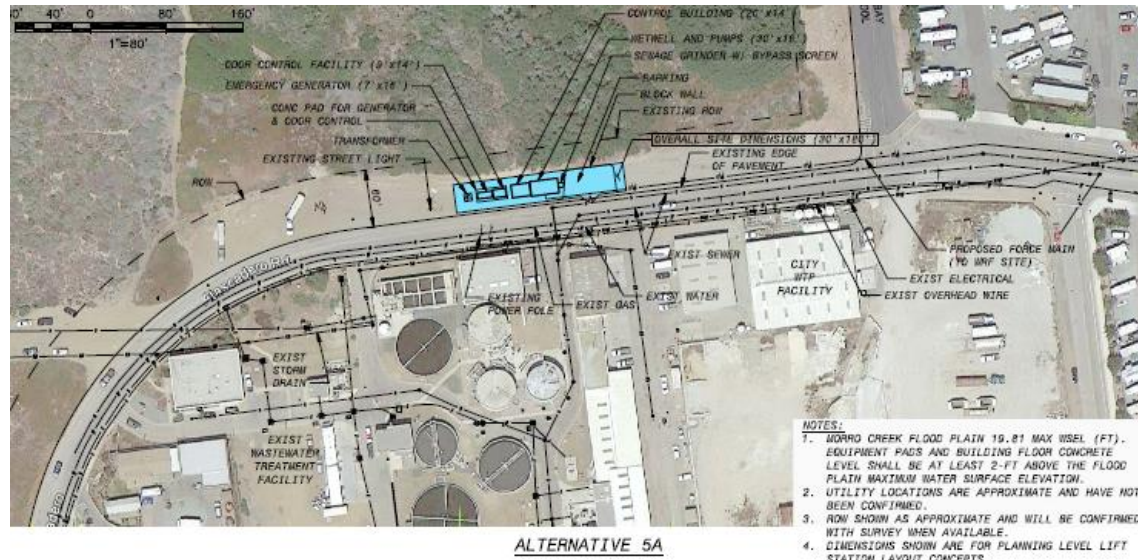


Figure 5 Lift Station Alternative 5A

2. Conceptual Design for Preferred Site

a. Hydraulic Design Criteria:

The proposed lift station will be designed to convey all the City's wastewater to the WRF. **Table 1** presents the preliminary design flow rates for the lift station. See Chapter 3 of the Draft FMP for a more thorough discussion on the design criteria and the analysis used to generate the design flow rates listed in **Table 1**.

Table 1 – Preliminary Design Flow Rates for WRF Lift Station

Category	Design Value
Pump Station Capacity, ⁽¹⁾ mgd	7.05
Peak Hour Dry Weather Flow (PHDWF), mgd	1.50
Peak Season Dry Weather Flow (PSDWF), Ave Day ⁽²⁾ , mgd	1.05
Notes. (1) Firm capacity is equal to the peak hour wet weather design flow with duty pumps in operation (standby pump capacity is not included). (2) Historical Flows for 1995 – 2009 as provided by the 2010 FMP as reported in TM2.	

1) Table taken from Draft FMP dated November 2016

b. Pump Selection:

The Draft FMP described the anticipated pumping strategy for the proposed lift station. To meet the wide operating range presented on **Table 1**, and to provide a redundant and cost effective system, pump selection will require consideration of different operating conditions, including the peak hour wet weather flow (PHWWF) and Peak Hour Dry Weather Flow (PHDWF).

Three pumps (two (2) duty pumps and one (1) standby pump), each capable of supplying 2,447 gpm against 376 feet of TDH, will be used to meet the PHWWF. Two (2) duty pumps supplying 1,050 gpm against 250 feet of TDH will be used to meet the PHDWF. The larger PHWWF standby pump would also act as the standby pump to convey PHDWF. **Table 2** presents the lift station pump design parameters. A 3+1 pump configuration can be explored as an alternate lift station design strategy.

Table 2 – Lift Station Pump Parameters

Category	Design Value
Pump Type	Submersible Centrifugal
Number	5 (3 wet, 2 dry)
Speed	Variable (VFD)
Wet Weather Pump Conditions	
Capacity, gpm (each)	2,447 (3.53 mgd)
TDH, ft	376
Horsepower, each	400
Dry Weather Pump Conditions	
Capacity, gpm (each)	1,050 (1.51 mgd)
TDH, ft	158
Horsepower, each	75

1) Table taken from Draft FMP dated November 2016

c. Wetwell Design:

The wetwell was assumed to have a rectangular shape which is consistent with the City's existing lift stations and constructed from reinforced concrete. **Table 3** presents the preliminary wetwell dimensions.

Table 3 – Preliminary Lift Station Wetwell Dimensions

Category	Design Value
Width, ft	16
Length, ft	30
Depth, ft	26
Capacity, gal	93,350

1) Table taken from Draft FMP dated November 2016

Wetwell capacity shall also consider the three storage requirements listed below:

Minimum Storage – Minimum storage shall allow for a self-cleaning operation. During cleaning, the wetwell is drawn down to remove solids and debris.

Storage for Normal Operating Conditions – Storage for normal operations shall be based on peak influent flow and the pump system optimum efficiency point. Lift station pump cycle times were evaluated for excessive pump cycling during minimum and average day flows.

Storage for Emergency Conditions – Storage above normal levels to account for unplanned and planned shutdown times and to allow for operators to respond.

d. Flood Protection:

As stated earlier, it is beneficial to locate the lift station near the existing WWTP since it is also the lowest point in the City's wastewater collection system. This point is also within the 100-year flood plain as defined by the Flood Insurance Rate Map (FIRM). Based on discussions with California Coastal Commission staff, it is anticipated that the location of the lift station within the 100-year flood plain will be accepted by California Coastal Commission, since it would be environmentally less impactful than construction of new infrastructure.

To protect critical equipment from damage due to storm surge, tsunami, sea level rise, etc., structures and/or site grading housing or supporting said equipment would be set two (2) feet above the 100-year flood elevation. **Table 4** indicates the minimum structure elevations for all lift station facilities at both alternative sites.

Table 4 – Lift Station Minimum Structure Elevations

Criteria	Alternative Site No. 1A	Alternative Site No. 5A
100-year Flood Elevation (with Surge and Sea Level Rise) ⁽¹⁾ (ft)	20.60	19.96
100-year Flood Elevation (with no tide Adjustment) ⁽²⁾ (ft)	20.61	19.97
Minimum Top of Concrete Elevation (ft)	22.61	21.97
Existing Grade Ranges (Elevation)	17-18	15-19
Notes: (1) 100-year Flood Elevation is based on the City of Morro Bay Technical Memorandum titled Morro Creek Flood Analysis with Wave Run-up and Sea Level Rise, 01/10/2012, prepared for the WWTP EIR and approved by FEMA. Grids 161 & 182 (2) 100-year Flood Elevation (with no tide adjustment) is based on the City of Morro Bay Technical Memorandum titled Morro Creek Flood Analysis (with no tide adjustment), 01/10/2012, prepared for the WWTP EIR and approved by FEMA. Grids 161 & 182		

1) Table taken from Draft FMP dated November 2016

e. Control Building:

A separate control building shall be provided to house the lift station electrical equipment, motor control center, switchgear, and controls for the facility. Powered roof ventilation shall also be provided. More detailed discussion on the architectural considerations of the control building are located in Section 8.6.1 of the Draft FMP.

f. Odor Control:

Odor control will be key due to the lift stations proximity to residential, schools and commercial areas and potential residual effects on downstream WRF plant odors. The Draft FMP contains several options for minimizing odor production and to collect and treat foul airstreams.

g. Backup Power:

A standby diesel generator shall be provided to provide backup power generation to the lift station in the event the site experiences a loss of power. Preliminary sizing estimates indicated a 1000kW standby generator is required to meet the facility's pumping capacity and other loads.

The engine generator shall be housed in a weatherproof, and sound-attenuated enclosure above the 100-year flood elevation. **Table 5** presents the preliminary standby generator sizing parameters.

Table 5 – Preliminary Generator Sizing Parameters

Category	Value
Standby Rating	1,000 kW
Unit Size (L x W X H)	346" x 108" x 114"
Recommended Manufacturer	Weatherproof / Level III Sound Attenuation
Fuel Type	Diesel, UL listed sub-base fuel tank
Enclosure	Weatherproof / Level III Sound Attenuation
Appurtenances	Exhaust Silencer, Control System

1) Table taken from Draft FMP dated November 2016

3. Offsite Pipeline Alignment

The offsite piping system for the WRF will consist of two separate pipelines: a force main to convey the City's wastewater flows from the new lift station site to the WRF and a discharge pipeline to convey brine streams or peak wet weather flows from the WRF to the ocean outfall near the existing WWTP.

Two alternative alignments for the offsite pipelines were investigated and a preliminary assessment was completed for each alignment based on various criteria, including estimated construction cost, impacts to City existing street right-of ways, creek crossings, and pumping cost. The two alternative alignments assessed were the East Alignment and West Alignment. The West Alignment was selected as the preferred pipeline alignment following the assessment due to lower construction costs attributed to less Horizontal Directional Drilling (HDD) locations and lower annual pumping costs due to a more favorable elevation profile.

The West Alignment (**Figure 6**) begins at the new lift station and travels east along the north side of Atascadero Road. To avoid the congested utilities within Atascadero Road, the alignment travels south to reach the backside of property lots and travels along an existing parkway / bikepath which is located on the backside of the Power Plant parcel. The alignment continues east along Main Street within the existing street right-of way and continues to Quintana Road. The alignment continues to southeast direction along Quintana Road and traverses through street crossings of Kennedy Way and Morro Bay Boulevard. The alignment continues along Quintana Road and travels thru street intersections of Kings Avenue, Bella Vista Drive, and La Loma Avenue.



Figure 6 West Pipeline Alignment

The West Alignment was chosen as the preferred alignment, based on cost, permitting, and constructability considerations, and was used as the basis for establishing the hydraulic design criteria for the force main and the brine discharge line.

4. Preliminary Offsite Piping Design Criteria

a. Force Main Sizing Criteria

A conceptual level review of the force main was conducted to optimize hydraulic efficiency, minimum and maximum velocity requirements, and cost. The review concluded that the force main should be 16 inches in diameter. The preliminary force main design parameters are presented in **Table 6**.

Table 6 – Preliminary Force Main Sizing Parameters

Category	Value
Diameter, inch	16
Material	Butt-Fused HDPE, or Ductile Iron (cement mortar or glass-lined, coating TBD)
Pipeline Pressure Class, PSI	250
Length, miles 2.92	2.92

1) Table taken from Draft FMP dated November 2016

b. Waste Discharge Pipeline Design

The preliminary discharge piping size was determined based on the hydraulic peak flow projection for the WRF. The peak flow was assumed to be 7.05 mgd, as described above. There is a prominent hill along Quintana Road. The recommended discharge system includes a brine discharge pump station located at the WRF and associated pressure pipe extending between the WRF and near the intersection of Quintana Road and Kings Avenue. There, a new pressure

regulation station would control the flow from the pressure pipe and convey the flow to the gravity pipeline to the south. **Table 7** presents the preliminary brine/wet weather discharge pipeline design criteria.

Table 7 – Preliminary Brine/Wet Weather Discharge Pipeline Design Criteria

Category	Value
Waste Discharge – Pressure Segment	
Pressure Pipe Segment, Diameter, inch	16
Material alternatives	PVC, HDPE, DIP
Pressure Control Vault	
Valve	Pressure Reducing Valve
Waste Discharge – Gravity Segment	
Gravity Sewer Segment, Diameter, inch	18
Available Slope (ft/ft) (Ave)	0.125
Design Depth	0.75D
“N” Value	0.009
Material Alternatives	PVC, HDPE, RCP, DIP

C. Scope of Work

The Consultant will be responsible for providing the following services and design disciplines, at a minimum:

- Geotechnical engineering
- Survey including topographic and boundary mapping
- Civil and site engineering
- Hydraulic analysis
- Mechanical and HVAC engineering
- SCADA, control, and instrumentation design for compatibility with the City’s existing telemetry network
- Electrical engineering

The Consultant will be responsible for providing a detailed scope that addresses all the project requirements for a complete and operable design, in addition to the specific requirements described in this section.

1. Project Meetings and Coordination

During project design, the Consultant will attend progress/coordination meetings with the City staff to discuss issues related to the project design and to update the City regarding progress of the design phase. Anticipated meetings, at a minimum, are as follows:

- Project kick-off meeting
- Alternative Site Analysis review
- Design confirmation
- Concept Design Report
- 60 Percent Design Submittal review

- 90 Percent Design Submittal review

The Consultant shall attend as many other working meetings as needed to complete the project's design phase. The Consultant will coordinate with the City's Program Manager on activities including scheduling meetings, tracking and reporting on work in progress.

The Consultant will prepare powerpoint presentations and attend two Water Reclamation Facility (WRFCAC) and two City Council meetings to discuss the draft Concept Design Report and the final plans, specifications, and cost opinions. The Consultant will also plan to present the draft site alternatives evaluation to WRFCAC.

2. Site Alternatives Evaluation

The Draft FMP recommends two sites alternatives located in and around the current WWTP for siting the new lift station facility (Alternative Sites 1A and 5A). The Consultant will review the conceptual-level alternatives for the two preferred lift station locations presented in the Draft FMP, collect and review additional data or studies from the EIR team or other City consultants, and further develop the alternatives as required. The conceptual level alternatives will be developed with input from City staff. These alternatives will be presented and discussed with City staff at a meeting to reach consensus on the preferred alternative prior to proceeding with development of the Preliminary Design Report for the preferred alternative. The Study shall include preliminary cost estimates and the Consultant's recommended alternative.

3. Easement Acquisition Support

Following the identification of the preferred lift station site from Task 2, the Consultant shall support City staff in acquiring permanent easements for the lift station, sewer force main, and waste discharge pipeline, as well as temporary construction easements as needed. This work shall include generation of supporting exhibits and assisting with information gathering. The City will complete applications, coordinate with various agencies, and perform negotiations with property owners.

The Program Management team will negotiate with Caltrans for crossings of Highway 1 and/or Highway 41 and will also prepare encroachment permit applications with input from the Consultant. The Consultant will be responsible for providing design input, preparing construction plans for the crossings, and for incorporating Caltrans requirements into the final construction plans.

4. Survey, Geotechnical Investigation, and Potholing

The Consultant shall conduct necessary field survey work and topographic mapping, which may utilize an aerial survey, for the proposed lift station and pipelines.

The Consultant will provide and coordinate the services of a qualified geotechnical subconsultant to perform a detailed geotechnical investigation lift station location and along the pipeline alignment, and to explore subsurface conditions at the proposed lift station site where the new wet well will be installed. Field investigations will be performed for collection of pertinent data and information, which will be analyzed to develop geotechnical engineering recommendations for the final design of the lift station, sewer force main, and waste discharge pipeline.

The Consultant shall also provide and coordinate the services of a subconsultant for potholing services to locate potentially conflicting utility lines as deemed beneficial for final design.

5. Concept Design Report

After selection of the preferred alternative for the lift station, the Consultant shall prepare a draft and final Concept Design Report. The Report will include:

- Description of the existing facilities, conceptual alternatives evaluated, and the preferred alternative, including the reasons for selecting the preferred alternative, design concepts and the proposed improvements;
- Design criteria including discussion of flows, reliability and redundancy, pumps, piping, pump discharge manifold flow metering, wet well, valves and gates, flood mitigation, odor control, sound attenuation, auxiliary systems and operations and maintenance;
- Hydraulic analysis, including system and pump curves and pump selection, incoming sewer elevations, force main discharge elevation, and wet well operating levels;
- Pumping schematic;
- Electrical and instrumentation requirements and improvements, including backup generator, SCADA, and power supply;
- Preliminary construction sequencing and construction constraints analysis, including preliminary plan for testing and commissioning;
- Design and construction schedule, with identified lead time for long lead equipment items and other critical needs;
- Preliminary Construction Cost Opinion;
- Equipment cut sheets for major equipment within the Report's appendix; and
- Field survey information and geotechnical report within the Report's appendix.

Consultant shall provide fifteen copies of the draft and final Concept Design Report to the City. The Draft Preliminary Design Report contents will be discussed at a meeting with City staff. City comments will be incorporated into the Final Preliminary Design Report.

Task 6: Construction Documents and Specifications

The Consultant will prepare construction plans and specifications for the Project, in accordance with City direction. The Consultant shall submit PDF documents for review by the City at the 60 percent and 90 percent completion levels. The City will review the construction plans and provide comments to the Consultant. The Consultant will prepare and submit a construction cost estimate for the project at each completion level.

The City Program Manager will prepare contract documents based on the Engineers Joint Contract Documents Committee standards. The Consultant will provide technical specifications (Sections 10000 and higher) and will review the contract documents provided by the Program Manager and provide comments, as needed, to facilitate coordination with the technical specifications.

Task 7: Permitting Support

City staff will handle permitting associated with the project separately, but may need support from the Consultant regarding the design of the project. The selected consultant should provide an as-needed budget of \$25,000 to assist with technical information or exhibits.

Task 8: Bid and Construction Phase Support and Preparation of Record Drawings

Consultant shall provide engineering services pertaining to the bidding and construction phase of the project. This task includes responding to questions and/or clarifications during bidding; review of submittals; responding to requests for information from the City's Contractor; attending pre-construction meetings; attending project progress meetings; assisting in observing operational test for the lift stations; and completing record drawings.

D. Project Schedule

The anticipated project schedule is summarized below. The dates are tentative and subject to change, based on permitting conditions, consultation with agencies, and other potential impacts that cannot be assessed at this time.

Table 8 – Project Schedule

Milestone	Date
Pre-Proposal Meeting	TBD
Written Questions Due	February 15, 2017 at 5:00 PM
Responses to Questions Posted	February 22, 2017, at 5:00 PM
Proposals Due	March 8, 2017, at 2:00 PM
Consultant Interviews (at the City's Option)	Week of March 15 (Tentatively)
Consultant Selection / Council Approval	April 11, 2017
Notice to Proceed	April 12, 2017
Final Concept Design Report	June 2018
60% Plans, Specifications, and Cost Opinion	August 2018
90% Plans, Specifications, and Cost Opinion	October 2018
Completion of Construction Documents and Bid Package	December 2018
Bid Opening	March 2019
Construction Completed	September 2020

III. GENERAL TERMS AND CONDITIONS**A. Proposal Requirements****1. Content:**

The Proposal shall be concise, well organized and demonstrate the proposer's understanding of the Project and their applicable qualifications and experience. The proposal shall be limited to forty (40) pages, exclusive of resumes, cover letter (2 pages), graphics, fee schedule, project schedule, and covers. Proposals should include the minimum Proposal Content as described in Section IV. Any additional materials that will support your Proposal may be included. However, if they do not directly address the stated requirements, please include them in a separate appendix. The City will consider all material submitted within the page limit, but concentrate on that which addresses the City's Project requirements.

2. Subconsultants:

Identify all subconsultants to be used during the term of the project and provide a list of responsible staff and their qualifications. The Prime Consultant in the Proposal shall be responsible for a minimum of 60% of the Project work on a manhour basis. It is assumed the Prime Consultant will provide a Project Manager and/or Project Engineer who will serve as the Engineer of Record for the construction documents.

3. Insurance:

The consultant shall obtain at their own cost an insurance policy meeting the City's requirements as described in the City's Standard Agreement (Appendix A).

4. Consultant's compensation:

The Consultant shall include a breakdown of labor, subconsultants, and other direct costs with estimated fees; a fee schedule with hourly rates; and the basis for charging other direct costs (including materials, travel, and subconsultants).

5. Commitment:

The Proposal shall be signed by the individual with power to bind the company to the scope of work and approach identified in the document. Parts or the entire Proposal will be the basis for the subsequent proposal and contract for the work.

6. Statement of Contract Disqualifications:

Consultant shall include a signed statement of whether it or any of its employees or officers who have a proprietary interest in it has ever been disqualified, removed or otherwise prevented from proposing on or completing a municipal government project for any reason. If so, provide a description and explanation of the circumstances.

7. Exceptions:

Consultant shall certify that they take no exceptions to this RFP, including but not limited to the provisions of the City's Standard Agreement (**Appendix A**). If the Consultant takes any exceptions, identify the specific portion and provide a full explanation.

B. Contract Award and Execution

1. The City reserves the right to reject any or all responses to this RFP, waive any insubstantial irregularities in this RFP, to negotiate with all qualified sources, or to cancel in part or in its entirety this RFP.
2. If a contract cannot be negotiated with a selected consultant for any reason, the City reserves the right to select the next most qualified proposer.
3. The City reserves discretion to determine the ability, competency and responsibility of the Consultants. Before award, Consultants may be required to furnish evidence of capability to adequately perform the work in a timely manner as deemed necessary by the City.
4. The Consultant shall provide proof of insurance in the coverages and amounts specified in **Appendix A** within 15 calendar days after notice of selection as a precondition to contract execution.
5. Even if selected, the City reserves the right to terminate any agreement reached with the selected firm at any time and in an appropriate manner.

IV. PROPOSAL CONTENT AND SELECTION PROCESS**A. Proposal Content**

1. Cover letter/Executive Summary
2. Project Organization and Key Personnel – Provide a project organization chart showing the names of all key personnel assigned to the Project and their primary responsibility. Any changes in key personnel and subconsultants after the award of contract must be proposed in writing and approved by the City before any change is made.
3. Experience and References - Include professional references for five (5) similar projects performed with the proposed project team members. Provide project descriptions and current contact information for references that illustrate the quality of past performance of the project team.
4. Project Understanding – Describe the consultant's understanding of the project. Identify the potential challenges and critical tasks, the recommended project approach, and describe how the consultant's team is best suited to address the key issues.
5. Proposed Scope of Work – Address and detail all the tasks identified in this RFP. Additional tasks identified during development of the RFP that may be applicable may be included as optional. Include a project schedule showing anticipated completion time for each task.
6. Proposed compensation
7. Exceptions, statement of past disqualifications, insurance certificate, and other items identified in Section III and throughout the remainder of this RFP.
8. Resumes – Include resumes of all key personnel, including subconsultants, tailored for this project.

B. Proposal Evaluation and Consultant selection

Proposals will be evaluated by a review committee composed of City staff, WRFCAC members, and the Program Management team based on the following criteria:

1. Understanding of the work required by the City
2. Proposed approach in completing the work
3. Quality, clarity and responsiveness of the proposal
4. Recent experience in successfully performing similar lift station design services
5. Background and related experience of the Project Manager and Key Personnel
6. Demonstrated competence and professional qualifications
7. References
8. Budget

V. APPENDICES**A. Standard Agreement**



AGENDA NO: B-3

MEETING DATE: January 3, 2017

Staff Report

DATE: December 29, 2016
TO: Water Reclamation Facility Citizens Advisory Committee
FROM: Mike Nunley, PE – Water Reclamation Facility (WRF) Program Manager
SUBJECT: Contract Amendment for Program Management Services

RECOMMENDATION

Staff recommends WRFCAC receive and consider the draft scope and budget for the contract amendment and provide comments to City Council

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

As discussed at the August 11 City Council meeting, the Program Management contract between the City and Michael K. Nunley & Associates, Inc. (MKN) extends through December 31, 2023, and the agreement states the following in Paragraph 5c:

It is anticipated that this contract will be amended on an annual basis and the contract amount will be increased by the amount authorized through the City's budgeting process.

No additional fiscal impact is proposed within this update. If approved by City Council, the contract amendment will be authorized and is within the City's fiscal year budget for the Water Reclamation Facility. The City budgeted \$900,000 for Program Management services and \$300,000 for Bridging/Procurement Documents for procuring a design-build contractor for the WRF onsite improvements.

As of the date of this Staff Report, approximately \$309,531.81 has been invoiced from MKN for Program Management since July 1, 2016. This leaves \$890,468.19 remaining in the Program Management and Bridging/Procurement Documents budget through the end of the fiscal year, with the additional funding from the amended budget to be incorporated into the FY 17/18 budget. The fees for these next tasks will be expended through the end of fiscal year 16/17 and through the end of calendar year 2017 (December 31, 2017), although program tasks may require modification to address unforeseen challenges.

DISCUSSION

On June 1, 2015, the City of Morro Bay released a Request for Proposal (RFP) for a Program Management firm for the new Water Reclamation Facility. In general, the RFP requested the potential Program Management teams address the following:

Prepared By: MN

Dept Review: RL

Program Management services are required to ensure the successful completion of the new WRF on time and on budget. The Consultant will be accountable to the Public Works Director for overall program schedule, budget, and quality. It will be important the project proceeds in a smooth and integrated fashion, in accordance with all provisions listed in this RFP.

It is anticipated that the services furnished by the Program Manager to the City will be performed under a series of task orders defining the specific services to be performed and the estimated cost for each phase of services.

The City considers a Program Manager and a Project Manager different in that a Program Manager will spend significant time and effort integrating the various complex activities and sub-projects associated with the new WRF, communicating to stakeholders, and negotiating plan changes related to the work. There may be a project manager (or managers) who will be assigned to various tasks required by the project, who will report to the Program Manager. Fundamentally, the Program Manager will be involved with all aspects of the new WRF project from the Facilities Master Planning to project close out and ensure all of these efforts are integrated.

Consultant shall furnish Program Management personnel, including a dedicated person or persons to provide full-time Program Manager Services as required for the new WRF project. The Program Manager shall be responsible for all matters related to this project and shall complete liaison activities among the City, the Contractor, Construction Management Consultants, and Citizens, such that the impact of the project on regular City operations is minimized.

The new WRF will be a long term project that has the major phases as follows:

- Facility Master Planning*
- Permitting and Environmental Review (Including Annexation)*
- Development of Bridging Documents*
- Design/Build*
- Construction Management*
- Project Close-out*

Additionally, the program manager will maximize efforts to bring on the reclaimed water delivery phase of the program either concurrently with construction of the WRF or as a follow-on project.

The Program Manager shall be required to have significant experience in large project oversight and implementation with alternative delivery methods, which includes that of a Water Reclamation Facility (WRF) or similar facility. Additionally, while it is desired that the Program Manager be a licensed Civil Engineer, registered in the State of California, appropriate professionals in other closely related disciplines will be seriously considered. The Program Manager shall possess clear and effective verbal and written communication skills and have the interest and ability to work in a team- oriented, collaborative work environment. They should expect to work closely with and must demonstrate proficiency in communicating effectively with Council, Advisory Bodies, City staff and the public.

A review committee consisting of WRFCAC members and City staff reviewed the proposal from Michael K. Nunley and Associates (MKN), interviewed the proposed team and recommended awarding the contract for Program Management for duration of the WRF Project to MKN.

The City signed a contract with MKN on August 12, 2015 and the agreement is attached (Attachment 2). All work has proceeded within the scope and budget of this agreement, as overseen by City staff.

In November, MKN and the City agreed to Contract Amendment 1, which reallocated budget among the various Task Groups in consideration of additional work required for siting studies and public outreach and the resulting schedule delays for program activities. This amendment allowed the Program Management activities to continue through completion of the draft Facility Master Plan and other concurrent planning activities and resulted in no changes to the initial budget authorization of \$920,808.

The work proposed in the scope and budget for Contract Amendment 2 includes Program Management support for the following major program tasks:

- Completion and certification of the Draft Environmental Impact Report;
- Continuation of outreach activities related to the Environmental Impact Report, Master Reclamation Plan, and rate study update;
- Management of the City's program consultants including the Facility Master Plan, EIR, biology, cultural resources, grant/funding, rate study, and salinity control teams;
- Selection, evaluation, procurement, and management of an engineering firm for design of the WRF Lift Station and pipelines;
- Selection, evaluation, and procurement of a design-build team for design/construction of the WRF onsite improvements;
- Development of preliminary design, specifications, engineering requirements, and performance criteria for the Request for Proposals from design-build teams;
- Ongoing WRFCAC and City Council communication;
- Management of the WRF program budget and schedule;
- Engagement in City fiscal year budgeting activities;
- Regular outreach to City residents and the public through mailers, website maintenance, and e-blasts; and
- Development of detailed quarterly budget reports for WRFCAC and City Council.

This Amendment is intended to include work that will begin with calendar year 2017. Some of these tasks will continue beyond calendar year 2017. While it would be preferred to align the Program Management budget cycle with the City's fiscal year process, the additional siting studies this year resulted in delays in the completion of the Facility Master Plan. Since planning Program Management activities required input from the Facility Master Plan and other ongoing planning activities, an accurate forecast of activities required for the next 12 months could not be developed until after November 2016. Authorizing an amendment only through end of FY 16/17 would cause an inconvenient split in the design-build procurement activities, resulting in additional cost and scheduling challenges.

The following table summarizes the current budget authorization for each Task Group (as of Contract Amendment 1) and the proposed budget amendment for this next phase of Program Management activities.

Task groups are as follows:

- Task Group 100 – Program Administration
- Task Group 200 – Preliminary Planning
- Task Group 300 – Preliminary Engineering and Procurement
- Task Group 400 – Project Design
- Task Group 500 – Project Construction (Future)
- Task Group 600 – Facility Start Up, Testing, Commissioning (Future)
- Task Group 700 – Facility Operation And Project Close Out (Future)

As envisioned in the initial agreement, it is assumed future authorizations will address the remainder of the program.

Task Group	Initial Authorization (August 12, 2015)	Contract Amendment 2	Total Requested Authorization
100 – Program Administration	\$447,055	\$351,571	\$798,626
200 – Preliminary Planning	\$429,751	\$204,873	\$634,624
300 – Preliminary Engineering and Procurement	\$44,002	\$627,102	\$671,104
400 – Project Design	N/A	\$79,248	\$79,248
Total	\$920,808	\$1,262,794	\$2,183,602

ATTACHMENTS

1. Draft Scope and Budget for Contract Amendment 2
2. Contract with MKN for Program Management

PROJECT UNDERSTANDING

PROJECT OVERVIEW

Morro Bay's new Water Reclamation Facility (WRF) project is proposed to be constructed on an approximately 10 to 15-acre portion of a 401-acre property just outside the Morro Bay City limits, near the intersection of Highway 1 and South Bay Boulevard, known as the South Bay Boulevard site (formerly referred to as the Tri-W site). The project will require collection system modifications and a new force main to convey the raw wastewater to the site. The new WRF is proposed to be owned and operated by the City of Morro Bay, and will serve residents of the City as well as any customers under contract with the City.

The ultimate goal for the WRF is to produce the maximum amount of reclaimed water feasible to supplement the City of Morro Bay's water supply. The ultimate use of the reclaimed water is unknown at this time, but potentially includes groundwater recharge, agricultural offsets, and/or indirect or direct potable use to augment existing City water supplies.

PROJECT COMPONENTS

The Morro Bay Water Reclamation Facility was initially envisioned as a two-phase program for a complete reclaimed water processing and transmission system. Phase I of the program included the following components, which are described in the Facility Master Plan:

- Development of the new WRF at the South Bay Boulevard site
- Lift station and pipelines needed to connect the facility with existing wastewater infrastructure within the area it will serve
- Support facilities required for the operation of the New WRF; i.e., water main extension along with miscellaneous dry utilities
- Actions needed to transfer wastewater treatment service from the current WWTP to the new facility
- Decommissioning of the existing WWTP

The project will replace the existing wastewater treatment plant (WWTP), and will be sized to accommodate future buildout under the General Plan/Local Coastal Plan in the City, including potential customers. At this time, no other facilities (such as Consolidated Maintenance facilities or solar power generation) are included in the project but will be analyzed as part of the Environmental Impact Report since they could be considered in the future.

The new WRF will also be designed to disinfected tertiary treatment standards in order to facilitate water reclamation, and Phase II of the program will include the infrastructure necessary to distribute this reclaimed water offsite. It is not yet known what facilities will be needed to achieve this, but it can be assumed there will likely be a pipeline network and on- or off-site storage and delivery facilities, which may include surface or subsurface systems. These concepts have been considered in developing the treatment recommendations in the draft Facility Master Plan, and will be further refined in the Master Reclamation Plan for the project.

For the purpose of this contract amendment, it is assumed both phases will be combined into one project.

The CEQA/NEPA analysis is underway based on the draft Facility Master Plan and will be further informed after development of the draft Master Reclamation Plan.

The City is pursuing planning, design, and construction funds from various sources including the Clean Water State Revolving Fund (SRF), among others.

DETAILED WORK PROGRAM – AMENDMENT 2 (CALENDAR YEAR 2017)

Program management tasks are grouped by task type. While the program administration task group will occur for the entire duration of the project, the subsequent tasks have defined start and end times within the overall timeline of the project. The original contract included budget authorization for the first twelve months of the anticipated program management work, with the contract start date of August 12, 2015. Due to schedule delays and the need for additional work to investigate alternative sites, the initial authorization was reallocated in Amendment 1 to allow the Program Management team to continue work through December 2016.

This Amendment is intended to include work that will begin with calendar year 2017. Some of these tasks will continue beyond this calendar year. Additionally, the Program Management team may want to begin other tasks, originally planned to occur in later phases, earlier in the project process which may not be reflected in the current budget or proposed amendment. *It is assumed future authorizations will address the remainder of the program*

Task groups are as follows:

- Task Group 100 – Program Administration
- Task Group 200 – Preliminary Planning
- Task Group 300 – Preliminary Engineering and Procurement
- Task Group 400 – Project Design
- Task Group 500 – Project Construction
- Task Group 600 – Facility Start Up, Testing, Commissioning
- Task Group 700 – Facility Operation And Project Close Out

TASK GROUP 100: PROGRAM ADMINISTRATION

Program administration tasks will extend throughout the entirety of the new WRF project. However, budget authorization for Task Group 100 within *calendar year 2017* is requested at this time. Budgeting for the program administration tasks is based on experience over the previous 16 months and estimated level of effort for the coming year.

Some of these tasks will continue beyond this calendar year. Additionally, the Program Management team may want to begin other tasks, originally planned to occur in later phases, earlier in the project process which may not be reflected in the preliminary budget. *It is assumed future authorizations will address the remainder of the program.*

TASK 101 - SCHEDULE TRACKING AND PROGRESS REPORTING. MKN will continue expanding and updating the existing program schedule as the project proceeds. This schedule will encompass and coordinate all phases of the project (identified above as Task Groups 100 through 1100), including:

- Planning
- Permitting

- Preliminary Design
- Design/Build Construction
- Construction
- Startup
- Commissioning

Both a detailed version and a presentation version of the schedule will be maintained. We will provide monthly written progress reports to the City. Monthly reports will include the status of the Program Management budget, work completed during the previous period, identification of any items that require attention from the City, and work planned for the upcoming period. Ten (10) hours per month is the assumed level of effort for this task.

TASK 102 – PROGRAM DOCUMENTATION. Not used for Calendar Year 2017. This task was scoped as part of the original contract to include maintenance of decision logs for the major program efforts. However, major decisions to date have been documented in meeting notes and in staff reports, in addition to documentation within the Procore Project Management system. For this reason, MKN proposes no additional budget for this task.

TASK 103 – MEETINGS AND COORDINATION. MKN will attend biweekly Program Management Team meetings with City staff, twelve (12) WRFCAC meetings per year, twelve (12) City Council meetings per year, and as-needed meetings with other Project consultants (assumed for this budget to be twenty (20)).

TASK 104 - PUBLIC OUTREACH. The program manager will oversee and coordinate all outreach efforts by the Program Management Team. Under the program manager's oversight, JFR will lead the public outreach effort for the entire program, in coordination with RRM Design Group. In general, the outreach effort is related to coordinating the following interrelated efforts and educational workshops to the general public:

- Public Agency outreach
- WRFCAC coordination
- City Council presentations (JFR and RRM budget)
- Coordination with the GP/LCP Update

Task 104A: Outreach Kickoff/Scoping Meeting – Work Completed

Task 104B: Project Website Maintenance

The MKN team and Konig Media developed the Morro Bay WRF website last year. We will continue maintaining the website and updating content for dissemination of public information and outreach to the community.

Task 104C: Outreach Program

The MKN team will continue to refine the existing public outreach program, most recently updated in August 2016. As appropriate, JFR will refine and update the program with feedback from RRM, via memoranda as needed. Such memos will outline the outreach program and will include elements such as:

- Key stakeholder interviews and neighborhood workshops

- Community workshops
- Technical presentations
- Water Reclamation Facility Citizens Advisory Committee (WRFCAC) meetings
- City Council study sessions and hearings
- Formal Environmental Review process
- Coordination with outside permitting agencies
- WRF Program website and promotional materials

This outreach process will continue to be transparent and inclusive. The outreach strategy memo updates will outline this process and confirm that the City project team agrees on the approach and strategy as the process moves forward.

Task 104D: Stakeholder Outreach

JFR and RRM will meet with project stakeholders (including neighbors, possible recycled water customers, and others) during the preliminary engineering and design phases of the program. The goal of this outreach effort is to obtain and document a clear understanding of the needs/desires of all project stakeholders in regards to project design.

We anticipate the primary upcoming focus of this effort will include meetings and outreach on the following topics:

- Master Reclamation Plan (workshops and possible stakeholder interviews)
- Coordination with the City's ongoing General Plan/LCP Update
- CEQA/NEPA Process
- Resource Agency meetings and outreach

This task will build off of the stakeholder feedback received during the process that has transpired from 2013-16.

JFR will summarize meeting feedback and RRM will review and edit the summary.

Task 104E: Citizen Advisory Committee (WRFCAC) Coordination and Meetings - Future efforts included in Task 103 (Meetings)

Task 104F: Reclamation Planning Workshops and Coordination

Our Program Management Team will work closely with the City, regulatory agencies, growers, and general public to address complex issues related to the potential development and use of reclaimed water within the framework of the Master Reclamation Plan. JFR and RRM will lead a robust outreach process to develop consensus on the best course of action. Specific tasks include two workshops focused on reclamation-related issues to address these key questions. We anticipate the workshops would address the following broad topics:

- Workshop #1 – Direct or Indirect Water Supply for the City:
 - Identify state and local requirements regarding reclaimed water use, focused on the customer or recipient of recycled water;
 - Present information we have learned about hydrogeological issues, including the potential for groundwater recharge, streambed recharge in Morro Creek, percolation, and subsurface injection;

- o Describe possible ownership and governance options for delivery and storage of reclaimed water, assuming the City will construct a transmission main but storage and distribution will be handled by the users to reduce the City's costs
- Workshop #2 – Agricultural Reclamation:
 - o Identify and recap possible uses of reclaimed water related to agricultural use
 - o Engage the growers and community in general about their willingness to participate in the reclamation process, given potential costs and logistics

The MKN team will plan, coordinate and lead these workshops, the results of which will inform our Master Reclamation Plan.

This task was included in the original 2015 Program Management authorization. However, the budget was reallocated toward siting studies and community workshops necessary to identify a preferred site for the project. The work described herein was not performed.

Task 104G: City Council Outreach and Updates - Work Included in Task 103

104H: Outreach Coordination and Meetings – Work Completed

104I: General Plan/LCP Coordination

JFR will work with City staff and General Plan/Local Coastal Plan (GP/LCP) consultant team to most efficiently coordinate the outreach programs for this project and for the GP/LCP update process. The two efforts are highly related, since the new WRF must be sized to accommodate the future growth of the City, and the GP/LCP must be mindful of various constraints that development of the new WRF may pose. This task assumes JFR's attendance and potential presentations at this workshops. The Program Management Team will provide set up materials for the workshop (e.g., workshop flyer, nametags, sign-in sheets, and agendas) and the GP/LCP consultant would provide workshop materials and presentation.

104J: Vendor/Industry Outreach - Work Included in Task Group 302

104K: E-Blasts, Newsletters, and/or Surveys

The project team will provide e-blasts, newsletters and/or survey to keep the community informed or poll the community as the project progresses. The team will work with staff to draft articles and information for the e-blasts, newsletters and/or questions for the surveys (using survey monkey or similar program), and will format and brand with the project logo. City will provide emails and addresses. The budget is based on production of four quarterly postcards or mailers, one survey, and six (6) e-blasts.

TASK 105 - BUDGET TRACKING AND REPORTING. MKN will continue maintaining the Procore system for all consultant and contractor efforts throughout the program. City will provide account ledgers monthly and all team members will provide a copy of invoices or payment requests to MKN for review and recommendation for payment.

MKN worked with WRFCAC members and City staff to develop a format for use in reporting project expenditures and revenues. Consultant invoices and City ledgers will be used to update the budget report. MKN will continue to provide a formal program-level budget report on a quarterly basis. Ten

(10) hours per month is the assumed level of effort for monitoring the program budget and preparing quarterly reports.

TASK 106 – GRANT AND LOAN PURSUIT AND MANAGEMENT. Many issues will affect the City's ability to secure outside funding for the project. Our team, working closely with Kestrel Consulting, will perform the due diligence on the most promising funding leads identified through our team's research to date, so as to better position the City to be competitive for such funding when the time is right to make a formal application for grants and loans.

Based on our experience on the project to date, and on similar efforts, we anticipate the following grants and loans will be the most promising for the City of Morro Bay.

- Proposition 1 / CWSRF Planning and Construction Loans – *The City has been approved for the planning loan. The SRF application for construction cannot be completed until after EIR certification.*
- Proposition 1 / SWRCB Recycled Water Feasibility Study Grant - *\$75,000 Grant was awarded to the City in FY 15/16.*
- WaterSmart Title XVI Bureau of Reclamation Recycled Water Grants
- Pacific Gas & Electric Energy Efficiency Grants (various)

MKN will receive regular updates from Kestrel Consulting through completion of the draft Environmental Impact Report, then will prepare an update for WRFCAC and City Council on the most promising grant and loan opportunities at that time. It is assumed Kestrel Consulting will work collaboratively with MKN to prepare presentations, staff reports, and capture plan for loans and grants.

TASK 107 –TECHNICAL SUPPORT FOR GRANT AND LOAN APPLICATIONS. MKN will provide engineering support for completion of grant and loan applications by Kestrel Consulting. This work is anticipated to include technical, engineering, environmental, and financial submittals for the State Revolving Loan Fund and others. A budget of 200 hours is recommended for this task.

TASK 108 –MAINTAIN PROJECT MANAGEMENT SYSTEM. MKN evaluated alternatives for an electronic project management file-sharing and document management system and Procore was selected for the project. The project management system has been established and is in use for sharing project documents among project team members and tracking contracts, invoices, and payments. MKN will continue maintaining the project management system.

It is assumed the City will pay any software or license costs for each copy of the system recommended by MKN. As team members are added to the program, MKN will conduct a brief training session with each firm on proper use of the document management system.

A monthly estimate of 8 hours per month is assumed for this task.

TASK GROUP 200: PRELIMINARY PLANNING

TASK 201 – MASTER RECLAMATION PLAN - Work Included in FY 15/16 Budget

TASK 202 – CEQA/NEPA COORDINATION PROCESS. All project-related activities must be considered in the CEQA/NEPA document for this project. This would include steps ranging from property acquisition, property design, grading, construction and operation. The Facility Master Plan must be sufficiently

complete so a meaningful project description can be developed in adequate detail for thorough environmental impact analyses. The tasks below describe our team's approach to managing the CEQA/NEPA process, including the technical studies to support the process and permitting that will be needed (described in Task 203).

Task 202A. CEQA/NEPA Program Coordination. In coordination with the program manager, JFR will continue to manage a third-party consultant (ESA) who will prepare the CEQA/NEPA documentation for the proposed project. This task involves the entire process from working with various responsible agencies (including but not limited to the California Department of Fish and Wildlife, Regional Water Quality Control Board, Caltrans, and SLO Air Pollution Control District) developing a scope of work and working with the consultant as they prepare the CEQA/NEPA document. We will work with the City's planning staff on these tasks, and coordinate closely throughout the entire CEQA/NEPA process. The specific steps involved in this task include:

- a. Review Administrative Draft CEQA/NEPA Document
- b. Coordinate with City Staff to Release Draft CEQA/NEPA Document
- c. Coordinate with Staff and CEQA/NEPA Consultant to Respond to Public Input on Draft Document
- d. Review and Coordinate Final CEQA/NEPA Document
- e. Prepare Findings, Evidence and Project Conditions
- f. Prepare Staff Report with City Staff Review
- g. Present Project at Public Hearings (assume 4)
- h. Ongoing Meetings with City Staff (cost assumed as part of Task 103)

Task 202B. Technical Studies Coordination. Several site surveys, studies, and other activities will be needed in support of the various permit applications and CEQA/NEPA process. Some of these, including those related to biological and cultural resources, are already underway. The needed studies include, but may not be limited to:

- Jurisdictional Determination (Waters of the United States and State of California)
- Focused Special-Status Species Surveys
- Biological Assessment
- Prepare Habitat Mitigation and Monitoring Plan (if any)
- Hydrologic and Hydraulic Analysis
- Phase I Archeological Survey (Section 106)
- Phase I / II Site Assessment
- Site Remediation (if necessary as a result of the Phase I/II Site Assessment)
- Air Quality Tech Report
- CDP/CUP Permit Application Review

The Program Manager will coordinate these technical studies with ESA and provide technical support as necessary. Technical support is anticipated to include development of alternative layouts for the WRF and associated facilities; meetings and discussions about equipment and facilities; and other as-needed support. An allowance of 160 hours is recommended for CEQA/NEPA technical support.

TASK 203 – PERMITTING. This phase of the project includes all resource regulatory agency permitting, as well as any land use permitting that may be needed to support the project. In coordination with the Program Manager, JFR will coordinate these efforts, and work with City staff, others on the Program

Management Team, or outside consultants (including ESA, Kevin Merk and Associates, and FarWestern Consulting) to prepare or complete these processes or permits. The following permitting subtasks are included in this effort:

Task 203A. Resource Regulatory Agency Permitting. The project will require a variety of permits from state and federal resource regulatory agencies. It is not yet known whether the project design can locate the new WRF outside Waters of the United States, Waters of the State of California, and other resources under federal or state regulatory protection. Depending on the nature of the activity, it may also require a Streambed Alteration Agreement from the State Department of Fish and Wildlife, a Section 404 permit pursuant to the Clean Water Act from the U.S. Army Corps of Engineers, and Section 401 certification from the RWQCB.

Key resource regulatory permitting agencies for this project include:

- U.S. Army Corps of Engineers (pursuant to Section 404 of the Clean Water Act)
- Regional Water Quality Control Board (NPDES permit; meeting Porter-Cologne Act requirements; Section 401 certification)
- California Department of Fish and Wildlife (Streambed Alteration Agreement)
- California Environmental Protection Agency, Department of Toxic Substances Control (Site Assessment / Remedial Action Plan)
- San Luis Obispo County Air Pollution Control District (SLOCAPCD)

These agencies will use the final CEQA document to assist in their permitting processes. The 5-year schedule assumes that regulatory permits can be obtained with 6 months from the end of the CEQA process, which depends on the permit process being initiated during the CEQA evaluation, and assumes that resource agencies engage in a timely review within their permitting processes. *Although the permit process for these actions may be initiated during the CEQA process, their completion will depend to a large extent on agency evaluation and acceptance of the final environmental document.* If there are disagreements between permitting agencies and the City, it may require additional supplemental CEQA studies to satisfy resource permitting agency concerns.

Task 203B. Land Use Permitting. The project will 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.

With respect to annexation, JFR, in coordination with the Program Manager, will coordinate with LAFCo staff, putting together the application for annexation, describing the project's service needs relative to LAFCo requirements, and evaluating the project's consistency with LAFCo policies, including those associated with the conversion of agricultural land and the provision of water supply. We understand that the ultimate determination of consistency with LAFCo policies must be made by LAFCo, but in our experience, it is useful to coordinate closely with LAFCo staff throughout the entire process to ensure that the project is on the right track, and that the application process will go in a more timely fashion. In this way, if there are issues to be resolved, then they can be addressed early in the process.

Key land use permitting agencies for this project could include:

- California Coastal Commission / San Luis Obispo County Department of Planning & Building (Local Coastal Plan Amendment)
- 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)
- California Department of Transportation (Caltrans Encroachment Permit)

As with the resource regulatory permitting, these land use agencies will use the final CEQA document to assist in their permitting processes.

TASK 204 – FACILITY MASTER PLAN AND SALINITY CONTROL PLAN COORDINATION. MKN and JFR will receive and compile comments on the Draft Facility Master Plan, input from the EIR, and attend two (2) meetings with Black & Veatch to coordinate completion of an administrative draft final Facility Master Plan. MKN and JFR will review the document, facilitate review by City staff, and provide final comments for completion of the Final Facility Master Plan. This work effort will be completed after the EIR is certified.

In addition, MKN will continue work on the draft ordinance and Salinity Control Plan including review of the draft ordinance prepared by Larry Walker Associates, coordination of the final Salinity Control Plan, review of outreach materials, and coordination with industrial dischargers.

TASK 205 – DEVELOP PROJECT DELIVERY TECHNICAL MEMORANDUM. Work Included in FY 15/16 Budget

TASK 206 – RATE STUDY COORDINATION.

MKN will coordinate the activities of the City's rate study, including review of scope, budget, and deliverables (including one draft and one final rate study). In addition, MKN will provide technical and project management support for the study. It is assumed that budgets for meetings and workshops associated with this work are included in Tasks 103 and 104.

The Program Management Team will develop cost opinions for project alternatives and will run the model to determine impacts of the following on projected customer rates:

- Up to four (4) alternative projects (ex. different WRF treatment technologies or different reclamation facilities)
- Up to two (2) alternatives identified through the EIR process

It is assumed up to 12 model runs will be performed for public workshops and meetings and results will be summarized in those presentations.

TASK 207 – CALTRANS COORDINATION AND ENCROACHMENT PERMIT APPLICATIONS. MKN will coordinate with Caltrans to identify constraints associated with the various pipeline crossings. This work will also incorporate the findings of the Facility Master Plan team related to the force main and discharge pipelines.

It is assumed that encroachment permits will be required for the following project components:

- Access road at/near Teresa Drive
- Pipeline crossings near South Bay Boulevard site, including those for raw wastewater, brine/wet weather flows, recycled water, and City water

Encroachment permit applications will include plan and profile sheets for each pipeline, as well as design details for the access road in the vicinity of Teresa Drive. Survey will be provided by others.

It is assumed that five (5) pipeline crossings will be required for both phases of the WRF Project. MKN will coordinate with Caltrans staff for review and approval of the proposed crossings.

MKN will prepare a preliminary design of the access road in the immediate vicinity of Teresa Drive, for use in the Caltrans encroachment permit process and also for negotiation for access easements. It is assumed the preliminary design will include a plan sheet with typical section and a profile.

TASK 208 – DATA COLLECTION AND ENGINEERING SUPPORT FOR PRELIMINARY PLANNING ACTIVITIES. - Work Completed

TASK GROUP 300: PRELIMINARY ENGINEERING AND PROCUREMENT

TASK 301 – OUTFALL EVALUATION AND MANAGEMENT STRATEGY. MKN proposes performing the following work under this task:

- Hydraulic modeling of the outfall to evaluate performance under various flow regimes (wet weather flow, wet weather and brine, and brine only if groundwater recharge is pursued to reduce wet weather flows)
- Preliminary layout of connection to the outfall
- Review of legal or permitting constraints associated with continuing use of the outfall under different management strategies. It is assumed City legal counsel will provide an analysis of ownership and other legal constraints.
- Review of 2011 outfall condition assessment and development of management strategy to assess and repair sections of the outfall as necessary.
- Development of a technical memorandum summarizing the work described herein.

A budget of 120 hours is recommended for this task.

TASK 302 – PHASE I WRF DESIGN/BUILD PROCUREMENT. It is assumed, for budgeting purposes, that the City will follow a design-build process. It is anticipated the procurement process will generally follow the steps identified below. The assumed level of effort for each step is also provided. MKN will prepare all deliverables in draft and final form for City review. The following sub-tasks summarize activities for managing the procurement process and for developing the performance criteria for the proposers.

Sub-Task 302A – Prepare and Manage Procurement Process

- Request Expression of Interest (EOI) from potential design-build proposers (8 hours assumed)
- Prepare and facilitate a 4-hour workshop for respondents to the EOI (8 hours assumed)
- Prepare Request for Qualifications for design-build procurement (24 hours assumed)
- Review Statements of Qualifications from design-build proposers (24 hours assumed)
- Coordinate a review workshop with the City selection committee and prepare a draft response to short-listed teams (16 hours assumed)

- Prepare DB Procurement Documents, including coordination with contract documents. Coordinate with City attorney and/or special legal counsel for preparation of contract documents. It is assumed documents will be based on standard agreements available from Design Build Industry Association (DBIA) and other professional organizations but will be modified as directed by City legal counsel. (100 hours assumed)
- Meet with potential proposers and coordinate regular communication and outreach protocols documented in the Program Management Plan (40 hours assumed)
- Prepare Request for Proposals for Design-Build Procurement (40 hours assumed)
- Review proposals from proposers (80 hours assumed)
- Coordinate and attend proprietary workshops with proposers to discuss design concepts (40 hours assumed)
- Coordinate a review workshop with the City selection committee and prepare a recommendation for City Council (12 hours assumed)
- Coordinate review by City legal counsel (8 hours assumed)
- Lead final negotiations with the selected proposer (40 hours assumed)

Sub-Task 302B – Development of Performance Criteria for DB Procurement Documents:

- Coordinate two (2) design workshops with City staff
- Develop technical specifications for the procurement process, including performance requirements, geotechnical baseline report, topographic and boundary survey, allowing the design-build teams to develop a bid while maximizing opportunities for innovation. Include the following information:
 - Design flows and loading
 - Summary of water quality and flow records
 - Landscape design standards
 - Geotechnical baseline report (by Yeh & Associates, Inc.)
 - Process flow diagram (2 alternatives)
 - Architectural design standards
 - Site utility design standards (fire protection, electrical, communications, potable water, nonpotable water, sewer, and others)
 - Operational requirements, access standards, and performance criteria
 - SCADA and instrumentation performance criteria
 - Electrical and HVAC performance criteria
 - Structural and foundation design standards
- Develop conceptual plans and layouts for critical infrastructure:
 - Preliminary site constraints plans
 - 30% Design plans for entrance road (incorporating input from Caltrans and EIR)
 - Highway 1/South Bay Boulevard access improvements
 - Offsite pipeline coordination exhibits

TASK 303 – PROCUREMENT OF INFLUENT LIFT STATION AND TRANSMISSION PIPELINE DESIGN TEAM. It is assumed the brine/wet weather disposal, and raw wastewater pipelines will be constructed using a conventional design-bid-build process. It is assumed the recycled water delivery pipelines will be addressed in a future contract authorization after the Master Reclamation Plan is completed. MKN will perform the following services for procurement of a design team:

- Develop Request for Proposals and present to WRFCAC and Council for review and approval (12 hours assumed)
- Coordinate and attend pre-proposal meeting (8 hours assumed)
- Respond to Requests for Information and issue addenda as needed (12 hours assumed)
- Review proposals (12 hours assumed)
- Coordinate City review and interview process (12 hours assumed)
- Negotiate scope and budget with preferred consultant (8 hours assumed)
- Prepare staff report and recommendation for WRFCAC and City Council review (4 hours assumed)
- Meet with potential proposers and coordinate regular communication and outreach protocols documented in the Program Management Plan (24 hours assumed)

TASK 304 – DATA COLLECTION AND ENGINEERING SUPPORT FOR PRELIMINARY ENGINEERING AND PROCUREMENT ACTIVITIES. A budget of 300 hours is requested for support activities that may be required by the Program Management Team during execution of this phase of the WRF development.

TASK GROUP 400: PROJECT DESIGN

TASK 401 - COORDINATION OF WRF OFFSITE (INFLUENT LIFT STATION AND TRANSMISSION PIPELINES) DESIGN DEVELOPMENT - MKN will organize weekly coordination meetings and lead responses to issues that develop during design development. MKN will serve as the main point of contact for the Design Team while also maintaining communications between the City and the Design Team.

MKN will review draft deliverables including up to four (4) Technical Memoranda, the Concept Design Report; 30% Design Plans and Estimates; 60% Design Plans; Draft Final Plans and Specifications; and Final Plans, Specifications, and Estimates.

Morro Bay WRF Program Management Services - Amendment 2 (2017)

	Program Manager	Principal Engineer	Project Engineer	Assistant Engineer	Drafter	Administrative Assistant	Total Hours (MKN)	Subtotal Labor (MKN)	ODCs (MKN)	JFR	RRM	MNS	Laquidara (TAT)	IRJ	SSG	Yeh & Associates	Konig Media	Total Subconsultant Cost	Total Cost
Task Group 100 Program Administration																			
Task 101-Schedule tracking and progress reporting	60		30	30			120	\$ 18,600	\$ 558	\$ 1,890								\$ 1,890	\$ 21,048
Task 102-Program Documentation - <i>Not applicable</i>							0	\$ -	\$ -									\$ -	\$ -
Task 103-Meetings and Coordination	320		300	30			650	\$ 103,250	\$ 3,098	\$ 36,540	\$ 5,775							\$ 42,315	\$ 148,663
Task 104-Public outreach	80		16				96	\$ 16,320	\$ 490	\$ 36,225	\$ 50,000						\$ 2,100	\$ 88,325	\$ 105,135
Task 105-Budget tracking and reporting	60		60				120	\$ 19,200	\$ 576	\$ 1,260								\$ 1,260	\$ 21,036
Task 106-Grant and loan pursuit and management	20		20				40	\$ 6,400	\$ 192	\$ 1,260								\$ 1,260	\$ 7,852
Task 107-Grant and loan support	100		50	25	25		200	\$ 30,175	\$ 905									\$ -	\$ 31,080
Task 108-Maintain project management system	12			84			96	\$ 12,600	\$ 378	\$ 3,780								\$ 3,780	\$ 16,758
Subtotal	652	0	476	169	25	0	1322	\$ 206,545	\$ 6,196	\$ 80,955	\$ 55,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,100	\$ 138,830	\$ 351,571
Task Group 200 Preliminary Planning																			
Task 201-Master Reclamation Plan - <i>Not applicable</i>							0	\$ -	\$ -									\$ -	\$ -
Task 202-CEQA	100		30	30			160	\$ 25,600	\$ 768	\$ 69,930								\$ 69,930	\$ 96,298
Task 203-Permitting	40		20	20			80	\$ 12,400	\$ 372	\$ 31,500								\$ 31,500	\$ 44,272
Task 204-FMP and Salinity Control Plan Coordination	40		40				80	\$ 12,800	\$ 384									\$ -	\$ 13,184
Task 205-Project Delivery Technical Memorandum - <i>Not applicable</i>							0	\$ -	\$ -									\$ -	\$ -
Task 206-Rate Study Coordination and Alternative Evaluation	80		30	60			170	\$ 25,850	\$ 776									\$ -	\$ 26,626
Task 207-Coordination with Caltrans and Encroachment permit application(s)	20		80	40	40		180	\$ 23,780	\$ 713									\$ -	\$ 24,493
Task 208 -Data Collection and As-needed services - <i>Not applicable</i>							0	\$ -	\$ -									\$ -	\$ -
Subtotal	280	0	200	150	40	0	670	\$ 100,430	\$ 3,013	\$ 101,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,430	\$ 204,873
Task Group 300 Phase I Preliminary Engineering and Procurement																			
Task 301-Outfall Evaluation and Management Strategy	24	24	40	24		8	120	\$ 17,640	\$ 529									\$ -	\$ 18,169
Task 302-Phase 1 WRF Design-Build Procurement																		\$ -	\$ -
302A - Procurement Process	40		100	80		20	240	\$ 32,600	\$ 978			\$ 21,000						\$ 21,000	\$ 54,578
302B - Performance Criteria	200	300	280	300	200	80	1360	\$ 188,400	\$ 5,652		\$ 64,565		\$ 10,500	\$ 115,500	\$ 37,002	\$ 57,545		\$ 285,112	\$ 479,164
Task 303-Procurement of Influent Lift Station & Transmission Pipeline Design Team	20		52	10	10		92	\$ 13,210	\$ 396									\$ -	\$ 13,606
Task 304 -Data Collection and "As-Needed" Services	100		100	100			300	\$ 44,500	\$ 1,335	\$ 15,750								\$ 15,750	\$ 61,585
Subtotal	384	324	572	514	210	108	2112	\$ 296,350	\$ 8,891	\$ 15,750	\$ 64,565	\$ 21,000	\$ 10,500	\$ 115,500	\$ 37,002	\$ 57,545	\$ -	\$ 321,862	\$ 627,102
Task Group 400 Project Design																			
Task 401-Coordination of WRF Offsite Design Development	200		200	100		8	508	\$ 76,940	\$ 2,308									\$ -	\$ 79,248
Subtotal	200	0	200	100	0	8	508	\$ 76,940	\$ 2,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,248
TOTAL BUDGET	1516	324	1448	933	275	116	4612	\$ 680,265	\$ 20,408	\$ 198,135	\$ 120,340	\$ 21,000	\$ 10,500	\$ 115,500	\$ 37,002	\$ 57,545	\$ 2,100	\$ 562,122	\$ 1,262,795

CITY OF MORRO BAY

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made, by and between, the City of Morro Bay, a municipal corporation ("City") and MICHAEL K. NUNLEY & ASSOCIATES, INC., a California S-corporation, dba *MKN & Associates* ("Consultant"). In consideration of the mutual covenants and conditions set forth herein the parties agree as follows:

1. TERM

This Agreement shall commence on August 12, 2015, and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2023, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A; provided, that the parties understand and agree one or more amendments to this Agreement will be required after the reviews described in Subsection 3.(b), below, and before Consultant is authorized to proceed with additional services under Task Groups 100-300 or any portions of Task Groups 400 - 1100.

3. PERFORMANCE

- (a) Consultant shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.
- (b) During the term of this Agreement, staff will conduct a review once every twelve months, with the first review being conducted six to eight months after commencement of this Agreement. For each review the Public Works Director and his designee(s) shall determine any changes or additions needed to the scope of work and provide budgetary estimates to be included with the City's budgeting process on an annual basis.

4. CITY MANAGEMENT

City's Public Works Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to Be Performed or change the compensation

due to Consultant. City's Public Works Director shall also be authorized to act on City's behalf and to execute all necessary documents which enlarge the Tasks to Be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, and based upon actual time spent on the above tasks. That amount shall not exceed Nine Hundred Twenty Thousand, Eight Hundred Eight Dollars and No Cents (\$920,808.00) for the total term of the Agreement for the services related to Task Groups 100, 200 and 300, as described on pages 2-16 of Exhibit A, unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the Public Works Director. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by Public Works Director and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed ten percent (10%) of the amount of the Agreement, but in no event shall such sum exceed Ninety Two Thousand, Eighty Dollars and Eighty Cents (\$92,080.80). Any additional work in excess of this amount shall be approved by the City Council.

(c) It is anticipated this Agreement may be amended with the approval of the City Manager on an annual basis, as needed, and the amount of compensation may be increased for Consultant to perform additional services under Task Groups 100-300, Task Groups 400 - 1100 , or any portion thereof, by the amount authorized through the City's budgeting process .

(d) Consultant will submit invoices monthly for actual services performed in sufficient detail so City can determine the personnel used on the project and the status of each task. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days after receipt of each invoice as to all non-disputed fees. If City disputes any of Consultant's fees, then it shall give written notice to Consultant within fifteen (15) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten-days' (10-days') prior written notice. Upon receipt of said notice, Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, then such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, City shall pay to Consultant the actual value of the work performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Consultant will submit an invoice to City pursuant to Section 3.

7. DEFAULT OF CONSULTANT

(a) Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date Consultant is notified of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance for work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, then it shall not be considered a default.

(b) If the City Manager of his/her delegate determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, then he/she shall cause to be served upon Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, and full payment by City for services performed pursuant to, this Agreement, all final work product such as documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Consultant. With respect to computer files, Consultant shall make available to City, as a service in addition to those set forth herein, at Consultant's office and upon reasonable written request by City, the

necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent same are caused by any negligent act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement. City agrees to hold harmless and indemnify Consultant from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the computer files or any other document provided by Consultant under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

12. LEGAL RESPONSIBILITIES

Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall at all times observe and comply with applicable legal requirements in effect at the time the drawings and specifications are prepared. City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or inequity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City if Consultant, or any of its officers, employees, agents, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within City. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate with City by providing the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:	Rob Livick, Public Works Director City of Morro Bay 595 Harbor Street Morro Bay, CA 93442
----------	--

To Consultant:	Michael Nunley Program Manager P.O. Box 1604 Arroyo Grande, CA 93421
----------------	---

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. CONTENTS OF PROPOSAL

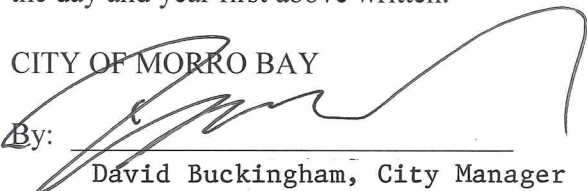
Consultant is bound by the contents of the proposal submitted by Consultant, Exhibit A hereto.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents he/she has the authority to execute this Agreement on behalf of Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

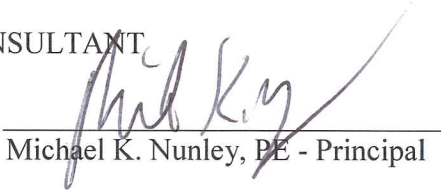
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF MORRO BAY

By: 

David Buckingham, City Manager

CONSULTANT

By: 

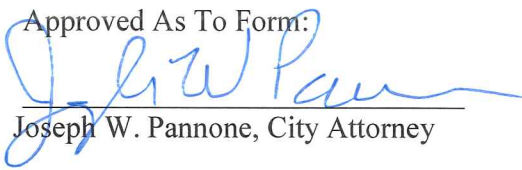
Michael K. Nunley, PE - Principal

Attest:



Dana Swanson, City Clerk

Approved As To Form:



Joseph W. Pannone, City Attorney



PROJECT UNDERSTANDING

PROJECT OVERVIEW

Morro Bay's new Water Reclamation Facility (WRF) project is proposed to be constructed on an approximately 10 to 15-acre portion of a 187-acre property approximately one mile east of the Morro Bay City limits, on the north side of Highway 41, known as the Rancho Colina site. The project will require collection system modifications and a new force main to convey the raw wastewater to the site. The new WRF is proposed to be owned and operated by the City of Morro Bay, and will serve residents of the City as well as any customers under contract with the City.

The ultimate goal for the WRF is to produce the maximum amount of reclaimed water feasible to supplement the City of Morro Bay's water supply. The ultimate use of the reclaimed water is unknown at this time, but potentially includes groundwater recharge, agricultural offsets, and/or indirect or direct potable use to augment existing City water supplies.

A few key components of the project description and history are addressed here in further detail.

PROJECT COMPONENTS

The Morro Bay Water Reclamation Facility is part of a two-phase program for a complete reclaimed water processing and transmission system. Phase I of the program includes the following components:

- Development of the new WRF at the Rancho Colina site
- Lift station and pipelines needed to connect the facility with existing wastewater infrastructure within the area it will serve
- Pipelines and/or other facilities needed to reclaim and distribute treated wastewater for reuse in accordance with the Facility Master Plan and reclamation planning efforts currently underway
- Support facilities required for the operation of the New WRF; i.e., water main extension along with miscellaneous dry utilities
- Possible co-location of other City facilities at Rancho Colina, including a City corporation yard, community park, education center, or other facilities
- Actions needed to transfer wastewater treatment service from the current WWTP to the new facility.
- Decommissioning of the existing WWTP

The specific project components will be further refined in the Facility Master Plan, but conceptually, the project will replace the existing wastewater treatment plant (WWTP), and will be sized to accommodate future buildout under the General Plan/Local Coastal Plan in the City, including potential customers.

The new WRF will also be designed to disinfect tertiary treatment standards in order to facilitate water reclamation, and Phase II of the program will include the infrastructure necessary to distribute this reclaimed water offsite. It is not yet known what facilities will be needed to achieve this, but it can be assumed there will likely be a pipeline network and on- or off-site storage facilities, which may include surface or subsurface systems. These concepts will be further refined in both the Facility Master Plan and Master Reclamation Plan for the project. It is expected that the CEQA/NEPA analysis will

commence once the Facility Master Plan has been completed to a sufficient level of detail, in order to more fully understand the nature of the likely project components.

The City anticipates pursuing planning, design, and construction funds from various sources including the Clean Water State Revolving Fund (SRF), among others.

DETAILED WORK PROGRAM

Program management tasks are grouped by task type. While the program administration task group will occur for the entire duration of the project, the subsequent tasks have defined start and end times within the overall timeline of the project. Task groups are as follows:

- Task Group 100 – Program Administration
- Task Group 200 – Preliminary Planning
- Task Group 300 – Phase I Preliminary Engineering and Procurement
- Task Group 400 – Phase I Project Design
- Task Group 500 – Phase I Project Construction
- Task Group 600 – Phase I Facility Start Up, Testing, Commissioning
- Task Group 700 – Phase I Facility Operation And Project Close Out
- Task Group 800 – Phase II Project Design
- Task Group 900 – Phase II Project Construction
- Task Group 1000 – Phase II Facility Start Up, Testing, and Commissioning
- Task Group 1100 – Phase II Facility Operation and Project Closeout

TASK GROUP 100: PROGRAM ADMINISTRATION

Program administration tasks will extend throughout the entirety of the new WRF project. However, budget authorization for the *first 12 months* is requested at this time. The first 12 months is an approximate duration of the initial program phases detailed in our budget.

Some of these tasks included in the preliminary budget will continue beyond the initial 12 months of program management. Additionally, the Program Management team may want to begin other tasks, originally planned to occur in later phases, earlier in the project process which may not be reflected in the preliminary budget. *It is assumed future authorizations by task order will address the remainder of the program.*

TASK 101 - SCHEDULE TRACKING AND PROGRESS REPORTING. MKN will continue expanding and updating the existing program schedule as the project proceeds. This schedule will encompass and coordinate all phases of the project (identified above as Task Groups 100 through 1100), including:

- Planning
- Permitting
- Preliminary Design
- Design/Build Construction
- Construction
- Startup
- Commissioning



Both a detailed version and a presentation version of the schedule will be maintained. We will provide monthly written progress reports to the City. Monthly reports will include the status of the Program Management budget, work completed during the previous period, identification of any items that require attention from the City, and work planned for the upcoming period. Ten (10) hours per month is the assumed level of effort for this task.

TASK 102 – PROGRAM DOCUMENTATION. MKN will develop and maintain decision logs for all the major program efforts, including the following:

- Facility Master Plan
- Master Reclamation Plan
- Program Funding and Financing
- Public Outreach
- Phase I WRF Procurement
- Influent Lift Station Design
- Transmission Pipeline Design
- CEQA/NEPA Compliance
- Resource and Land Use Agency Permitting

Twelve (12) hours per month is the assumed level of effort for this task.

TASK 103 - MEETINGS. MKN will attend weekly project meetings with City staff, six (6) Public Works Advisory Board meetings per year, twelve (12) WRFCAC meetings per year, and twelve (12) City Council meetings per year.

It is assumed this task will be amended in the future to extend from Phase I of the program through implementation of the Master Reclamation Plan and Phase II Recycled Water Delivery System. The budget includes only the first year (+/-) of meetings.

TASK 104 - PUBLIC OUTREACH.

The program manager will oversee and coordinate all outreach efforts by the Program Management Team. Under the program manager's oversight, JFR will lead the public outreach effort for the entire program, in coordination with RRM Design Group. In general, the outreach effort is related to coordinating the following interrelated efforts and educational workshops to the general public:

- Reclamation Planning (outreach to growers)
- Public Agency outreach
- WRFCAC Coordination
- City Council presentations (JFR and RRM budget)
- Coordination with the GP/LCP Update

Task 104A: Outreach Kickoff/Scoping Meeting

This meeting will occur as soon as possible after the program management contract is in place with the intent of determining the overall project planning process, outreach strategies, and internal timeline of milestones. The Program Management Team will also use this meeting to obtain planning/design guidance from City staff, including initial comments for co-locating of City facilities; and to review

options and initial concepts for education center and park with City staff. This meeting would also include discussion of water reclamation planning and outreach strategies and would result in a list of stakeholders, subsequent workshop topics, workshop logistics (timing, location, advertisement), and any outreach concerns and ideas.

Task 104B: Project Website Development

The MKN team and Konig Media will develop a project-specific website. We will coordinate the design and content of the website with City staff through a series of meetings and provide draft content/outlines for review and approval.

Task 104C: Outreach Program

The MKN team will design and outline the outreach program. JFR will write outreach program memorandum with feedback from RRM. This will be a memo outlining the outreach program and will include elements such as:

- Outreach program master schedule, and detailed schedules for upcoming 12 months
- Strategy for transparency and develop project branding
- Defined outreach focus area topics
- Outline of workshops, workshop exercises, and topics
- List of public education program opportunities

This outreach process will need to be transparent and inclusive. The outreach strategy memo will outline this process and confirm that the City project team agrees on the approach and strategy before the outreach begins.

Task 104D: Stakeholder Outreach

Initial outreach to stakeholders will provide input to the master planning effort and inform the initial water reclamation planning process. The goal of this outreach effort is to obtain and document a clear understanding of the needs/desires of all project stakeholders in regards to project design of both facilities and water reclamation program. This task will build off of the stakeholder feedback received during the WRF Options Report process. The MKN team will conduct one (1) day of 30- to 60-minute interviews with property owners, growers, decision makers, and others with an interest in the project. City staff will be responsible for meeting notification, facility, and logistics. JFR will summarize meeting feedback and RRM will review and edit the summary.

Task 104E: Citizen Advisory Committee (WRFCAC) Coordination and Meetings

Following the kickoff meeting, a coordination schedule will be developed to ensure close working communication between the Program Management Team and the WRFCAC. The program manager will work with the WRFCAC to agenda current issues for discussion at their regular meetings.

Task 104F (1): Community Outreach Workshops

The MKN team will plan, coordinate and lead two (2) formal community workshops related to the Facilities Master Plan process, which will stem from the public education program developed following the outreach kickoff. These will be led by JFR and RRM. Detailed workshop topics will be developed as the project progresses, but it is anticipated that the initial workshop will include a general overview of the current project status, review of site location selected, and discussion of next steps through the environmental review, permitting requirements, and design processes, as well as providing a forum for



input on the Facility Master Plan. The workshops will be designed to be interactive and informative. Exercises may involve forms of polling participants through the use of tape dots, report cards, handheld remotes or similar methods. The Program Management Team will provide graphics and materials for each workshop (e.g., workshop flyer, nametags, sign-in sheets, agendas, and exhibits).

Prior to these formal workshops, there will be three (3) less formal educational workshops at the outset of the program, focused on the long-term program overview, with anticipated followups focusing on possible delivery systems and the appropriate timing and application of technologies in the process, the latter aimed at industry outreach. These will be led by MKN and JFR, and are in addition to the City Council and Planning Commission meetings and WRFCAC meetings (which are shown as separate tasks). The first workshop is anticipated to be a City Council work session focused on the full work plan and major decision points for the WRF Program.

Task 104F (2): Reclamation Planning Workshops

Our Program Management Team will work closely with the City, regulatory agencies, growers, and general public to address complex issues related to the potential development and use of reclaimed water within the framework of the Master Reclamation Plan. JFR and RRM will lead a robust outreach process to develop consensus on the best course of action. Specific tasks include two workshops focused on reclamation-related issues to address these key questions. We anticipate the workshops would address the following broad topics:

- Workshop #1 – Direct or Indirect Water Supply for the City:
 - Identify state and local requirements regarding reclaimed water use, focused on the customer or recipient of recycled water;
 - Present information we have learned about hydrogeological issues, including the potential for groundwater recharge, streambed recharge in Morro Creek, percolation, and subsurface injection;
 - Describe possible ownership and governance options for delivery and storage of reclaimed water, assuming the City will construct a transmission main but storage and distribution will be handled by the users to reduce the City's costs
- Workshop #2 – Agricultural Reclamation:
 - Identify and recap possible uses of reclaimed water related to agricultural use
 - Engage the growers and community in general about their willingness to participate in the reclamation process, given potential costs and logistics

The MKN team will plan, coordinate and lead these workshops, the results of which will inform our Master Reclamation Plan.

Task 104G: City Council Outreach and Updates

The MKN team will meet with Council on an ongoing basis throughout the duration of the project to discuss key aspects and issues. The first study sessions following the program manager contract execution and initial scoping meeting will review the overall design build process and appropriate timing of milestones and actions to be taken by Council members. The program manager will also provide ongoing monthly project updates to the Council.

104H: Outreach Coordination and Meetings

This task includes the ongoing coordination and meetings with City staff, stakeholders, and team members. Other outreach services, as identified in the initial scoping meeting or during the course of the project, will be executed under staff direction.

104I: General Plan/LCP Coordination

JFR will work with City staff and General Plan/Local Coastal Plan (GP/LCP) consultant team to most efficiently coordinate the outreach programs for this project and for the GP/LCP update process. The two efforts are highly related, since the new WRF must be sized to accommodate the future growth of the City, and the GP/LCP must be mindful of various constraints that development of the new WRF may pose. This task assumes up to three (3) workshops in support of this combined effort, and JFR's attendance and potential presentations at these workshops. The Program Management Team will provide set up materials for the workshop (e.g., workshop flyer, nametags, sign-in sheets, and agendas) and the GP/LCP consultant would provide workshop materials and presentation.

104J: Vendor/Industry Outreach

Members of the City Council have expressed interest in a workshop focused on the interested industry vendors who might have products or technologies that could be used in the new WRF. Although this forum could take many forms, we recommend an approach based on the following outline:

- Educate Council and Public about the FMP and DB processes
- Discuss when and how technology and project components will be selected
- Update schedule and efforts underway
- Invite industry representatives (potential vendors) to listen
- Allow any member of the public to provide input (not just industry)
- Approach is consistent with Council goals and outreach concept

This effort must be managed carefully, because an unfocused effort carries the following risks:

- Could undermine City goals and sidetrack FMP process
- Could derail the alternative delivery process for the new WRF
- Would lead to longer timeframe and likely higher costs

We believe that in order to have a successful outcome to this forum (and to minimize risks), several preparatory steps are needed, particularly with regard to educating the City Council and WRFCAC. These steps could include:

- Meeting one-on-one with Council members and WRFCAC reps
- Educate them on how the FMP and Design Build process work
- Explain how technologies are selected, and how contractors are selected

104K: Logo Design and Graphics

The project team will work closely with the City to develop provide a logo design to brand the project and use on documents, website, and exhibits. The team will also prepare graphics and exhibits throughout the process to put on the website, e-blasts, newsletters, and use during meetings.

104L: E-Blasts, Newsletters, and/or Surveys

The project team will provide e-blasts, newsletters and/or survey to keep the community informed or poll the community as the project progresses. The team will work with staff to draft articles and



information for the e-blasts, newsletters and/or questions for the surveys (using survey monkey or similar program), and will format and brand with the project logo. City will provide emails and addresses. **The budget is based on production of one newsletter, one survey, and six (6) e-blasts.**

104M: Visual Preference Survey **(Optional – Budget included under Task 208)**

A picture is worth a thousand words. Using photographs, the Visual Preference Survey allows participants to express their preferences on different architectural styles and elements that could be incorporated into the WRF architecture. The Visual Preference Survey can also poll participants on what community-focused elements they prefer to be considered as part of the WRF Site Plan's public realm. Each participant will be given a remote control device and will be asked to vote on projected architectural character images and public realm site features, similar to a PowerPoint presentation. Participants will vote on each image and the results will appear instantaneously. This is an exciting and interactive exercise that will give the team direction for the architecture and Facility Master Plan.

The Visual Preference Survey can be conducted at a community workshop or directed towards a smaller group, such as the WRFCAC or a Council study session.

RRM would prepare the survey from images collected in their image library. This task includes a round of edits to the survey to fine tune it for presentation, conducting the survey, and a summary of results.

TASK 105 - BUDGET TRACKING AND REPORTING. MKN will develop and maintain a budget tracking spreadsheet and s-curve for reporting project status of all team members' efforts throughout the program. A detailed version and a presentation version will be maintained. City will provide account ledgers monthly and all team members will provide a copy of invoices or payment requests to MKN for review and recommendation for payment. Their invoices and City ledgers will be used to update the budget spreadsheets.

MKN will provide a formal program-level budget report and cashflow projection on a quarterly basis. Six (6) hours per month is the assumed level of effort for this task.

TASK 106 – GRANT AND LOAN PURSUIT AND MANAGEMENT. Many issues will affect the City's ability to secure outside funding for the project. Our team, working closely with Kestrel Consulting, will perform the due diligence on the most promising funding leads identified through our team's research to date, so as to better position the City to be competitive for such funding when the time is right to make a formal application for grants and loans.

Based on our experience on the project to date, and on similar efforts, we anticipate the following grants and loans will be the most promising for the City of Morro Bay:

- Proposition 1 / CWSRF Planning and Construction Loans
- Proposition 1 / SWRCB Recycled Water Feasibility Study Grant
- WaterSmart Title XVI Bureau of Reclamation Recycled Water Grants
- Pacific Gas & Electric Energy Efficiency Grants (various)

TASK 107 –TECHNICAL SUPPORT FOR GRANT AND LOAN APPLICATIONS. MKN will provide engineering support for completion of grant and loan applications by Kestrel Consulting. This work is anticipated to

include technical, engineering, environmental, and financial submittals for the State Revolving Loan Fund; application materials for the SWRCB Recycled Water Planning Facilities Grant, and others. A budget allowance of 100 hours is recommended for this task but level of effort will depend on availability of information in the Facility Master Plan and reports by others.

TASK 108 – DEVELOP AND MAINTAIN PROJECT MANAGEMENT SYSTEM. MKN will evaluate alternatives and develop and manage an electronic project management file-sharing and document management system (ex. Procore and Bentley Projectwise). The systems that will be explored are readily-available, industry standard systems that are routinely used for project design and construction management. It is assumed the system will have scheduling, tracking, document control, and communication capabilities. By selecting the software, the City can identify the features that are appropriate for the program and can control the budget for the licenses or fees.

It is assumed the City will pay any software or license costs for each copy of the system recommended by MKN. As team members are added to the program, MKN will conduct a brief training session with each firm on proper use of the document management system.

An initial estimate of 40 hours to establish the system and monthly estimate of 8 hours per month is assumed for this task.

TASK 109 – ASSIST IN PLANNING AND DEVELOPMENT OF PROGRAM OFFICE. If desired, MKN can develop a scope and budget to assist the City in developing a program management office for co-location of program team members. This could occur during initial planning activities, during design-build execution, or during construction activities.

MKN will assist the City with space planning and coordination of furniture, utilities, signage, and development of protocol for use and security of the space. All costs would be paid by the City for the facilities, including furniture, lease (if required), utilities, and signage.

TASK 110 – DEVELOPMENT AND MAINTENANCE OF PROGRAM MANAGEMENT PLAN. MKN will prepare a Program Management Plan providing detailed planning steps for the upcoming 18 months. The Program Management Plan will include budget, schedule, cashflow projections, roles and responsibilities of program team members, risk registry, confirmation of major decisions or milestones, outreach strategy, and updates or reconfirmation of City Council goals and objective. It will be updated every six months with input from City staff.

Program Management Plan efforts will include tracking project alignment with city goals. On an ongoing basis during Program Management Plan updates, MKN will review the City's goals versus project process, decisions, and activity and confirm that those actions continue to support the City's goals and objectives for compliance, capacity, efficiency, operational flexibility, innovation, community outreach, and sustainability.

An initial effort of 80 hours and two updates at 40 hours each are assumed for this task.

TASK GROUP 200: PRELIMINARY PLANNING

TASK 201 – MASTER RECLAMATION PLAN. This promises to be a complex effort that involves prioritizing the various reclamation opportunities identified in our previous efforts. This Task will involve drilling down on several key questions:



- What are the State and local requirements that end users must follow for recycled water use?
 - What approach maximizes the benefit to the City's water supply, either directly or indirectly?
 - Is a combination of groundwater recharge along with directly providing access to reclaimed water for growers a good approach?
 - If so, what will the growers be willing to pay to help offset costs of providing reclaimed water? Is a subsidy to growers fair to City ratepayers?
 - How can reclamation costs be minimized? Should growers be responsible for extending their own reclamation infrastructure? Will onsite storage help?
 - Can growers indirectly benefit through groundwater recharge that benefits the City's wellfield?
- Among the challenges:* 1) What distance would be required between groundwater recharge locations and City wells, based on local hydrogeology? 2) How will increased groundwater pumping by the growers affect the City's wells? 3) Can a framework among the City and growers be established that protects water rights and water supply benefits for all users? 4) How will possible future regulations that relate to direct potable reuse affect this equation? 5) Are there opportunities to use state and federal funding to add a phased, direct potable reuse (DPR) strategy to the reclamation program?

Our management team will work closely with the City, regulatory agencies, growers, and general public to address these complex issues. We believe it will require a robust outreach process to develop consensus on the best course of action, which may take some time to complete.

The format will follow the draft outline provided in the grant application requirements for the SWRCB Recycled Water Feasibility Study Planning Grant Program in order to meet requirements. *If awarded, the grant will pay up to \$75,000 of this effort as long as the state guidelines are followed. MKN has experience performing these studies and will ensure the Master Reclamation Plan meets state requirements.*

Specific tasks include:

- Identify state and local requirements regarding reclaimed water use, focused on the customer or recipient of recycled water (ex. cross-connection requirements and setbacks from potable water facilities)
- Manage the next phases of work by the City's project hydrogeologist, Fugro Consultants, as they assess the potential for groundwater recharge, including streambed recharge in Morro Creek, percolation, and subsurface injection
- Manage work by Larry Walker & Associates (LWA), a consultant to the City, to identify sources of salinity and develop a source control strategy
- Provide schematic layouts, capital cost opinions, and operation/maintenance cost opinions for the recharge alternatives explored by the hydrogeologist (including up to four scenarios)
- Guide evaluation of ownership and governance options for delivery and storage of reclaimed water, assuming the City will construct a transmission main but storage and distribution will be handled by the users to reduce the City's costs
- Conduct outreach to the growers and community in general about their willingness to participate in the reclamation process, given costs and logistics

- Identify and critically evaluate various reclamation strategies, especially with regard to timing, water rights, logistics
- Coordinate with Kestrel Consulting to identify funding opportunities
- Identify the strategy that best benefits the City's potential water supply while protecting property owner water rights
- Develop a phasing strategy for implementation of the recycled water distribution and/or groundwater recharge system
- Prepare a draft and final report summarizing the work described above.

TASK 202 – CEQA/NEPA COORDINATION PROCESS. All project-related activities must be considered in the CEQA/NEPA document for this project. This would include steps ranging from property acquisition, property design, grading, construction and operation. The Facility Master Plan must be sufficiently complete so a meaningful project description can be developed in adequate detail for thorough environmental impact analyses. The tasks below describe our team's approach to managing the CEQA/NEPA process, including the technical studies to support the process and permitting that will be needed (described in Task 203).

Task 202A. CEQA/NEPA Program Coordination. In coordination with the program manager, JFR will take the lead in developing the steps needed to hire and manage a third-party consultant who will prepare the CEQA/NEPA documentation for the proposed project. This task involves the entire process from working with various responsible agencies (including but not limited to the California Department of Fish and Wildlife, Regional Water Quality Control Board, Caltrans, and SLO Air Pollution Control District) developing a scope of work, evaluating consultant proposals, interviewing and providing a recommendation to the City for a selected consultant, and working with the consultant as they prepare the CEQA/NEPA document. We will work with the City's planning staff on these tasks, and coordinate closely throughout the entire CEQA/NEPA process. The specific steps involved in this task include:

- a. Prepare Initial Study
- b. Coordinate with Responsible Agencies to Develop the CEQA/NEPA Work Scope
- c. Evaluate Consultant Proposals/Assist in Consultant Selection
- d. Review Administrative Draft CEQA/NEPA Document
- e. Coordinate with City Staff to Release Draft CEQA/NEPA Document
- f. Coordinate with Staff and CEQA/NEPA Consultant to Respond to Public Input on Draft Document
- g. Review and Coordinate Final CEQA/NEPA Document
- h. Prepare Findings, Evidence and Project Conditions
- i. Prepare Staff Report with City Staff Review
- j. Present Project at Public Hearings (assume 2)
- k. Ongoing Meetings with City Staff (cost assumed as part of Task 103)

Task 202B. Technical Studies Coordination. Several site surveys, studies, and other activities will be needed in support of the various permit applications and CEQA/NEPA process. Some of these, including those related to biological and cultural resources, are already underway. The needed studies include, but may not be limited to:

- Jurisdictional Determination (Waters of the United States and State of California)
- Focused Special-Status Species Surveys



- Biological Assessment
- Prepare Habitat Mitigation and Monitoring Plan (if any)
- Hydrologic and Hydraulic Analysis
- Phase I Archeological Survey (Section 106)
- Phase I / II Site Assessment
- Site Remediation (if necessary as a result of the Phase I/II Site Assessment)
- Air Quality Tech Report
- CDP/CUP Permit Application Review

The Program Manager will coordinate these technical studies with the selected CEQA/NEPA consultant and provide technical support as necessary.

TASK 203 – PERMITTING. This phase of the project includes all resource regulatory agency permitting, as well as any land use permitting that may be needed to support the project. In coordination with the Program Manager, JFR will coordinate these efforts, and work with City staff, others on the Program Management Team, or outside consultants to prepare or complete these processes or permits. Note that during the first 12-month phase of the process, the permitting process will be underway but not completed, so costs should be considered preliminary. The following permitting subtasks are included in this effort:

Task 203A. Resource Regulatory Agency Permitting. The project will require a variety of permits from state and federal resource regulatory agencies. It is not yet known whether the project design can locate the new WRF outside Waters of the United States, Waters of the State of California, and other resources under federal or state regulatory protection. However, if there is any discharge into Morro Creek as part of the reclamation effort, the project will be required to comply with RWQCB Waste Discharge regulations. Depending on the nature of the activity, it may also require a Streambed Alteration Agreement from the State Department of Fish and Wildlife, a Section 404 permit pursuant to the Clean Water Act from the U.S. Army Corps of Engineers, and Section 401 certification from the RWQCB.

Key resource regulatory permitting agencies for this project include:

- U.S. Army Corps of Engineers (pursuant to Section 404 of the Clean Water Act)
- Regional Water Quality Control Board (NPDES permit; meeting Porter-Cologne Act requirements; Section 401 certification)
- California Department of Fish and Wildlife (Streambed Alteration Agreement)
- California Environmental Protection Agency, Department of Toxic Substances Control (Site Assessment / Remedial Action Plan)
- San Luis Obispo County Air Pollution Control District (SLOCAPCD)

These agencies will use the final CEQA document to assist in their permitting processes. The 5-year schedule assumes that regulatory permits can be obtained with 6 months from the end of the CEQA process, which depends on the permit process being initiated during the CEQA evaluation, and assumes that resource agencies engage in a timely review within their permitting processes. *Although the permit process for these actions may be initiated during the CEQA process, their completion will depend to a large extent on agency evaluation and acceptance of the final environmental document.* If there are

disagreements between permitting agencies and the City, it may require additional supplemental CEQA studies to satisfy resource permitting agency concerns.

Task 203B. Land Use Permitting. The project will 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.

With respect to annexation, JFR, in coordination with the Program Manager, will coordinate with LAFCo staff, putting together the application for annexation, describing the project's service needs relative to LAFCo requirements, and evaluating the project's consistency with LAFCo policies, including those associated with the conversion of agricultural land and the provision of water supply. We understand that the ultimate determination of consistency with LAFCo policies must be made by LAFCo, but in our experience, it is useful to coordinate closely with LAFCo staff throughout the entire process to ensure that the project is on the right track, and that the application process will go in a more timely fashion. In this way, if there are issues to be resolved, then they can be addressed early in the process.

Key land use permitting agencies for this project could include:

- California Coastal Commission / San Luis Obispo County Department of Planning & Building (Local Coastal Plan Amendment)
- 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)
- California Department of Transportation (Caltrans Encroachment Permit)

As with the resource regulatory permitting, these land use agencies will use the final CEQA document to assist in their permitting processes.

TASK 204 – FACILITY MASTER PLAN COORDINATION. MKN will organize weekly coordination meetings or calls and lead responses to issues that develop during the project. MKN will serve as the main point of contact for the Facility Master Plan team while also maintaining communications between the City and the Facility Master Plan team. MKN will review monthly progress reports submitted by Facility Master Plan team and coordinate formal progress meetings between the Facility Master Plan team and the City.

The Facility Master Plan team also anticipates public workshops. MKN will coordinate and attend all Facility Master Plan workshops. It is assumed the workshops would include the following:

- Initial Public Workshop for Public and City Council Input on Concepts
- Site Plan and Visual Simulation Presentation Workshop
- Treatment Alternatives Workshop



MKN will coordinate City reviews of deliverables and compile comments to provide to the Facility Master Plan consultant. It is assumed that approximately nine (9) draft and final Technical Memoranda and the 33%, 66%, 90%, and final Master Plans will be reviewed.

TASK 205 – DEVELOP PROJECT DELIVERY TECHNICAL MEMORANDUM. MKN will develop a memorandum and presentation for City Council and WRFCAC summarizing the potential project delivery methods for the Phase I project; advantages and disadvantages; recommended approach; and steps required for implementation.

It is assumed the City attorney and/or special legal counsel will provide a legal opinion on the different alternative delivery options. At this time, the methods are anticipated to include design-build, progressive design-build, design-build-operate, design-build-operate-finance, and construction management at risk (CMAR).

TASK 206 – COORDINATION OF SPREADSHEET MODEL DEVELOPMENT AND MODEL RUNS FOR CUSTOMER RATE IMPACTS. MKN will provide guidance to the City's rate consultant in developing a spreadsheet model (by rate consultant). The Program Management Team will run the model to determine impacts of the following on projected customer rates:

- Project financing rate and period
- Grants
- Alternative projects for both the Phase I and Phase II programs (ex. different WRF treatment technologies for the Phase I project or different reclamation facilities for the Phase II program)

It is assumed up to 12 model runs will be performed for public workshops and meetings and results will be summarized in those presentations.

TASK 207 – ALIGNMENT STUDY AND CALTRANS COORDINATION. MKN will identify the likely number and alignment of pipelines to and from the site (ex. recycled water main, City water supply, force main, and/or brine discharge line). We will coordinate with Caltrans to identify constraints associated with the various pipeline crossings. This work will also incorporate the findings of the Facility Master Plan team related to the force main and discharge pipelines.

Regulatory requirements for pipeline separation will have a significant impact on location and alignment of the City waterline and other utilities that are required for Phases I and II of the program, but will not be explored in detail in the Facility Master Plan. Division of Drinking Water will be contacted to discuss installation methods or pipeline design features that may be required if minimum separations cannot be cost effectively maintained.

A Technical Memorandum and preliminary alignment map will be prepared that identifies the number and possible alignments of the various pipelines, taking into account the surveyed base map (by others), environmental constraints, utility conflicts, regulatory requirements, and installation techniques.

TASK 208 – DATA COLLECTION AND ENGINEERING SUPPORT FOR PRELIMINARY PLANNING ACTIVITIES. A budget of 200 hours is recommended for the following activities:

- Market survey of available organic waste for Facility Master Plan
- Collection, organization, and summarization of influent water quality data from the City/CSD WWTP for use during design activities
- Coordination of sampling activities for salinity identification and source control of contaminants
- Other activities as needed

TASK GROUP 300: PHASE I PRELIMINARY ENGINEERING AND PROCUREMENT

TASK 301 – OUTFALL EVALUATION AND MANAGEMENT STRATEGY. MKN proposes performing the following work under this task:

- Hydraulic modeling of the outfall to evaluate performance under various flow regimes (wet weather flow, wet weather and brine, and brine only if groundwater recharge is pursued to reduce wet weather flows)
- Preliminary layout of connection to the outfall
- Review of legal or permitting constraints associated with continuing use of the outfall under different management strategies. It is assumed City legal counsel will provide an analysis of ownership and other legal constraints.
- Development of a technical memorandum summarizing the work described herein.

TASK 302 – PHASE I WRF DESIGN/BUILD PROCUREMENT. It is assumed, for budgeting purposes, that the City will follow a “best-value” design-build process. The City Council will select a delivery method and based on their selection, the budget and scope for this task may require revision. It is anticipated the procurement process will generally follow the steps identified below. The assumed level of effort for each step is also provided. MKN will prepare all deliverables in draft and final form for City review.

- Request Expression of Interest (EOI) from potential design-build proposers (8 hours assumed)
- Prepare and facilitate a 4-hour workshop for respondents to the EOI (8 hours assumed)
- Prepare Request for Qualifications for design-build procurement (24 hours assumed)
- Review Statements of Qualifications from design-build proposers (24 hours assumed)



- Coordinate a review workshop with the City selection committee and prepare a draft response to short-listed teams (16 hours assumed)
- Prepare DB Procurement Documents, including coordination with contract documents and development of bridging documents. Coordinate with City attorney and/or special legal counsel for preparation of contract documents. It is assumed documents will be based on standard agreements available from Design Build Industry Association (DBIA) and other professional organizations but will be modified as directed by City legal counsel. (100 hours assumed)
- Meet with potential proposers and coordinate regular communication and outreach protocols documented in the Program Management Plan (40 hours assumed)
- Develop bridging documents including performance requirements, available geotechnical studies, topographic and boundary survey, and the following preliminary plans for two (2) conceptual treatment alternatives to allow the design-build teams to develop a bid while maximizing opportunities for innovation. At this time a budget cannot be developed for the bridging documents since the level of effort will depend on the treatment process and other site uses identified during the Facility Master Plan. (Level of effort TBD and not included in the budget, depending on the recommendations from the Facility Master Plan.)
 1. 20% Preliminary site plan
 2. Preliminary grading plans
 3. Detailed layouts of site amenities such as community park or corporation yard (if desired by City) to prevent conflicts with the WRF
 4. Process flow diagram
 5. Two (2) site elevation views
 6. Process and instrumentation diagrams
 7. Electrical single-line diagrams
 8. Architectural design standards
 9. Highway 41 access improvements
- Prepare Request for Proposals for Design-Build Procurement (40 hours assumed)
- Review proposals from proposers (60 hours assumed)
- Coordinate a review workshop with the City selection committee and prepare a recommendation for City Council (12 hours assumed)
- Coordinate review by City legal counsel (8 hours assumed)
- Lead final negotiations with the selected proposer (40 hours assumed)

TASK 303 – PROCUREMENT OF INFLUENT LIFT STATION AND TRANSMISSION PIPELINE DESIGN TEAM.

MKN will perform the following services for procurement of a design team:

- Develop Request for Proposals and present to WRFCAC and Council for review and approval (12 hours assumed)
- Coordinate and attend pre-proposal meeting (8 hours assumed)
- Respond to Requests for Information and issue addenda as needed (12 hours assumed)
- Review proposals (12 hours assumed)
- Coordinate City review and interview process (12 hours assumed)
- Negotiate scope and budget with preferred consultant (8 hours assumed)
- Prepare staff report and recommendation for WRFCAC and City Council review (4 hours assumed)
- Meet with potential proposers and coordinate regular communication and outreach protocols documented in the Program Management Plan (24 hours assumed)

TASK 304 – DATA COLLECTION AND ENGINEERING SUPPORT FOR PRELIMINARY ENGINEERING AND PROCUREMENT ACTIVITIES. A budget of 200 hours is requested for support activities that may be required by the Program Management Team during execution of this phase of the WRF development.

TASK GROUP 400: PHASE I PROJECT DESIGN

TASK 401 - COORDINATION OF PHASE I WRF DESIGN DEVELOPMENT - MKN will organize weekly coordination meetings and lead responses to issues that develop during design development. MKN will serve as the main point of contact for the Design-Build Contractor (DBC) while also maintaining communications between the City and the DBC.

MKN will review the Concept Design Report and coordinate response from City. It is assumed that MKN will also coordinate up to six (6) design workshops with City staff to review progress of design development.

TASK 402 - COORDINATION OF INFLUENT LIFT STATION AND TRANSMISSION PIPELINES DESIGN DEVELOPMENT - MKN will organize weekly coordination meetings and lead responses to issues that develop during design development. MKN will serve as the main point of contact for the Design Team while also maintaining communications between the City and the Design Team.

MKN will review draft deliverables including up to four (4) Technical Memoranda, the Concept Design Report; 30% Design Plans and Estimates; 60% Design Plans; Draft Final Plans and Specifications; and Final Plans, Specifications, and Estimates.

TASK 403 – VALUE ENGINEERING REVIEWS – Based on the process and design alternatives selected for the WRF and lift station, MKN will assemble a value engineering team consisting of a qualified Value Engineering facilitator (per SRF requirements) and technical experts.

Our subconsultant, Value Management Strategies, Inc, will serve as the facilitator. It is assumed value engineering will be performed at the following milestones:

- Phase I WRF –30% Value Engineering Review
- Influent Lift Station and Transmission Pipelines - 30% Value Engineering Review
- Influent Lift Station and Transmission Pipelines – 60% Value Engineering Review



In our experience, the procurement process for engineering services is a good way to identify experts in various disciplines who can serve as members of the Value Engineering team. The technical experts will be identified after technologies are selected for the Phase I WRF.

TASK 404 - REPORT OF WASTE DISCHARGE – MKN will prepare a Report of Waste Discharge (ROWD) for the Phase I WRF to request Waste Discharge Requirement Orders and a National Pollutant Discharge Elimination System (NPDES) permit and submit the ROWD to Regional Water Quality Control Board (RWQCB).

It is assumed an administrative draft, draft and final ROWD will be prepared. Draft documents will be reviewed by the Design-Build team and City prior to submittal to RWQCB. The ROWD will include a summary of water supply (quality and source), wastewater flows and characteristics, treatment process components, monitoring and alarms, reliability features, solids handling, and the treated effluent reuse strategy.

TASK 405 - TITLE 22 REPORT FOR DDW – MKN will prepare a Title 22 Report for Division of Drinking Water review. It is assumed the Title 22 Report will include the Phase I WRF and initial reclamation opportunities that are identified in the Master Reclamation Plan. The report will include recycled water project design criteria; responsible parties for production, delivery, and use; Phase I WRF description, reliability features, monitoring program, transmission system components, use area and type, setbacks, signage, training, and a contingency plan.

TASK GROUP 500: PHASE I PROJECT CONSTRUCTION

MKN will mobilize the field staff to the project site as soon as MKN receives authorization to proceed and construction is ready to begin. The Resident Engineer (RE) and the field staff will maintain field offices (for both the Phase I WRF and influent lift station and transmission pipelines) provided by the Phase I WRF contractors (see task 3000). The Project Management Team will implement the record-keeping documentation, and contract administration systems. MKN will be the City's focal point (agent) for correspondence related to the construction phase of the project.

TASK 501 – CONSTRUCTION ADMINISTRATION PROCEDURES MANUAL. Compile a Construction Administration Procedures Manual for each of the two projects. The manual will define project administration team responsibilities and assignments and to what degree and frequency the tasks will be executed. Emergency contacts and action plans will be compiled. The primary purpose of this manual is to define the appropriate level of project administration, coordination, and communication. As part of this task, MKN will work closely with City staff to develop a plan for how resident and business inquiries will be handled during construction activities. The plan, which will be approved by the City, will be incorporated into the manual as an Appendix.

TASK 502 – PRE-CONSTRUCTION CONFERENCE. Conduct a pre-construction conference with the City, City's consultants, involved agencies, utilities, and the Contractor's team as they prepare to mobilize for each project. The RE will review plans and specifications with the Contractor in an effort to facilitate the Contractor's understanding of the project. The RE will review the Contractor's construction schedule for the project, including equipment, labor, and supervision planning. The RE will review appropriate protocols and procedures detailed in the Construction Administration Procedures Manual. The RE will

apprise the Contractor of contract requirements regarding security matters such as fences, lighting, and posting of signs. MKN will prepare meeting minutes for the pre-construction meeting.

TASK 503 – WEEKLY PROGRESS MEETINGS. Conduct weekly progress meetings at the City’s wastewater treatment plant with the Contractors, permit agencies (if applicable), and the City’s design representatives. The principal purpose of the project coordination meetings will be to:

- Review progress and quality and work planned for the next week
- Progress of critical path schedule items and task critical to project success (e.g., status of long lead time items)
- Review submittal and RFI logs.
- Notify the attendees of any construction deficiencies.
- Discuss labor, material, and equipment related to upcoming work.
- Address team coordination matters.
- Review maintenance of “as-built” drawings throughout construction.

MKN will prepare for these meetings (i.e., review the most current schedule ahead of the meeting), chair these meetings, and conduct each meeting according to a published agenda and have meeting summaries prepared and promptly distributed. Meeting summaries will detail action items, the discussions that ensued, and announce the time and date of the next meeting.

TASK 504 –WEB BASED CENTRALIZED DOCUMENT AND CHANGE MANAGEMENT SYSTEM. MKN will provide administrative support and management of the Web Based Centralized Document and Change Management System (ex. Primavera) to include regular updates of:

- Correspondence (letters and e-mail)
- Submittals/Shop Drawings
- Requests for Information (RFI)
- Change orders and change order requests
- Meeting Agendas and Minutes
- Daily Reports
- Inspection Reports
- Project Schedules

TASK 505 – RFIS. Review, coordinate (with City and design engineer), and respond to (up to 200) Contractor’s Requests for Information (RFI). When appropriate, recommendations, suggestions and alternatives shall be provided to the Contractor, and/or the City.

TASK 506 – SCHEDULING. Review the Contractor’s schedule on a monthly basis to verify that the project is being executed in general accordance with the requirements of the contract documents. Monitor the Contractor’s compliance with the agreed-upon scheduling requirements.

- MKN’s major task associated with the overall schedule requirements will be to:
- Review the Contractor’s schedule to determine that it is properly prepared, that the milestones dates meet the overall schedule, and that no major conflicts exist.



- Review progress attained against the approved schedule to adequately record work-in-place, detect any potential delays, and review the Contractor's plan for implementation of remedial measures when appropriate, to recover or maintain progress.
- If changes are made to the critical path items review changes in assumptions and logic.
- In conjunction with the City, negotiate schedule adjustments with the Contractor, which may be required due to weather, change orders, or other impacts requiring schedule adjustments

TASK 507 – COMPLIANCE. Review Contractor's safety program for compliance with the contract documents. MKN shall not be responsible for Contractor's implementation of or compliance with its safety program or for initiating, maintaining, monitoring or supervising the implementation of such programs or the procedures and precautions associated therewith, or for the coordination of any of the above with the Contractor.

TASK 508 – CONSTRUCTION ADMINISTRATION. Maintain a set of contract files per the procedures identified in the Construction Administration Procedures Manual. If resident/business inquiries are received MKN will log them and work with the City staff to implement a response based on the procedures outlined in the Construction Administration Procedures Manual.

TASK 509 – MONTHLY PROGRESS PAYMENTS. Review Contractor's monthly progress payment requests, and construction contract records and reports specified to be submitted, for compliance with contract documents. Compile recommendations and forward to the City.

TASK 510 – CHANGE ORDERS. Investigate proposed change orders and RFIs submitted by the Contractor or requested by the City. Change order submittals will include supporting records. MKN's investigation will include the impacts on the project schedule and budget, and will include a recommendation for approval or disapproval. MKN will:

- Assemble documentation to include such items as inspection reports, test reports, drawings, sketches, photographs, and other materials as required.
- Review change order estimates compiled by the City's Design Consultants consisting of a cost estimate conforming to the City's procedures and forms; assess the impacts of the proposed change on the Contractor's schedule and operations; and prepare a written report summarizing the impact of the proposed change in terms of extra cost, cost savings, schedule, and effect on Contractor's obligations.
- Evaluate the Contractor's price proposals for reasonableness and accuracy of construction quantities, rates and unit prices, and time and schedule impacts.
- Maintain a change order log as a means to tracking change order proposals through the review and approval process. MKN will establish files for potential change orders or claims such as to accumulate documentation should the issues result in a change order or claim.

TASK 511 – SUBMITTALS. Receive from Contractor specified submittals and O & M manuals. Transmit these to design engineer for review, if appropriate (Influent Lift Station and Transmission Pipelines only). Maintain a log (Web Based) and manage shop drawings and sample/submittal review process to determine the following:

- All short-term look-ahead schedules contain critical submittal dates, and the logs reflect the same.
- Submittals are reviewed in a timely fashion and returned to the Contractor to minimize lost production time.
- Logs are updated on a regular basis.
- Shop drawings have been reviewed and returned before associated work has begun.
- A copy of all submittals is maintained in the file.
- Subsequent to the review, return submittal to the Contractor and forward a copy to the City.

MKN shall conduct an administrative review of worker safety protection/excavation plans and dewatering plans prepared by the Contractor's registered civil or structural engineer to assist the City with the acceptance of detailed plans developed by the Contractor for the design of excavation, bracing, sloping or other provisions necessary for the protection of existing facilities and for the protection of workers from the hazard of caving ground during the excavation of any trench 5 feet or more in depth (hereinafter referred to as "Excavation Plan").

MKN's review does not include an independent review of the Contractor's calculations or of the materials used by the Contractor. Nothing contained in the Scope of Work shall be construed as relieving the Contractor of the full responsibility for providing an Excavation Plan(s) that is adequate for worker protection, nor for the liability resulting from the failure to do so.

TASK 512 – PERMIT COORDINATION. Act as liaison (for communications) between the City and representatives of permitting agencies. Assist the City with finalizing permit coordination. All permit fees are to be paid by Contractor and/or City.

TASK 513 – FIELD OBSERVATION. Implement observation guidelines for monitoring the quality of the Contractor's work. Conduct field observation and prepare documentation (daily reports) of construction tasks including but not limited to construction staging, utility coordination, process, mechanical, electrical, instrumentation, traffic access, pedestrian access, drainage, NPDES requirements, concrete, grading, pipeline, building construction, base and surfacing, lighting, landscaping, and erosion control.

Upon witnessing (and discussing with City) materials, erection or installation process, or levels of quality that do not meet the requirements of the construction contract documents, issue a Non-Conformance Report notifying the Contractor of such deviation and inquire about the Contractor's proposed corrective action. Copies will be forwarded to the City.

The Contractor has sole responsibility for compliance with safety requirements on the construction contract. MKN's staff will monitor the Contractor's general compliance with its safety program and advise the City of observed deficiencies.

Maintain a photographic log of construction activities and provide the City copies of significant photographs.

TASK 514 – PUNCH LIST. Punch lists shall be developed to permit City acceptance of each segment of work to occur after the Contractor attains substantial completion. Conduct a final project review with the City. Submit a recommendation for project acceptance.



TASK 515 – RECORD DRAWING. Collect construction record drawings from Contractor and transmit to design engineer for processing.

TASK 516 – TECHNICAL SUPPORT. MKN will provide technical support with the following disciplines:

- Civil Engineering
- Structural Engineering
- Wastewater Processes
- Instrumentation and Controls
- Electrical

TASK 517 – LABOR COMPLIANCE. MKN and its state-certified subconsultant, Golden State Labor Compliance, will provide a Labor Compliance Program to monitor the Contractor's labor compliance, which includes the following:

- Pre-Job Conference. Conduct a pre-job conference with the Contractor and subcontractors listed in the bid before commencement of the work. Labor compliance requirements will be discussed and copies of the suggested reporting forms furnished. Records of the conferences will be kept on file.
- Monthly Audit of Contractor Certified Payroll. Review certified payrolls submitted by the Contractor and his subcontractors to verify compliance with the requirements of prevailing wage. Monitor that Apprenticeship requirements are being met.
- Monthly On-Site Interview. Conduct random on-site Contractor employee interviews on a monthly basis as required by the Labor Compliance Program.
- Violation Enforcement and Recommendations. Communicate potential violations to City and provide recommended action.
- Annual Reporting to the Department of Industrial Relations (DIR). Compile and submit a summary report to the DIR. The report will be submitted annually during construction and at the conclusion of the project.

TASK GROUP 600: PHASE I FACILITY START UP, TESTING, AND COMMISSIONING

TASK 601 – STARTUP AND COMMISSIONING COORDINATION. MKN will serve as the start-up and commissioning liaison coordinating the services of the design consultant and contractor for the Influent Lift Station and Transmission Pipelines; and contractor for the Phase I WRF (as well as the contractor's subconsultants and suppliers) to develop and implement both start-up and commissioning plans. .

It is assumed the contract documents will require the Design-Build Contractor for the Phase I WRF and the contractor for the Influent Lift Station to provide startup services, such as demonstrations of proper system operation, adjustments to the equipment as needed to meet requirements in the contract documents, warranty support and service, vendor training, operations & maintenance manual(s), and required guarantees. These requirements will be evaluated during constructability review of the contract documents for each project component. It is further assumed that the respective design engineers will provide technical assistance and overall system review.

It is assumed the contract documents will also require the Contractor to submit an acceptance test plan and protocol that defines the following:

- Specific measurements that will be made, including identification of permanent and temporary measurement devices
- Calibration procedures for measuring devices
- Redundancy of any measuring device to demonstrate accuracy
- Organization of the testing team, including responsibilities
- Testing schedule
- Operations and maintenance schedule during the testing period (if not in the Operations Plan discussed below)
- Specific detailed sampling protocols to be used in conducting the acceptance test

It is also assumed the Design-Build Contractor will provide an Operations Plan for the Phase I WRF, and the Plan will identify the schedule and steps for startup and commissioning of each system component.

MKN will perform the following tasks:

- Coordinate Contractors' startup and commissioning activities and compare to contract document requirements, Operations Plan and Acceptance Plan. Advise City of nonconformance issues. MKN will coordinate with City staff, Contractor(s), design team(s), systems integrator, and Construction Management team startup specialists.
- Review Operations Plan and Acceptance Plan and advise the City as to status of the scheduled tasks
- Coordinate Contractor/Client meetings to review startup status
- Coordinate vendor training sessions for attendance by appropriate City staff, design team, and Contractors. Provide input during training sessions regarding design and operation of equipment based on startup team's experience

TASK 602 –TRAINING. MKN will prepare and deliver supplemental on-site and classroom instructional training sessions on equipment and process systems. The training will be relative to the process operation of the facility. The content of the session shall be mutually agreed upon by both MKN and the City. Instruction will be performed at a location approved by City. Prior to training, equipment and systems preparation and checkout will be completed and demonstrated to the satisfaction of an MKN representative.

Training instruction sessions for the Client's personnel will include maintenance and operation personnel.

TASK GROUP 700: PHASE I FACILITY OPERATION AND PROJECT CLOSE OUT

TASK 701 – FINAL PROJECT REVIEW. For each of the construction projects, conduct final project review with the City and Design Engineers and submit a recommendation for project acceptance.

TASK 702 – FINAL REPORT. For each of the construction projects, prepare final report, with testing records, and submit to City.

TASK 703 – FINAL SUBMITTAL PACKAGE. For each of the construction projects, compile a final submittal package (field records) and submit to City.



TASK 704 – TECHNICAL SUPPORT DURING OPTIMIZATION. MKN will provide engineering and process support on an as-needed basis during commissioning and optimization of the WRF, Influent Lift Station, and conveyance pipelines.

Task Groups 800 through 1100 address the planning and design of the Phase II Reclamation System. A detailed scope and budget for these task groups will be provided as the Master Reclamation Plan is developed and implemented. The MKN team is committed to provide the same high level of program management throughout the development, implementation, and startup of all phases of the City's Water Reclamation Program.

TASK GROUP 800: PHASE II PROJECT PRELIMINARY AND FINAL DESIGN

TASK GROUP 900: PHASE II PROJECT CONSTRUCTION

TASK GROUP 1000: PHASE II FACILITY START UP, TESTING, AND COMMISSIONING

TASK GROUP 1100: PHASE II FACILITY OPERATION AND PROJECT CLOSE OUT

Morro Bay WRF Program Management Services

mkn						Total Hours (MKN)	Subtotal Labor (MKN)	ODCs (MKN)	JFR	RRM	MNS	Laquidara (TAT)	Konig Media	Total Subconsultant Cost	Total Cost
	Project Manager	Senior Project Engineer	Project Engineer	Assistant Engineer	Administrative Assistant										
Task Group 100 Program Administration															
Task 101-Schedule tracking and progress reporting	48		48			96	\$ 14,400	\$ 432	\$ 3,780					\$ 3,780	\$ 18,612
Task 102-Program Documentation	40		80			120	\$ 17,400	\$ 522	\$ 3,780					\$ 3,780	\$ 21,702
Task 103-Meetings	300		104			404	\$ 63,540	\$ 1,906	\$ 50,400					\$ 50,400	\$ 115,846
Task 104-Public outreach	104		16			120	\$ 19,320	\$ 580	\$ 31,605	\$ 68,250			\$ 5,000	\$ 104,855	\$ 124,755
Task 105-Budget tracking and reporting	48					48	\$ 7,920	\$ 238	\$ 3,780					\$ 3,780	\$ 11,938
Task 106-Grant and loan pursuit and management	40		0	0		40	\$ 6,600	\$ 198						\$ -	\$ 6,798
Task 107-Grant and loan support	50		25	25		100	\$ 14,500	\$ 435						\$ -	\$ 14,935
Task 108-Develop and maintain project management system	12		24	50	12	98	\$ 11,510	\$ 345	\$ 2,520					\$ 2,520	\$ 14,375
Task 109-Assist in planning and development of Program Office	12		16		16	44	\$ 4,860	\$ 146	\$ 630					\$ 630	\$ 5,636
Task 110-Development and Maintenance of Program Management Plan	80		40			120	\$ 18,600	\$ 558	\$ 6,300					\$ 6,300	\$ 25,458
Subtotal	734	0	353	75	28	1190	\$ 178,650	\$ 5,360	\$ 102,795	\$ 68,250	\$ -	\$ -	\$ 5,000	\$ 176,045	\$ 360,055
Task Group 200 Preliminary Planning															
Task 201-Master Reclamation Plan	100	160	240	240	40	780	\$ 103,100	\$ 3,093	\$ 18,270		\$ 10,500	\$ 5,250		\$ 34,020	\$ 140,213
Task 202-CEQA	40		40			80	\$ 12,000	\$ 360	\$ 68,670					\$ 68,670	\$ 81,030
Task 203-Permitting	40		40			80	\$ 12,000	\$ 360	\$ 58,800					\$ 58,800	\$ 71,160
Task 204-Facility Master Plan coordination	240	40	24			304	\$ 49,040	\$ 1,471				\$ 5,250		\$ 5,250	\$ 55,761
Task 205-Develop Project Delivery Technical Memorandum	40		24	24		88	\$ 12,600	\$ 378						\$ -	\$ 12,978
Task 206-Coordination of Model Development and Model Runs	16		60	60		136	\$ 17,640	\$ 529						\$ -	\$ 18,169
Task 207-Alignment Study and Coordination with Caltrans	8		60	12		80	\$ 10,800	\$ 324						\$ -	\$ 11,124
Task 208 - Data Collection and "As-Needed" Services	40	20	70	70		200	\$ 27,200	\$ 816	\$ 5,050	\$ 5,250				\$ 10,300	\$ 38,316
Subtotal	524	220	558	406	40	1748	\$ 244,380	\$ 7,331	\$ 150,790	\$ 5,250	\$ 10,500	\$ 10,500		\$ 177,040	\$ 428,751
Task Group 300 Phase I Preliminary Engineering and Procurement															
Task 301-Outfall Evaluation and Management Strategy	24	24	40	24	8	120	\$ 16,200	\$ 486						\$ -	\$ 16,686
Task 302-Design-Build Procurement (Bridging Documents/Concept Design TBD)	300		80			380	\$ 60,300	\$ 1,809			\$ 5,000			\$ 5,000	\$ 67,109
Task 303-Influent Lift Station and Transmission Pipeline Design Procurement	76		16			92	\$ 14,700	\$ 441						\$ -	\$ 15,141
Task 304 - Data Collection and "As-Needed" Services	40	20	70	70		200	\$ 27,200	\$ 816	\$ 5,050					\$ 5,050	\$ 33,066
Subtotal	440	44	206	94	8	792	\$ 118,400	\$ 3,552	\$ 5,050	\$ -	\$ 5,000	\$ -		\$ 10,050	\$ 132,002
TOTAL BUDGET	1698	264	1117	575	76	3730	\$ 541,430	\$ 16,243	\$ 258,635	\$ 73,500	\$ 15,500	\$ 10,500	\$ 5,000	\$ 358,135	\$ 920,808
														Contingenc	
														10%	\$ 92,080.79
															\$ 1,012,889



Morro Bay WRF Program Schedule

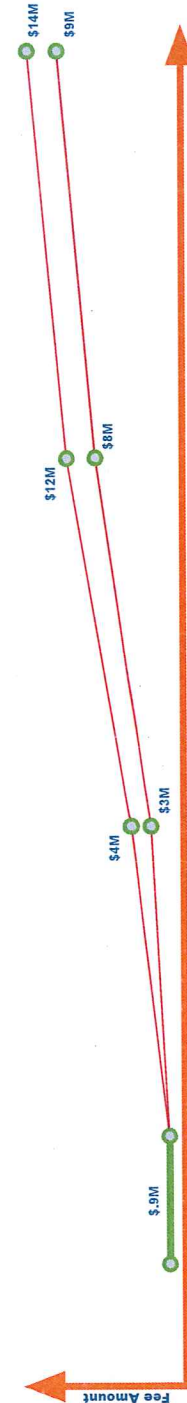
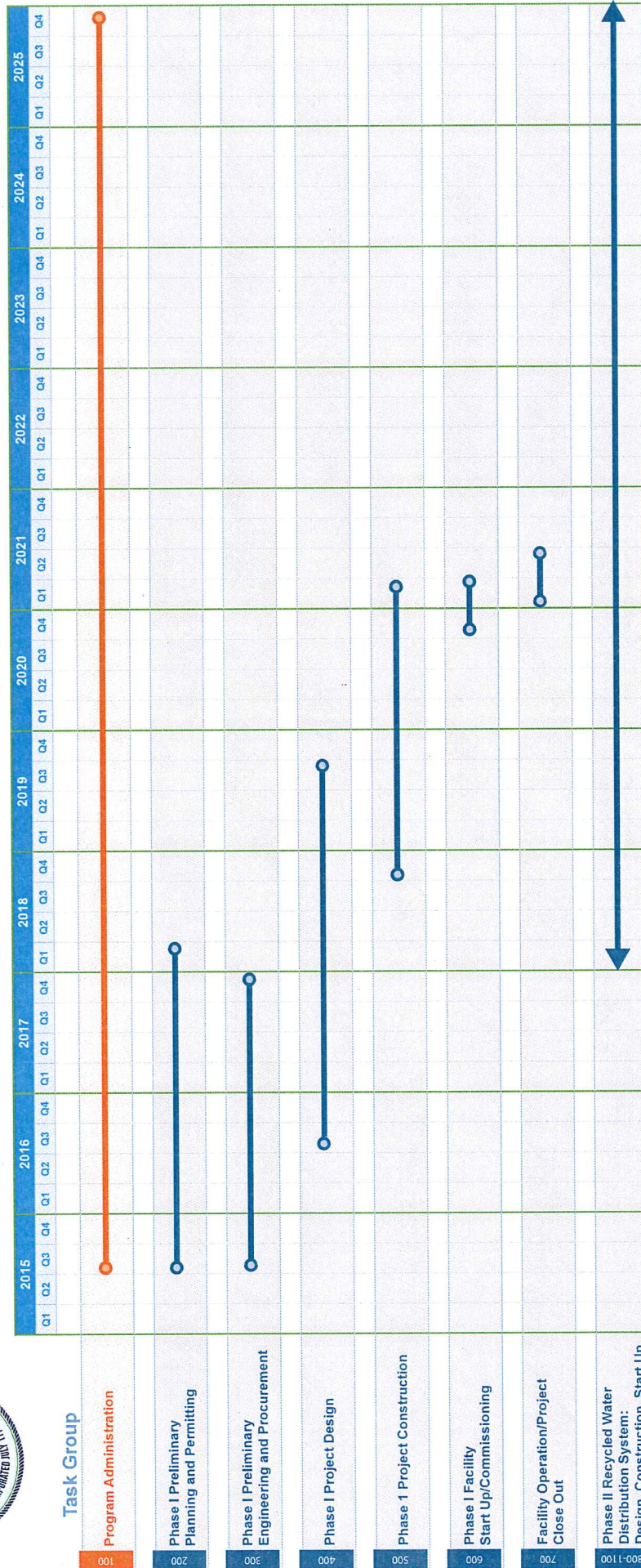


EXHIBIT B**INSURANCE REQUIREMENTS**

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

Consultant shall provide the following types and amounts of insurance:

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

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

Property Damage Insurance in an amount of not less than \$1,000,000 for damage to the property of each person on account of any one occurrence.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by

primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Consultant, subContractors or others involved in the Work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

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

Exhibit B

Page 2 of 6

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

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

Exhibit B

Page 3 of 6

Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City's option.

8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subContractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to City.
9. Consultant agrees to ensure that subcontractors, and any other party involved with the Scope of Services who is brought onto or involved in the Scope of Services by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Scope of Services will be submitted to City for review.
10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subContractor, Architect, Engineer or other entity or person in any way involved in the performance of the Scope of Services to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At the time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
11. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increase benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.

Exhibit B

Page 4 of 6

14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the Scope of Services reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

Exhibit B

Page 5 of 6

21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

Exhibit B

Page 6 of 6



CERTIFICATE OF LIABILITY INSURANCE

MICHKNN01 Attachment 2 PATRA02

DATE (MM/DD/YYYY)

5/6/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0305584
Morris & Garritano Insurance Agency, Inc.
PO Drawer 1189
San Luis Obispo, CA 93406

RECEIVED
City of Morro Bay
MAY 11 2015

CONTACT NAME: Heather Ross

PHONE (A/C, No, Ext): (805) 543-6887

FAX (A/C, No): (805) 543-3064

E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: CNA Insurance Companies

INSURER B: Preferred Employers Group

10900

INSURER C:

INSURER D:

INSURER E:

INSURER F:

INSURED

Michael K. Nunley & Associates Inc.
PO Box 1604
Arroyo Grande, CA 93421

City Attorney

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	X	X	6011868613	12/10/2014	12/10/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS			6011868613	12/10/2014	12/10/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WKN1498533	05/17/2015	05/17/2016	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Engineering Support for Major Maintenance and Repair Program (MMRP).

See forms attached as triggered by written contract:

GL: AI & PNC - SB146932-E(06/11);

WOS - SB300176B (01/08).

GL/HNOA 30 Days NOC - SB-147052-B (06/11).

CERTIFICATE HOLDER

City of Morro Bay
Attn: City Clerk
595 Harbor Street
Morro Bay, CA 93442

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

WRFAC Agenda Packet Page 81 of 98

© 1988-2014 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**BLANKET ADDITIONAL INSURED – LIABILITY EXTENSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

Coverage afforded under this extension of coverage endorsement does not apply to any person or organization covered as an additional insured on any other endorsement now or hereafter attached to this Policy.

1. ADDITIONAL INSURED – BLANKET VENDORS

WHO IS AN INSURED is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b. Any express warranty unauthorized by you;
 - c. Any physical or chemical change in the product made intentionally by the vendor;
 - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its

own acts or omission or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (1) The exceptions contained in Subparagraphs d. or f.; or
- (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
3. This provision 2. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Policy.
4. This provision 2. does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Policy or by endorsement.

2. MISCELLANEOUS ADDITIONAL INSUREDS

WHO IS AN INSURED is amended to include as an insured any person or organization (called additional insured) described in paragraphs 2.a. through 2.h. below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

1. Currently in effect or becoming effective during the term of this policy; and
2. Executed prior to the "bodily injury," "property damage" or "personal and advertising injury," but

Only the following persons or organizations are additional insureds under this endorsement and coverage provided to such additional insureds is limited as provided herein:

a. Additional Insured – Your Work

That person or organization for whom you do work is an additional insured solely for liability

due to your negligence specifically resulting from your work for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.

The insurance provided to the additional insured is limited as follows:

- (1) The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.
- (2) The coverage provided to the additional insured by this endorsement and paragraph F.9. of the definition of "insured contract" under **Liability and Medical Expenses Definitions** do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.
- (3) The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or failure to render any professional services.

b. State or Political Subdivisions

A state or political subdivision subject to the following provisions:

- (1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
- (2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

c. Controlling Interest

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

- (1) Their financial control of you; or
- (2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

d. Managers or Lessors of Premises

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

e. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

f. Owners/Other Interests – Land is Leased

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to lease that land; or



- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

g. Co-owner of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

h. Lessor of Equipment

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires; or
- (2) To "bodily injury," "property damage" or "personal and advertising injury" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs **b.** through **h.** above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

3. The following is added to Paragraph H. of the BUSINESSOWNERS COMMON POLICY CONDITIONS:

H. Other Insurance

4. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

4. LEGAL LIABILITY – DAMAGE TO PREMISES

- A. Under B. Exclusions, 1. Applicable to Business Liability Coverage, Exclusion **k.**

Damage To Property, is replaced by the following:

k. Damage To Property

"Property damage" to:

1. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
2. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
3. Property loaned to you;
4. Personal property in the care, custody or control of the insured;
5. That particular part of any real property on which you or any contractors or subcontractors working directly or indirectly in your behalf are performing operations, if the "property damage" arises out of those operations; or
6. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph 2 of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 1, 3, and 4, of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises:

- (1) rented to you;
- (2) temporarily occupied by you with the permission of the owner, or
- (3) to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D – Liability and Medical Expenses Limits of Insurance.

Paragraphs 3, 4, 5, and 6 of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph 6 of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

- B. Under B. Exclusions, 1. Applicable to Business Liability Coverage,** the last paragraph of 2. Exclusions is deleted and replaced by the following:

Exclusions **c, d, e, f, g, h, i, k, l, m, n, and o**, do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner or to the contents of premises rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to this coverage as described in **Section D. Liability And Medical Expenses Limits Of Insurance.**

- C. The first Paragraph under item 5. Damage To Premises Rented To You Limit of Section D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

The most we will pay under Business Liability for damages because of "property damage" to any one premises, while rented to you, or temporarily occupied by you, with the permission of the owner, including contents of such premises rented to you for a period of 7 or fewer consecutive days, is the Damage to Premises Rented to You limit shown in the Declaration.

5. Blanket Waiver of Subrogation

We waive any right of recovery we may have against:

- a. Any person or organization with whom you have a written contract that requires such a waiver.

6. Broad Knowledge of Occurrence

The following items are added to **E. Businessowners General Liability Conditions** in the **Businessowners Liability Coverage Form**:

- e. Paragraphs **a.** and **b.** apply to you or to any additional insured only when such "occurrence," offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;

- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This paragraph **e.** applies separately to you and any additional insured.

7. Bodily Injury

Section F. Liability and Medical Expenses Definitions, item 3. "Bodily Injury" is deleted and replaced with the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury by that person at any time which results as a consequence of the bodily injury, sickness or disease.

8. Expanded Personal and Advertising Injury Definition

- a. The following is added to **Section F. Liability and Medical Expenses Definitions**, item 14. **Personal and Advertising Injury, in the Businessowners General Liability Coverage Form**:

- h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:

1. Not done intentionally by or at the direction of:

- a. The insured; or
- b. Any "executive officer," director, stockholder, partner, member or manager (if you are a limited liability company) of the insured; and

2. Not directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person or person by any insured.

- b. The following is added to Exclusions, **Section B.**:

20020001360118686137553



(15) Discrimination Relating to Room, Dwelling or Premises

Caused by discrimination directly or indirectly related to the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured.

(16) Fines or Penalties

Fines or penalties levied or imposed by a governmental entity because of discrimination.

- c. This provision (**Expanded Personal and Advertising Injury**) does not apply if

Personal and Advertising Injury Liability is excluded either by the provisions of the Policy or by endorsement.

9. Personal and Advertising Injury Re-defined

Section F. Liability and Medical Expenses Definitions, item 14, Personal Advertising Injury, Paragraph c. is replaced by the following:

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room dwelling or premises that a person or organization occupies committed by or on behalf of its owner, landlord or lessor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
DESIGN ONE LIABILITY EXTENSION WITH OFFICE POLLUTION LIABILITY
COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COMMON POLICY CONDITIONS

SCHEDULE OF LIMITS FOR OFFICE PREMISES LIMITED POLLUTION LIABILITY COVERAGE

Each Pollution Incident Limit	\$1,000,000
Pollution Liability Aggregate Limit	\$2,000,000

(If no entries appear in the above Schedule, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Table of Endorsement Contents

Item # Topic Name

Changes to Section A. Coverages

1. Enhanced Supplementary Payments

Changes to Section B. Exclusions

- 2. Extended Property Damage Coverage**
- 3. Contractual Liability for Personal and Advertising Injury**

Changes to Section C. Who Is An Insured

- 4. Additional Insureds: State or Political Subdivisions – Permits, State or Political Subdivisions, Controlling Interest, Managers or Lessors of Premises, Mortgagee, Assignee or Receiver, Co-owner of Insured Premises, Lessor of Equipment**
- 5. Fellow Employee First Aid**
- 6. Retired Partners, Members, Directors, and Employees**
- 7. Participation in Professional Joint Ventures**
- 8. Blanket Additional Insured with Products-Completed Operations Coverage and Blanket Waiver of Subrogation**
- 9. Amendment – Aggregate Limits of Insurance (Per Project)**

Changes to Section F. Definitions

- 10. Extended Bodily Injury**
- 11. Contractual Liability – Railroads**
- 12. Office Premises - Limited Pollution Liability Coverage**

1. Enhanced Supplementary Payments

The values shown in paragraph 1.f., **Coverage Extension – Supplementary Payments**, of Section A. Coverages are amended as follows:

- A.** The amount shown in paragraph (b) for bail bonds is amended from \$1,000 to \$3,000.
- B.** The amount shown in paragraph (d) for actual loss of earnings because of time off work is amended from \$250. per day to \$300. per day.

2. Extended Property Damage

Exclusion 1.a., Expected or Intended Injury, of Section B. Exclusions Applicable to Business Liability Coverage, is deleted and replaced with the following:

This insurance does not apply to:

- a.** "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.



3. Contractual Liability for Personal and Advertising Injury

Exclusion 1.p.(5) of Section B. Exclusions Applicable to Business Liability Coverage, is deleted.

4. Additional Insureds

Section C. Who Is An Insured is amended to include the following additional insureds, subject to the provisions stated below:

A. State or Political Subdivisions – Permits

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
2. This insurance does not apply to:
 - a. "Bodily injury," property damage," "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - b. "Bodily injury" or "property damage" included within the "products-competed operations hazard."

B. State or Political Subdivisions

A state or political subdivision subject to the following provisions:

1. This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:
 - a. The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - b. The construction, erection, or removal of elevators.
2. This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or personal and advertising injury" arising out of operations performed for the state or municipality.

C. Controlling Interest

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

1. Their financial control of you;
2. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

D. Managers or Lessors of Premises

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

E. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

F. Co-owner of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

G. Lessor of Equipment

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded, these additional insureds, the following additional exclusions apply:

This insurance does not apply:

1. To any "occurrence" which takes place after the equipment lease expires; or
2. To "bodily injury," "property damage" or "personal and advertising injury" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs A. through G. above does not apply to "bodily injury" or "property damage" included within the "products-completed-operations hazard."

5. Fellow Employee First Aid

Paragraph 2.a.(1)(d) of **Section C. Who Is An Insured** is deleted and replaced with the following:

However none of these "employees" is an insured for:

- (d) "Bodily injury" or "personal and advertising injury" arising out of his or her providing or failing to provide professional health care services. However this restriction does not apply to first aid administered by an "employee" who is not an employed doctor or nurse.

6. Retired Partners, Members, Directors, and Employees

Paragraph 2. of **Section C. Who Is An Insured** is amended to include the following as insureds:

Individual persons who are retired partners, members, directors or employees are also insureds, but only for "bodily injury," "property damage," "personal and advertising injury" that results from services performed for you under your direct supervision.

7. Participation in Professional Joint Ventures

A. The following paragraph 5. is added to **Section C. Who Is An Insured**:

5. You are also an insured for your participation in a past or present joint venture that is not named on the Declarations, but only if such joint venture meets all of the following criteria:
 - a. Each and every one of your co-venturers are architectural, engineering or surveying firms;
 - b. The joint venture has no direct employees; and
 - c. The joint venture does not own, rent or lease any real or personal property.

However, you are insured only for the conduct of your business within such a joint venture.

You are not insured for liability arising out of the acts or omissions of other co-venturers, nor of their partners, members or employees.

This insurance is excess over any other insurance available to such a joint venture, whether primary, excess, contingent, or on any other basis.

B. The last paragraph of **Section C. Who Is An Insured** is deleted and replaced by the following:

Except as provided in 5. above, no person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

8. Blanket Additional Insured with Products-Completed Operations Coverage and Blanket Waiver of Subrogation

The following is added to **Section C., - Who is an Insured**:

A. The Businessowners Liability Coverage form is amended to include as an insured, any person or organization whom you are required to add as an additional insured on this policy under a written contract or written agreement, but the written contract or written agreement must be:

1. Currently in effect or becoming effective during the term of this policy; and
2. Executed prior to the "bodily injury," "property damage," or "personal and advertising injury."

B. The insurance provided to the additional insured is limited as follows:

1. That person or organization is an additional insured solely for liability due to your negligence specifically resulting from "your work" for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.
2. The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.
3. The coverage provided to the additional insured within this endorsement and section titled Liability and Medical Expenses Definitions - "Insured Contract" (Section F., item 9.), within the Businessowners Liability Coverage Form, does not apply to "bodily

injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.

4. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services, including:
 - a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project of which you serve as a construction manager; or
 - b. Inspection, supervision, quality control, engineering or architectural services done by you on a project of which you serve as construction manager.
5. This insurance does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of:
 - a. The construction or demolition work while you are acting as a construction or demolition contractor. This exclusion does not apply to work done for or by you at your premises.

C. Businessowners General Liability Conditions – Duties in the Event of Occurrence, Offense, Claim or Suit (Section E.2.) of the Businessowners Liability Coverage Form is amended to add the following:

An additional insured under this endorsement will as soon as practicable:

1. Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance;
2. Tender the defense and indemnity of any claim or "suit" to us for a loss we cover under this Coverage Part;
3. Tender the defense and indemnity of any claim or "suit" to any other insurer which also has insurance for a loss we cover under this Coverage Part; and
4. Agree to make available any other insurance which the additional insured has for a loss we cover under this coverage part.

We have no duty to defend or indemnify an additional insured under this endorsement until we

receive written notice of a claim or "suit" from the additional insured.

D. Other Insurance (Section H.2. and H.3.) of the Businessowners Common Policy Conditions are deleted and replaced with the following:

2. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing to the additional insured's own coverage. This insurance is excess over any other insurance to which the additional insured has been added as an additional insured by endorsement.
3. When this insurance is excess, we will have no duty under Coverages A or B to defend the additional insured against any "suit" if any other insurer has a duty to defend the additional insured against that "suit" if no other insurer defends, we will undertake to do so, but we will be entitled to the additional insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

E. Transfer of Rights of Recovery Against Others To Us (Section K.2.) of the Businessowners Common Policy Conditions is deleted and replaced with the following:

2. We waive any right of recovery we may have against any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included within the "products-completed operations hazard."

9. Amendment- Aggregate Limits of Insurance (Per Project)

A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Coverage **A.1.**, and for all medical expenses caused by accidents under Coverage **A.2.**, which can be attributed only to ongoing operations at a single construction project:

1. A separate Construction Project General Aggregate limit applies to each construction project. The Construction Project General Aggregate limit is equal to the amount of the General Aggregate limit shown in the Declarations.
2. The Construction Project General Aggregate limit is the most we will pay for the sum of all damages payable under Coverage **A.1.**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard," and for medical expenses payable under Coverage **A.2.** regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
3. Any payments made under Coverage **A.1.** for damages or under Coverage **A.2.** for medical expenses shall reduce the Construction Project General Aggregate limit for the applicable construction project. Such payments shall not reduce the General Aggregate limit shown in the Declarations nor shall they reduce any Construction Project General Aggregate limit applicable to other construction projects.
4. The limits shown in the Declarations for Liability and Medical Expenses, Damage to Premises Rented to You, and Medical Expenses continue to apply. However, instead of being subject to the General Aggregate limit shown in the Declarations, such limits will be subject to the applicable Construction Project General Aggregate limit.

B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences," and for all medical expenses caused by accidents, which cannot be attributed only to ongoing operations at a single construction project:

1. Any payments made under Coverage **A.1.** for damages or under Coverage **A.2.** for medical expenses shall reduce the amount available

under the General Aggregate limit or the Products/Completed Operations Aggregate limit, whichever is applicable; and

2. Such payments shall not reduce any Construction Project General Aggregate limit.

C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products/Completed Operations Aggregate limit, and not reduce the General Aggregate limit nor any Construction Project General Aggregate limit.

D. If a construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

E. The provisions of the Limits Of Insurance section not otherwise modified by this endorsement shall continue to apply as stipulated.

10. Extended Bodily Injury

Definition 3. "Bodily Injury," of Section F., Definitions, is deleted and replaced with the following:

3. "Bodily Injury" means bodily injury, sickness or disease, mental injury or mental anguish sustained by a person, including death resulting from any of these.

11. Contractual Liability - Railroads

With respect to operations performed within 50 feet of railroad property, the definition of "insured contract" in Section F., – Definitions is replaced by the following:

8. "Insured Contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection

with work performed for a municipality under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a. Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in paragraph (1) above and supervisory, inspection, architectural or engineering activities.

12. Office Premises Limited Pollution Coverage

This Office Premises Limited Pollution Coverage section of the Architects, Engineers and Surveyors Extension endorsement modifies several portions of the Businessowners Liability Coverage Form. These modifications apply only to the coverage provided by this section of the endorsement.

A. The following paragraph 3. is added to **SECTION A. COVERAGES:**

3. Office Premises Limited Pollution Coverage

a. Insuring Agreement

- (1) We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" which directly results from a covered "pollution incident" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "pollution incident" and settle any claim or "suit" that may result. But:

- (a) The amount we will pay for damages is limited as described in **SECTION D. LIMITS OF INSURANCE** as amended by this endorsement; and
- (b) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.
- (c) We have no duty to defend "suits" seeking damages not covered by this endorsement.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph 1.e. **Coverage Extension - Supplementary Payments** of **SECTION A.** as amended by this section of the endorsement.

- (2) We will also reimburse you for "preventive remedial expense" that directly results from a covered "pollution incident" to which this insurance applies.

We will reimburse you up to \$25,000 per annual policy period for all "preventive remedial expense" directly resulting from all covered "pollution incidents," subject to a deductible of \$5,000 per covered "pollution incident." This annual limit is in addition to the per incident deductible, and is in addition to the Pollution Liability Aggregate Limit described in **SECTION D. LIMITS OF INSURANCE** as amended by this endorsement.

This "preventive remedial expense" coverage does not apply to expenses that are covered by any other insurance available to the insured.

- (3) This insurance applies to "bodily injury," "property damage" or "preventive remedial expense" at, on or from "your office premises" only if:
 - (a) The "bodily injury" directly results from a "pollution incident" that happens entirely above-ground at or from "your office premises"; or
 - (b) The "property damage" occurs off of "your office premises" and directly results from a "pollution

incident" that happens entirely above-ground at or from "your office premises"; or

- (c) The "preventive remedial expense" directly results from a "pollution incident" that happens entirely above-ground on "your office premises" and does not result in any covered "bodily injury" or "property damage; and

- (d) The "pollution incident":

(i) is demonstrable as commencing and ending within 72 hours;

(ii) is accidental;

(iii) "commences during the policy period"; and

(iv) happens in the "coverage territory."

- (4) "Commences during the policy period" means that the first emission, discharge, release or escape of the "pollutant" or "pollutants" from which the "bodily injury" or "property damage" arises is demonstrable as having occurred during this policy period.

- (5) All "bodily injury" or "property damage" resulting from one "pollution incident" shall be deemed to have occurred only at the commencement date of the covered "pollution incident."

- (6) The insured's responsibility to pay damages because of "bodily injury" or "property damage" must be determined in a "suit" on the merits in the "coverage territory" or in a settlement we agree to.

- (7) Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services, or death resulting from the "bodily injury."

B. SECTION B. EXCLUSIONS is deleted and replaced by the following:

This insurance does not apply to:

- a. "Bodily injury," "property damage" or "preventive remedial expense" expected or reasonably foreseeable from the standpoint of the insured.

- b. "Bodily injury," "property damage" or "preventive remedial expense" arising out of a "pollution incident" which is a repeat or resumption of a previous "pollution incident" involving the same pollutant from essentially the same source within the previous twelve (12) months, at the same premises.

- c. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

- d. Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

- e. "Bodily injury" to:

- (1) An employee of the insured arising out of and in the course of:

(i) employment by the insured; or

(ii) performing duties related to the conduct of the insured's business.

- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and

- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- f. "Property damage" to

- (1) A "waste facility" to which waste from the operations of an insured is consigned;

- (2) Property you own, rent, or occupy now or at any time in the past;

- (3) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

- (4) Property loaned to an insured; or

- (5) Personal property in care, custody or control of an insured.

Paragraph (2) of this exclusion f. does not apply to "preventive remedial expense" at property you own, rent or occupy now.

- g. "Bodily injury" at or from a "waste facility" to which waste from the operation of an insured is consigned.

- h. "Bodily injury," "property damage" or "preventive remedial expense" arising out of a "pollution incident" at or from a "waste facility" which is on "your office premises."
- i. "Bodily injury" or "property damage" included within the "products-completed operations hazard."
- j. "Bodily injury" or "property damage" arising out of the ownership or operation of any offshore facility as defined in the Outer Continental Shelf Lands Act Amendment of 1978 or the Clean Water Act of 1977 as amended 1978 or any deepwater port as defined in the Deepwater Port Act of 1974 as amended or as may be amended.
- k. "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire at any premises, site or location which is or was at any time owned or occupied by or rented or loaned to any insured.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- l. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto," rolling stock or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion does not apply to "bodily injury" or "property damage" arising out of parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured.

- m. "Bodily injury" or "property damage" arising out of the emission, discharge, release or escape of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well.
- n. "Bodily injury," "property damage" or "preventive remedial expense" arising out of a "pollution incident" which results from or is directly or indirectly attributable to failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the protection of the environment and promulgated by any governmental body, provided that failure to comply is a willful or deliberate act or omission of:

- (1) The insured; or
- (2) You or any of your members, partners, executive officers or managers of limited liability companies.

- o. "Bodily injury," "property damage" or "preventive remedial expense" arising out of acid rain.
- p. Any loss, cost or expense arising out of any request, demand or order by a governmental authority that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the affects of "pollutants" at any site which is included on an EPA or state environmental agency priority clean-up list prior to the "pollution incident."
- q. "Bodily injury," "property damage" or "preventive remedial expense" arising out of a "pollution incident" which results from failure of air or waste water pollution control equipment.
- r. "Bodily injury," "property damage" or "preventive remedial expense" resulting from the "hazardous properties" of "nuclear material."

As used in this exclusion:

"Hazardous properties" includes radioactive, toxic, or explosive properties;

"Nuclear material" means "source material," "special nuclear material," or "by-product material";

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.

- s. "Bodily injury," "property damage" or "preventive remedial expense" arising out of a "pollution incident" from any insured's premises that was used by that insured for the storage, disposal, processing or treatment of waste materials and was:
 - (1) Sealed off, closed, abandoned or alienated prior to the effective date of this policy; or
 - (2) Sealed off or closed subject to statute, ordinance or governmental regulation or directive requiring maintenance or monitoring during or after sealing off or closure.
- t. "Bodily injury," "property damage" or "preventive remedial expense" arising out of waste derived from medical services, procedures, testing or research, and which could potentially transmit disease.
- u. Any multiple, punitive or exemplary damages or fines or penalties. However, if a "suit" is brought against the insured with respect to a

claim for acts or alleged acts falling within the coverage hereof, seeking both compensatory and punitive or exemplary damages, then we will afford a defense to such action, without liability for such punitive or exemplary damages.

- v. "Bodily injury," "property damage" or "preventive remedial expense" arising out of:

- (1) the actual, alleged or threatened exposure at any time to asbestos or any loss, cost, or expense that may be awarded or incurred by reason of a claim or "suit" for such injury or damage; or
- (2) complying with a governmental direction or request to test for, monitor, clean-up, remove, contain, or dispose of asbestos.

Asbestos means the mineral in any form whether or not the asbestos was at any time:

- (1) Airborne as a fiber, particle, or dust;
- (2) Contained in or formed a part of a product, structure, or other real or personal property;
- (3) Carried on clothing;
- (4) Inhaled or ingested; or
- (5) Transmitted by any other means.

- w. "Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

- x. Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants."

However, this exclusion does not apply to liability for damages because of "property damage" that is not otherwise excluded by

this coverage, **Office Premises Limited Pollution Coverage**, unless the request, demand, order or statutory or regulatory requirement or claim or "suit" is solely by or on behalf of a governmental authority.

- C. Paragraph 1.f.(1)(c) of **Coverage Extension – Supplementary Payments**, of **SECTION A. COVERAGES** is deleted and replaced by the following:

- (3) Expenses incurred by the insured for first aid to others at the time of a "pollution incident" for "bodily injury" to which this insurance applies.

- D. **SECTION C. WHO IS AN INSURED** is amended as follows:

1. The following subparagraph d. is added to paragraph 4. of **SECTION C. WHO IS AN INSURED**:

d. Coverage 4., **Office Premises Limited Pollution Coverage**, does not apply to "bodily injury" or "property damage" arising out of "pollution incidents" that occurred before you acquired or formed the organization.

2. The following additional paragraph is added at the end of **SECTION C. WHO IS AN INSURED**:

No person or organization identified as an insured on any endorsement now or hereafter attached to this Coverage Part is an insured with respect to **COVERAGE 4., Office Premises Limited Pollution Coverage**, unless that endorsement specifically references **Office Premises Limited Pollution Coverage** by name.

- E. **SECTION D. LIABILITY AND MEDICAL PAYMENTS LIMITS OF INSURANCE** is deleted and replaced by the following:

LIMITS OF INSURANCE

1. The Limits of Insurance described in this endorsement's Schedule of Limits for Office Premises Limited Pollution Coverage, and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits."

2. The Pollution Liability Aggregate Limit is the most we will pay for all damages because of all "bodily injury" and "property damage" directly resulting from all "pollution incidents"

20020001360116686137575



to which **Office Premises Limited Pollution Coverage** applies.

3. Subject to 2. above, the Each Pollution Incident Limit shown in the Schedule is the most we will pay for the sum of all damages because of "bodily injury" and "property damage" directly resulting from any one "pollution incident" to which **Office Premises Limited Pollution Coverage** applies.
4. The Limits of Insurance of this **Office Premises Limited Pollution Coverage** apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the preceding period for purposes of determining the Limits of Insurance.
5. The Limits of Insurance for this **Office Premises Limited Pollution Coverage** are separate from and not subject to the General Aggregate Limit for COVERAGE 1. Business Liability.
6. The Limits of Insurance for this **Office Premises Limited Pollution Coverage** shall not be amended by any endorsement attached to this policy which does not specifically reference **Office Premises Limited Pollution Coverage**.

F. SECTION E. BUSINESSOWNERS GENERAL LIABILITY CONDITIONS is amended as follows:

1. Condition 2.a. is replaced by the following:
 2. **Duties In The Event of Pollution Incident, Claim or Suit.**
 - a. You must see to it that we are notified as soon as practicable of a "pollution incident" that may result in a claim. To the extent possible, notice should include:
 - (1) How, when, and where the "pollution incident" took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any release, and of any injury or damage arising out of the "pollution incident."
2. The following Condition is added:

Remediation of Insured's Premises

- a. Except for "preventive remedial expense" as described in paragraph 4.a.(2) of **SECTION A. COVERAGES**, this policy's **Office Premises Limited Pollution Coverage** doesn't provide coverage for clean-up of "your premises." If a "pollution incident" happens on "your premises" that poses imminent and substantial danger of "bodily injury" or "property damage" to which this insurance applies, you must promptly take at your own expense all reasonable steps to curtail or prevent covered "bodily injury" or "property damage" from happening.
- b. If, in defiance of the intent of this policy, we are ever compelled by court or governmental order to pay to clean up part or all of "your premises," you agree to reimburse us for all such costs.

With respect to your duties under this Condition, if a dispute arises between you and us with respect to payment and/or reimbursement for any expenses for testing, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of "pollutants" associated with "your premises," the matter shall be resolved by arbitration, and such arbitration shall be governed by the Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereover.

If a dispute subject to arbitration hereunder should arise, either party may make a demand for arbitration by filing a demand in writing with the other. There shall be three arbitrators, one named in writing by each of the parties within ten (10) days after the demand for arbitration is given and a third chosen by the two appointed. Should either party refuse or neglect to join in the appointment of the arbitrator(s) or to furnish the arbitrator(s) with any papers or information demanded, the arbitrator(s) are empowered by both parties to proceed ex parte. Arbitration shall take place in Chicago, Illinois and the hearing before the arbitrator(s) of the matter to be arbitrated shall be at the time and place within said city as is selected by the arbitrator(s). The arbitrator(s) shall select such time and place promptly after his/her (or their) appointment and shall give written notice thereof to each party at least 20 days prior to the date so fixed. At the hearing, any relevant evidence may be presented by either party, and the formal rules of evidence applicable to judicial proceedings shall not govern. Evidence may be admitted or excluded in the sole discretion of the arbitrator(s). Said arbitrator(s) shall hear and determine the matter and shall execute and acknowledge their award in writing and cause a copy thereof to be delivered to each of the two parties. The

decision of any two arbitrators shall be final, binding and conclusive.

The submission of a dispute to the arbitrator(s) may be rendered by any Court having jurisdiction. If three arbitrators are selected under the foregoing procedure but two of the three fail to reach an agreement in the determination of the matter in question, the matter shall be decided by three new arbitrators who shall be appointed and shall proceed in the same manner, and the process shall be repeated until a decision is finally reached by two of the three arbitrators selected. The costs of such arbitration shall be borne equally by the parties or in such proportions as the arbitrator(s) shall determine.

Each party shall appoint and pay for any counsel appointed to represent it in such arbitration, unless otherwise provided in law.

This Section is not to be construed to give a right of action against us by a claimant not otherwise provided by law.

G. SECTION H. OTHER INSURANCE of the Businessowners Common Policy Conditions is amended to add the following paragraph 4.:

4. This condition does not apply to coverage afforded under Insuring Agreement **a.(2)** of Coverage 4. **Office Premises Limited Pollution Coverage.**

H. SECTION F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS is amended to include the following definitions:

"Commences during the policy period" means that the first emission, discharge, release or escape of the "pollutant" or "pollutants" from which

the "bodily injury" or "property damage" arises is demonstrable as having occurred during this policy period.

"Pollution incident" means the emission, discharge, release, or escape of "pollutants," provided that such emission, discharge, release, or escape results in the injurious presence of "pollutants" in or upon land, the atmosphere, interior of a building or any water course, body of water or ground water. A series of related emissions, discharges, releases or escapes of "pollutants" will be deemed to be one "pollution incident."

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Waste facility" means any site to which waste is delivered for storage, disposal, processing or treatment, whether or not such site is licensed by a governmental authority to perform such storage, disposal, processing or treatment.

"Your office premises" means "locations" you own, rent or occupy for general office purposes. "Your office premises" does not mean storage yards, nor land held for speculation or development, even if such yards or land adjoin your office building. "Your office premises" does not mean premises you live in. For the purpose of this definition, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

20020001360118686137576





THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CHANGES – NOTICE OF CANCELLATION
OR MATERIAL COVERAGE CHANGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COMMON POLICY CONDITIONS

In the event of cancellation or material change that reduces or restricts the insurance afforded by this Coverage Part (other than the reduction of aggregate limits through payment of claims), we agree to mail prior written notice of cancellation or material change to:

SCHEDULE

Name of Designated Entity:

Address/Contact Information of Designated Entity:

***Information required to complete this Schedule, if not shown above, will be shown in the Declarations.**

The following conditions are added:

1. If the policy is cancelled or not renewed, we will give written notice of such cancellation or nonrenewal to the Designated Entity shown in the Schedule above, or in the Declarations. Such notice may be delivered or sent by any means of our choosing. The notice to the Designated Entity will state the effective date of cancellation or nonrenewal. However, such notice of cancellation or nonrenewal is solely for the purpose of informing the Designated Entity of the effective date of cancellation or nonrenewal and does not grant, alter, or extend any rights or obligations under this policy.
2. If we cancel or elect not to renew the policy for any reason other than nonpayment of premium, we will give written notice to the Designated Entity shown in the Schedule above, or in the Declarations at the same time notice is given to the first Named Insured.
3. If we cancel or elect not to renew this policy for nonpayment of premium, we will give written notice to the Designated Entity shown in the Schedule above, or in the Declarations. Such notice may be provided before or after the effective date of cancellation or nonrenewal.
4. Failure to give notice in accordance with the terms of this endorsement does not:
 - a. Alter the effective date of policy cancellation, nonrenewal or expiration;
 - b. Render such cancellation or nonrenewal ineffective;
 - c. Grant, alter, or extend any rights or obligations under this policy; or
 - d. Extend the insurance beyond the effective date of cancellation or policy expiration, whichever comes first.