



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

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

**December 5, 2017
3:00 P.M. to 5:00 P.M.
Morro Bay Veteran's Memorial Building
209 Surf Street, Morro Bay, CA**

John Diodati
Chairperson

Mary (Ginny) Garelick

Barbara Spagnola
Vice Chairperson

Paul Donnelly

Ann Fullerton

Dale Guerra

Valerie Levulett

Richard Sadowski,
Planning Commission

Stephen Shively,
Public Works Advisory Board

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

PUBLIC COMMENT PERIOD

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

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

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

A. CONSENT CALENDAR

A-1 Approval of minutes from the Water Reclamation Facility Citizen Advisory Committee meeting of July 5, 2017

Staff Recommendation: Approve minutes as submitted.

B. BUSINESS ITEMS

B-1 Fiscal Year End 2016/17 Financial Report

Recommendation: Staff recommends WRFCAC review, consider, and provide comments on the presentation of the Report.

B-2 WRF Status Report

Recommendation: Staff recommends WRFCAC review, consider, and provide comments on the WRF status report.

B-3 Overview of Design-Build RFP Development Process

Recommendation: Staff recommends the following:

- 1) WRFCAC review, consider, and provide comments on the presentation of the RFP development process; and
- 2) WRFCAC assign up to three (3) members to participate in the review of Statements of Qualifications and participate in interviews for development of the short-list.

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 January 4, 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 Mill's/ASAP, 495 Morro Bay Boulevard, or the Morro Bay Library, 695 Harbor, Morro Bay, CA 93442.

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

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

MINUTES – WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (WRFCAC)
REGULAR MEETING – July 5, 2017
VETERAN’S MEMORIAL BUILDING – 3:00 to 5:00 P.M.

PRESENT: Valerie Levulett
Richard Sadowski
Mary (Ginny) Garelick
John Diodati
Steve Shively
Dale Guerra

ABSENT: Barbara Spagnola
Paul Donnelly

| | | |
|--------|-----------------|----------------------------|
| STAFF: | Rob Livick | Public Works Director |
| | Mike Nunley | WRF Program Manager |
| | John Rickenbach | WRF Deputy Program Manager |
| | Eileen Shields | Technical Engineer |
| | Joe Mueller | Utilities Division Manager |
| | Gina Gregory | Office Assistant |

ESTABLISH QUORUM AND CALL TO ORDER
The meeting was called to order at 3:01 p.m. and a quorum was present.

MOMENT OF SILENCE/PLEDGE OF ALLEGIENCE
ANNOUNCEMENTS

Ginny Garelick provided an update on EPA’s WIFFIA Program (funding from EPA for Water Infrastructure Projects), stating the program has received additional funding. She hopes Morro Bay has a good chance of receiving some funding and asked Rob Livick if he has heard back from the EPA. Ginny also mentioned the EPA website which has some additional information on Infrastructure Projects and compendium of funding resources for small and rural wastewater systems. Grants and funding information is all in one spot and encourages everyone to look at the website at Epa.gov/water finance center.

Richard Sadowski encourages Citizens who are concerned with costs of the sewer project and to get educated and understand what is happening with this project and how its progressing. There is a Gmail address set up at citizensforaffordableliving@gmail.com to help citizens with the issues that are coming up.

Rob Livick responded to Ginny’s question.

PUBLIC COMMENT

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

A. CONSENT AGENDA
<https://youtu.be/dXt6NMhNieA?t=6m36s>

A-1 Approval of Minutes of April 4, 2017 Meeting

Richard Sadowski stated he wanted the minutes in the Public Comments section clarified on page 1 where he noted that “Waiver” should be added to follow 301H.

Carol Truesdale noted her husband’s last name was misspelled and would like it corrected.

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

MOTION: Dale Guerra moved to approve Item A-1 with the corrections made by Carol Truesdale and Richard Sadowski. The motion was seconded by Steve Shively and carried 7-0-0 unanimously.

B. BUSINESS ITEMS

B-1 Report on Public Works Cost Review Workshop
<https://youtu.be/dXt6NMhNieA?t=9m12s>

Rob Livick introduced the Public Works Cost Review Workshop and our new Interim City Manager, Marty Lomeli. John Rickenbach presented the outcome of the Report on Public Works Cost Review Workshop.

The public comment period was opened.

Diane Plan, resident of north Morro Bay, wanted to make everyone aware that in 2013 we requested Coastal Commission deny it. We were not just automatically denied. She also feels that the public should be informed that the infrastructure that is in need of repair throughout our town is included in this price. She feels that we have local engineers and do not need to go to outside companies and supports a new compact plant at or near our current water treatment plant and only do the sewer plant. She raised the question regarding the \$200 increase asking for clarification and thanked the committee.

Jim Pauley, Morro Bay, requested that the committee speak into their microphones as it is hard to hear out in the auditorium. His concern is over the 4.5% affordability index or the income nationwide recommended sewer and water combined percentage of gross income. He would like the City to put a cap on how much the City is willing to spend and figure out what the citizens can afford and go from there.

Jeff Heller suggested the City stop the project and questioned what happened to the money which was approved two years ago, and what type of work had already been done. Heller noted there was too many questions to be answered and stated the committee represents the community and should ask the City Council to prove whatever monies paid for years ago, had been used for the project. Heller doesn't want to hear threats of future increases until they could tell the public what the City has done with the money.

Carol Truesdale, north Morro Bay, resident since 1995. Her concern is where the money is coming from and where is the \$7.2 million the city has in reserves?

Homer Alexander, Morro Bay rate payer, suggested a 5th option, a basic NBR plant at or near the existing Atascadero Road site that produces tertiary treated water without any of the reclamation components.

Edward Sylvester mentioned that it is hard to hear the panel. He questioned where is the state money is for the state reclamation that is due in 6 years? He's concerned that the City is now operating out of the emergency fund. He is concerned about the water and sewer rates for retired citizens at the 3.5%

Meredith Bates appreciates all the hard work that has been done for many years, she feels people should be able to make comments whenever they can make it. She feels that wording be consistent in all notifications as it becomes confusing when words/wording is changed. She hopes that there are more forums coming up and structured as to have dialog back and forth.

Nancy Bast, long time rate payer, has concerns about the annexation of any property and personally thinks it should be kept within the City. She questioned why the Peer Review Committee did not come up before this and wants confirmation if this will be MBR technology. She would like decisions to be made after the holidays when more residents will be in town and informed. She appreciates the Board being neutral and hear what neighbors have to say.

Barry Brandon, citizen of Morro Bay, thanked the committee and recognizes the challenges they face. He also thanked the City Council for their pause and getting a Peer Review. He recommends using the location at Little Morro Road as it is in town.

John Minot, Morro Bay resident, would like the rate payers to have an analysis on the costs of one of the facilities on Highway 41 if the direction from the Coastal Commission is alternate to the plant site.

Anne Maire Schitzner raised questions concerning what is mandatory and what is optional to achieve on this project and would like it to be under \$60 million dollars. She questions whether we would be able to borrow money to cover the costs and wants the public to be listened to.

Steve Stevens voiced a concern that there has not been an active outreach program so that people are aware of what is going on and would like to see more of this.

Paula Radke stated her concern that there could be two (2) 218's running concurrently if another goes through. She asked wanted to know where the money is from that.

Dan Grossman, Morro Bay resident, is concerned about the residential impacts on our economy which is visitor serving. He would like to see the operating costs which would include pumping and maintenance.

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

Rob Livick clarified the information about the last Prop 218 rate increase.

The public comment period was closed.

Rob Livick, Mike Nunley and John Rickenbach responded to the comments.

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

MOTION: Dale Guerra moved to continue the meeting beyond 5:00 PM. Steve Shively seconded and the motion carried 7-0-0 unanimously.

MOTION: John Diodati recommends the City Council direct staff to take up to two (2) months to talk with California Coastal Commission about the feasibility of a project at or near the existing WWTP site. If it appears feasible, report to WRFCAC and City Council. If not, move forward with a project at South Bay Boulevard based on Alternative 2 in the Report (tertiary WRF with a deferral of recycled water).

The motion was seconded by Steve Shively. The motion carried 7-0-0 by roll call vote with Chairman Diodati, Commissioner's Fullerton, Garelick, Sadowski, Levulett, Shively and Guerra all voting yes.

C. COMMITTEE MEMBER CLOSING COMMENTS

<https://youtu.be/dXt6NMhNieA?t=2h26m43s>

Richard Sadowski provided a website address (www.morrobaywrf.info) for the public who is concerned with the project. There are recommended solutions and one of those talks about the Hanson site. He also mentioned that the public can get on the email list at citizensforaffordableliving@gmail.com to be more informed.

ADJOURNMENT

The meeting adjourned at 5:29 p.m. The next Regular Meeting will be held on August 1, 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: December 5, 2017

Staff Report

DATE: November 29, 2017

TO: Water Reclamation Facility Citizens Advisory Committee

FROM: Rob Livick, PE/LS – Public Works Director
Jennifer Callaway – Finance Director

SUBJECT: Water Reclamation Facility Fiscal Year 2016-17 4th Quarter Program Budget Update

RECOMMENDATION

Staff recommends that WRFAC receive the budget status report of the WRF program and provide any comments to be forwarded on to City Council.

ALTERNATIVES

No alternatives are recommended

FISCAL IMPACT

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

DISCUSSION

Staff has prepared a budget update for the fourth quarter of fiscal year 2016/17 (4Q16/17). The third quarter budget update was presented to Council in early August 2017. The delay in producing the 4Q16/17 report is a result of staffing transitions, particularly within the Finance Department and City Manager's Office. During the November 14, 2017 City Council meeting, the City Council directed staff to prepare a 4Q16/17 budget update for the December 12, 2017 Council meeting. The direction was to provide the budget update in the traditional format for the Council and Community to review.

The Program Management Team and City Staff have previously developed a budget and expense report format with input from the WRFAC Financial Subcommittee. The summary is attached, and includes all City WRF expenses (including staff time with benefits, copies, and other office expenses) in addition to the consultant contracts. The first page shows budget and expense figures for the quarter and the fiscal year, and the second page contains the project totals. The final page provides a higher level of detail on budget status of individual consultant contracts since inception of the project.

This report is meant to be provided quarterly to both the City Council and WRFAC, and currently represents expenses through June 30, 2017.

Prepared By: rl, jc

Dept Review: RL

The following items should be noted:

- Since issuance of the 3rd quarter report, new line items included in this 4th quarter report include legal services (account 6101), Economic Outreach (account 6140), and Fuel Oil & Lubricants (account 5110).
- The line item under Contractual Services for the Rate Study has been changed to “Rate Study – preliminary analysis costs.” This is because the Rate Study contract and invoices are now being tracked with the other consultant contracts and is grouped with Current Consultant Contracts.

The following sections provide an analysis and overview of the City’s WRF budget. The budget summary presents budget information on quarterly, annual (based on the fiscal year for the City of July through June of the following calendar year) and total project time periods. All costs for a given period are based on the invoice dates (except for consultant costs as described below).

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

| Object Name (from Attachment 1) | Description | Comments |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Past Siting Studies | Contractual services for studies completed prior to initiating the Facility Master Plan process (2013-2015) | These work efforts were completed, contracts expired, and there are no further encumbrances |
| Current Consultant Contracts | Summary of Page 3 from Attachment 1 | Work efforts are under budget for FY 16/17. In order to facilitate a more automated reporting process, consultant costs for a given period will be based on the dates work was performed instead of invoice or payment dates. |
| Water Rights Legal Support | Contract attorney fees for input on water reuse alternatives and legal constraints | -- |
| Rate Study – Preliminary Analysis Costs | Contract services for preliminary analysis of rate increase for funding | These work efforts were completed before the rate study to assist in early estimates of rate impacts. Subsequent expenses are included with “Current Consultant Contracts” |
| Legal Services | Attorney fees for the WRF Project | -- |
| Economic Outreach | Costs for lobbying support from State and Federal representatives and agencies | This is the cost for professional services from The Ferguson Group. These costs are not tracked in Procure and invoices are sent directly to the City. |
| Labor and Benefits | City staff labor and benefits (also called “fully burdened labor”) for the WRF Program | Current FY 16/17 efforts included wastewater sampling, meeting attendance, administrative support, collection system flow monitoring, and all activities related to the WRF Program |

| | | |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Laboratory/Sampling | Contract laboratory services for wastewater analysis to support Facility Master Plan and future detailed design efforts | -- |
| Printing and Advertising | Costs from outside vendors for copies, printing, and postage to develop and distribute WRF Program materials | -- |
| Software License and Fees | Fee for Procore Project/Construction Management Software | Procore software is used to manage and track consultant budgets and contracts, store program documents and deliverables, coordinate and record meetings, and track work efforts during the planning/permitting phase. During construction, the software will be used for tracking contractor submittals, pay requests, field observations, and other work efforts. Annual fee is \$42,205 over the next 5 to 8 years. |
| Property Acquisition | Cost to purchase property & appraisal | -- |
| Program Office Equipment | Copier, monitor, telephone, and other office equipment to equip the Program Office in the City Hall Annex | -- |
| Travel Expense | Costs for travel related to the WRF project | -- |
| Fuel Oil & Lubricants | Costs for fuel oil and lubricants for vehicular maintenance | -- |

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

User rates fund the City's sewer enterprise, including efforts not related to the new WRF (such as collections and treatment costs at the current sewer treatment plant). Incoming revenue is not directed into a specific fund for the WRF. The budget tables include the revenue anticipated for the WRF, which is 75% of \$75M, or \$56.25M, with 25% of debt service coverage (assumed in the 2015 Rate Study) to increase the projected available revenue up to \$70.3M. This assumed debt service coverage would be reduced and reallocated by reprioritizing other wastewater capital projects. It is assumed revenue for the project would come from grants and loans. User rates would repay the loans in accordance with financing terms and conditions, which can vary depending on the program. This would occur after construction is complete, which is projected to start in FY 21/22 per the Bartle Wells Rate Study published in April 2017.

The City increased sewer rates in 2015 in anticipation of the WRF project, along with other capital needs within the current sewer system, but those funds are not directed into a specific fund for the WRF. As budgeted and presented in the 2015 Rate Study, the City would receive \$10.375M through loan proceeds to fund WRF expenses from FY 2014/15 through FY 2016/17, with \$4M budgeted through FY 15/16, \$6M budgeted for FY 2016/17. Since the loan was approved January 20, 2017, WRF expenditure have been paid from sewer revenue reserves (revenue over expenditures).

The City was awarded a \$10.3M planning and design loan from the State Water Resources Control Board (SWRCB) State Revolving Fund and the loan agreement was executed on January 20, 2017. As the City pays consultant expenses, staff can submit the invoices to SRWCB staff and request reimbursement. No Loan draws have been required to date.

The City was informed it was one of eleven agencies across the United States invited to apply for the Water Infrastructure Finance and Innovation Act (WIFIA) loan program from the Environmental Protection Agency (EPA). The WRF Project was selected from over 40 submittals. That low-interest loan program has a 35-year terms with interest rates that are significantly lower than public bonds. The loan application will be due in July of 2018 and the City has had an initial conference call with the EPA staff managing the program.

ATTACHMENTS

1. Quarterly Budget Summary for 4Q2016/17

| City of Morro Bay | | | | | | | | | | |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------|--------------------|--------------------|---------------------------|------------------------|---------------------------------------------------------------------------------|----------------------|--|
| Water Reclamation Facility Advisory Committee (WRFCAC) Quarterly Budget Review Summary 4Q16/17 | | | | | | | | | | |
| EXPENDITURES | | | | | | | | | | |
| Key Definitions | | | | | | | | | | |
| | | Quarter Projected Budget | Portion of Fiscal Year Budget Management Expects Necessary to Meet Quarter Expenditures | | | | YTD Projected Budget | Sum Of Current Quarter Projected Budget and All Prior Quarter Projected Budgets | | |
| Accounts | | Current Quarter | | | | Fiscal Year To Date (YTD) | | | | |
| Fund/Code | Object Name | Projected Budget | Expenditures | Percent Expended | Variance | Projected Budget | YTD Expenditures | Percent Expended | Variance | |
| 321-8312 | Contractual Services | | | | | | | | | |
| 6105 | Past Siting Studies (Completed - no further encumbrance) | -- | -- | -- | -- | -- | -- | -- | -- | |
| 6105 | Current Consultant Contracts (see P. 3) | \$802,851 | \$292,194 | 36.39% | \$510,657 | \$3,211,405 | \$1,220,399 | 38.00% | \$1,991,006 | |
| 6105 | Water Rights Legal Support (See Note 2) | \$0 | \$0 | -- | \$0 | \$0 | \$0 | -- | \$0 | |
| 6105 | Rate Study - preliminary analysis costs | \$0 | \$0 | -- | \$0 | \$0 | \$0 | -- | \$0 | |
| 6101 | Legal Services | \$0 | \$2,583 | -- | (\$2,583) | \$0 | \$2,583 | -- | (\$2,583) | |
| 6140 | Economic Outreach | \$0 | \$13,517 | -- | (\$13,517) | \$0 | \$18,017 | -- | (\$18,017) | |
| | Subtotal | \$802,851 | \$308,294 | 38.40% | \$494,557 | \$3,211,405 | \$1,240,999 | 38.64% | \$1,970,406 | |
| 321-8312 | Labor (Fully Burdened) | | | | | | | | | |
| 4910.4999 | Labor and Benefits | \$15,000 | \$21,967 | 146.45% | (\$6,967) | \$60,000 | \$68,248 | 113.75% | (\$8,248) | |
| | Subtotal | \$15,000 | \$21,967 | 146.45% | (\$6,967) | \$60,000 | \$68,248 | 113.75% | (\$8,248) | |
| 321-8312 | Other Costs | | | | | | | | | |
| 6105, 6162 | Laboratory/Sampling | \$34,500 | \$0 | 0.00% | \$34,500 | \$138,000 | \$11,845 | 8.58% | \$126,155 | |
| 5199,5305, 6106, 6105,6710 | Printing and Advertising | \$0 | \$11,165 | -- | (\$11,165) | \$0 | \$25,592 | -- | (\$25,592) | |
| 5199 | Software license and fees | \$0 | \$0 | -- | \$0 | \$42,204 | \$0 | 0.00% | \$42,204 | |
| 5199,7101 | Property Acquisition | \$0 | \$0 | -- | \$0 | \$2,425,000 | \$0 | 0.00% | \$2,425,000 | |
| 5199, 6106, 6750 | Program office equipment | \$500 | \$777 | 155.43% | (\$277) | \$2,000 | \$4,278 | -- | (\$2,278) | |
| 5199, 6514, 6510 | Travel expense | \$0 | \$471 | -- | (\$471) | \$0 | \$921 | -- | (\$921) | |
| 5110 | Fuel oil & lubricants | \$0 | \$37 | -- | (\$37) | \$0 | \$75 | -- | (\$75) | |
| | Subtotal | \$35,000 | \$12,450 | 35.57% | \$22,550 | \$2,607,204 | \$42,711 | 1.64% | \$2,564,493 | |
| | TOTALS | \$852,851 | \$342,711 | 40.18% | (\$510,140) | \$5,878,609 | \$1,351,958 | 23.00% | \$4,526,651 | |
| | Difference from City Adopted Budget | | | | | | | | (\$67,996) | |
| | City Adopted Budget | | | | | | | | \$5,946,605 | |
| REVENUE | | | | | | | | | | |
| Key Definitions | | | | | | | | | | |
| | | Quarter Projected Budget | Portion of Fiscal Year Budget Management Expects To Be Recognized During Quarter | | | | YTD Projected Budget | Sum of Current Quarter Projected Budget and All Prior Quarter Projected Budgets | | |
| Accounts (See Note 1) | | Current Quarter | | | | Fiscal Year To Date (YTD) | | | | |
| Funding Source | Revenue Name | Projected Budget | Recognized Revenue | Percent Recognized | Variance | Projected Budget | YTD Recognized Revenue | Percent Recognized | Variance | |
| SWRCB | Grants | | | | | | | | | |
| | Recycled Water Planning Grant | \$0 | \$0 | 0.00% | \$0 | \$0 | \$0 | -- | \$0 | |
| | Subtotal | \$0 | \$0 | 0.00% | \$0 | \$0 | \$0 | -- | \$0 | |
| SWRCB | Supplemental Environmental Project | | | | | | | | | |
| | SEP from California Men's Colony | \$0 | \$0 | 0.00% | \$0 | \$0 | \$0 | 0.00% | \$0 | |
| | Subtotal | \$0 | \$0 | 0.00% | \$0 | \$0 | \$0 | 0.00% | \$0 | |
| SWRCB | State Revolving Fund (SRF) Loan | | | | | | | | | |
| | SRF Planning Loan Proceeds | \$852,851 | \$0 | 0.00% | (\$852,851) | \$5,878,609 | \$0 | 0.00% | (\$5,878,609) | |
| | SRF Construction Loan Proceeds | \$0 | \$0 | 0.00% | \$0 | \$0 | \$0 | 0.00% | \$0 | |
| | Subtotal | \$852,851 | \$0 | 0.00% | (\$852,851) | \$5,878,609 | \$0 | 0.00% | (\$5,878,609) | |
| User Rates | Cash funds from Current Operations | | | | | | | | | |
| | Cash funds from Current Operations | \$0 | \$342,711 | -- | \$342,711 | \$0 | \$1,351,958 | -- | \$1,351,958 | |
| | Subtotal | \$0 | \$342,711 | -- | \$342,711 | \$0 | \$1,351,958 | -- | \$1,351,958 | |
| | TOTALS | \$852,851 | \$342,711 | 40.18% | (\$510,140) | \$5,878,609 | \$1,351,958 | 23.00% | (\$4,526,651) | |

Notes:

- 1) Unless shown otherwise, current project expenses are funded by revenue from user rates and fees. There is no separate revenue fund for the WRF.
- 2) Budgets for water rights legal support and property acquisition have not yet been established. Detailed budget development will take place after completing the project descriptions in the Facility Master Plan and Master Reclamation Plan.
- 3) Encumbrance balance is only calculated for expenditures associated with contracts.
- 4) Total Project Amended Budget based on May 2015 Water and Sewer Rate Study. Original budget was \$75M including 25% participation from Cayucos SD which was removed in this analysis. 25% debt coverage (on City's contribution only) was included in the rate study and in this calculation.
- 5) Expenditures for Current Consultant Contracts for a period (quarter or fiscal year) are based on the dates on which the work was performed, and not on invoice or payment date.
- 6) Total Project Amended Budget is calculated from FY1617 Projected Budget plus Total Project Expenditures from end of FY1516. Detailed budget development will take place after completing the project descriptions in the Facility Master Plan and Master Reclamation Plan.
- 7) City adopted budget differs from WRF budget sheet for fiscal year 2016/2017 presented at June 14, 2016 City Council Meeting.

| City of Morro Bay | | | | | | |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------|--------------------|---------------------|--------------------------------------------------------------------------------------|-----------------------|
| Water Reclamation Facility Advisory Committee (WRFAC) Quarterly Budget Review Summary 4Q16/17 | | | | | | |
| EXPENDITURES | | | | | | |
| Key Definitions | | | | | | |
| | | | | Encumbrance Balance | Sum Of All Project Contracts Less Actual Expenditures Against Contracts (See Note 3) | |
| Accounts | | Total Project | | | | |
| Fund/Code | Object Name | Amended Budget | Expenditures | Encumbrance Balance | Percent Expended | Variance |
| 321-8312 | Contractual Services | | | | | |
| 6105 | Past Siting Studies (Completed - no further encumbrance) | \$534,418 | \$448,057 | \$0 | 83.84% | \$86,361 |
| 6105 | Current Consultant Contracts (see P.3) | \$4,653,067 | \$2,666,461 | \$1,986,606 | 57.31% | \$1,986,606 |
| 6105 | Water Rights Legal Support (See Note 2) | \$0 | \$7,880 | \$0 | -- | (\$7,880) |
| 6105 | Rate Study - preliminary analysis costs | \$0 | \$1,457 | \$0 | -- | (\$1,457) |
| 6101 | Legal Services | \$0 | \$2,583 | \$0 | -- | (\$2,583) |
| 6140 | Economic Outreach | \$0 | \$18,017 | \$0 | -- | (\$18,017) |
| | Subtotal | \$5,187,485 | \$3,144,455 | \$1,986,606 | 60.62% | \$2,043,030 |
| 321-8312 | Labor (Fully Burdened) | | | | | |
| 4910,4999 | Labor and Benefits | \$400,000 | \$281,261 | \$0 | 70.32% | \$118,739 |
| | Subtotal | \$400,000 | \$281,261 | \$0 | 70.32% | \$118,739 |
| 321-8312 | Other Costs | | | | | |
| 6105, 6162 | Laboratory/Sampling | \$200,000 | \$35,483 | \$0 | -- | \$164,517 |
| 5199,5305, 6106, 6105,6710 | Printing and Advertising | \$0 | \$40,178 | \$0 | -- | (\$40,178) |
| 5199 | Software license and fees | \$371,205 | \$42,206 | \$329,000 | 11.37% | \$329,000 |
| 5199,7101 | Property Acquisition | \$2,425,000 | \$30,500 | \$0 | -- | \$2,394,500 |
| 5199, 6106, 6750 | Program office equipment | \$2,000 | \$8,529 | \$0 | -- | (\$6,529) |
| 5199, 6514, 6510 | Travel expense | \$0 | \$1,300 | \$0 | -- | (\$1,300) |
| 5110 | Fuel oil & lubricants | \$0 | \$75 | \$0 | -- | (\$75) |
| | Subtotal | \$2,998,205 | \$158,271 | \$329,000 | 5.28% | \$2,839,934 |
| | TOTALS | \$8,585,690 | \$3,583,987 | \$2,315,606 | 41.74% | \$5,001,703 |
| Difference from City Adopted Budget | | | | | | |
| City Adopted Budget | | | | | | |
| REVENUE | | | | | | |
| Key Definitions | | | | | | |
| | | | | | | |
| Accounts (See Note 1) | | Total Project | | | | |
| Funding | Revenue | Amended | Recognized | | Percent | Variance |
| | Recycled Water Planning Grant | \$75,000 | \$0 | | 0.00% | (\$75,000) |
| | (Approval Pending) | \$0 | \$0 | | 0.00% | \$0 |
| | Subtotal | \$75,000 | \$0 | | 0.00% | (\$75,000) |
| SWRCB | Supplemental Environmental Project | | | | | |
| | SEP from California Men's Colony | \$87,361 | \$87,361 | | 100.00% | \$0 |
| | Subtotal | \$87,361 | \$87,361 | | 100.00% | \$0 |
| SWRCB | State Revolving Fund (SRF) Loan | | | | | |
| | SRF Planning Loan Proceeds | \$10,375,000 | \$0 | | 0.00% | (\$10,375,000) |
| | SRF Construction Loan Proceeds | \$59,937,500 | \$0 | | 0.00% | (\$59,937,500) |
| | Subtotal | \$70,312,500 | \$0 | | 0.00% | (\$70,312,500) |
| User Rates | Cash funds from Current Operations | | | | | |
| | Cash funds from Current Operations | \$0 | \$3,496,625 | | 0.00% | \$3,496,625 |
| | Subtotal | \$0 | \$3,496,625 | | 0.00% | \$0 |
| | TOTALS | \$70,474,861 | \$3,583,987 | | 5.09% | (\$66,890,874) |

Notes:

- 1) Unless shown otherwise, current project expenses are funded by revenue from user rates and fees. There is no separate revenue fund for the WRF.
- 2) Budgets for water rights legal support and property acquisition have not yet been established. Detailed
- 3) Encumbrance balance is only calculated for expenditures associated with contracts.
- 4) Total Project Amended Budget based on May 2015 Water and Sewer Rate Study. Original budget was
- 5) Expenditures for Current Consultant Contracts for a period (quarter or fiscal year) are based on the dates on which the work was performed, and not on invoice or payment date.
- 6) Total Project Amended Budget is calculated from FY1617 Projected Budget plus Total Project
- 7) City adopted budget differs from WRF budget sheet for fiscal year 2016/2017 presented at June 14, 2016 City Council Meeting.

City of Morro Bay

Water Reclamation Facility Advisory Committee (WRFAC) Consultant Contract Summary (From Inception through 06-30-2017)

Current Consultant Contracts

| Number | Title | Status | Total | Approved Change Orders | Total With Approved Change Orders | Draw Requests | Total Payments | Total Remaining | % Paid | % Complete | Pending Change Orders | Vendor |
|--------------|----------------------------------------------------------------------------|----------|-----------------------|------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|------------|------------|-----------------------|---------------------------|
| SC--001 | Facility Master Plan | Approved | \$710,123.00 | \$123,819.00 | \$833,942.00 | \$833,936.85 | \$826,246.65 | \$7,695.35 | 99% | 100% | \$0.00 | Black & Veatch |
| SC--002 | CEQA/NEPA Documentation and Consulting | Approved | \$346,538.00 | \$0.00 | \$346,538.00 | \$71,283.11 | \$57,161.06 | \$289,376.94 | 16% | 21% | \$0.00 | ESA |
| SC--003 | Fatal Flaw Cultural Resources | Approved | \$18,260.87 | \$40,056.56 | \$58,317.43 | \$45,959.60 | \$41,559.60 | \$16,757.83 | 71% | 79% | \$0.00 | Far Western |
| SC--005 | MacElvaine Property - Fatal Flaw - Biological Resources | Approved | \$12,835.00 | \$0.00 | \$12,835.00 | \$11,240.00 | \$11,240.00 | \$1,595.00 | 88% | 100% | \$0.00 | Kevin Merk Associates |
| SC--006 | Survey - Righetti Property | Approved | \$15,644.00 | \$0.00 | \$15,644.00 | \$12,502.50 | \$12,502.50 | \$3,141.50 | 80% | 100% | \$0.00 | JoAnn Head Land Surveying |
| SC--007 | Survey - Highway 41 and MacElvaine Property | Approved | \$45,050.00 | \$0.00 | \$45,050.00 | \$47,820.50 | \$47,820.00 | (\$2,770.00) | 106% | 100% | \$0.00 | JoAnn Head Land Surveying |
| SC--008 | Salinity Identification Study | Approved | \$23,640.00 | \$37,080.00 | \$60,720.00 | \$52,717.83 | \$49,687.83 | \$11,032.17 | 82% | 87% | \$0.00 | Larry Walker Associates |
| SC--009 | MacElvaine Property (SE) - Fatal Flaw - Geotech and Initial Hydrologic Fie | Approved | \$38,600.00 | \$47,800.00 | \$86,400.00 | \$86,364.95 | \$86,364.95 | \$35.05 | 100% | 100% | \$0.00 | Fugro |
| SC--010 | Grant and Loan Funding - Tracking and SRF Support | Approved | \$65,752.00 | \$0.00 | \$65,752.00 | \$51,576.97 | \$50,076.97 | \$15,675.03 | 76% | 78% | \$0.00 | Kestrel |
| SC--011 | 2015 Program Management | Approved | \$920,808.00 | \$1,248,766.00 | \$2,169,574.00 | \$1,135,789.02 | \$989,762.94 | \$1,179,811.06 | 46% | 52% | \$0.00 | MKN & Associates, Inc. |
| SC--012 | Evaluate Alternative Concepts for Disposal of Treated Effluent | Approved | \$22,000.00 | \$135,947.00 | \$157,947.00 | \$157,889.19 | \$142,986.55 | \$14,960.45 | 91% | 100% | \$0.00 | GSI Water Solutions |
| SC--013 | Geotechnical Services Righetti II Site | Approved | \$35,902.00 | \$0.00 | \$35,902.00 | \$27,325.35 | \$27,325.35 | \$8,576.65 | 76% | 100% | \$0.00 | Yeh and Associates |
| SC--014 | Survey Services for South Bay Blvd Site | Approved | \$29,850.00 | \$0.00 | \$29,850.00 | \$27,774.00 | \$27,774.00 | \$2,076.00 | 93% | 93% | \$0.00 | JoAnn Head Land Surveying |
| SC--015 | Geotechnical Services South Bay Blvd Site | Approved | \$33,600.00 | \$0.00 | \$33,600.00 | \$32,464.59 | \$32,464.59 | \$1,135.41 | 97% | 97% | \$0.00 | Yeh and Associates |
| SC--016 | Rate Study Update - WRF Project Alternatives | Approved | \$36,800.00 | \$0.00 | \$36,800.00 | \$15,811.10 | \$15,811.10 | \$20,988.90 | 43% | 43% | \$0.00 | Bartle Wells Associates |
| SC--017 | Flow Monitoring Services | Approved | \$105,000.00 | \$0.00 | \$105,000.00 | \$56,005.44 | \$41,619.31 | \$105,000.00 | 0% | 0% | \$0.00 | V&A |
| Total | | | \$2,460,402.87 | \$1,633,468.56 | \$4,093,871.43 | \$2,666,461.00 | \$2,460,403.40 | \$1,675,087.34 | 60% | 65% | \$0.00 | |

Notes: 1) Contract SC-004 was unused and was combined with Contract SC-003.

2) Contracts SC--006 and SC--007 for JoAnn Head Land Survey are one amended contract with the City.

3) Total Draw Requests are equivalent to Total Project Expenditures for Current Consultant Contracts on Page 2, not including Total Draw Requests for SC--016, which are reflected in the Rate Study line item on Page 2.



AGENDA NO: B-2

MEETING DATE: December 5, 2017

Staff Report

DATE: November 29, 2017
TO: Water Reclamation Facility Citizens Advisory Committee
FROM: Rob Livick, PE/LS – Public Works Director
SUBJECT: WRF Program Update

RECOMMENDATION

Staff recommends WRFCAC receive and file the status report 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 WRFCAC below. This summary is typically provided each month.
- Update on program schedule

Accomplishments and Milestones

City staff and consultants performed the following tasks since City Council resumed the project on September 26, 2017:

- Met with Local Area Formation Committee (LAFCO)
- Met with San Luis Obispo County Planning & Building Department staff to develop a permit processing strategy consistent with California Coastal Commission (CCC) input
- Initiated development of draft Environmental Impact Report including traffic studies and supplemental cultural resources investigations
- Initiated WRF Lift Station and Pipelines Design Engineering Services project with Waterworks Engineers
- Received direction from Council to accelerate procurement of proposals of WRF Onsite Improvements for input to revised rate study
- Released Request for Qualifications for Design-Build of WRF Onsite Improvements on October 27
- Conducted pre-Statement of Qualifications (SOQ) meeting with prospective proposers on November 7

Prepared By: mn

Dept Review: RL

- Completed internal draft feasibility study to begin pursuit of Bureau of Reclamation WaterSmart program, which can award grants for 25% of construction costs up to \$20M
- Prepared status report for State Water Resource Control Board State Revolving Fund (SWRCB SRF) Planning and Design Loan. The City has not submitted any requests to draw upon this loan.
- Resumed development of performance criteria and Request for Proposal for Design-Build of WRF Onsite Improvements

Program Schedule Update

The anticipated schedule for significant milestones and Council decisions is summarized below and all critical path efforts are on schedule. The baseline schedule was approved by City Council on October 10.

| Item | Date |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Release RFP for Design/Construction of WRF Onsite Improvements | January 2018 |
| Council Review of Program Management | January 2018 |
| Financial Analysis of: 1) Funding Available from Approved 2015 Rates 2) Rate Increase Recommendations for WRF Project | February 2018 |
| Release of Public Draft Environmental Impact Report (EIR) | March 2018 |
| Release of Updated Rate Study | May 2018 |
| Proposition 218 Hearing | June 2018 |
| Council Certification of Final EIR (Critical Timeline for Grant | June 2018 |
| Deadline for WIFIA Loan Application | July 17, 2018 |
| Approval of Coastal Development Permit through County Local Coastal | September 2018 |
| Council Award of Contract for WRF Onsite Improvements | August 2018 |
| Council Award of Contract for Construction of Lift Station and Offsite | November 2019 |
| Completion of WRF Improvements | October 2021; Startup and Commissioning through January 2022 |

ATTACHMENT

1. Updated Program Schedule (Summary Format - as of November 28, 2017)



AGENDA NO: B-3 (rev1)

MEETING DATE: December 5, 2017

Staff Report

DATE: November 29, 2017
TO: Water Reclamation Facility Citizens Advisory Committee
FROM: Rob Livick, PE/LS – Public Works Director
SUBJECT: Overview of Design-Build Request for Proposal (RFP) Development Process

RECOMMENDATION

Staff recommends the following:

- 1) WRFCAC review, consider, and provide comments on the presentation; and
- 2) WRFCAC appoint up to three (3) members to participate in the review of Statements of Qualifications and participate in interviews for development of the short-list.

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

As directed by City Council on October 10, staff is proceeding with an accelerated schedule to release the Request for Proposal (RFP) for WRF Onsite Improvements on January 24 and receive proposals by late April, in order to inform the rate study update process. WRFCAC's involvement will be critical in advising City Council through this process. City staff is requesting the following from WRFCAC:

- Identify two members to assist in review of Statements of Qualifications from design-build entities (DBEs)
- Consider presentation of overview of the RFP today
- Review draft materials from the RFP at the regular WRFCAC meeting on January 2 and a special meeting on January 12 (or date TBD)
- Provide input or advice to Council prior to Council review on January 24 or at a Council study session (schedule TBD)

At this WRFCAC meeting, City staff and consultants will present an outline of the RFP, discuss the various sections, and provide initial recommendations and general requirements for design and construction of the project. This presentation is intended to initiate WRFCAC's involvement in RFP development, since draft documents will be developed through December for review and approval by City Council in mid-January 2018.

Prepared By: MN

Dept Review: RL