



CITY OF MORRO BAY PUBLIC WORKS ADVISORY BOARD 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.

**Wednesday, August 15, 2018
Veterans Memorial Building - 5:30 P.M.
209 Surf Street, Morro Bay, CA**

Ric Deschler, Chair
John Erwin

Steven Shively, Vice-Chair
Janith Goldman
Stewart Skiff

Christian Erlendson
Christopher Parker

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE
ANNOUNCEMENTS
PRESENTATIONS – None

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters not on the agenda 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 city of residence for the record.
- 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.

A. CONSENT CALENDAR

A-1 Approval of Minutes of May 16, 2018 Regular Meeting
Recommendation: Approve minutes.

A-2 Approval of Minutes of June 25, 2018 Special Joint Meeting with Citizen Finance Advisory Committee
Recommendation: Approve minutes.

A-3 Approval of Minutes of July 18, 2018 Special Joint Meeting with Recreation & Parks Commission
Recommendation: Approve minutes.

B. BUSINESS ITEMS

B-1 Directors Report - Informational summary of current Public Works Activities
Recommendation: Information item for discussion, no action needed.

C. POTENTIAL FUTURE AGENDA ITEMS

D. ADJOURNMENT

Adjourn to the Public Works Advisory Board meeting at the Veteran's Memorial Building, 209 Surf Street, on September 19, 2018 at 5:30 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 772-6263 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 Board 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/pwab 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) 772-6263. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

- | | | |
|----------|---|--|
| PRESENT: | Ric Deschler
Steve Shively
Janith Goldman
Stewart Skiff
John Erwin | Chairman
Vice-Chairman
Board Member
Board Member
Board Member |
| ABSENT: | Chris Parker
Christian Erendson | Board Member
Board Member |
| STAFF: | Rob Livick
Janeen Burlingame
Mike Wilcox
Damaris Hanson
Joe Mueller
Gina Gregory | Public Works Director
Management Analyst
Consolidated Maintenance Superintendent
Environmental Programs Manager
Utilities Division Manager
Office Assistant |

ESTABLISH QUORUM, CALL TO ORDER AND MOMENT OF SILENCE

The meeting was called to order at 5:31 p.m. A quorum was present.

ANNOUNCEMENTS - None

PRESENTATIONS – None

PUBLIC COMMENT PERIOD

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

A. CONSENT AGENDA
<https://youtu.be/JFcDjVwWt0c?t=1m6s>

A-1 APPROVAL OF MINUTES OF April 18, 2018 MEETING.

MOTION: Janith Goldman moved to approve Item A-1. The motion was seconded by Stewart Skiff and carried 5-0-0 unanimously.

B. BUSINESS ITEMS

B-1 Directors Report – Informational summary of current Public Works Activities
<https://youtu.be/JFcDjVwWt0c?t=1m41s>

B-2 OneWater Update
<https://youtu.be/JFcDjVwWt0c?t=1h1m59s>

Rob Livick presented the staff report. Damaris Hanson and Eric Casares (Project Engineer) with Carollo Engineers presented the OneWater Update.

The Board asked questions of staff and commented on the Director’s Report and of the OneWater Update.

C. POTENTIAL FUTURE AGENDA ITEMS
<https://youtu.be/JFcDjVwWt0c?t=1h57m18s>

Rob Livick stated updates on the rate analysis and streets program will be brought forward as they are refined.

D. ADJOURNMENT

The meeting adjourned at 6:29 P.M. to a regular Public Works Advisory Board meeting at the Veteran’s Memorial Building, 209 Surf Street, June 20, 2018.

Recorded by:

Gina Gregory
Office Assistant

MINUTES - WATER RECLAMATION FACILITY ADVISORY COMMITTEE (WRFCAC), CITIZENS OVERSIGHT/FIANCE ADVISORY COMMITTEE (CFAC), PUBLIC WORKS ADVISORY BOARD (PWAB)
SPECIAL JOINT MEETING - June 25, 2018
MORRO BAY COMMUNITY CENTER (AUDITORIUM) – 3:00 P.M.

AGENDA ITEM: <u>A-2</u>
DATE: <u>July 18, 2018</u>
ACTION: _____

WRFCAC
PRESENT: Barbara Spagnola Vice Chairperson
Paul Donnelly Committee Member
Valerie Levulett Committee Member
Doug Rogers Committee Member

CFAC
PRESENT: Barbara Spagnola Chairperson
Dawn Addis Committee Member
David Betonte Committee Member
John Erwin Committee Member
Walter Heath Committee Member
John Martin Committee Member

PWAB
PRESENT: Ric Deschler Chairman
John Erwin Board Member
Janith Goldman Board Member
Chris Parker Board Member
Stewart Skiff Board Member

ABSENT: Richard Sadowski WRFCAC Member
Steve Shively WRFCAC and PWAB Vice Chairperson
Doug Rogers WRFCAC Member
Bart Beckman CFAC Member
Christian Erlendson PWAB Member

STAFF: Scott Collins City Manager
Rob Livick Public Works Director
Jen Callaway Finance Manager
Joe Mueller Utilities Division Manager
Gina Gregory Office Assistant

ESTABLISH QUORUM, CALL TO ORDER AND MOMENT OF SILENCE

The meeting was called to order at 5:31 p.m. A quorum of WRFCAC, CFAC, and PWAB was present.

I. Review of Proposed Water and Sewer Rate Increases

Scott Collins and Alex Handlers, Bartle Wells Associates, presented the staff report and proposed water and sewer rate increases.

Discussion, comments and questions continued amongst Committee members, staff, and consultant.

PUBLIC COMMENT

<https://youtu.be/aWiVO3arUlg?t=1h6m50s>

The public comment period was opened.

Eric Fore, Morro Bay citizen, expressed concern about the inequity of the inflation effect the City is enforcing on the community. He stated many of us cannot pass on the added expense and feels commercial interests and landlords will, causing residents to consider moving.

Kerrigan Mayhan, Morro Bay citizen, stated the water recycling needs to be pulled from the project, the project is out of control, and needs to be scaled back, noting the numbers are way too big for a town of 10,000. He feels the City should look into PERC again. He had questions regarding the Prop 218 and the 5-year timeline, the WIFIA loan, and maximum guaranteed rate.

Carol Truesdale, Morro Bay resident, expressed concern about the City's other financial concerns that may require a sales tax measure, and urges the City to think about how it's the cost is going to affect every family.

Barry Brannon thanked everyone for all their time. He compared the rates of San Luis Obispo that were in the Tribune at \$108 per month and feels should be the target, noting \$191 in Morro Bay is too high.

Aaron Ochs, Save Morro Bay, stated the presentation was informative but noted there was a lot of speculation and guestimates going into the Prop 218 process and costs should be more certain especially in terms of payments. He expressed concern with the costs that seem to keep increasing, noting there needs to be a larger conversation focused on subsidizing some of the cost with grant funding.

Steve Stevens expressed concerned about open-ended questions about injection wells and others, noting we should respect the Blue Ribbon Committee's recommendation in terms of deferring this for a month to get questions answered. He said the 2015 City fact stated the City had adequate funding to proceed with for a viable project in that \$75 million range.

Sharon O'Leary, Community Resource Connections Office, stated they have had a lot of questions about the water and sewer costs, noting that looking at poverty maps developed by Cal Poly and the Food Bank Coalition that about 3500 people fit into one of the three categories of poverty and expressing concern that the PG&E CARE program is using the Federal level of poverty and does not address the other levels of poverty, the State level and United Way real cost measure. She expressed concern on having a one-month time frame for the Utilities Discount Program and offered to help with the applications, so it could be opened year-round.

The Public Comment period was closed.

Discussion, comments and questions continued amongst Committee members, staff, and consultant.

The meeting adjourned at 5:48 P.M.

Recorded by:

Gina Gregory
Office Assistant

MINUTES - PUBLIC WORKS ADVISORY BOARD (PWAB), RECREATION & PARKS COMMISSION (R&P)
SPECIAL JOINT MEETING – JULY 18, 2018
PUBLIC WORKS DEPARTMENT – 4:00 P.M.

PWAB PRESENT:	Steve Shively John Erwin Christian Erlendson Janith Goldman Stewart Skiff	Vice Chair Board Member Board Member Board Member Board Member
R&P PRESENT:	Robert Swain Drew Sidaris Kevin Carroll Mike Espino Skip Sorich	Chair Vice Chair Commissioner Commissioner Commissioner
ABSENT:	Ric Deschler Chris Parker	PWAB Chair PWAB Board Member
STAFF:	Rob Livick Joe Mueller Mike Wilcox Damaris Hanson Kirk Carmichael	Public Works Director Utilities Division Manager Consolidated Maintenance Superintendent Environmental Programs Manager Recreation Division Coordinator

ESTABLISH QUORUM AND CALL TO ORDER

Board Members, Commissioners and Staff boarded the City Trolley and travelled to the first location on the tour, WRF proposed site on South Bay Boulevard/Teresa Drive. The meeting was called to order at 4:00 p.m., a quorum was present for the Public Works Advisory Board and Recreation & Parks Commission.

ANNOUNCEMENTS - None

PRESENTATIONS - None

PUBLIC COMMENT - None

I. ANNUAL PARKS TOUR

The Board Members, Commissioners and Staff toured and discussed the following City facilities and parks: WRF proposed site on South Bay Boulevard/Teresa Drive, Del Mar Park including pickle ball courts, dog park, renovated restroom facility, Coleman Park including salt water well, Harborwalk, proposed Jack Lalanne workout stations, and Franklin Riley Park.

ADJOURNMENT

The meeting adjourned at 5:50 p.m.



AGENDA NO: B-1

MEETING DATE: August 15, 2018

MEMORANDUM

TO: Public Works Advisory Board
DATE: August 9, 2018
FROM: Rob Livick, PE/PLS - Public Works Director/City Engineer
SUBJECT: Director's Report / Information Items

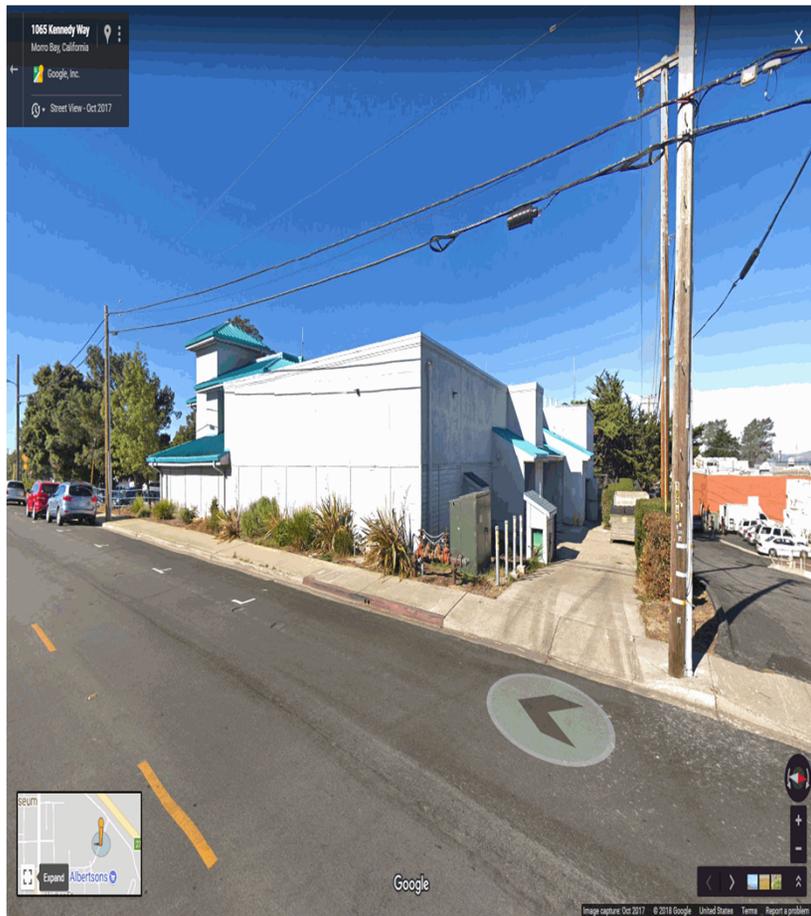
Please contact the individual staff members prior to the meeting, if possible, for more detailed information.

Notify Me: Sign up for Notify Me on the City's Website www.morrobayca.gov/notifyme to be notified by email when Council, Board's and Commission's agendas and minutes are posted on the website.

Service Requests: Citizens can report a concern to the City for predetermined issues without the need to phone the City during business hours (for example: reporting a pothole) by using a feature on the City's website, Service Requests www.morrobayca.gov/905/Service-Requests, or the mobile App "My Morro Bay" (available on both Android and IOS operating systems).

Staff can also add Service Requests for someone over the phone or in the office if they do not have access to a computer. Each category in Service Requests is assigned to the appropriate staff member to handle so citizens don't have to figure out what department to contact for an issue they need to report on.

CONSOLIDATED MAINTENANCE HAS COMPLETED THE REPAIRS TO THE MORRO BAY COMMUNITY CENTER. EXTERIOR PAINTING WILL BE DONE W/E 8/10. INTERIOR MILLWORK IS OUT TO BID AND SHOULD BE COMPLETED BY MID SEPTEMBER.
Staff Contact: Mike Wilcox



CONSOLIDATED MAINTENANCE

Service Requests Completed

SERVICE REQUESTS 6/21/18 - 8/8/18

Request Type	1 - Open	2 - Progress	3 - Closed
Graffiti - City Property	2	0	0
Curb Repair	1	0	3
Paving Request	2	0	13
Pothole/Sinkhole	13	0	8
Street Cleaning/Sweeping	1	1	2
Sign or Banner-Missing or Damaged	1	0	2
Tree Fallen Across Sidewalk	1	0	0
Tree Pruning/Trimming	5	0	17
Maintenance Request	9	0	26
Maintenance Request	1	0	5
Custodial Request	1	0	1
Banner Install or Remove Request	1	0	2
Traffic Control Device Request	2	0	0
Weed Abatement	2	0	1
Sidewalk Issue	0	1	1
Stop Sign Missing/Damaged	0	0	1
Tree Removal Request	0	0	4
Safety Issue	0	0	1
Custodial Request	0	0	2
Public Restroom Issue	0	0	3
Public Building Issue	0	0	1
Safety Issue	0	0	1
Striping Request	0	0	1
Storm Drain Issue	0	0	1
Bike Path Issues	0	0	1
Water Leak	0	0	1
TOTALS	42	2	98

TRANSIT

Staff Contact: Janeen Burlingame

Short Range Transit Plan

Morro Bay Transit held a Community Forum on Wednesday, May 30 and the consultant presented an overview of transit services, a summary of recent on-board and passenger survey work, as well as a list of transit service alternatives being considered for potential changes. After the presentation, there was a Q&A session with members of the public who attended the forum.

Following the forum, the Technical Memoranda on Existing Conditions and Summary of Surveys and the PowerPoint presentation from the forum have been uploaded to the City's Transit website for review.

- [Technical Memoranda – Existing Conditions & Summary of Surveys 5/30/18](#)
- [Community Forum PowerPoint Presentation 5/30/18](#)

The SRTP consultant is working on further evaluation and analysis of the service alternatives presented at the forum. Please submit any comments you have on the Technical Memoranda and Community Forum presentation to Janeen Burlingame via email at jburlingame@morrobayca.gov so they can be forwarded to the consultant.

Morro Bay Transit and Trolley

The FTA 5339 agreement from CalTrans is close to being fully executed and staff has begun the procurement process to purchase a replacement trolley. Additionally, staff has begun the procurement process to purchase a replacement bus for the year round transit service.



Morro Bay Transit
Short Range Transit Plan
Community Forum

3:30 PM - May 30, 2018
Veterans Memorial
Building, Morro Bay, CA

Overview of Area and Services
Survey Results
Alternatives Analysis

Presented by: Selena McKinney
LSC Transportation Consultants, Inc.



WATER – OPERATIONS

Staff contacts: Joe Mueller
Damaris Hanson
Jamie James

Water staff completed various work orders:

- Exercised Valves (45)
- turn off/on services (42/76)
- Re-read meters (68)
- Customer requests (12)
- Water samples (110)
- Install new water service (3)
- UCMR4 water samples

Reports completed:

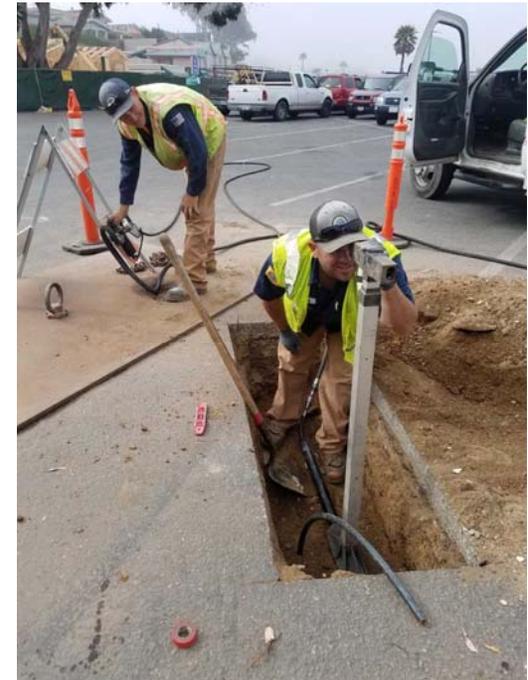
- Water system usage data for County of SLO
- Monthly water reports to State Water Resources Control Board
- Annual Water Loss Audit

Water Conservation:

- For the month of July water conservation was 10% lower compared to July 2013



Changing the water pre-filters on the brackish water treatment plant



Installed a new water service to the Maritime museum

Please remember to make water conservation a way of life!

City water conservation rebates available; Cash for grass, rain barrel, irrigation retrofit, SMART irrigation controller, toilet retrofit and Energy star washing machine. State rebates now available for removing grass (up to \$2 per sq. ft.) and replacing a toilet that flushed more than 1.6 gallons per flush (\$100).

WASTEWATER – COLLECTIONS

Staff Contacts: Joe Mueller

John Gunderlock

In July, Wastewater Collections Staff:

- Cleaned approximately 28,000 feet of sewer mainline.
- Responded to two after-hour callouts: One at Lift Station #2 (current overload alarm) and another at 500 Morro Bay Blvd (a private lateral sewage discharge).
- Responded to two online customer service requests: One a request for a RV sewage dump station added to the lift station on Atascadero Road, and another for a private lateral sewage discharge on Balboa Street.
- Reported no mainline overflows for the month.
- Conducted pH sampling at Mission Linen to evaluate facility pretreatment control processes and industrial discharges to the collection system.
- Performed routine lift station maintenance.
- Conducted 5 source-control inspections at industrial and commercial facilities.
- Continued routine and enhanced line cleaning throughout the City
- Conducted safety training on the Utility Division Lockout/Tagout Program
- Two staff members attended a United Academy Trench Shoring for construction safety course
- Participated in a National Public Works Week outreach event at SLO Farmer's Market. This event presented informative displays, equipment demos, and brochures. The public learned about the intricacies of Public Works operations.
- Performed inspections of a contractor installed sewer lateral at 1255 Morro Street and 1170 Front Street.
- Tested the Cityworks asset management program and recommended improvements before full City implementation.
- Trained with City Fire Department Staff on confined space rescue and practiced various rescue techniques along with the use of confined space equipment.
- Reconfigured and tested alarm equipment at lift stations, WWTP, and other Utility facilities to meet mandatory area code changes

Wastewater Collections Continued



Fire Department and Utility Division Train for
Confined Space Rescue at the WWTP



Morro Bay Utility Division Participates in
National Public Works Week at SLO Farmer's
Market



WASTEWATER – TREATMENT

Staff Contacts: Joe Mueller
John Gunderlock

Operation & Maintenance

- Flow for the month of July averaged 1.014 Million Gallons per Day (MGD) and totaled 31.442 million gallons for the month.
- Staff recorded <0.1 inches of rain during the month of July.
- Staff responded to 4 after hour callouts in July for plant chlorine adjustments.
- With the assistance of the Harbor Department, plant staff performed ocean receiving water sampling for the semi-annual toxicity bioassay test.
- Replaced a failed chlorine residual meter pump board and probe.
- Reprogrammed emergency auto-dialers to dial 1(805).
- Installed new pressure regulating equipment on primary scum pump #1.
- Installed hour meters on influent pumps variable frequency drives.
- Rebuilt and replaced three digester pressure/vacuum relief valves.
- Installed three new influent flow meters.
- Replaced failed air piping and painted the primary area air receiving tank.
- Drained, cleaned and inspected the Grit Chamber, Primary Clarifier #2 and the Chlorine Contact Chamber.
- Performed weed abatement throughout the facility grounds.
- Inspected all confined space safety equipment.
- Visited Abalone Coast Analytical for a yearly follow-up report.
- CJPIA performed an annual plant hazard/safety inspection.



Installation of one of two new high-efficiency primary sludge air-actuated diaphragm pumps

Wastewater Treatment – Operation & Maintenance Continued

Staff attended the following training:

- Bloodborne Pathogens/Heat Illness
- Trench Shoring for Construction
- Safety meeting on Lockout/Tagout Procedures
- Simulated Confined Space Rescue with the City Fire Department

Submitted reports:

- June 2018 Monthly Self-Monitoring Report (eSMR)
- June 2018 Monthly Discharge-Monitoring Report (eDMR)
- 2nd Quarter Receiving Water Report (eSMR)
- 2nd Quarter Bacterial Effluent Report (eSMR)
- 2nd Quarter Time Schedule Order Progress Report (eSMR)



Simulated Confined Space Rescue
with the City Fire Department



Replacement Headworks air
receiving tank

OneWater Plan

- **Update on completed activities**
 - Water Master plan: Finalized Capital Improvement projects, associated chapter completed
 - Collections system master plan: Finalized Capital Improvement projects, associated chapter completed
 - Water Supply Evaluation: Presented final water supply evaluation to City Council 6/20/18. Due to the risks of drought and unanticipated outages inherent to State Water, the permitting challenges associated with desalination and Chorro Creek stream flow augmentation, and drought, water rights, and water quality issues affecting the City's local groundwater supply, potable reuse is the best option for the City to diversify its water portfolio and move towards water independence.
 - Storm Water Master Plan: Finalized the model and capital improvement projects,
- **Upcoming activities**
 - PWAB/City Council Presentation for Final Report in September

ENGINEERING/CAPITAL PROJECTS

Staff contact: Rob Livick

Highway 41/Main/Highway 1

- CalTrans Reviewing Environmental and Preliminary Design Information, held an Intersection Control Evaluation-Technical Advisory Panel (ICETAP) in May, to look at penitential changes in project to reduce costs. Due to traffic volumes and existing constraints there are limited options available. The design engineer is reviewing the retaining wall, truck turning movements and other project components based on Federal Highways Administration (FHWA) comments.
- SLOCOG Increased Construction funding for Project to \$3.1 M (Still Requires 50% match by City)
- Project update to PWAB anticipated in October 2018

Pavement Management

- SLO County has proposed a cooperative agreement to take advantage of increased quantities and potentially lower costs, staff is evaluating.
- List of potential street maintenance projects using \$191,000 in SB1 funding to California Transportation Commission on April 30, 2018
- Proposed preliminary list for Pavement Management Maintenance attached

Nutmeg Tank Replacement

- Addressed in the OneWater – Water System Capital Improvement Plan

Chorro Stream Gages

Continue to monitor stream flow temporary gaging locations.

- Chorro Creek stream flow on July 20, 2018:
 - The flow at Canet was 1.44 cfs at 10:27 AM. The gage reading on the County website at this time was 4.44 feet.
 - The flow at the Chorro Creek Road crossing was 1.67 cfs at 9:32 AM, which correlates to a gage height of 4.45 feet.

ENGINEERING/CAPITAL PROJECTS

Staff contact: Rob Livick

Development Review

- Staff is working on the following projects:
 - Morro Mist 23 Lot Subdivision-Bonita and Main: Under Construction
 - Black Hills Villas – Quintana and South Bay: Reviewing As-Builts
 - Sonic Restaurant – Main and Highway 41: In Plan Check
 - Commercial Development – Sunset and Highway 41: In discretionary permit review
 - Hotel Development – NW corner Atascadero Road West and Highway 1: Concept Review

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Final Environmental Report Released

The City released the Final Environmental Impact Report (FEIR). On July 3, 2018, the City's Planning Commission and WRFCAC reviewed the FEIR and recommended the City Council certify it as being in compliance with the California Environmental Quality Act (California Public Resources Code, section 21000 et seq. and State CEQA Guidelines (14 California Code Regulations, section 15000 et seq.) (collectively, CEQA). Prior to considering approval of the proposed WRF Project, the City, as Lead Agency, and more specifically the City Council, must review and certify the FEIR. Once the Final EIR is certified, the City Council may consider project approval. The City Council will consider the EIR at its August 14 regular meeting beginning at 6:00p.m. The EIR may be reviewed at: <http://www.morrobayca.gov/DocumentCenter/Index/659>

Proposition 218 Process

The Public Hearing for the Proposition 218 protest process has been rescheduled to 6:00 p.m. on September 11, 2018, from the original noticed date of August 28, 2018. If you have already submitted a written protest to the City Clerk based on the previous notice regarding the surcharge rate increase, then you need do nothing further and your protest will be counted. If you have not yet submitted a written protest to the City Clerk and would like to, then you will now have until the end of the public hearing to be held on September 11, 2018, at Veterans' Hall. The City has added additional open office hours for questions on the impact to individual bills and the Proposition 218 process on Tuesday, August 14th: 12:00-5:00 p.m.; future office hours will be announced. Office hours will be held at City Hall, 595 Harbor Street.

See <http://www.morrobayca.gov/DocumentCenter/View/12102/New-Water-Reclamation-Facility-Project-Overview> for additional rate surcharge information.

WIFIA Loan

The City's WRF project reached another major milestone with the recent submission of a complete application for a low-interest loan through the Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) program. The loan will fund 49% of the total project cost of \$126 million. Securing the EPA WIFIA low-interest loan will save the Morro Bay residents nearly \$20 million. The pursuit of the WIFIA loan is an example of the City's continued efforts to minimize any proposed rate increases. The City's current proposed rate increase is \$41 per month for the average single-family household. The full press release is located at:

<http://www.morrobayca.gov/DocumentCenter/View/12162/Press-Release---WIFIA-Carbajal-Supports-080218>

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

1.Q – How much will the project cost?

A – The most recent opinion of cost for the WRF with full recycling at the South Bay Boulevard site is \$126M. The Draft Facility Master Plan and Draft Master Water Reclamation Plan were completed in early 2017. After those documents were completed, the recommended project, which included all construction costs for treatment and groundwater recharge and all soft costs (design, permitting, and contingencies) was estimated at \$167M. After the costs for the recommended project were presented at the July 11, 2017 City Council Meeting, staff was directed to investigate ways to review costs and to conduct a peer review. The panel recommended several project refinements early in this planning process, including odor control and layout revisions that resulted in lowering the anticipated project cost. The program costs were revised to \$150M based on those efforts.

In June 2018, the cost estimate was revised to \$126M. This revised estimate reflects the outcome of review of the design-build proposals for the WRF onsite improvements and recommendations from the Blue Ribbon Commission. The Blue Ribbon Commission is composed of four members of the community that were appointed by the City Manager to oversee the rate study process. The Blue Ribbon Commission made several recommendations that resulted in a reduction in the program costs including postponing the demolition of the existing WWTP. All components of the WRF Program have been structured to maximize competition and to help ensure the project is as affordable as possible.

2.Q – How have the funds collected from the 2015 rate increase been spent?

A – The funds that have been collected as a result of the 2015 rate increase have been used to support the planning effort for the WRF Program. Between March 2013 and June 2018, approximately \$5M has been spent to advance the program and has resulted in the development of the Draft Facility Master Plan, Draft Master Reclamation Plan, Draft and Final Environmental Impact Reports (EIR), preliminary design of the conveyance facilities, numerous siting studies, program management, funding support, and other technical services. Revenue not used to fund the WRF Program, other water and sewer capital projects, or operations and maintenance costs have gone to accumulation. In fiscal year 2016/2017 the combined accumulation fund for the water and sewer enterprises was approximately \$9M. Accumulation funds will be used to reduce the amount the City will have to borrow for the WRF Program through bonds or low-interest loans.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

3.Q – Why are the 2015 rates not sufficient to fund a viable project?

A – The 2015 rate increase was structured to fund a project with a total cost of \$75M. At the time of 2015 rate increase, it was assumed that the cost of the project would be split between the City and Cayucos Sanitary District, and therefore the City's contribution would be \$56.2M. The main focus for the 2015 rate increase was the water rates, which had not been increased in almost 20 years. The City was also running an annual \$900,000 budget deficit and needed to fund near-term capital projects to improve the reliability of the water system.

4.Q – Why can't we build a new plant at the existing plant's location?

A – The existing WWTP site and adjacent area is within the floodplain and the tsunami inundation zone. Direction was provided by City Council in April 2017 to re-evaluated alternatives to the South Bay Boulevard site, which resulted in the City receiving a letter from the CCC on July 11, 2017 emphasizing their concerns with sites located west of Highway 1. Furthermore, recent and ongoing discussions between City and CCC staff have re-emphasized that there is no support from CCC staff for pursuing a new WRF adjacent to the current WWTP site because it is inconsistent with previous CCC direction to move the facility farther from the coast to better implement relevant Coastal Act policies. Coastal Commission staff also expressed support for moving the project forward at the South Bay Boulevard site instead, and also submitted a letter confirming this approach prior to the September 22, 2017 City Council decision confirming the South Bay Boulevard site.

5.Q – Can we be confident that the project can be completed with the revised price tag?

A – The City has received proposals from design-build teams for the WRF onsite improvements component of the program. The proposals included a maximum price for this component of the program. The onsite improvements represent over half of the total program cost. For the other components of the program (i.e., the conveyance lift station and force main and offsite recycled water facilities) are in the preliminary design and planning stages, respectively. These costs include appropriate contingencies for the level of project definition at this time.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

6.Q – If the WWTP needs to be moved, will the CCC allow construction of a lift station near the existing WWTP site?

A – City staff has been engaged in ongoing discussions with CCC about the new lift station. CCC will require an alternatives evaluation and justification for constructing a new lift station near the existing WWTP site. That evaluation is being accomplished in the context of the EIR for the project. The City's sewage collection system drains to the existing WWTP from multiple directions. The existing WWTP lies within a floodplain. With construction of the WRF at a new location, the City's collection system will need to be modified to flow to the new WRF. Rerouting the existing collection system to drain to the new location would involve considerable design and permitting and would significantly increase overall project costs. Instead, a lift station at or near the existing WWTP is proposed to receive the City's sewage and pump it to the new WRF. The lift station will be designed with flood proofing measures, including submersible pumps that continually operate underwater. Structures will be set two feet above the 100-year flood elevation. The electrical panels will also be located at an elevation to avoid flooding and conduits will be sealed.

7.Q – Where will the new facility be located?

A – The proposed site for the new facility is near the South Bay Boulevard exit from Highway 1. The City and property owner have executed a Memorandum of Understanding for future purchase of part of the property after the Final Environmental Impact Report is certified.

8.Q – What are the potential benefits of moving the WRF to the South Bay Blvd site?

A – Aside from locating the facility outside the area of coastal hazards (i.e., sea-level rise, tsunami, and flood inundation) and being conducive to surrounding land uses, another advantage of the South Bay Boulevard site is its ability to support reclamation in the form of indirect potable reuse. The Draft Master Water Reclamation Plan recommended injecting recycled water into the Morro Valley groundwater basin upstream of the City's water production wells as it had the greatest water supply benefit for the community.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

9.Q – Is potable reuse feasible and how much will be recycled?

A – Two critical questions need to be answered in order to determine the feasibility of potable reuse. First, the new facility needs to be designed to meet the pathogen removal credits mandated by the Division of Drinking Water (DDW). The preferred proposer selected based on the design-build procurement process includes treatment processes that have been proven to meet these limits. Second, a minimum travel time of 2 months in the groundwater between when the water is injected and when it is extracted must be met. The Screening-Level Groundwater Modeling for Injection Report (GSI, May 16, 2017) evaluated four options for groundwater injection and extraction in the Morro groundwater basins. For all four alternatives, during both dry and wet conditions, the 2 month travel time was met.

The City's goal is to recycle as much water as possible. Preliminary estimates of recycled water production from the Draft Facility Master Plan and Draft Master Water Reclamation Plan indicate that roughly 0.74 MGD (825 acre feet/year) could be produced, about 76% of the WRF's average daily flow design capacity (0.97 MGD). Planning-level groundwater modeling results indicate that all recycled water could be used for groundwater injection and extraction in the Morro Valley. Subsequent groundwater studies will be done to determine the exact injection location and determine the maximum amount for groundwater that can be extracted without impacting water quality.

10.Q – When will the project be completed?

A – The WRF Program, including construction, is scheduled to be completed in late 2021. This will include a lift station, pipelines, and full advanced treatment to produce water fit for supplementing the City's potable groundwater supply. Plant testing will continue into early 2022. The City received a time schedule order from the Regional Water Quality Control Board on June 27, 2018 that requires the City to be in compliance with new full secondary treatment requirements by February 28, 2023.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

11.Q – How will the City pay for the project?

A – The project will be financed through a variety of sources. The City is pursuing grants and low-interest loans through the State Water Resources Control Board (SWRCB) and other state and federal agencies to help fund the project. The SWRCB awarded the City a Recycled Water Planning Feasibility Study Grant for \$75,000 and a Clean Water State Revolving Fund (SRF) Planning and Design Loan for \$10.3M. The City has been in regular contact with SWRCB financing staff regarding a potential SRF construction loan. The SWRCB also has a loan forgiveness program for water recycling projects and “green projects.” Water recycling projects can receive a maximum of \$2.5 million in loan forgiveness and “green projects” can receive a maximum of \$4 million, including the \$2.5 million from water recycling.

The City submitted a letter of interest to the EPA regarding WIFIA financing in April 2017 and was selected along with 11 other prospective projects around the nation from a group of 43 interested entities to apply for WIFIA financing, which will fund up to 49% of the total project costs. The WIFIA application will be submitted in early July 2018.

Kestrel Consulting is identifying additional grant and loan opportunities and leading the City’s strategy to secure funding from the programs that best fit the City’s project. A grant from the Bureau of Reclamation WaterSmart program is also being pursued. It is a competitive program that could fund up to \$20M for the City’s project if awarded.

Any loans will need to be repaid through user rates. New wastewater rates went into effect on July 2015 to help fund the first phase of the project. An additional rate increase is needed to help fund the remainder. The updated Draft Rate Study was presented to a joint meeting of WRFCAC and the CFAC on June 25, 2018 and to the City Council on June 28, 2018. The proposed increase is a combined surcharge to the water and sewer bill of \$41 per month. This resents the “maximum allowable” rate increase that could be implemented, but the City will not increase rates to that maximum amount if lower construction are realized over the course of the program.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

12.Q – How can I calculate what the impact of the rates will be on my bill?

A – Below is a sample calculation for a typical single family home using 5 units of water a month.

Water

WRF Surcharge = \$16.00

Fixed Portion = \$32.00

Variable:

Tier 1 (0 – 3 hcf) = \$6.00 x 3 = \$18.00

Tier 2 (4 – 10 hcf) = \$8.50 x 2 = \$17.00

Wastewater

WRF Surcharge = \$25.00

Fixed Portion = \$83.00

Total = \$191

hcf = hundred cubic feet

13.Q – How would the rates be impacted by eliminating reuse?

A – The primary reason the City was selected to submit a WIFIA application was that the project included potable reuse and was creating a new water supply for the community. The rate study completed by Bartle Wells Associates determined that eliminating reuse from the project and financing the project with revenue bonds (i.e., no WIFIA loan or other low interest financing) would reduce the surcharge by about \$1.50 per month.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

14.Q – What will be done to improve Morro Bay’s aging water and sewer system infrastructure?

A – The City’s OneWater Plan identified necessary improvements to the City’s water and sewer infrastructure through 2040. The capital improvements plan (CIP) for water and sewer are \$26.1M and \$18.2M, respectively. In order to reduce the impacts of a potential rate increase on the community, the City worked with the Blue Ribbon Commission to focus the City’s investment on the first 5 years of the water and sewer CIP on the most critical projects. For the water utility, this includes replacement of the Nutmeg Tank and system improvements to allow for the removal of the Vashon Pump Station. For the sewer utility the immediate focus is replacement of the sewer main in north Main Street.

15.Q – What conclusion did the Blue Ribbon Commission reach about the reasonableness of the rates?

A – The recommendations of the Blue Ribbon Commission are summarized in their report dated June 21, 2018. Their report states “Based on the information provided to the Commission for analysis at the time of this report, the Commission considers the City’s rate proposal to be reasonable.”

16.Q – Will the project be required to comply with the CEQA environmental review process?

A – Yes. In addition, the project will be required to comply with requirements of the National Environmental Policy Act (NEPA) in order to receive state and federal funding for parts of the project. NEPA compliance must be consistent with the requirements of the various federal agencies that may provide funding for part of the project.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

17.Q – What permits will be required for the project?

A – The most critical permit the project will require is a local coastal development permit (CDP) and Coastal Commission CDP. The City is working with San Luis Obispo County as the agency who will potentially issue the local CDP since the project spans City and County jurisdictions. The opportunity does exist to consolidate the CDP application to the CCC. This approach would have the benefits by helping avoid confusion to the public, the potential for fragmentation of project components in different CDP actions hindering public participation, and a significant amount of City expenditure and investment of time on each process separately.

18.Q – Will the project have environmental impacts?

A – The project is intended to accomplish two primary tasks:

- 1) Improve water quality by improving the level of treatment of wastewater, and
- 2) Enhance water supply by producing recycled water.

While some temporary construction-related impacts are expected as a result of constructing the new WRF and related facilities, these impacts will be identified and mitigation measures will be developed through the CEQA compliance process, to be reported in an Environmental Impact Report (EIR). This is a process that encourages public review and input, and involves many agencies and stakeholders. Public hearings and opportunities for comment will continue through into 2018.

19.Q – What will happen to the old wastewater treatment plant (WWTP)?

A – The old WWTP will be taken out of service after the new WRF is constructed, commissioned, and ready to reliably produce treated effluent.

WASTEWATER – NEW WRF

Staff contact: Rob Livick

Frequently Asked Questions

20.Q – How can I receive community email notifications about the project?

A – Sign up through the WRF project website at <http://morrobaywrf.com/community-member-signup/>.

21.Q – Who can help answer my questions?

A – Send us your questions and comments at <http://morrobaywrf.com/contact/>.

Blue Ribbon Commission

Morro Bay City Manager, Scott Collins, formed a Blue Ribbon Commission to evaluate the costs and potential rate increases associated with the Water Reclamation Facility (WRF). The Commission will be charged with providing an independent review and recommendation to the various advisory committees and City Council.

See <https://tinyurl.com/y9xzwqsz> for additional information.

Attachment: Proposed preliminary list for Pavement Management Maintenance

**CITY OF MORRO BAY
2-Year Prospective Street List**

Pavement							
Street ID	Condition Index	Start	End	Region	Street Type	Area	Treatment
2018-19							
Barlow	44	Main Street	End	Zone 4	R - Residential/Local	22860	CS
Beachcombe	15	Yerba Buena Street	North End	Zone 1	R - Residential/Local	21420	DCS
Carmel	64	Kings Avenue	Arbutus Avenue	Zone 4	R - Residential/Local	23,660	CS
Coral	19	Paul Creek	Java Street	Zone 1	R - Residential/Local	22680	DCS
Coral	50	Indigo Cir	San Jacinto St	Zone 1	C - Collector	40320	M2
Elm	60	Bonita Street	Pico St (North End)	Zone 2	R - Residential/Local	31,100	CS
Emerald Circle	59	Coral Avenue	Coral Avenue	Zone 1	R - Residential/Local	86,760	CS
Hemlock	64	San Joaquin	Elena Street	Zone 2	R - Residential/Local	15,360	CS
Juniper	43	North End	Elena Street	Zone 2	R - Residential/Local	14690	CS
Juniper	27	Elena St	Avalon St	Zone 2	R - Residential/Local	21390	3CS
LittleMorr	29	Raddliff Street	City Limits	Zone 3	R - Residential/Local	4840	3CS
Main	37	Zanzibar	Yerba Buena	Zone 1	R - Residential/Local	22320	3CS
Maple Avenue	64	Cuesta Street	End	Zone 2	R - Residential/Local	11,600	CS
Morro	48	Pacific Street	Marina Street	Zone 3	R - Residential/Local	23560	M2
Morro	50	Morro Bay Blvd	Pacific Street	Zone 3	R - Residential/Local	22320	M2
MorroBayAl	8	Piney Way	Bernardo Ave	Zone 3	R - Residential/Local	18290	CS
Morro Bay Blvd.	87	Round-About	Round-About	Zone 3	MiA - Minor Arterial (4)	7,250	M2
Panay	44	Beachcomber Drive	End	Zone 1	R - Residential/Local	22500	3CS
Panorama	75	Blanca Street	Zanzibar Street	Zone 1	R - Residential/Local	7,500	M2
Piney Lane	60	Piney Way	End	Zone 4	R - Residential/Local	7,665	CS
Preston	17	Main Street	End	Zone 3	R - Residential/Local	4860	DCS
Rennell Street	57	Panorama Drive	Main St	Zone 1	R - Residential/Local	20,725	CS
San Jacinto	65	Main St	COP at Alder	Zone 2	C - Collector	6,900	CS
Tahiti	32	Beachcomber Drive	End	Zone 1	R - Residential/Local	11900	3CS
Tide	45	Nevis	Vashon	Zone 1	R - Residential/Local	20700	3CS
Tulare	62	South End	Carmel Street	Zone 4	R - Residential/Local	31,200	CS
Vashon	16	Beachcomber Drive	End	Zone 1	R - Residential/Local	66780	3CS
Verdon	32	Sandalwood Avenue	Coral Avenue	Zone 1	R - Residential/Local	29580	3CS
West	42	Beach	Surf Street	Zone 3	R - Residential/Local	7000	CS

Pavement							
Street ID	Condition Index	Start	End	Region	Street Type	Area	Treatment
2019-20							
Azure	57	Coral Street	Sandalwood	Zone 1	R - Residential/Local	19190	CS
Bay	80	Marina Street	Pacific Street	Zone 4	R - Residential/Local	10,125	M2
Coral	57	Indigo Ave	Emerald Cir	Zone 1	R - Residential/Local	35,700	CS
Cuesta	59	Laurel Avenue	Nutmeg	Zone 2	R - Residential/Local	9,200	CS
Ironwood Ct.	58	Ironwood Avenue	End	Zone 2	R - Residential/Local	10,725	CS
Kings	67	Las Tunas	Balboa Street	Zone 4	C - Collector	10,545	CS
La Jolla	61	Main Street	Greenwood	Zone 2	R - Residential/Local	32,980	CS
Marina	68	Main Street	Embarcadero	Zone 3	C - Collector	33,750	CS
Monterey	58	Marina Street	Olive Street	Zone 4	R - Residential/Local	49,525	CS
Napa	57	Morro Bay Blvd	Pacific Street	Zone 3	R - Residential/Local	12,095	CS
Olive	59	Kern Avenue	Piney Way	Zone 4	R - Residential/Local	22,200	CS
Pacific	64	Kern Avenue	Piney Way	Zone 4	C - Collector	36,160	CS
Pacific	70	Piney Way	Main Street	Zone 3	C - Collector	59,400	CS
Pacific	68	Main Street	Embarcadero	Zone 3	C - Collector	37,800	CS
Pelican	59	Market Avenue	Dunes Street	Zone 3	R - Residential/Local	6,720	CS
Shasta	65	Acacia St	Olive St	Zone 4	C - Collector	23,360	CS
Shasta	71	Harbor Street	Dunes Street	Zone 3	C - Collector	13,865	CS
Yerba Buena	69	Highway 1	Beachcomber	Zone 1	C - Collector	8,000	CS
Zanzibar	80	Tuscan Avenue	Pacific Street	Zone 1	R - Residential/Local	10,800	M2

- 1 This budget is based on current funding availability. Approval of new funding sources would significantly expedite reconstruction
- 2 PMP Street priorities are reevaluated annually during project design to utilize the most appropriate repair method.
- 3 Final street selection will occur after Council approval of award considering current pavement condition & fund availability