



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.

REGULAR MEETING Wednesday, June 15, 2022 – 5:30 PM Held Via Teleconference

Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted telephonically through Zoom. Ways to participate, watch, and submit public comment for this meeting are provided below.

Public Participation:

Remote public participation is allowed in the following ways:

- *Members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the “raise hand” feature to indicate your desire to provide public comment.*

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHIRtk9xaTlmWVNWRWFUQT09>

Password: 135692

- *Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900-6833 or 1 (346) 248-7799; Webinar ID: 827 2274 7698; Password: 135692; Press *9 to “Raise Hand” for Public Comment*
- *Alternatively, members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the Public Works Advisory Board at pwab@morrobayca.gov prior to the meeting. Agenda Correspondence received at pwab@morrobayca.gov by 10 a.m. on the meeting day will be posted on the City website.*

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

PUBLIC COMMENT

Members of the audience wishing to address the Board on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Board at this time.

A. BUSINESS ITEMS

A-1 APPROVAL OF MINUTES FOR THE MAY 18, 2022, PUBLIC WORKS ADVISORY BOARD REGULAR MEETING

Recommendation: Approve as submitted.

A-2 DIRECTOR'S UPDATE

Recommendation: Information item, no action needed.

A-3 REVIEW OF WATER RECLAMATION FACILITY (WRF) CONTRACT AMENDMENTS

Recommendation: Review presentation and provide input to staff.

A-4 PRESENTATION OF ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT AND ALLOCATION OF WATER EQUIVALENCY UNITS FOR FISCAL YEAR 2022-23

Recommendation: Receive Annual Water Supply and Demand Assessment and provide input and recommend to City Council to allocate 50 water equivalency units for residential development and 65 for commercial development for a total of 115 WEUs for FY2022/23.

A-5 SB1 FUNDING PROJECT LIST FOR FISCAL YEAR 2022-23 PAVEMENT MANAGEMENT PLAN PROJECT

Recommendation: Review, provide feedback, and recommend to City Council the FY23 project list for SB 1 Road Maintenance and Rehabilitation Account (RMRA) funds.

A-6 FORMATION OF AD HOC COMMITTEE TO EVALUATE POSSIBLE ROLE OF PWAB IN TRAFFIC ENGINEERING CONSIDERATIONS

Recommendation: Receive presentation and establish ad hoc committee to evaluate possible role of PWAB in traffic engineering considerations.

B. FUTURE AGENDA ITEMS

Sidewalk Repair Project Presentation
Tree Replacement Plan
Capital Projects Update
WRF Quarterly Report

C. ADJOURNMENT

The next Regular Meeting will be held on **Wednesday, August 17, 2022 at 5:30 PM**

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 805-772-6263 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE PUBLIC WORKS ADVISORY BOARD AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE DEPARTMENT AT 805-772-6263.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE PUBLIC WORKS DEPARTMENT AT LEAST 24 HOURS PRIOR TO THE MEETING TO ENSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted in a hybrid format with both in-person and virtual public participation.

- | | | |
|----------|----------------|----------------------------|
| PRESENT: | Doug Rogers | Chair |
| | John Erwin | Board Member |
| | Steven Francis | Board Member |
| | Ian Gaffney | Board Member |
| | Robert Nava | Board Member |
| ABSENT: | Laurie Beale | Vice Chair |
| STAFF: | Greg Kwolek | Public Works Director |
| | Eric Riddiough | City Engineer |
| | Damaris Hanson | Utilities Division Manager |
| | Derek Hanson | Engineering Technician |
| | Paul Amico | WRF Program Manager |

ESTABLISH QUORUM, CALL TO ORDER

The meeting was called to order at 5:36 PM with all Board members in attendance except Laurie Beale.

MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

BOARDMEMBERS ANNOUNCEMENTS

<https://youtu.be/PPKfV0ti-zg?t=111>

Greg Kwolek announced this week is National Public Works Week noting that at City Council's meeting last week, a proclamation was read into the record acknowledging the hard work of the men and women of this department and of the Public Works professionals nationally and to be responsive and resilient in their work.

PUBLIC COMMENT

<https://youtu.be/PPKfV0ti-zg?t=194>

Paul Donnelly, Morro Bay resident, noted scheduling delays, plan deviations, traffic control and other issues relating to the City's Amendment #3 with Anvil for the Water Reclamation Facility conveyance system.

Carole Trusedale, Morro Bay resident, expressed concern about the issues Mr. Donnelly raised and have seen the increase in traffic and backlog of people. She wrote to City Manager, Scot Collins, previously about this, complimenting him for stating this would be addressed with MBPD.

BUSINESS ITEMS

A-1 APPROVAL OF MINUTES FOR THE APRIL 20, 2022 PUBLIC WORKS ADVISORY BOARD REGULAR MEETING

<https://youtu.be/PPKfV0ti-zg?t=475>

MOTION: Steven Francis moved to approve Items A-1. The motion was seconded by Ian Gaffney and passed 5-0 via roll call vote.

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

A-2 DIRECTOR'S UPDATE

<https://youtu.be/PPKfV0ti-zg?t=540>

Greg Kwolek presented the update.

Discussion, comments, and questions amongst Board members and staff.

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

A-3 REVIEW OF UPDATED PUBLIC WORKS ADVISORY BOARD ROLES

<https://youtu.be/PPKfV0ti-zg?t=942>

Greg Kwolek presented the staff report.

Discussion, comments, and questions amongst Board members and staff.

The public comment period was opened.

Melinda Donnelly, Morro Bay resident, stated it's not just about which streets to pave, but to check the work done afterwards and if it's not right you should have them rip it out and redo it.

Paul Donnelly, Morro Bay resident, noted before the Public Works Advisory Board existed, he was on the Street Committee and discussed how traffic issues were reviewed neighborhood wide at one time.

The public comment period was closed.

A-4 ARBOR DAY - PRESENTATION

<https://youtu.be/PPKfV0ti-zg?t=1990>

Greg Kwolek introduced Derek Hanson who gave a presentation about the Arbor Day tree planting event on May 1.

Discussion, comments, and questions amongst Board members and staff.

The public comment period was opened.

Melinda Donnelly, noted that the last estimate of trees torn out along the bikepath was 42 for the pipeline construction, noting the removal of major vegetation is development and requires a public hearing and permit approval of the California Coastal Commission not staff at the Coastal Commission central coast district office in Santa Cruz.

The public comment period was closed.

Discussion, comments, and questions amongst Board members and staff.

A-5 WATER RECLAMATION FACILITY PROGRAM QUARTERLY REPORT

<https://youtu.be/PPKfV0ti-zg?t=3036>

Greg Kwolek introduced Paul Amico who presented the quarterly report.

Discussion, comments, and questions amongst Board members and staff.

The public comment period was opened.

Barry Brannon, Morro Bay resident, thanked staff for the extensive report asked if he could get a copy of the presentation or make it available online.

Paul Donnelly, wanted to know what the source of the clean water that will be used to start up the plant, and what becomes of that water, including the water used to pressure test the pipes. He also noted the WRF website still shows South Bay Boulevard as closed, not that there is now a detour through neighborhoods in the heights, and the pipeline plans along the bikepath did not exist when the Coastal Commission met in San Luis Obispo in 2009.

Discussion, comments, and questions amongst Board members and staff.

Melinda Donnelly, asked that the two cuts that go across Teresa Drive be filled in so they are flush to the street. She also noted various items with project relating to the size of the plant, removal of material, tree removal permitting, storage of pipelines and equipment, contingency funding, and overall cost by Anvil.

The public comment period was closed.

A-6 CAPITAL IMPROVEMENT PROJECTS UPDATE

<https://youtu.be/PPKfV0ti-zg?t=7077>

Greg Kwolek presented the staff report.

Discussion, comments, and questions amongst Board members and staff.

The public comment period was opened.

Melinda Donnelly, asked if there would be consideration to keep the funky character of the bus shelter in the new design.

The public comment period was closed.

B. FUTURE AGENDA ITEMS

<https://youtu.be/PPKfV0ti-zg?t=9117>

John Erwin asked for an update on the transit center project.

Doug Rogers noted he's interested in the tree plan.

C. ADJOURNMENT

The meeting adjourned at 8:09 PM

Recorded by:

Janeen Burlingame
Management Analyst

Public Works Director's Report – June 9, 2022

AGENDA ITEM: A-2
DATE: June 15, 2022
ACTION: _____

National Public Works Week – Ready and Resilient

On May 10th, the City Council passed a proclamation recognizing May 15th to May 21st as National Public Works Week – “Ready and Resilient”. The City Council proclamation acknowledged the contributions of City staff: “the women and men comprising the Public Works Department in the City of Morro Bay are dedicated to building, maintaining, and beautifying our critical infrastructure in the service of improvements in quality of life for Morro Bay residents and visitors through projects such as the Water Reclamation Facility program, which will provide long-term water supply resiliency, and the Transit Hub Improvements project, which will upgrade the City’s transit hub with an aesthetically pleasing shelter design for riders and create enhanced accessibility.” Staff held an appreciation picnic at Lila Keiser Park to celebrate. A big thank you to Morro Bay’s Public Works Team!



Traffic Engineering

The Public Works and the Police Departments routinely receive calls and inquiries related to traffic in the City including speed complaints, signage requests, parking complaints, traffic calming requests, and other traffic concerns. The City’s process has been to field the complaints and increase enforcement as required and to develop engineering solutions, if warranted, or a response to the party when an engineering solution is not warranted. The Public Works and the Police Departments have worked together to address concerns in a way that is legally viable and in compliance with the Manual of Uniform Traffic Control Devices (MUTCD). Staff is exploring the possibility of opening up that process in some cases and bring these traffic concerns to the PWAB to receive input from the PWAB and the public. This could allow the PWAB to make recommendations to staff when unique circumstances arise that may require more deliberation and public process to address traffic concerns raised by the public. In addition, the Engineering Division plans to hire a contract Traffic Engineer to perform analyses for cases that require more thorough research and engineering solutions in consultation with the California MUTCD and other resources as their disposal.

Speed of cars in areas and traffic calming in general is the most frequent generator of complaints and requests from the public for response by City staff. The Police Department keeps records of all incidents and data from when their radar feedback sign is placed in areas where the public or City staff have raised concerns about motorists speeding. Enforcement can often help long-term with motorists changing their speed behaviors, but most of the time, residents that live in those neighborhoods go back to old habits once the enforcement and

Public Works Director's Report – June 9, 2022

radar signs are gone. Some recent areas that the City has received several complaints about speeding in residential areas are:

- Kern Avenue (Morro Bay Blvd to Main St.)
- Main Street (north of San Jacinto)
- Ironwood (north of San Jacinto)
- South Bay Boulevard (Chorro Creek to City Limits at curves w/ cars crossing into bike lanes)
- Quintana Road (Morro Bay Blvd. to South Bay Blvd.)

Traffic calming, speeding, and other safety items will be explored and researched in FY 22/23 as the City will prepare its first ever Local Roadway and Safety Plan (LRSP). The City received up to \$40,000 in grant funding from Caltrans with the balance coming from a local match that will be funded by the City's General Fund which is estimated at an additional \$10,000 for a total of \$50,000. An LRSP is a document that will provide the City with a proactive approaches to safety issues leveraging resources by considering and coordinating four E's: Engineering, Enforcement, Education, and Emergency Services Strategies. The LRSP plan will engage the public and stakeholder groups in an outreach process to be responsive to the safety needs of the public.

In addition, the proposed FY 22/23 budget will have funds to be put towards a city-wide speed survey. The last speed survey was performed back in 2008 and is now well overdue. This survey is necessary for enforcement of speed limits and is reviewed when speed limits are ever considered to be changed.

Engineering Division

During the budget hearing held as a special meeting of the City Council on May 24th, staff presented the Fiscal Year 2022-23 capital budget request of \$18.7 Million. This robust investment in the City's infrastructure includes the following capital projects and equipment purchases:

City Streets' Safety and Improvements

\$1.7 Million – Annual Pavement Management Program
\$600k – SR 1/SR 41/Main St. Intersection Improvements
\$125k – Speed Survey and Local Roadway Safety Plan

ADA and Miscellaneous Projects

\$300k – ADA: Improvements at Quintana Rd./Main St. and Lila Keiser Park
\$159k – License Plate Reader System
\$40k – EV Charging Stations

Assessment of Capital Needs

\$400k – Citywide Capital and Facilities Planning
\$60k – OneWater Plan Update

Vehicle/Equipment Replacement

\$209k – Vehicle and Equipment Replacement: Water Division
\$174k – Vehicle and Equipment Replacement: Sewer Division

Public Works Director's Report – June 9, 2022

\$110k – Morro Bay Transit Vehicle

OneWater Projects

\$1.2 Million – Beachcomber Drive Sewer Main Replacement

\$400k – Lift Station 1 Force Main Replacement

\$203k – Emergency Storm Drain Repairs: Juniper/Elena and Sequoia Ct.

\$135k – WWTP Decommissioning

\$125k – Water Tank Rehabilitation

\$80k – Reverse Osmosis Facility Upgrades: Preliminary Plan

Water Reclamation Facility Program

\$12.4 Million – WRF Facility, Conveyance, and Recycled Water Projects

Harbor

\$210k – Boat Launch Ramp & Float Replacement Planning

Residents interested in learning more about the capital request can get more detail by visiting: <https://city-morro-bay-ca-budget-book.cleargov.com/4923/capital-improvements/capital-improvements-one-year>.

Full budget adoption by the City Council is scheduled for their regular meeting on Tuesday, June 28th at 5:30 p.m.

Solid Waste

Morro Bay property owners and tenants were recently mailed notification of a public hearing the City Council will be holding on June 28, 2022, regarding solid waste disposal rate increases proposed by Morro Bay Garbage Service, Inc. for properties and customers receiving solid waste services within the City that if approved, would go into effect July 1, 2022. The Proposed Rate Increase equates to (i) a 9.07% increase for solid waste, recycling, and green waste/organics collection services as needed to implement new State of California legal mandates, and (ii) a 5.4% fee charged upon Morro Bay Garbage's gross receipts by the San Luis Obispo County Integrated Waste Management Authority (IWMA).

The 9.07% rate increase is for the garbage hauler to continue to provide safe, environmentally sound, and reliable solid waste, recycling, green waste/organics collection, transportation, and disposal/processing services to the citizens of Morro Bay. Several factors contributed to this rate increase including, increased costs associated with the purchase and operation of collection vehicles and increased costs associated with the organics digester facility. Additionally, the IWMA adopted a 5.4% solid waste management fee upon Morro Bay Garbage's gross receipts to account for IWMA's operational and capital cost increases due largely to tasks associated with the implementation of SB 1383. These include the following tasks that will be delegated by the City to the IWMA: education and outreach monitoring, inspection, and record keeping programs; establishing, administering, and implementing the edible food recovery requirements; monitoring and education, including, but not limited to, monitoring compliance through route reviews and evaluations, determining the applicability of waivers, and issuing educational notices where necessary and/or appropriate; and required reporting to CalRecycle..

Public Works Director's Report – June 9, 2022

Maintenance

The Maintenance Division replaced new cork panels on two auditorium walls for accent and sound deadening in the City's Community Center, often referred to as the "Peoples' House". The auditorium hosts numerous private and community events year-round, and it is also the meeting place for daily classes that include health and wellness classes, , adult exercise, yoga, senior activities, a new open movement class, and an annual community Thanksgiving Dinner. It is the most heavily used and rented space owned by the City of Morro Bay.



Utilities

Utilities staff recently cleaned and inspected the chlorine contact chamber at the existing wastewater treatment plant. This maintenance included checking belts and other components that allow wastewater going through the chamber to be treated by chlorination and de-chlorination before outfall to the ocean. The maintenance is necessary to maintain compliance with National Pollution Discharge Elimination System permit. Staff continues to maintain the existing plant while also working diligently with our WRF contractor to bring the new wastewater treatment plant online later this fall.



Public Works Director's Report – June 9, 2022

Water Reclamation Facility

Construction of the WRF continues to progress toward start-up and commissioning. Filanc-Black&Veatch (FBV) have completed installations and equipment vendor certification inspections for almost all major process equipment systems. In March 2022, FBV started recirculating clean water around the facility to test the various process areas. Essentially all process equipment has now been operated in manual mode, and FBV is beginning the more complex undertaking of testing all automated system controls and alarms. The contractor, along with City staff, have been operating the equipment in manual mode using the plant's computerized control system. FBV is currently installing asphalt pavement at the WRF site and expects this work to be completed by the end of May 2022. The installation of site curbs, gutters, fencing, sidewalks, etc. are also almost completed. Within the next several weeks, the process commissioning and start-up activities will reach a point wherein raw sewage will be needed to continue toward contractual Substantial Completion. There will be a period wherein FBV is waiting for Anvil to complete the Conveyance project (expected by October 1, 2022). During this period FBV and City staff will continue to recirculate clean water around the facility with the goal of keeping the facility in a state of readiness while continuing to test and exercise equipment and train City staff on the new process.



WRF - Conveyance

Anvil Builders continues to deploy crews around the city and they continue to progress the work toward completion and commissioning. The major work on South Bay Boulevard has been completed. Anvil is currently also working to complete remaining work along Quintana between the Roundabout and South Bay Boulevard. Anvil is also working diligently to complete work on the Bike Path (adjacent to the Vistra property), including the Camp Willow Creek jack and bore area and the Morro Creek Utility Bridge area. Anvil also start this week to install piping along Atascadero Road. Work at both pump stations is also progressing well and

Public Works Director's Report – June 9, 2022

it is anticipated that Anvil will be ready to obtain the pump station electrical power service connections from PG&E by end of June 2022 (this is a major milestone). The Bike Path is anticipated to reopen by the end of September 2022. Reopening Las Tunas near the Roundabout is anticipated by the end of June 2022. Anvil currently estimates that the critical systems needed to commission the WRF wastewater process will be ready for service by October 1, 2022.





AGENDA NO: A-3
MEETING DATE: June 15, 2022

Staff Report

TO: Public Works Advisory Board **DATE:** June 9, 2022
FROM: Greg Kwolek – Public Works Director
Paul Amico, PE – Water Reclamation Facility (WRF) Program Manager
SUBJECT: Review of WRF Contract Amendments for Cogstone Resource Management, Far Western Anthropological Research Group, Inc., Anvil Builders, and Carollo Engineers, Inc.

RECOMMENDATION

Staff recommends the Public Works Advisory Board (PWAB) review and provide input on the following WRF contract amendments:

1. Amendment No. 2 to the agreement with Cogstone Resource Management (Cogstone) for cultural resources monitoring services during construction of the WRF Lift Station and Offsite Pipelines project for a total amount of \$347,210, plus an additional \$43,060 of optional, as-needed services for cultural resources monitoring, as directed by the City’s Public Works Director, resulting in a total not to exceed amount of \$1,395,991.22. Allocation of Cogstone Amendment No. 2 between Q4 FY 21/22 and Q1 FY 22/23 is described in the Fiscal Impact section below.
2. Amendment No. 7 to the agreement with Far Western Anthropological Research Group, Inc. (Far Western) to extend their contract expiration date to December 31st, 2025. This is a non-compensable contract extension.
3. Amendment No. 4 to the agreement with Anvil Builders, Inc. (Anvil) for the WRF Lift Stations and Offsite Pipelines construction for an overall reduction of \$54,065, which provides a credit to their construction costs resulting in a new reduced total contract amount of \$32,942,914.
4. Amendment No. 6 to the agreement with Carollo Engineers, Inc. (Carollo) to extend their contract expiration date to June 30th, 2023. This is a non-compensable contract extension.

FISCAL IMPACT

Cogstone Resources Group

The cost for Amendment No. 2 is \$347,210, plus an additional \$43,060 for optional monitoring tasks for a total of \$390,270. If the amendment is approved by City Council, then the total not to exceed amount for the Cogstone agreement will increase from \$1,005,721.22 to \$1,395,991.22, which includes the performance of the optional task in Amendment No. 2, per Public Works Director subsequent direction.

Far Western Archaeological Research Group, inc.

There will be no fiscal impact to Amendment No. 7 to the Agreement with Far Western. This is a non-compensable time extension to their existing contract.

Anvil Builders, Inc.

The impact of Anvil’s contract amendment No. 4 is a reduction in the contract amount of \$54,065. The table below lists each PCO and their respective values. If approved by City Council, then Anvil’s new total contract amount will be \$32,942,914, which will not result in an increase to the WRF Project overall budget or the rates paid by the City’s water or wastewater customers.

Prepared By: <u>AC</u>	Dept Review: <u>GK</u>
City Manager Review: <u>SC</u>	City Attorney Review: <u>JWP</u>

PCO #	DESCRIPTION	Amount
11	Reroute IPR and Waterline below Station 144 Culvert	\$103,893
19	Remove City's Existing Desalination Iron Media Tank	\$54,189
28.1	SLO County APCD Generator Mandates (Rescind)	\$(301,703)
33	Paving Repairs Near Todd's Garage	\$6,895
41	Unknown Cementitious Subgrade at South Bay Blvd.	\$26,600
42	Unknown Conduits at South Bay Blvd. and Quintana Road	\$7,788
49	Vistra/PG&E Easements Unknown Extra Work Items	\$48,273
	TOTAL	\$(54,065)

Carollo Engineers, Inc.

There is no fiscal impact to Amendment No. 6 to the Agreement with Carollo. This is a non-compensable time extension to their existing contract.

Overall Fiscal Impact

Acceptance of all four contract amendments and one optional task would not result in an increase in the overall WRF Project baseline budget as adopted in the FY 2021-22 City Budget, nor would it require any increase in rates paid by customers. The total revised amounts among Cogstone, Far Western, and Anvil will be covered through reallocation of funds from the WRF budget, as well as credits from the conveyance facilities budget. The following table displays the reallocations of contingencies to cover the amendments presented in this Staff Report.

WRF Program Construction Contingency Budget Reallocation for FY 21/22 Budget	
Total of WRF Contract Amendments Q4 FY 21/22	\$ 0
WRF Contingency at end of Q3 FY 21/22	\$ 80,569.80
Reallocation of Budget to Conveyance Contingency	\$ (80,569.80)
Revised WRF Contingency as of Q4 FY 21/22	\$ 0
Cogstone Amendment. No. 2	\$ 390,270.00
Far Western Amendment No. 7	\$ 0
Anvil Amendment No. 4	\$ (54,065.00)
Total of Conveyance Facilities Amendments Q4 FY 21/22	\$ 336,205.00
Conveyance Facilities Contingency at end of Q3 FY 21/22	\$ 0
Reallocation of Budget from WRF contingency	\$ 80,569.80
Reallocation of Budget from Recycled Water Facilities	\$ 255,635.20
Revised Conveyance Facilities Contingency as of Q4 FY 21/22	\$ 0
Recycled Water Facilities Contingency at end of Q3 FY 21/22	\$ 500,000.00
Reallocation of budget to Conveyance Facilities Contingency	\$ 255,635.20
Revised Recycled Water Facilities Contingency as of Q4 FY 21/22	\$ 244,364.80
Carollo Amendment No. 6	\$ 0
Total Remaining Construction Contingency	\$ 244,364.80

DISCUSSION

Cogstone Resource Management, Inc.

The City is required by the WRF Final Environmental Impact Report (FEIR) to conduct cultural resource monitoring of all ground disturbing activities during construction WRF Lift Station and Offsite Pipelines project. Cogstone has been providing the required monitoring since January of 2021. As construction has progressed, the need for conducting monitoring across multiple sites simultaneously has increased to keep construction on track to meet the project schedule, which has resulted in a higher level of effort than was originally anticipated. This amendment assumes archaeological and paleontological resources monitoring, estimated to be five 8-hour days per week for 16 weeks, plus five overtime hours for archaeological and paleontological monitoring each week. The scope also includes services for scheduling and supervision, handling and managing any resources found during ground disturbing activities, and optional services for night work and additional excavation days for any extension of the project schedule. Approval of this amendment will maintain compliance with requirements included in the FEIR, as well as the Programmatic Agreement between USEPA and SHPO that qualifies the City for low-interest Federal Funding.

Far Western Anthropological Research Group, Inc.

The latest contract amendment (No. 6) for Far Western, was executed on October 12th, 2021, and has a contract expiration date of June 30th, 2022. Amendment No. 7 to Far Western's current contract extends the contract expiration date to December 31st, 2025.

Anvil Builders, Inc.

Amendment No. 4 includes six potential change orders (PCOs) that cover changes in the scope of work for the WRF Lift Station and Offsite Pipelines project. The following sections describe each PCO included this amendment.

PCO No. 11 – Reroute IPR and Waterline Below Station 144 Culvert

The original design called for the IPR and Waterline relocation in this area to be placed above the existing stormwater culvert. After the trench was excavated, it was discovered there was insufficient soil cover over the existing culvert to allow the IPR and Waterline to be installed over the top of the culvert. Consequently, these pipelines needed to be routed under the culvert, which increased the depth of excavations from 2-ft to 8-ft at Sta 143+99, thereby also increasing requirements for trench shoring, excavated spoils, backfill and compaction, and potential groundwater management, between Sta 142+95 and Sta 144+95.

PCO No. 19 – Remove City's Existing Desalination Iron Media Tank

The City requested a quote from Anvil to remove and dispose of the existing desalination iron media tank located east of Pump Station A. Anvil's quote includes removal of the tank, tank supports, and air vacs atop the tank. Removal of adjacent piping and appurtenances (air-vacs, anchor bolts, etc.) is not included in this work.

PCO No. 28.1 – Emergency Generator Requirements – Rescind

On 9/24/21, the City received a Notice of Incomplete Applications from SLO County Air Pollution Control District (APCD), pursuant to the Pump Station A emergency generator and the Pump Station B emergency generator. The City subsequently completed and submitted Health Risk Assessments (HRAs) at each Pump Station, as was required by APCD as part of their Notice of Incomplete Applications. After submission of the HRAs, APCD reversed its initial determination and accepted both generators without modifications. As such, the City and Anvil agree to rescind the associated previous change order for added (assumed) emissions control devices included in Amendment No. 2.

PCO No. 33 – Paving Repairs near Station 102+50

The City requested Anvil repair existing failing pavement in the City right-of-way adjacent to Anvil's Joint Trench excavation. It was determined the damaged asphalt was not the fault of Anvil

operations, but rather the on-going inclement weather and existing deteriorated pavement conditions. This occurred near station 102+50 at 972 Quintana Rd, Morro Bay. The area was re-paved 12/10/2021.

PCO No. 41 – Unknown Cementitious Subgrade at South Bay Blvd

During Joint Trench and IPR excavation work on South Bay Blvd, Anvil encountered cement-treated aggregate base-rock material below the existing pavement. This cementitious base material required additional effort and expenses in mechanical removal work and subsequent offsite disposal (material was not re-useable as backfill).

PCO No. 42 – Unknown Conduits at South Bay Boulevard and Quintana Road

During Joint Trench excavation work near the South Bay Blvd and Quintana Road intersection, Anvil encountered and damaged unknown existing conduits, which required additional effort and expenses to hand-dig around and repair. The conduits were not shown on the plans or claimed by any known utility owner.

PCO No. 49 – Vistra/PG&E Easements Unforeseen Work Items

During the project work within PG&E/Vistra easements to date, the below noted miscellaneous unforeseen minor utility work was required for contract work to proceed. The following items were not included in the original scope of work and are extra : (1) Excavation of test percolation ponds to determine the requirements for disposal of Pilot Injection Well development water, (2) Unknown utilities encountered from Sta 53+00 to Sta 54+00 which impacted production rates for the joint trench, (3) Installation of exclusionary fencing along LS-2 as required by SHPO, (4) Potholing LS-2 alignment for unknown utilities not shown on plans but marked by utility companies during pre-construction utility locating, (5) Unforeseen concrete slab not shown on plans along LS-2 alignment that impacted production, (6) Excavation around eight utilities not marked on plans along LS-2 alignment, (7) Sawcutting, removal, and stockpiling of unknown concrete slab along LS-2 alignment, and (8) Excavation and installation of 4" pipe and fittings to re-route existing Vistra waterline above LS-2 force main.

Carollo Engineers, Inc.

Amendment No. 6 to Carollo's current contract extends the contract expiration date to June 30th, 2023.

CONCLUSION

The amendments for Cogstone, Far Western, Anvil, and Carollo have been thoroughly reviewed and negotiated by the project management team and City staff. With the addition of these contract modifications, the WRF conveyance facilities project will continue to meet the timing and regulatory agency requirements of the entire WRF project. The City Council will hear a recommendation from the program management team to approve these contracts at their regular meeting on Tuesday, June 14, 2022. Staff is requesting input from the PWAB on these contract amendments.

ATTACHMENTS

1. Amendment No. 2 scope and fee to the agreement with Cogstone Resource Management, Inc. for cultural resource monitoring services during construction of the Water Reclamation Facility (WRF) Lift Station and Offsite Pipelines.
2. Amendment No. 7 agreement with Far Western Archaeological Research Group, inc. for extension of expiration date of existing contract with the City.
3. Amendment No. 4 to the agreement with Anvil Builders, Inc. (Anvil) - execution form and description of change document.
4. Amendment No. 6 agreement with Carollo Engineers, Inc. for extension of expiration date of existing contract with the City.

CITY OF MORRO BAY

AMENDMENT NO. 2 TO THE AGREEMENT
FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY
AND COGSTONE RESOURCE MANAGEMENT

This Amendment No. 2 is entered by and between the City of Morro Bay, a municipal corporation (“City”) and Cogstone Resource Management, a California corporation (“Consultant”).

RECITALS

WHEREAS, City and Consultant entered into an agreement as of January 12, 2021, for cultural resources monitoring and management services related to the Water Reclamation Facility Lift Station and Offsite Pipelines Project (the “Project”), which was approved by the City Council for a not-to-exceed amount of \$264,918 (the “Agreement”).

WHEREAS, the Agreement when prepared and signed had a typo showing the not-to-exceed amount was \$261,918.40;

WHEREAS, the Parties amended the Agreement as of October 12, 2021, to include additional services and established a not to exceed amount of \$740,803.22 for the entire Agreement (Amendment No. 2); WHEREAS, the Parties now agree to amend the Agreement to provide for monitoring and project management services for the Project, which work requires an expansion of the tasks to be provided by Consultant pursuant to the Agreement;

WHEREAS, Consultant has specific knowledge and experience to provide technical oversight needed to accomplish necessary tasks required to meet the City Council's goals for the Project, and

WHEREAS, due to the expansion of tasks to be provided, the compensation payable pursuant to the Agreement must be increased.

NOW THEREFORE, City and Consultant mutually agree to amend the Agreement as follows:

1. The additional services to be provided by Consultant, pursuant to the Agreement, as hereby amended, shall include Tasks 1.1, 1.2, 2.1, 2.2, 2.3, and 2.4 of the Scope, with optional tasks A, B, C, D and E as set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Additional Work"). The Additional Work shall be satisfactorily commenced immediately after June 14, 2022, and completed no later than June 30, 2023. Optional Tasks A through E shall be provided by Consultant only if directed by City’s Public Works Director.

2. The compensation for the Additional Work shall not exceed \$390,270, which includes \$43,060 of optional tasks. All Additional Work and further optional tasks shall be paid in

accordance with the hourly rates set forth in Exhibit B, attached hereto and incorporated herein by this reference (the "hourly rates") and the process established by the Agreement on a time and materials basis. With the amount added for satisfactory completion of the Additional Work and further optional tasks, if all are requested to be performed, the total compensation paid pursuant to the Agreement shall not exceed \$1,395,991.22.

3. Except as expressly stated herein, all terms and conditions in the Agreement shall remain in full force and effect.

4. The effective date of this Amendment No. 1 shall be deemed to be June 14, 2022.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed by their duly authorized representatives as of the day first written above.

CITY OF MORRO BAY

CONSULTANT

By: _____
Scott Collins,
City Manager

By: _____

Its _____

Attest:

By: _____

Its _____

Dana Swanson, City Clerk

Approved As To Form:

Chris Neumeyer, City Attorney



April 28, 2021

Cogstone 5170

To: Scott Collins, City of Morro Bay
From: Desiree Martinez, Project Manager

RE: Change Order 02 for the Water Reclamation Facility Lift Station and Offsite Pipelines Construction

Cogstone has completed a budget analysis for our contract dated January 27, 2021, due to changes in scope and cost. Cogstone's original contract totaled \$264,918.40 and Change Order 1 totaled \$850,154.62 with optional tasks totaling \$155,970.22 for a total new contract sum of \$1,006,124.84. We are requesting this change order due to an increase in the Project length estimated to be 16 weeks.

Scope of Work

We have included additional one-hour weekly lookahead meetings for the remaining 16 weeks for the Project. The meetings are necessary to coordinate the Native American monitoring as well as cultural and/or paleontological resources monitoring for the Project. Additional Cultural and Paleontological Resources Sensitivity Trainings have been added due to the increased length of the Project.

Changes in scope include the following:

- The Project will now require additional archaeological and paleontological resources monitoring, estimated to be five 8-hour days per week for 16 weeks (80 days). We have included five overtime hours for archaeological and paleontological monitoring each week.
- We have included additional responses to inadvertent finds due to the increased duration of the Project.
- Additional Native American monitoring time has been added due to the need for three to six monitors every day instead of the previously scoped one monitor per day. A single Native American monitor must be present at each work location that is further than 200 feet from each other, the standard distance used during professional monitoring services.
- Additional task management, supervision, and reporting time has been added due to the increased scope, scheduling complexities, and tribal coordination for the duration of the Project. This includes attendance at 16 1-hour weekly lookahead meetings and on-boarding of the Xolon Salinan Tribe, as well as associated management of this additional Tribe to the Project.

Optional Monitoring Tasks

- We have also added hours for archaeological and paleontological resources and Native American night monitoring under Optional Monitoring Tasks, which is anticipated to be three 6-hour nights.
- Additional archaeological and paleontological monitoring for ten 8-hour days with two hours of overtime per week is included.
- Additional Native American monitoring for two Native American monitors for ten 9-hour days.
- Additional supervision is included for the PI and Supervisor for two weeks.

Assumptions

1518 West Taft Avenue
Orange, CA 92865
Office (714) 974-8300

Branch Offices
San Diego – Riverside – Morro Bay – Sacramento – Arizona

cogstone.com
Toll free (888) 333-3212

Federal Certifications WOSB, EDWOSB, SDB
State Certifications DBE, WBE, SBE, UDBE

Should the Project run longer than anticipated or require additional meetings, a change order will be required. Six additional Sensitivity Trainings are included. We have included 80 8-hour days of archaeological and paleontological resources monitoring, as well as five hours of overtime each week. Additional monitoring will require a change order. All work is time and materials, not a fee. We have included additional Native American monitoring time to account for having an estimated three Native American monitors on site for 120 9-hour days. We have included an additional five 8-hour days for response to inadvertent finds for the Project due to the increased length of the Project, as well as additional lab work and documentation hours. Additional reporting time, including paleontological resources reporting time, is included. Additional changes in scope will require a change order.

Optional Monitoring Tasks Assumptions

We have included three 6-hour night monitoring for both the A/P monitor and the Native American monitors. Additional night work will be charged on a time and materials basis at a rate of \$125/hour for a Native American monitor. We have included ten 8-hour days of archaeological and paleontological resources monitoring, as well as two hours of overtime each week. We have included additional Native American monitoring time to account for having an estimated two Native American monitors on site for ten 9-hour days. Additional monitoring will require a change order. All work is time and materials, not a fee. Due to lack of notice for cancellations, any cancellations with less than 24-hours' notice will be billed as a 4-hour minimum.

CHANGE ORDER

Client Contact: Scott Collins, City Manager
 Client Company: City of Morro Bay
 Client Contract #: 01181.0001/537195.1
 Client Contract Date: January 27, 2021
 Change Order No.: 02

Summary of Increased Scope:

- Previously Authorized Change Orders – Survey of Laydown Yard
- Additional Task Management and Communication
- Weekly Lookahead Meetings (16 1-hour meetings)
- Additional Sensitivity Training (6 trainings)
- Paleontological Monitoring and Additional Archaeological Monitoring (5 8-hour days for 16 weeks)
- Additional Supervision
- Additional Native American Monitoring (three Native American Monitors for 5 9-hour days for 16 weeks)
- Additional Responses to Inadvertent Finds (five responses)
- Additional Reporting Time (including adding Paleontological Reporting)

Optional Monitoring Tasks Scope:

- Paleontological Monitoring and Additional Archaeological Monitoring (10 8-hour days)
- Night monitoring for Archaeological/Paleontological monitor (3 6-hour nights)
- Additional Native American Monitoring (2 Native American Monitors for 10 9-hour days)
- Night monitoring for Native American monitor (3 6-hour nights)
- Additional Supervision

Contract Summary:

Original Contract Amount	\$264,918.40
Total Previous Contracted Amount including Change Order 01 and Optional Monitoring Tasks	\$1,006,124.84
New Contract Sum including this Change Order 02	\$348,490.00
Proposed Costs for Optional Monitoring Tasks in Change Order 02	\$43,060.00
New Contract Sum including Change Order 2 and Optional Monitoring Tasks	\$1,397,674.84

Client accepts Change Order and it will become a supplement to the contract with all provisions of the contract applying hereto.

 Client Signature

 Client Name (printed or typed)

 Date Signed

 Effective Date (if different from date signed)

ESTIMATED LABOR HOURS & COSTS													
Water Reclamation Facility Lift Station and Offsite Pipelines Construction (5170)	Change Order 2 rev	QA/QC	Principal Investigator for Paleontology	Task Manager & Principal Investigator for Archaeology	Supervisor	GIS	A/P Monitor	A/P Monitor OT	Technical Editor				
										Hourly Rates			
		Hours	Hours	Hours	Hours	Hours	Hours	Hours	Hours	TOTAL LABOR HOURS	TOTAL LABOR COSTS	TOTAL OTHER DIRECT COSTS	GRAND TOTAL
SCOPE OF WORK													
Task 1.1. Project Team Coordination													
A. Task Management and Communication (communication with Anvil, Corollo, City, etc.: 16 weeks)		10.00		175.00						185.00	\$ 19,825.00	\$ -	\$ 19,825.00
B. Meetings (16 1-hour weekly lookahead meetings)				16.00	8.00					24.00	\$ 2,320.00	\$ -	\$ 2,320.00
Task 1.1. Project Team Coordination Subtotal		10.00	0.00	191.00	8.00	0.00	0.00	0.00	0.00	209.00	\$ 22,145.00	\$ -	\$ 22,145.00
Task 1.2. Construction Worker Cultural and Paleontological Sensitivity Training													
A. Provide In-Person Sensitivity Training (max. 6 trainings; incl. travel time)								8.00		8.00	\$ 520.00	\$ -	\$ 520.00
Task 1.2. Construction Worker Cultural and Paleontological Sensitivity Training Subtotal		0.00	0.00	0.00	0.00	0.00	8.00	0.00	0.00	8.00	\$ 520.00	\$ -	\$ 520.00
Task 2.1. Mitigation Monitoring During Construction													
A. A/P Monitoring (5 8-hour days for 16 weeks incl. five OT hours per week)							640.00	80.00		720.00	\$ 49,400.00	\$ -	\$ 49,400.00
B. Supervision (1 hour per week for 16 weeks for PI, 2 hours per week for 16 weeks for Supervisor)				24.00	32.00					56.00	\$ 5,080.00	\$ -	\$ 5,080.00
Task 2.1. Mitigation Monitoring During Construction Subtotal		0.00	0.00	24.00	32.00	0.00	640.00	80.00	0.00	776.00	\$ 54,480.00	\$ -	\$ 54,480.00
Task 2.2. Coordination with Tribal Monitors													
A. Task Management and Communication (Coordination with up to five Tribal members; 16 weeks)				200.00	46.00					246.00	\$ 24,680.00	\$ 216,000.00	\$ 240,680.00
Task 2.2. Coordination with Tribal Monitors Subtotal		0.00	0.00	200.00	46.00	0.00	0.00	0.00	0.00	246.00	\$ 24,680.00	\$ 216,000.00	\$ 240,680.00
Task 2.3. On-Call Cultural Resources Monitoring													
A. Task Management and Communication		2.00		6.00						8.00	\$ 920.00	\$ -	\$ 920.00
B. Monitoring (max. 5 responses to inadvertent finds)			8.00	16.00	10.00			40.00		74.00	\$ 6,000.00	\$ 280.00	\$ 6,280.00
C. Lab Analysis (max. 300 artifacts and/or 5 fossils)			4.00	80.00	16.00					100.00	\$ 10,140.00	\$ 100.00	\$ 10,240.00
D. DPR 523 forms (max. 5 archaeological sites)				10.00	20.00	10.00				40.00	\$ 3,450.00	\$ -	\$ 3,450.00
E. Additional Reporting Time to Document Inadvertent Finds			6.00	10.00	20.00	4.00		2.00		42.00	\$ 3,855.00	\$ -	\$ 3,855.00
Task 2.3. On-Call Cultural Resources Monitoring Subtotal		2.00	18.00	122.00	66.00	14.00	40.00	2.00	0.00	264.00	\$ 24,365.00	\$ 380.00	\$ 24,745.00
Task 2.4. Reporting													
A. Additional Reporting Time (includes adding time for Paleontology)		2.00	8.00	6.00	16.00	4.00			1.00	37.00	\$ 3,505.00	\$ -	\$ 3,505.00
B. Additional Response to Comments Time		1.00	4.00	2.00	4.00					11.00	\$ 1,135.00	\$ -	\$ 1,135.00
Task 2.4. Reporting Subtotal		3.00	12.00	8.00	20.00	4.00	0.00	0.00	1.00	48.00	\$ 4,640.00	\$ -	\$ 4,640.00
GRAND TOTAL FOR ALL TASKS 1.1 - 3		15.00	30.00	545.00	172.00	18.00	688.00	82.00	1.00	1,551.00	\$ 130,830.00	\$ 216,380.00	\$ 347,210.00

Optional Monitoring Tasks													
A. Night Monitoring (3 6-hour nights)							18.00			18.00	\$ 1,170.00	\$ 6,750.00	\$ 7,920.00
B. A/P Monitoring (10 8-hour days incl. 2 OT hours per week)							80.00	4.00		84.00	\$ 5,900.00	\$ -	\$ 5,900.00
C. Native American Monitoring (2 Native American monitors for 10 9-hour days)										0.00	\$ -	\$ 27,600.00	\$ 27,600.00
D. Task Management and Communication (Coordination with up to five Tribal members; 2 weeks)				12.00	2.00					14.00	\$ 1,420.00	\$ -	\$ 1,420.00
E. Supervision (1 hour per week for 2 weeks for PI, 2 hours per week for 2 weeks for Supervisor)				2.00	4.00					6.00	\$ 530.00	\$ -	\$ 530.00
Optional Monitoring Tasks Subtotal		0.00	0.00	14.00	6.00	0.00	98.00	4.00	0.00	122.00	\$ 8,710.00	\$ 34,350.00	\$ 43,060.00
GRAND TOTAL FOR ALL TASKS		15.00	30.00	559.00	178.00	18.00	786.00	86.00	1.00	1,673.00	\$ 139,540.00	\$ 250,730.00	\$ 390,270.00

Other Direct Costs Itemized	UNITS	RATE	TOTAL
2.2 A. Native American Monitoring (3 Native American monitors for 5 9-hour days for 16 weeks)	2,160.00	\$ 100,000	\$ 216,000.00
2.3 B. Mileage	500.00	\$ 0.560	\$ 280.00
2.3 C. Supplies (bags, tags, burlap, plaster, etc.)	1.00	\$ 100,000	\$ 100.00
Other Direct Total			\$216,380.00

Optional Direct Costs Itemized	UNITS	RATE	TOTAL
Optional A. Native American Night Monitoring (three Native American monitors for 3 6-hour nights)	54.00	\$ 125,000	\$ 6,750.00
Optional D. Native American Monitoring (2 Native American monitors for 10 9-hour days)	180.00	\$ 100,000	\$ 18,000.00
Optional D. Native American Cancellation Fee (1 cancellation per week for 24 weeks)	24.00	\$ 400,000	\$ 9,600.00
Other Direct Total			\$34,350.00

- Assumptions**
- 16 weekly 1-hour lookahead meetings for the Project. Should the Project run longer than anticipated or require additional meetings, a change order will be required.
 - Six additional Sensitivity Trainings are included.
 - 80 8-hour days of cultural and paleontological resources monitoring are included. 10 8-hour days of monitoring are included as optional monitoring task.
 - 80 9-hour days for three Native American monitors. 10 9-hour days for two Native American Monitors are included under optional monitoring task.
 - Three 6-hour night monitoring for both the A/P monitor and the Native American monitors are included as an optional task.
 - Due to lack of notice for cancellations, any cancellations with less than 24-hours' notice will be billed as a 4-hour minimum.
 - We have included an additional five 8-hour days for response to inadvertent finds for the Project due to the increased length of the Project.
 - Additional reporting time, including paleontological resources reporting time, is included.
 - Changes in scope will require a change order.

Change Order 1	\$ 810,680.72
Change Order 2	\$ 347,210.00
Contingency (Optional Monitoring Tasks)	\$ 43,060.00

Assumptions

Changes in scope will require a change order.

No meetings

No archaeological/paleo resources will require updating or recording

Report will be sent electronically

Other Direct Costs Itemized	UNITS	RATE	TOTAL
Mileage		\$ 0.560	\$ -
Other Direct Total			\$0.00

** 2021 mileage rate is .56

CITY OF MORRO BAY

AMENDMENT NO. 7 TO THE AGREEMENT
FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY AND
FAR WESTERN ANTHROPOLOGICAL RESEARCH GROUP, INC.

This Amendment No. 7 is entered by and between the City of Morro Bay, a municipal corporation (“City”) and Far Western Anthropological Research Group, Inc., a California corporation (“Consultant”).

RECITALS

WHEREAS, City and Consultant entered into an agreement as of January 1, 2019, for consulting services related to the Water Reclamation Facility (the “Project”) for a not to exceed amount of \$124,644.01 (the “Agreement”);

WHEREAS, the Parties amended the Agreement as of February 1, 2020, to include additional services and established a not to exceed amount of \$260,922.01 for the entire Agreement (Amendment No. 2), which amendment was approved by act of the City Council, as required;

WHEREAS, the Parties amended the Agreement as of July 13, 2020, to include additional services and established a not to exceed amount of \$282,014.01 for the entire Agreement (Amendment No. 3);

WHEREAS, the Parties amended the Agreement as of January 25, 2021, to provide for additional time for the entire Agreement (Amendment No. 4);

WHEREAS, the Parties amended the Agreement as of February 23, 2021, to include additional services and established a not to exceed amount of 397,079.01 for the entire Agreement (Amendment No. 5).

WHEREAS, the Parties amended the Agreement as of October 12, 2021, to include additional services and established a not to exceed amount of 463,086 for the entire Agreement (Amendment No. 6).

WHEREAS, the Agreement and Amendment No. 1, No. 2, No. 3, No. 4, No. 5, and No. 6 are hereinafter referred to as the “Amended Agreement;”

WHEREAS, the Parties now agree it is time to again amend the Amended Agreement to extend the contract expiration date from June 30th, 2022 to December 31st, 2025;

WHEREAS, Consultant has specific knowledge and experience to provide technical oversight needed to accomplish necessary tasks required to meet the City Council's goals for the Project; and

NOW THEREFORE, City and Consultant mutually agree to amend the Amended Agreement as follows:

1. The contract expiration date for the Amend Agreement shall be extended from June 30, 2022 through December 31, 2025.
2. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.
3. The effective date of this Amendment No. 7 shall be deemed to be June 14, 2022 (Effective Date).

IN WITNESS WHEREOF, the parties will be deemed to have caused this Amendment No. 7 to be executed by their duly authorized representatives as of the Effective Date.

CITY OF MORRO BAY

CONSULTANT (2 signatures required)

By: _____
Scott Collins
City Manager

By: _____
_____,
Its _____

Attest:

Dana Swanson, City Clerk

By: _____
_____,
Its _____

Approved As To Form:

Chris Neumeyer, City Attorney

CITY OF MORRO BAY

AMENDMENT NO. 4 TO THE AGREEMENT
FOR CONSTRUCTION SERVICES
BETWEEN THE CITY OF MORRO BAY
AND ANVIL BUILDERS, INC.

This Amendment No. 4 is entered by and between the City of Morro Bay, a municipal corporation (“City”) and Anvil Builders, Inc., a California corporation (“Contractor”).

RECITALS

WHEREAS, City and Contractor (collectively, the “Parties”) entered into an agreement as of November 10, 2020, for construction services for Contractor to complete the work for the Water Reclamation Facility Lift Station and Offsite Pipelines Project, (the “Project”) which was approved by the City Council for a not to exceed amount of \$31,493,675 (the “Agreement”).

WHEREAS, the Parties amended the Agreement, as of October 12, 2021, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$674,485 (Amendment No. 1), increasing the total compensation payable pursuant to the Agreement to \$32,168,160;

WHEREAS, the Parties amended the Agreement, as of January 11, 2022, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$587,502 (Amendment No. 2), increasing the total compensation payable pursuant to the Agreement to \$32,755,662;

WHEREAS, the Parties amended the Agreement, as of March 22, 2022, to expand the tasks to be provided by Contractor and to increase the compensation payable in the amount of \$241,317 (Amendment No. 3), increasing the total compensation payable pursuant to the Agreement to \$32,996,979;

WHEREAS, the Agreement, Amendment No. 1, Amendment No. 2, and Amendment No. 3 are referred to collectively as the "Amended Agreement;”

WHEREAS, the Parties again agree to amend the Amended Agreement because the construction services for the Project require an expansion and removal of some of the tasks to be provided by Contractor pursuant to the Amended Agreement;

WHEREAS, due to the expansion and reduction of tasks to be provided, the compensation payable pursuant to the Amended Agreement must be decreased.

NOW THEREFORE, City and Contractor mutually agree to amend the Amended Agreement as follows:

1. The additional services to be provided by Contractor, pursuant to the Amended Agreement, as hereby further amended, shall include Change Orders 11, 19, 28.1, 33, 41, 42, and 49 for the out of scope items, as set forth in Exhibit A, attached hereto and incorporated herein by this reference (the "Change Order No. 4"). The Change Order No. 4 activities shall have been already satisfactorily commenced as of the date of this Amendment No. 4 or be satisfactorily commenced immediately after June 14, 2022, and, to the extent not completed by that June date, completed no later than September 3, 2022.

2. The total compensation to be paid for the Amended Agreement, as a result of Change Order No. 4 is reduced by \$54,065. The activities for Change Order No. 4 shall be paid in accordance with (i) the amounts set forth in Exhibit A, and (ii) the process established by the Amended Agreement on a lump sum basis. With the amounts added for the Additional Work and reduced for cancelled work, the total compensation paid pursuant to the Amended Agreement shall be reduced to a not exceed amount of \$32,942,914.00.

3. Contractor shall not be compensated for any services rendered in connection with its performance of the Amended Agreement which are in addition to those set forth in Change Order No. 4.

4. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.

5. The effective date of this Amendment No. 4 shall be deemed to be June 14, 2022.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 4 to be executed by their duly authorized representatives as of the day first written above.

CITY OF MORRO BAY

CONTRACTOR

By: _____
Scott Collins,
City Manager

By: _____

Its _____

Attest:

Dana Swanson, City Clerk

By: _____

Its _____

Approved As To Form:

Chris Neumeyer, City Attorney



City of Morro Bay
Water Reclamation Facility
Lift Stations and Offsite Pipelines Project
CHANGE ORDER 004

Project: WRF Lift Stations and OffSite Pipelines Project **Contractor:** Anvil Builders, Inc.
Date: June 14, 2022 **Project Manager:** Chris Fassari

Upon mutual acceptance and execution of this document by the City of Morro Bay (City) and Anvil Builders, Inc. (Contractor), Contractor is hereby directed to make the following changes for the consideration set forth below:

See following page(s) for Descriptions and Reasons for Change

PCO #	DESCRIPTION	Reason For Change	Amount	Contract Time (Calendar Days)
11	Reroute IPR and Water Line Below Sta. 144 Culvert	DSC	\$ 103,893.00	0 Days
19	Remove City's Existing Desalination Iron Media Tank	CR2	\$ 54,189.00	0 Days
28.1	SLO County APCD Generator Mandates (Rescind)	REG	\$ (301,703.00)	0 Days
33	Paving Repairs Near Todd's Garage	CR2	\$ 6,895.00	0 Days
41	Unknown Cementitious Subgrade at South Bay Blvd	DSC	\$ 26,600.00	0 Days
42	Unknown Conduits at South Bay Blvd and Quintana Road	DSC	\$ 7,788.00	0 Days
49	Vistra/PG&E Easements Unknown Extra Work Items	DSC	\$ 48,273.00	0 Days
NET CHANGE ORDER ADJUSTMENT			\$ (54,065.00)	0 Days

ORIGINAL CONTRACT AMOUNT	\$ 31,493,675.00
Previous Change Orders	\$ 1,503,304.00
Previous Contract Amount	\$ 32,996,979.00
Adjustments by this Change Order	\$ (54,065.00)
Change Order to Date	\$ 1,449,239.00
New Contract Amount	\$ 32,942,914.00

CURRENT FINAL COMPLETION DATE	9/3/2022
Extension Days (Calendar)	0 Days
NEW FINAL COMPLETION	9/3/2022

Acceptance of this Change Order constitutes an agreement between the City and Contractor, and the work is to be performed subject to the same terms and conditions as are contained in the Agreement with Contractor and for work on the above-mentioned project.

By signature of this Change Order, the Contractor acknowledges that the adjustments to the Contract Cost and Time contained in the Change Order are in full satisfaction and accord and so waives any right to claim any further cost and time impacts at any time during and after completion of the Contract for the changes encompassed by this Change Order (EXCEPT AS NOTED IN ITEM 13.1 HEREIN WHEREIN DELAY IMPACTS ARE ON-GOING).

ACCEPTED

Anvil Builders Inc.

Contractor (Company Name)

(Authorized Signature) (Date)

Chris Fassari

(Print Name and Title)

When signed by the Construction Manager, and upon execution of source document Amendment by City Council, this document becomes effective IMMEDIATELY, and Contractor shall proceed with the change(s) described above.

APPROVED

Carollo Engineers Inc / MEG Inc.

Construction Manager

Authorized Signature (Date)

Steve Mimiaga - Construction Mngr.

(Print Name and Title)



**City of Morro Bay
Water Reclamation Facility
Lift Stations and Offsite Pipelines Project
CHANGE ORDER 004**

Project: WRF Lift Stations and OffSite Pipelines Project

Contractor: Anvil Builders, Inc.

Date: June 14, 2022

PCO	TILE	DESCRIPTION OF CHANGE	Reason For Change
11	Reroute IPR and Water Line Below Sta. 144 Culvert	The original design called for the IPR and Waterline relocation in this area to be placed above the existing stormwater culvert. After the trench was excavated, it was discovered that there was insufficient soil cover over the existing culvert to allow the IPR and Waterline to be installed over the top per Drawings. Consequently, these pipelines needed to be routed under the culvert, which increased the depth of excavations from 2 ft to 8 ft at Sta 143+99, thereby also increasing requirements for trench shoring, excavated spoils, backfill and compaction, , and potential groundwater management, between Sta 142+95 and Sta 144+95. Reference RFI #52.	DSC
19	Remove City's Existing Desalination Iron Media Tank	The City requested a quote from Anvil to remove and dispose of the existing Desalination Iron Media Tank (horizontal pressure filter) located east of Pump Station A, along Atascadero Rd. Anvils quote includes removal of the tank, tank supports, and air vacs atop the tank. Bid includes the removal of a max. of 20 CY of concrete inside the tank. Bid is based on the steel tank weighing a maximum of 55,000 lbs (once concrete is removed). Anvil will remove and replace the existing chain link with barbed wire fence; 50 LF max. Removal of adjacent piping and appurtenances (air-vacs, anchor bolts, etc.) is not included in this work.	CR2
28.1	SLO County APCD Generator Mandates (Rescind)	On 9/24/21, the City received a Notice of Incomplete Applications from SLO County Air Pollution Control District (APCD), pursuant to the Pump Station A emergency generator and the Pump Station B emergency generator. The City subsequently completed and submitted Health Risk Assessments (HRAs) at each Pump Station, as was required by APCD as part of their Notice of Incomplete Applications. After submission of the HRAs, APCD reversed its initial determination and accepted both generators without modifications. As such, the City and Anvil agree to rescind the associated previous change order for added (assumed) emissions control devices included in Amendment No. 2. Reference PCO #28.	REG
33	Paving Repairs Near Todd's Garage	The City requested that Anvil repair existing failing pavement in the City right-of-way adjacent to Anvil's Joint Trench excavation. It was determined that the damaged asphalt was not the fault of Anvil operations but rather the on-going inclement weather and existing deteriorated pavement conditions. This occurred near Todd's Garage at 972 Quintana Rd, Morro Bay. The area was re-paved 12/10/2021.	CR2
41	Unknown Cementitious Subgrade at South Bay Blvd	During Joint Trench and IPR excavation work on South Bay Blvd, the Contractor encountered cement-treated aggregate base-rock material below the existing pavement. This cementitious base material required additional effort and expenses in mechanical removal work and subsequent off-site disposal (material was not re-useable as backfill). This extra work warrants reimbursement of verified extra costs including documented labor, equipment, and other expenses on 2/1/2022, 2/3/2022, 2/4/2022, 2/5/2022, 2/10/2022, 2/11/2022, and 2/14/2022.	DSC
42	Unknown Conduits at South Bay Bvd and Quintana	During Joint Trench excavation work near the South Bay Blvd and Quintana Road intersection, the Contractor encountered and damaged unknown existing conduits which required additional effort and expenses to hand-dig around and repair. This extra work warrants reimbursement of verified extra costs including documented labor, equipment, and other expenses on 1/25/2022. The conduits were not shown on the plans or claimed by any known utility owner.	DSC
49	Vistra/PG&E Easements Unknown Extra Work Items	During the project work within PG&E/Vistra easements to date, the below noted miscellaneous unforeseen minor utility work was required for contract work to proceed. The following items are acknowledged as unforeseen conditions and as such warrant reimbursement of verified extra costs: (1) Excavate "test percolation ponds" at City request along Bike Path on 2/16/2022, (2) Unknown utilities encountered from Sta 53+00 to Sta 54+00 which impacted production on 2/16/2022, (3) Installation of exclusionary fencing along LS-2 as required by SHPO on 2/23/2022, (4) Pot-holing LS-2 alignment for unknown utilities not shown on plans but marked by utility companies on 3/7/2022, (5) Unforeseen concrete slab not shown on plans along LS-2 alignment impacting production on 3/22/2022, (6) Excavate around utilities not marked on plans along LS-2 alignment, 8 utilities total, between 3/17/2022 and 3/31/2022, (7) Sawcut, remove, and stockpile unknown concrete slab at Sta 21+00 of LS-2 alignment on 3/30/2022, and (8) Excavate and install 4" pipe and fittings to re-route existing Vistra waterline above LS-2 force main pipe on 4/6/2022.	DSC

REASON FOR CHANGE CODES
CR1: City requested (required)
CR2: City requested (Optional)
E&O: Design Error or Omission
ABI: Anvil request / claim item
DSC: Differing Site Conditions
REG: Regulatory Agency Item

**AMENDMENT NO. 6 TO THE AGREEMENT
FOR CONSULTANT SERVICES
BETWEEN THE CITY OF MORRO BAY
AND CAROLLO ENGINEER, INC.**

This Amendment No. 6 is entered by and among the CITY OF MORRO BAY, a municipal corporation (“City”) and CAROLLO ENGINEERS, INC., a Delaware Corporation (“Consultant”). City and Consultant are sometimes collectively referred to as the “Parties.”

RECITALS

WHEREAS, City and Consultant entered into an agreement as of April 10, 2018, for consulting services related to the Program Management for the Water Reclamation Facility Project (WRF Project), which was approved by the City Council for a total not-to-exceed amount of \$292,000 (the “Agreement”); and

WHEREAS, the Parties understood the Agreement was to cover completion of the Project Confirmation phase of the WRF Project (Phase 1); and

WHEREAS, the Parties amended the Agreement on November 27, 2018, to include additional services for a portion of the Project Implementation phase of the WRF Project (Phase 2) and established a total not-to-exceed amount of \$1,898,948.00 for the Agreement; and

WHEREAS, the Parties amended the Agreement on November 7, 2019, to include additional services for a portion of the Project Implementation and Project Oversight phases of the WRF Project (Phase 2 and 3) and established a total not-to-exceed amount of \$4,280,916 for the Agreement; and

WHEREAS, the Parties amended Agreement on June 23, 2020, to include additional services for Project Oversight phases of the WRF Project (Phase 3) and established a total not-to-exceed of \$6,360,378 for the Agreement; and

WHEREAS, the Parties amended Agreement on June 22, 2021, to include additional services for Project Oversight phases of the WRF Project (Phase 3) and established a total not-to-exceed of \$11,991,472 for the Agreement, and

WHEREAS, the Parties amended Agreement as of July 1, 2021, to expand the entities protected by the hold harmless clause in the Agreement; and

WHEREAS, the Agreement and the November 27, 2018, November 7, 2019, June 23, 2020, June 22, 2021, and July 1, 2021, amendments are hereinafter referred to as the “Amended Agreement;” and

WHEREAS, this Amendment No. 6 does not require any increase in the total not-to-exceed contract amount approved by the June 22, 2021, amendment.

NOW, THEREFORE, City and Consultant mutually agree to further amend the Amended Agreement as follows:

1. The expiration date for the Amended Agreement is extended through June 30, 2023.
2. Except as expressly stated herein, all terms and conditions in the Amended Agreement shall remain in full force and effect.
3. The effective date of this Amendment No. 6 shall be deemed to be June 14, 2022.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 6 to be executed by their duly authorized representatives.

CITY OF MORRO BAY
a municipal corporation

CONSULTANT

CAROLLO ENGINEERS, INC.

By: _____
Scott Collins, City Manager

By: _____
Paul Amico, Vice President

Dated: June __, 2022

Dated: June __, 2022

Attest:

Dana Swanson, City Clerk

Approved As To Form:

Chris Neumeyer, City Attorney



AGENDA NO: A-4

MEETING DATE: June 15, 2022

Staff Report

TO: Public Works Advisory Board

DATE: June 10, 2022

**FROM: Gregory Kwolek, Public Works Director
Damaris Hanson, Utilities Division Manager
Dan Heimel, Confluence Engineering Solutions**

SUBJECT: Presentation of Annual Water Supply and Demand Assessment and Allocation of Water Equivalency Units (WEU) for FY2022/23

RECOMMENDATION

Staff recommends the Public Works Advisory Board:

1. Receive and file Annual Water Supply and Demand Assessment for submission to the Department of Water Resources
2. Recommend City Council to allocate 50 Water Equivalency Units (WEUs) for residential development and 65 for commercial development for a total of 115 WEUs for FY2022/23

FISCAL IMPACT

There is no direct fiscal impact associated with the allocation of the WEUs. However, a moratorium on new WEUs would reduce the amount of revenue the City received through building and planning fees, property taxes, sales taxes, and other property related revenues.

The fiscal impact of implementing the Mandatory Water Conservation Requirements for Severely Restricted Water Supply Conditions is twofold. First, the City provides businesses with educational displays that meet the requirement in section 13.15.345 C.8, which requires all visitor serving facilities to display mandatory water conservation requirements. The cost for these displays is approximately \$5,000. Second, with a reduction in water usage through conservation efforts there is a proportionate reduction in revenue to the Water Fund.

ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT

Updates to the California Water Code now require Urban Water Suppliers to prepare an Annual Water Supply and Demand Assessment (AWSDA) and submit an AWSDA Report to DWR by July 1st of each year, starting with July 1st, 2022. The AWSDA is an evaluation of a water utility's ability to reliably provide water to meet its customers' demands for the current year and one additional dry year. The evaluation is performed on a monthly time-step basis and compares anticipated available supply with anticipated demand to forecast potential water surpluses and shortages. The results of the AWSDA are used to help inform the City on how to implement its Water Shortage Contingency Plan and which Water Shortage Level and Demand Reduction Actions the City should require to ensure there is enough water for a potential upcoming dry year.

The presentation of the City's FY 2022/23 AWSDA in this Staff Report is provided in the following order:

- Water Supply Background
- FY 2022/23 Projected Water Supplies
- Water Conservation
- Annual Water Supply and Demand Assessment

Water Supply Background

The City of Morro Bay's primary source of water is imported water from the State Water Project (SWP). During periods when SWP supplies are limited or unavailable (i.e. extended droughts or SWP shutdowns) the City relies upon water pumped from the Morro Valley Groundwater Basin (Morro Basin). During 2021, State Water provided 96% of the City's drinking water and the Morro Basin Wells provided the remaining 4%.

State Water Project

In 1963, the San Luis Obispo County Flood Control and Water Conservation District (District) entered a long-term water supply contract (Contract) with the California Department of Water Resources (DWR) for a Table A allocation of up to 25,000 acre-feet per year (AFY) of water from the SWP¹. In the 1990s, the City and 10 other agencies (Subcontractors) entered into contracts with the District to take delivery of up to 4,830 AFY of treated SWP water, referred to as their Water Service Amount (WSA). The District then entered into an agreement with the Central Coast Water Authority (CCWA) for the construction and operation of a water treatment plant to treat the Subcontractors SWP water prior to delivery in San Luis Obispo County. The Subcontractors additionally entered into agreements with the District for an additional 5,707 AFY of SWP, referred to as drought buffer, to provide additional water supply reliability for years when SWP allocations are less than 100%² (see table below). The remaining 14,463 AFY of District SWP Allocation is referred to as the District's unsubscribed allocation.

The City's SWP water is conveyed from the San Joaquin-Sacramento Delta via the California and Coastal Branch Aqueducts. The water is then pumped up to and treated at the Polonio Pass Water Treatment Plant, which is near the junction of Highways 41 and 46. From the water treatment plant, the water is then delivered via gravity to the City through the Coastal Branch and Chorro Valley Pipelines (see map below)³.

¹The District is one of 29 agencies that entered into substantially similar contracts with DWR. They are collectively known as "SWP Contractors".

²DWR establishes an annual amount of SWP water (Annual Allocation) available to SWP Contractors prior to and during each calendar year. The analysis used to establish the allocation includes, but is not limited to, predicted and actual hydrologic conditions and legal requirements. <https://water.ca.gov/Programs/State-Water-Project/Operations-and-Maintenance>

³Additional information on the SWP in San Luis Obispo County is available on the District's website here: <https://www.slocounty.ca.gov/Departments/Public-Works/Committees-Programs/State-Water-Project-and-Subcontractors-Advisory-Co.aspx>.

Subcontractor	WSA (AFY)	Drought Buffer (AFY)	Total Allocation
CSA 16 (Shandon)	100	-	100
CMC	400	400	800
County Ops Center	425	425	850
Cuesta College	200	200	400
City of Morro Bay	1,313	2,290	3,603
City of Pismo Beach	1,240	1,240	2,480
Oceano CSD	750	750	1,500
SMMWC	275	275	550
Avila Beach CSD	100	100	200
Avila Valley MWC	20	20	40
San Luis Coastal USD	7	7	14
District Unsubscribed Allocation		14,463	14,463
Total	4830	21,170	25,000

The City has a WSA of 1,313 AFY and a Drought Buffer of 2,290 AFY, as shown in the above table. To calculate the amount of SWP available to the City in a given year, its WSA and Drought Buffer are summed and multiplied by DWR's Annual Allocation (e.g. 5% for 2022). Though City SWP deliveries within a given year cannot exceed its WSA, the City has the ability to store unused SWP water in San Luis Reservoir for use in future dry years (Stored SWP).



Morro Basin

The Morro Basin Wellfield is located near Lila Kaiser Park, consists of 6 wells, and can provide sufficient water from the Morro Basin to meet the City's needs for a limited period of time. The City has permits with the State Water Resource Control Board that allows for the extraction of up to 581 AFY of water from the Morro Basin, which by itself does not meet the City's current water demand. The water pumped from the Morro Basin has elevated levels of nitrates that require treatment through the City's Brackish Water Reverse Osmosis (BWRO) facility prior to entering the distribution system. Approximately 25% of the water extracted from Morro Basin is rejected as concentrate during the treatment process and discharged into the ocean.

FY2022/23 Projected Water Supplies

Due to unprecedented dry conditions in 2022, DWR has set the Annual Allocation for SWP water deliveries at five percent (5%) for this year. DWR based this determination on the continued low precipitation and runoff and an assessment of overall water supply conditions. The City was only allocated 180 AF of SWP water in 2022 (i.e. $(1,313 + 2,290) * 5\%$). However, the City, as a District Subcontractor, has the ability to access its own stored SWP and the District's stored SWP from San Luis Reservoir. As of June 1st, 2022, the City had 238 AF of stored water remaining in the reservoir. To make up the remainder of the City's water demand, the District has indicated that it will provide water to meet the remaining SWP delivery requests for 2022. At the end of 2022, the District anticipates it will have approximately 7,000 AF of its own stored water from its unsubscribed allocation available for Calendar Year 2023. Due to availability of this stored SWP, the City anticipates being able to meet its demands for 2022 and have sufficient water for 2023, even if the 22/23 rain season is dry and the annual allocation from SWP is low.

Of note, SWP water is an interruptible source of supply. If there is an infrastructure failure or other emergency, the City could be without water from this source. Additionally, there are scheduled "shutdowns" once a year for routine maintenance, typically in November with a duration from 1-2 weeks, but which can extend up to a month. During these periods the City relies upon water from its Morro Basin wells and BWRO facility. In discussions with CCWA, staff learned of an anticipated 4-week shutdown in November 2022, which will require the City to rely upon its Morro Basin supplies for a longer period than normal. Due to the extended duration of the shutdown, CCWA has indicated that it maintains 13.5 million gallons or approximately 40 AF of water in its storage facilities that it could make available to the City, if needed.

Water Conservation

On March 28, 2022, Governor Newsom issued Executive Order N-7-22, which directs the State Water Resources Control Board to require all urban water suppliers to implement minimum Stage 2 (Water Warning) of their Water Shortage Contingency Plans with a target of 20% conservation compared to 2020. On May 24, 2022, the Governor adopted more aggressive water conservation measures. These measures include banning watering of non-functional turf in the commercial, industrial and institutional sectors.

In July 2021 the City voluntarily implemented Stage 3 of our Water Shortage Contingency Plan, which meets and exceeds the Governor's recent mandate. The tables below show the percent change per month for 2021 & 2022 when compared to 2020. The tables show the City has not yet reached the Governor's desired conservation target. Morro Bay is not alone in not meeting the State's conservation target; overall statewide water use has increased approximately 19% when compared to 2020 usage. However, using 2020 water usage as a baseline for water conservation is problematic. The beginning of the global pandemic in 2020 meant that many people worked from home and did not travel, which skewed water usage trends for 2020. Further, artificial water demands associated with WRF construction also present challenges in interpreting efficacy of water conservation efforts. Staff compared the AWSDA unconstrained demand (i.e.

predicted demands without any conservation measures in place) to current demands. This section of the table shows the city is currently reducing water compared to the unconstrained demand.

2021		2022		
Month	% Change from 2020	Month	% Change from 2020	Unconstrained Demand % Change
January	14.9%	January	21.5%	-10.50%
February	-1.2%	February	9.8%	-1.10%
March	-3.5%	March	2.5%	0.60%
April	23.2%	April	23.8%	-9.30%
May	17.6%	May	26.9%	
June	4.5%			
July	-21.0%			
August	2.4%			
September	-1.7%			
October	3.3%			
November	-9.4%			
December	1.3%			

In an effort to reduce water usage in the City, staff has provided water conservation information to visitor serving facilities per MBMC 13.04.345.C. Since July 2021. For example, tabletop tent cards for restaurant/bars indicating water will only be served upon request and hotels were provided mirror “clings” (pictured below) with water conservation messages were provided to local businesses. Water conservation notices were also provided to the vacation rentals. These notices were developed to inform visitors to conserve water and provided tips on ways to save water. The City’s website has a section on tips for water conservation and additional water conservation resources websites. To further incentivize reductions in water usage, water conservation rebates are available to Morro Bay water customers. To view the various rebates, visit www.morrobayca.gov/waterconservation.



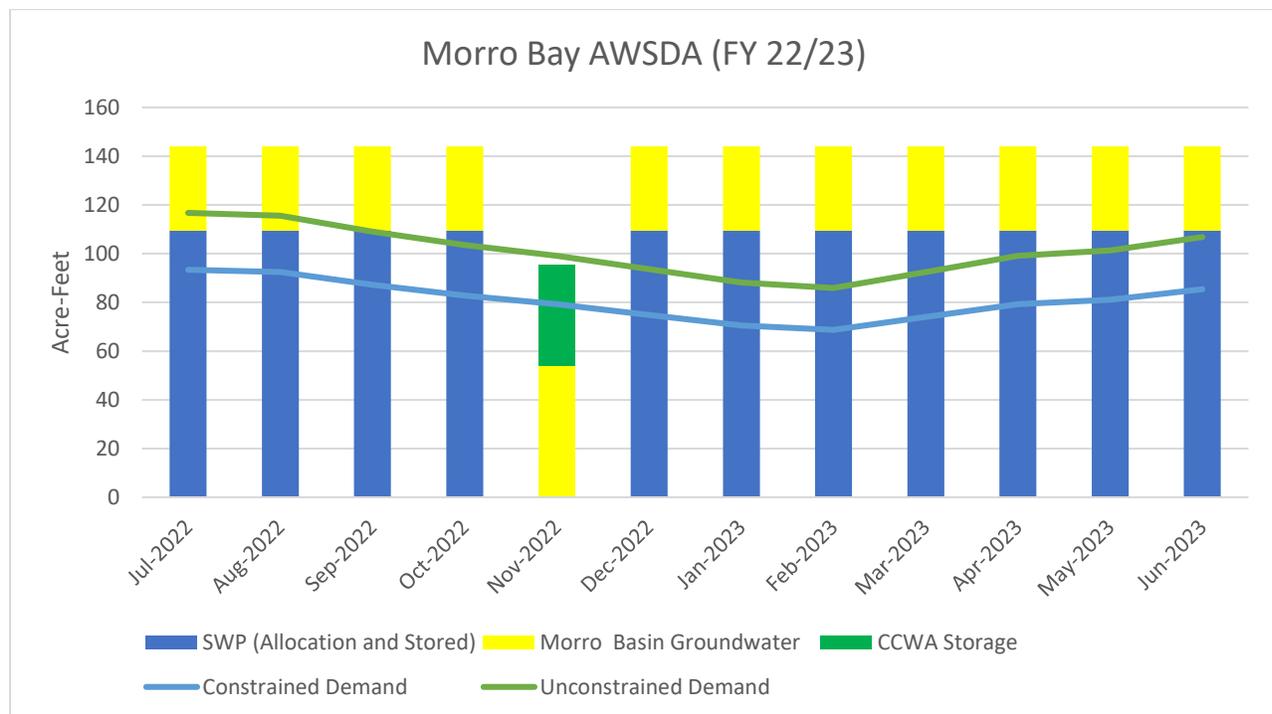
Annual Water Supply and Demand Assessment

To comply with these new requirements, City staff prepared a draft AWSDA that included the following assumptions:

- SWP supply availability for 2022 is based on current conditions (i.e. 5% Annual Allocation and availability of City and District Stored SWP water).

- SWP supply availability for 2023 assumes a subsequent 5% Annual Allocation (Additional Dry Year) and continued availability of District Stored SWP water.
- SWP shutdown occurring in November 2022 is assumed to last 4 weeks and 13.5 million gallons of SWP water are assumed to be available during the SWP shutdown from storage in the Coastal Branch Pipeline storage facilities.
- Morro Basin supply availability based on amount of water available under City’s water rights permit.
- Unconstrained demand estimates (i.e., anticipated demand without demand reduction actions in place) were obtained from the 2020 UWMP. Seasonal demand patterns were based on historical demands and anticipated WRF construction demands.
- Water Shortage Contingency Plan Level 3 implemented and constrained demand assumes 20% conservation is achieved.

A summary graph illustrating the City’s FY 22/23 AWSDA is provided below. The colored columns represent the anticipated amount of water available from each of the City’s sources of supply and the colored lines represent the amount of anticipated demand (i.e., unconstrained and constrained). The relative position of the supply columns and the demand lines indicate whether there is an anticipated surplus (i.e., supply columns greater than demand lines) or a shortage (i.e., demand lines greater than supply columns).



Based on the results of AWSDA, it is anticipated that the City will have sufficient water to meet its customers demands for FY 22/23 through use of the following strategies:

1. Implement Water Shortage Contingency Plan Stage 3 or higher level to reduce demand
2. Utilize City and District stored SWP Water to meet majority of anticipated demand
3. Leverage secondary water supplies during the November 2022 SWP Shutdown

WATER EQUIVALENCY UNITS (WEU)

Background

In 1984 the citizens adopted Measure F, codified as Ordinance 266 in MBMC as Chapter 13.20, as a “Growth Management System”. This measure set a maximum population of 12,200 by the year 2000. To accomplish the housing needs of this population growth, Measure F set a maximum number of housing units to a limit of 70 new units per year with a maximum variation in the number of units in a year cannot exceed 10 percent or 77 WEUs for residential units. City Council acted on August 27, 2007, to reduce the number of allocated housing units to 50 new housing units. Ordinance No. 266 requires the WEU allocation mix to consist of 60% single family residential dwellings and 40% multi-family residential dwellings. Since housing and population growth has not increased to the Measure F projected population of 12,200, new housing units can still be issued. The population growth estimates in the General Plan predict reaching the Measure F established population in 2040.

A WEU is defined as a unit of measure for water use equal to the average amount of water used by a single-family residence over the period of one year. Based on calculations completed in 2016, a WEU is 8,732 cubic feet (0.2 AF) of water or 90 gallons per capita per day (GPCD). This amount was lowered in the 2016 calculation from previous years due to the historical trend of lower water use per capita compared to previous years. The intent of the WEU allocations is to regulate the addition of new water users to the City’s water system and to ensure the demand for water shall not exceed available water supply.

Water Equivalency Unit Program

WEUs are issued to new projects based on the projects potential water use. WEU are issued with planning permit approvals, therefore this water use is projected to be in the future demands, not within the current or even next fiscal year water demands. Due to this water use being “delayed”, the City relies on its Urban Water Management Plan’s supply and demand comparisons for future multiple dry year droughts to test adequacy of its water supply portfolio to meet future demands, including new developments that require WEUs. The water service reliability figure below, which forecasts that with City stored SWP water and the IPR program, the City’s future water supply portfolio will be sufficiently reliable to provide water during a 5 consecutive dry year drought scenario. This analysis assumed that with the IPR program the City would not need to utilize district stored SWP water to provide a reliable water supply during the worst 5-year consecutive drought period on record. However, as described in the previous section, it is recommended that the Public Works Advisory Board work with staff to evaluate the City’s long term water supply strategies to optimize use of IPR water, account for potential future impacts associated with the unavailability of the district stored SWP water and changing climatic and drought conditions.

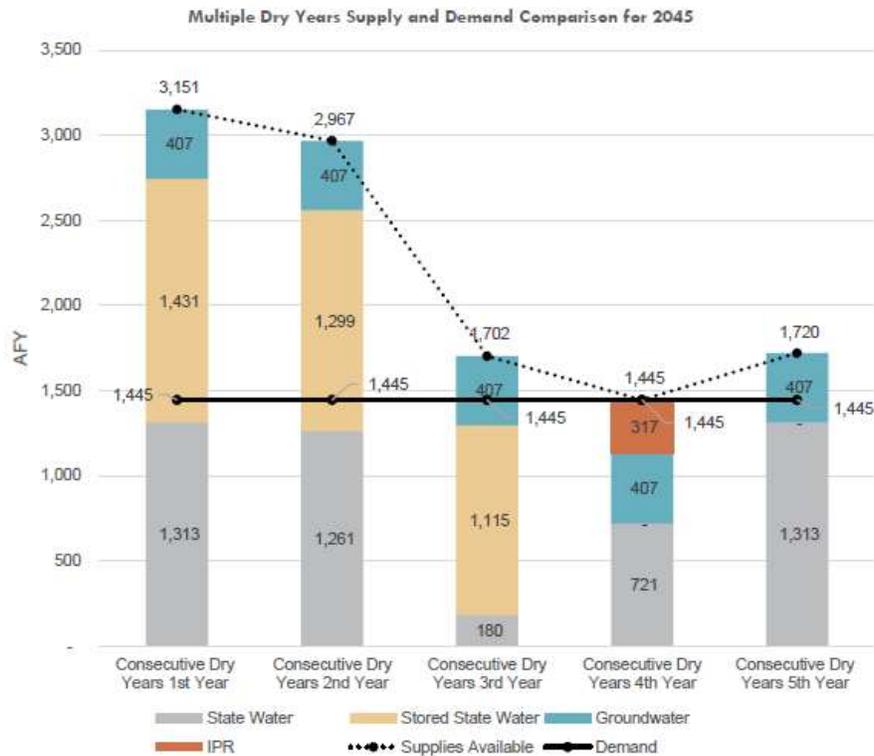


Figure 7-1: Water Service Reliability - Five Consecutive Dry Years

Summary of WEU FY 2021-22 activity:

The City Council authorized 115 WEUs for FY 2021-22, including 30 WEUs to be used for single-family dwellings, 20 for multiple-family dwellings, and 65 allowed for commercial/industrial uses. Those WEUs were allocated on a first-come, first-serve basis. The tracking of the WEUs utilized for FY 2021-22 indicates 8.94 of the 115 WEUs allocated were used as follows:

- Single-Family Residential: 8
- Multi-Family Residential: 0.94 (Conversion of Office to Apartment, 0.16 to 1.1, for a difference of 0.94)
- Commercial: None

This is not a comprehensive list of all building activity, but rather a list of those activities which required a WEU allocation in the past fiscal year. A WEU is only required for single family residential and multi-family residential when development is on an empty lot or when a change in use is proposed, i.e., changing from office building to apartment. Looking ahead at the planning projects in the queue for fiscal year 2022-23, staff sees no need to adjust the number of WEUs for next fiscal year. As such, staff recommends the fiscal year 2022-23 WEU allocation include 50 WEUs for residential development and 65 WEUs for commercial development for a total of 115 WEUs.

CONCLUSION

Staff recommends the Public Works Advisory Board:

1. Receive and file the Annual Water Supply and Demand Assessment for submission to the Department of Water Resources
2. Recommend to City Council to allocate 50 Water Equivalency Units (WEUs) for residential development and 65 for commercial development for a total of 115 WEUs for FY2022/23

SB-1 RMRA funding from fiscal years 2020/21 and 2021/22 for expenditures in the FY 22/23 road maintenance Capital Improvement Budget and report those expenditures to the California Transportation Commission as required.

Project selection is developed by the Public Works Department utilizing the City's pavement management system, StreetSaver, in coordination with recommendations from Public Works staff and engineering/pavement consultants. Streets that are heavily traveled generally will be prioritized because of the high volume of usage by the public. Moreover, roads that have not been surface sealed in the last five years will be prioritized for treatment. Critical point management, which targets treating roads that are at the bottom of one category of maintenance before they fall into another more costly treatment category, is widely used by many jurisdictions and is what also contributes heavily to street selection. These strategies are standard best practices for pavement management and are incorporated to utilize the limited funds on streets that will have the best possible impact on the pavement condition index (PCI) of the City's collective road network. Additionally, when possible, the City will make efforts to distribute projects equitably geographically in the community.

The FY 21/22 Annual Pavement Project design is near complete with construction to follow in summer or fall of 2022. The FY 22/23 project will follow shortly after.

The following project list is proposed for use of SB-1 funds in FY22/23 and illustrates the City has sufficient work to justify the SB-1 allocation:

Annual Pavement Management Project (FY 22/23)

Description:

This project consists of placing a chip seal, slurry seal or other surface treatments for pavement preservation and install pavement markings on various City streets in the City of Morro Bay. The project will provide a surface treatment for approximately 10-15 centerline miles of City streets.

Location:

Various Streets throughout the City, some of which include:
South Bay Blvd from City Limits to Quintana, Harbor Blvd from Morro Bay Blvd to Embarcadero, Pacific Street from Kern to Embarcadero, Main Street from SR-41 to State Park Road, Main Street from San Jacinto to Yerba Buena, Beach Street from Main Street to Embarcadero, Morro Bay Blvd from Roundabout to Market Ave., Coral Avenue from Indigo Circle to Emerald Circle, Embarcadero from Marina Street to South End, Quintana from South Bay to City Limits, and various other collector and residential streets.

Cost and Funding:

Preliminary Engineer's Estimate:	\$ 1,600,000
SB-1 (FY 22/23):	\$ 233,281
Measure Q&E	\$ 1,466,719

Estimated Project Schedule:

Start design (07/22)
Complete construction (07/23)

Estimated Useful Life:

4-6 years (slurry, microsurface)
5-10 years (chip seal)

Annual Pavement Management Project (FY 21/22)

Description:

This project consists of heavy maintenance including rehabilitation of failed areas of select arterial and collector streets in the City of Morro Bay. The rehabilitation includes full depth replacement of hot mix asphalt (HMA) in areas where road structure has failed due to loading.

Location:

Original location – Main Street from SR-41 to Morro Bay Blvd (extents modified to State Park Road)

Additional locations added as part of the same project – Harbor Street, Pacific Street and South Bay Blvd.

Cost and Funding:

Preliminary Engineer's Estimate:	\$ 1,150,000
SB-1 (FY 19/20 - 21/22):	\$ 300,000
Measure Q&E	\$ 850,000

Estimated Project Schedule:

Complete design (06/22)
Complete construction (11/22)

Estimated Useful Life:

20-25 years for digout areas repaired

CONCLUSION

In order to meet the SB-1 funding requirements for FY21/22, staff will submit to the California Transportation Commission (CTC) the proposed project and adopted resolution once approved by City Council. Submittal of this list to the CTC does not preclude the City from making modifications due to changes in circumstances and scope, such as budget, addition and subtraction of streets from final list, and bidding or Council priorities. Those changes will be reported to the CTC in the project completion report. The obligation by the City is to spend SB-1 funds appropriately and to not reduce the amount of general fund expenditures due to the Maintenance of Effort requirements.



AGENDA NO: A-6

MEETING DATE: June 15, 2022

Staff Report

TO: Public Works Advisory Board **DATE: June 10, 2022**

FROM: Gregory Kwolek – Public Works Director

SUBJECT: Formation of Ad Hoc Committee to Evaluate Possible Role of PWAB in Traffic Engineering Considerations

RECOMMENDATION

Staff recommends the PWAB receive the presentation and form an ad hoc committee to evaluate possible role of PWAB in traffic engineering considerations.

BACKGROUND/ DISCUSSION

The Public Works and the Police Departments routinely receive calls and inquiries related to traffic in the City including speed complaints, signage requests, parking complaints, traffic calming requests, and other traffic concerns. The City's process has been to field the complaints and increase enforcement as required. Staff also considers developing engineering solutions, if warranted, or a response to the party when an engineering solution is not warranted. The Public Works and the Police Departments have also worked together to address concerns in a way that is legally viable and in compliance with the Manual of Uniform Traffic Control Devices (MUTCD).

Staff is requesting the assistance of an ad hoc committee of the PWAB to explore the possibility of opening up the traffic engineering review process to, in some cases, bring traffic concerns to the PWAB to receive input from the PWAB and the public. The purpose of the ad hoc committee would be to help research, evaluate, and propose an appropriate structure for this new process. To be in compliance with Brown Act regulations, the ad hoc committee could be comprised of no more than three current members of the PWAB so as not to include a quorum of PWAB members. The ad hoc committee would also include staff from the Public Works Department.

Prepared By: ER

Dept Review: GK