



AGENDA NO: I

MEETING DATE: May 24, 2023

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

From: [Jeffrey Heller](#)
To: [Council](#)
Subject: Item I of Special Meeting Agenda - 5/24/23
Date: Saturday, May 20, 2023 7:16:12 PM

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Council

Thank you for the comprehensive staff report re: Capital projects for FY23-24.

Here are a few questions:

1. I don't agree that \$6.8Mm should be budgeted to "advance the recycled water component". What does this even mean? Without a cost/acre foot estimate for this water, or an estimate of volume capacity and travel time, or a years promised "Basis of Design"--why should we continue to fund this portion of the Program?
2. Apparently 2 planned WRC projects are not going to be completed due to ":funding incompatibility". What does this mean and what are the 2 projects?
3. Harbor: I am glad to see at least some funding has been budgeted for dock repair. We all know the capital needs of the Harbor are much greater. What is the City's strategy to provide the needed funding?

Thank you again for your hard work!

Jeff Heller




AGENDA NO: II

MEETING DATE: May 24, 2023

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

From: [BARTON A BECKMAN](#)
To: [Council](#)
Subject: May 24 Special Meeting
Date: Monday, May 22, 2023 10:05:03 AM

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Council Members

I am disappointed that the City of Morro Bay seems unable to plan capital expenditures for more than a year ahead. This is unfortunately not a recent phenomenon.

The 5 year plan appears to be just a set of numbers with no real plan. For example, does it make sense to have approximately \$30 million of expenditures for the first 3 years and then \$3 million for the final 2? I have zero confidence that this plan has any practicality.

The Nutmeg water tank replacement was to have been done in 2015 for \$2.5 million; now I don't even see it in planning.

The Water Recycling part of WRF should be placed on hold until the results of the significantly delayed testing are published - what is taking so long? I won't speculate! Is anyone managing/reviewing the MS Project on a weekly basis; does a current MSP even exist? And I suggest that the schedule should exclude all activities prior to 1/1/2023.

I do hope this Council will be seeking reasonable answers from Staff.

Sincerely

Bart Beckman

Sent from my iPad

From: [Jeffrey Heller](#)
To: [Council](#)
Subject: Agenda Correspondence: Item II of Special Meeting on 5/24/23 - WRF Issues
Date: Saturday, May 20, 2023 6:54:55 PM
Attachments: [230517-Jeffs Qs+Cs to PWAB re WRF QTRLY REPORT.docx](#)

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Council & Staff

I believe you are taking the right steps to extend contracts without compensation to Carollo Engineering and Confluence Engineering. Also....while it is tempting to extend the PCO discussions with ANVIL, it may be best to accept the time and energy spent to negotiate the proposed amendments and accept them.

Here are a few motions to consider as well:

1. Incentivize Carollo and Confluence to complete the entire project by a specific date.
2. Direct the management team to provide an estimate within 30 days of the cost/acre foot for the future recycled water, and the volume and "travel time" for same.
3. Direct the management team to provide an estimate within 30 days for the entire program cost at completion.

These are all reasonable requests of any management team. You don't need to be an engineer or sewer expert to insist upon it. You don't need to "take no for an answer".

I have also attached my agenda correspondence to PWAB on 5/17/23.

Thank you all for grappling with this and other important City issues.

Jeff Heller


Jeff Heller's questions

Item A-3 – WRF/WRC Quarterly Program Report by Carollo Engineering

1. Do we have sufficient funding (WIFIA, SRF, grants, etc.) in place today to complete the entire WRF program?
2. Is any of the funding coming from the savings generated by the low interest rate of the loans? If so, what % of the total program cost is being provided by this source? If we don't use these savings on the WRF program can we use them for other capital needs (e.g. replacing/repairing existing underground infrastructure identified in the OneWater document)?
3. Do we know what the final cost of the Program is going to be. Will the Program manager provide "estimate at completion"?
4. As I understand it, ANVIL'S work is not done. Piping to the IPR wells must still be installed. Has the final location of all wells been determined? If not—will ANVIL have grounds for a delay claim? Will the \$1.4Mm in their budget be sufficient to complete the Recycled Water Piping?
5. Managing ANVIL's work has been a challenge. Various delays, damages to city property, etc. have occurred. Can the management team provide a single document which lists all credits to the city as of these events? Has the city received the credits they are due? Who is negotiating these "credit issues?"
6. The Recycled Water Project is years behind schedule. The "Project Progress Summary" is on pages 42-43 (of Staff Report). Pg 42 notes that "GSI utilized the findings from the injection test (1/4/23) and other hydrogeologic investigations to begin preparation of the Basis of Design report". Since it has been more than 4 months since the "extended injection test" was performed by GSI---why is the "Basis of Design" report not been issued? The project schedule on Pg 43 indicates it will be completed no later than 4/1/23.

Continuing on page 42—"the program management team evaluated different IPR piping alignment alternatives to identify a preferred alignment". Again.....has the location of all wells been determined? What are the "preferred piping alignments"? Are all easements in place to construct the piping?

7. Pg 43 of the staff report is the Recycled Water Project Schedule. The critical path for the project is shown as the "Pilot Injection Test" which was originally scheduled for completion 7/1/2020. Also on the schedule—the "engineering design" was to start on 1/1/23 and be finished no later than 1/1/24. Has the engineering design begun? Why will it take 12 months to complete?
8. Pg 27 of the staff report notes that the permitting costs (Cogstone, Far Western, & KMA) are \$2.3Mm. What is the estimated cost of all permitting for this project when completed?
9. Based on the schedule – final completion of the Recycled Water Project will be is shown 4/1/25. What can be done to expedite the final completion of this phase which is so far behind schedule? Since the city has hired a consultant to manage this part of the program, what will Carollo's role be?