

Staff Report

DATE: February 25, 2016

TO: Water Reclamation Facility Citizens Advisory Committee

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

SUBJECT: WRF Program Update

RECOMMENDATION

Staff recommends WRFCAC review the current status and the proposed next steps regarding the development of a WRF program.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

Attachment 1 is a report that summarizes the status of expenditures relative to budgets and encumbrances (contracts/agreements).

DISCUSSION

Staff provides this report as a monthly update to the progress made to date on the new WRF project. With the denial of the permit for the WWTP project in its current location, the City has embarked on a process for a WRF. This staff report provides the following a review of what has occurred to date. See the list of major milestones or accomplishments since the last update to City Council below.

Accomplishments and Milestones

The City's Program Management team and technical consultants performed the following tasks since the February 2 program update:

- Continued coordination with California Department of Water Resources and State Water Resources Control Board for review and approval of the Recycled Water Facilities Planning Grant application. SWRCB is planning to issue an award but requested a new resolution from City Council with revised wording. This is scheduled for the consent agenda on March 8.
- Continued fatal flaw analysis and negotiation with owners of Morro Valley properties

- Completed siting study for comparison of Righetti and MacElvaine/Rancho Colina properties
- Conducted joint WRFCAC/City Council meeting on February 9

Budget and Expenses

The Financial Subcommittee provided an example of a budget report prior to the February meeting. MKN and City staff developed a new report based on this example. The attachment includes the summary, which now includes all City expenses (including staff time with benefits, copies, and other office expenses) in addition to consultant contracts. The second page provides a higher level of detail on budget status of individual consultant contracts. This new report will be provided quarterly to City Council and WRFCAC.

Near-Term Schedule

An updated schedule for upcoming meetings and workshops will be prepared after selection of a preferred site by City Council.

ATTACHMENTS

1. Quarterly Budget Report for WRFCAC and City Council.

City of Morro Bay

Water Reclamation Facility Advisory Committee (WRFCAC) Quarterly Budget Review Summary 3Q15/16

EXPENDITURES

Key Definitions

	Quarter Projected Budget	Portion of Fiscal Year Budget Management Expects Necessary to Meet Quarter Expenditures	YTD Projected Budget	Sum Of Current Quarter Projected Budget and All Prior Quarter Projected Budgets	Encumbrance Balance	Sum Of All Project Contracts Less Actual Expenditures Against Contracts (See Note 3)
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Accounts		Current Quarter				Fiscal Year To Date (YTD)				Total Project				
Fund/Code	Object Name	Projected Budget	Expenditures	Percent Expended	Variance	Projected Budget	YTD Expenditures	Percent Expended	Variance	Amended Budget	Expenditures	Encumbrance Balance	Percent Expended	Variance
599-8312	Contractual Services													
6105	Past Siting Studies (Completed - no further encumbrance)	--	--	--	--	--	--	--	--	\$534,418	\$448,057	\$0	83.84%	\$86,361
6105	Current Consultant Contracts (see P. 2)	\$200,000	\$63,902	31.95%	\$136,098	\$2,245,276	\$929,642	41.40%	\$1,315,634	\$2,245,276	\$929,642	\$1,315,634	41.40%	\$1,315,634
6105	Water Rights Legal Support (See Note 2)	--	\$0	--	--	--	\$0	--	--	--	\$7,880	--	--	--
	Subtotal	\$200,000	\$63,902	31.95%	\$136,098	\$2,245,276	\$929,642	41.40%	\$1,315,634	\$2,779,694	\$1,377,699	\$1,315,634	49.56%	\$1,401,995
599-8312	Labor (Fully Burdened)													
4910,4999	Labor and Benefits	\$12,500	\$5,857	46.85%	\$6,643	\$50,000	\$34,001	68.00%	\$15,999	\$400,000	\$138,544	--	34.64%	\$261,456
	Subtotal	\$12,500	\$5,857	46.85%	\$6,643	\$50,000	\$34,001	68.00%	\$15,999	\$400,000	\$138,544	--	34.64%	\$261,456
599-8312	Other Costs													
6105,	Laboratory/Sampling	\$25,000	\$8,917	35.67%	\$16,083	\$100,000	\$16,841	16.84%	\$83,159	\$200,000	\$16,841	--	--	\$183,159
6199,6106,6105,6750	Printing and Advertising	--	\$0	--	--	--	\$661	--	--	--	\$4,768	--	--	--
5199	Software license and fees	\$0	\$0	--	--	\$42,205	\$42,205	100.00%	\$0	\$371,205	\$42,205	\$329,000	11.37%	\$329,000
5199,7101	Property Acquisition	\$31,000	\$25,000	80.65%	\$6,000	\$31,000	\$25,000	80.65%	\$6,000	--	\$30,500	--	--	--
	Subtotal	\$56,000	\$33,917	60.57%	\$22,083	\$173,205	\$84,707	48.91%	\$88,498	\$571,205	\$94,314	\$329,000	16.51%	\$476,891
	TOTALS	\$268,500	\$103,675	38.61%	\$164,825	\$2,468,481	\$1,048,350	42.47%	\$1,420,131	\$3,750,899	\$1,610,557	\$1,644,634	42.94%	\$2,140,342

REVENUE

Key Definitions

	Quarter Projected Budget	Portion of Fiscal Year Budget Management Expects To Be Recognized During Quarter	YTD Projected Budget	Sum of Current Quarter Projected Budget and All Prior Quarter Projected Budgets
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Accounts (See Note 1)		Current Quarter				Fiscal Year To Date (YTD)				Total Project				
Funding Source	Revenue Name	Projected Budget	Recognized Revenue	Percent Recognized	Variance	Projected Budget	YTD Recognized Revenue	Percent Recognized	Variance	Amended Budget	Recognized Revenue		Percent Recognized	Variance
SWRCB	Grants													
	Recycled Water Grant (Pending)	\$0	\$0	0.00%	\$0	\$37,500	\$0	0.00%	(\$37,500)	\$75,000	\$0		0.00%	(\$75,000)
	Subtotal	\$0	\$0	0.00%	\$0	\$37,500	\$0	0.00%	(\$37,500)	\$75,000	\$0		0.00%	(\$75,000)
SWRCB	Loans													
	SRF Planning/Design (Pending)	\$0	\$0	0.00%	\$0	\$10,375,000	\$0	0.00%	(\$10,375,000)	\$10,375,000	\$0		0.00%	(\$10,375,000)
	Subtotal	\$0	\$0	0.00%	\$0	\$10,375,000	\$0	0.00%	(\$10,375,000)	\$10,375,000	\$0		0.00%	(\$10,375,000)
SWRCB	Supplemental Environmental Project													
	SEP from California Men's Colony	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$87,361	\$87,361		100.00%	\$0
	Subtotal	\$0	\$0	0.00%	\$0	\$87,361	\$87,361	100.00%	\$0	\$87,361	\$87,361		100.00%	\$0
	TOTALS	\$0	\$0	0.00%	\$0	\$10,499,861	\$87,361	0.83%	(\$10,412,500)	\$10,537,361	\$87,361		0.83%	(\$10,450,000)

Notes:

- 1) Unless shown otherwise, current project expenses are funded by revenue from user rates and fees. There is no separate revenue fund for the WRF.
- 2) Budgets for water rights legal support and property acquisition have not yet been established. Detailed budget development will take place after completing the project descriptions in the Facility Master Plan and Master Reclamation Plan.
- 3) Encumbrance balance is only calculated for projects with contracts.

City of Morro Bay

Water Reclamation Facility Advisory Committee (WRFCAC) Quarterly Budget Review Summary 3Q15/16

Current Consultant Contracts

Number	Title	Status	Total	Approved Change Orders	Total With Approved Change Orders	Draw Requests	Total Payments	Total Remaining	% Paid	Pending Change Orders	Vendor
SC--001	Facility Master Plan	Approved	\$710,123.00	\$0.00	\$710,123.00	\$521,631.55	\$334,974.65	\$375,148.35	73.46%	\$0.00	Black & Veatch
SC--002	CEQA/NEPA Documentation and Consulting	Approved	\$346,538.00	\$0.00	\$346,538.00	\$0.00	\$0.00	\$346,538.00	0.00%	\$0.00	ESA
SC--003	MacElvaine Property - Fatal Flaw - Cultural Resources	Approved	\$12,000.00	\$0.00	\$12,000.00	\$9,979.00	\$9,979.00	\$2,021.00	83.16%	\$0.00	Far Western
SC--004	Righetti Property - Fatal Flaw - Cultural Resources	Approved	\$6,485.59	\$0.00	\$6,485.59	\$0.00	\$0.00	\$6,485.59	0.00%	\$0.00	Far Western
SC--005	MacElvaine Property - Fatal Flaw - Biological Resources	Approved	\$12,835.00	\$0.00	\$12,835.00	\$11,240.00	\$11,240.00	\$1,595.00	87.57%	\$0.00	Kevin Merk Associates
SC--006	Survey - Righetti Property	Approved	\$15,644.00	\$0.00	\$15,644.00	\$6,477.50	\$6,477.50	\$9,166.50	41.41%	\$0.00	JoAnn Head Land Surveying
SC--007	Survey - Highway 41 and MacElvaine Property	Approved	\$45,050.00	\$0.00	\$45,050.00	\$41,343.00	\$41,343.00	\$3,707.00	91.77%	\$0.00	JoAnn Head Land Surveying
SC--008	Salinity Identification Study	Approved	\$23,640.00	\$0.00	\$23,640.00	\$22,920.00	\$22,920.00	\$720.00	96.95%	\$37,020.00	Larry Walker Associates
SC--009	MacElvaine Property (SE) - Fatal Flaw - Geotech and Initial Hydrologic Field Testing	Approved	\$38,600.00	\$47,800.00	\$86,400.00	\$77,809.95	\$77,809.95	\$8,590.05	90.06%	\$0.00	Fugro
SC--010	Grant and Loan Funding - Tracking and SRF Support	Approved	\$65,752.00	\$0.00	\$65,752.00	\$19,989.79	\$19,989.79	\$45,762.21	30.40%	\$0.00	Kestrel
SC--011	2015 Program Management	Approved	\$920,808.00	\$0.00	\$920,808.00	\$218,251.20	\$149,392.15	\$771,415.85	23.70%	\$0.00	MKN & Associates, Inc.
Total			\$2,197,475.59	\$47,800.00	\$2,245,275.59	\$929,641.99	\$674,126.04	\$1,571,149.55	30.02%	\$37,020.00	