



Item B-5

Review of Water Reclamation Facility Capital Project Quarterly Update Report

Morro Bay, CA
January 21, 2020

Recommendations



- Receive the Water Reclamation Facility Project Quarterly Update Report.



Quarterly Report Overview

Reporting process overview

- Single report for CFAC and City Council produced each month
 - Tracking of actual expenditures
- Monthly report expanded every third month (close of each quarter)
 - Budget reconciliation
- Budget and schedule are re-baselined annually
 - Last baseline July 01, 2019

Summary of Project status

- Project is on budget
 - New budget inline with original \$126 million budget (2018 Rate Study)
- Several major elements of the Project are behind schedule
- Overall Project is behind schedule, but not at risk of TSO compliance
 - TSO Compliance – February 28, 2023
 - Substantial Completion – April 11, 2022

Budget history



Project Component	Baseline (Q4 FY 17/18)	Quarterly Reconciliation (Q3 FY 18/19)	Annual Re-Baselined (Q4 FY 18/19)	Quarterly Reconciliation (Q1 FY 19/20)	Quarterly Reconciliation (Q2 FY 19/20)
Water Reclamation Facility	\$62,414,000	\$74,059,000	\$72,891,000	\$72,598,000	\$72,231,000
Conveyance Facilities	\$21,087,000	\$27,108,000	\$28,864,000	\$28,524,000	\$29,224,000
Recycled Water Facilities	\$8,593,000	\$5,366,000	\$5,250,000	\$5,212,000	\$5,353,000
General Program	\$24,403,000	\$11,614,000	\$11,801,000	\$11,625,000	\$11,701,000
Construction Contingency	\$9,444,000	\$6,450,000	\$7,132,000	\$7,131,000	\$7,364,000
Total	\$125,941,000	\$124,597,000	\$125,938,000	\$125,090,000	\$125,873,000

New baseline budget summary

- Water Reclamation Facility
 - Minimal changes
- Conveyance and Recycled Water Facilities
 - Addition of biological monitoring and avoidance as a result of the consultation with the USFWS
 - Addition of pre-construction testing, archeological monitoring, and tribal representation as a result of the final Programmatic Agreement negotiated with SHPO
- General Project
 - Minimal changes

Key accomplishments and challenges

Project Component	Key Accomplishments	Critical Challenges	Actions to Overcome Challenges	Likely Outcomes
<u>General Project</u>	Delivery of the Draft PA to SHPO			
	Receipt of the fully-executed CDP.			
	Execution of the purchase agreement for the Tri-W property and right of entry agreement with the Shepherd Trust, which gives the City the access needed to start construction of the WRF.			
<u>Water Reclamation Facility</u>	Continued development of the 90-percent design deliverable.			
		As design has continued, additional PCOs have been identified that are being evaluated by the City.	In order to minimize the impacts of future PCOs, the City needs to critically evaluate the need for PCOs and identify cost-saving measures to offset cost increases.	The overall impact of the PCOs will lead to an increase in the Guaranteed Maximum Price (GMP), but every effort will be made to maintain cost increases within the contingency identified for the WRF component of the Project.
	Continued development of the 90-percent design deliverable.			

Key accomplishments and challenges (cont.)



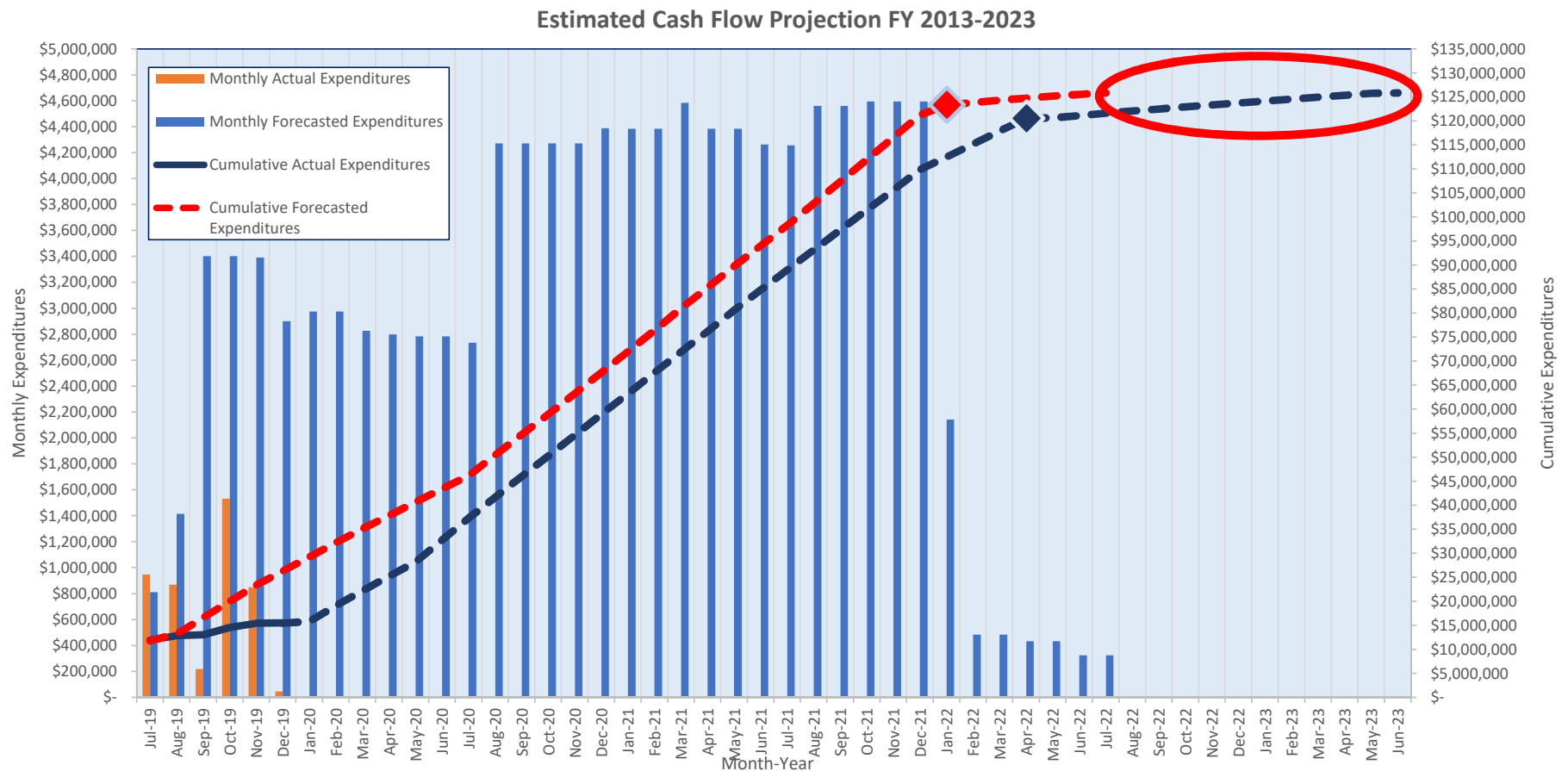
Project Component	Key Accomplishments	Critical Challenges	Actions to Overcome Challenges	Likely Outcomes
<u>Conveyance Facilities</u>	Continued development of the 90-percent design deliverable.			
		Expediting completion of the final design for the Conveyance Facilities.	Possible elimination of intermediate design deliverables.	Further delays in the start of construction could impact the start-up of the WRF and delay compliance with the time schedule order (TSO).
		Receipt of easements necessary to construct the pipelines in the City's existing bike path.	Work closely with Vistra, PG&E, and California Public Utilities Commission (CPUC) to obtain the easements.	Delayed receipt of the easements could complicate or delay construction of the Conveyance Facilities.
<u>Recycled Water Facilities</u>		Schedule recovery due to issues access Vistra and PG&E property	Work with GSI to expedite the completion of the Phase 2 hydrogeology work	Without expediting the schedule, the completion of the injection wells will be delayed (does not impact compliance with the TSO)

Project dashboard



Performance Measure	Data	Baseline (Q4FY 18/19)	Current (Q1 FY 19/20)	Delta	Status			
1: Total Project Costs	Total Project Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$125.9 M	\$125.9 M	0.0%		Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.1: WRF Costs	On Site WRF Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$77.3 M	\$76.8 M	-0.6%		Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.2: Conveyance Facilities Costs	Conveyance Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$31.3 M	\$31.7 M	1.3%		Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.3: Recycled Water Facilities Costs	Off Site Injection Facilities Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$5.6 M	\$5.7 M	1.8%		Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
1.4: General Project Costs	General Project Projected Cost at Completion versus the Baseline Budget (budget as of 12/31/19)	\$11.7 M	\$11.7 M	0.0%		Estimated cost within 5% of target budget	Estimated cost > 5% above target budget	Estimated cost > 10% above target budget
2: Program Manager Earned Value	Ratio of Program Manager Earned Value to Actual Invoiced Cost-to-Date (as of 12/31/19)	1.00	1.14	0.14		>= 1.00	0.99 to 0.90	< 0.90
3: Schedule Performance Index⁽¹⁾	Ratio of Planned Percent Complete to Actual Percent Complete (as of 12/31/19)	1.00	0.92	-0.08		>=1.00	0.99 to 0.80	<0.80
4: Conveyance Pipeline Installed	Feet of conveyance pipeline installed (thru 12/31/19)	18,500 LF	0.0 LF	0.0%		<= 5%	> 5% and <=7.5%	> 7.5%
5: Compliance Date Countdown	Days Remaining to Compliance Date (as of 12/31/19)	1,155 days	832 days	-323 days		<= 365 days	364 days and 180 days	> 179 days

Current vs. planned expenditures



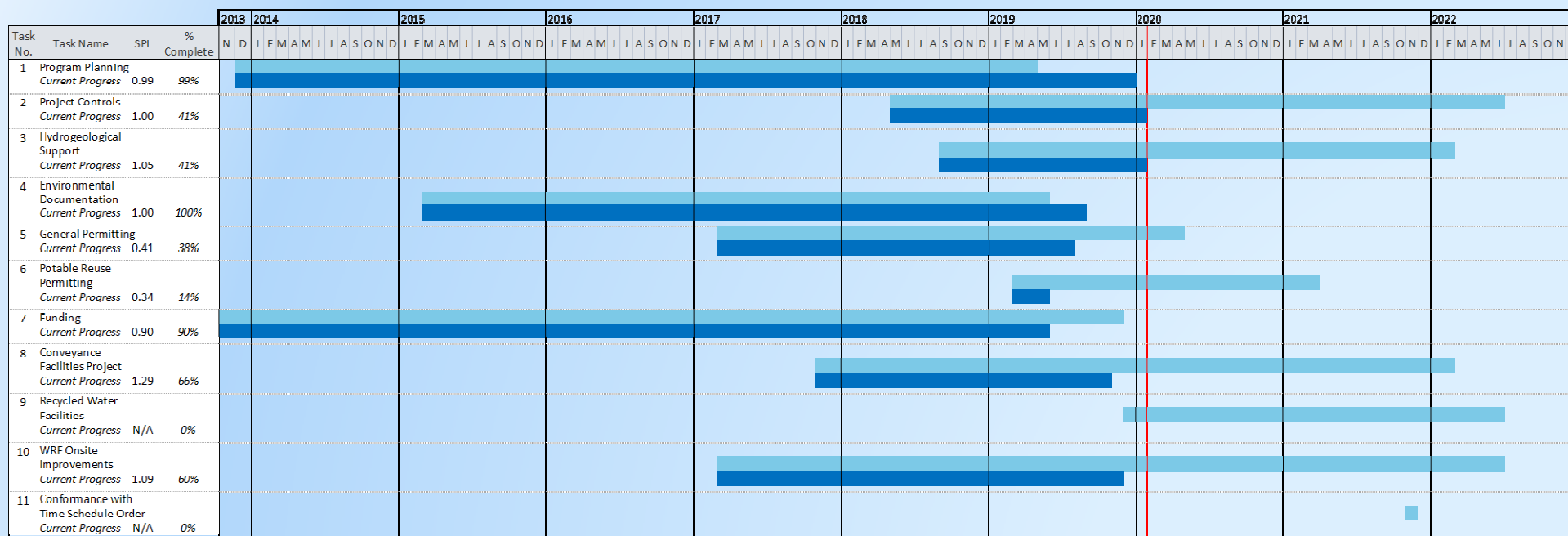
Expenditures to date



Project	Actual Expenditures to Date	Total Contracted Cost	Contract Expended to Date (%)	Total Project Cost (Est.)	Cost Expended to Date (%)
General Project	\$5,992,000	\$8,780,000	68.2	\$11,701,000	51.2
WRF	\$6,230,000	\$68,895,000	9.0	\$76,837,000	8.1
Conveyance Facilities	\$1,322,000				3.2
Recycled Water Facilities	\$236,000	\$358,000	65.9	\$5,653,000	4.2
Total	\$13,476,000	\$80,085,000	16.8	\$125,873,000	10.7

Total Expenditures = \$15,476,000

Schedule overview



Project SP : 0.92
Program % Complete: 66%

Baseline Schedule
Actual Progress-To-Date

New milestone schedule overview



Milestone	Baseline Schedule due Date	Planned Completion Date
<u>General Project</u>		
Compliance with the TSO	November 11, 2021	April 11, 2022
<u>Water Reclamation Facility</u>		
Begin Construction	August 08, 2019	February 03, 2020
Deliver 90 Percent Design	October 24, 2019	February 03, 2019
Substantial Completion	November 11, 2021	April 11, 2022
Final Completion	June 09, 2022	October 27, 2022
<u>Conveyance Facilities</u>		
Deliver 90 Percent Design	October 15, 2019	January 24, 2020
Deliver 100 Percent Design	December 17, 2019	March 27, 2020
Bid Advertisement	February 21, 2020	April 01, 2020
Award Construction Contract	May 08, 2020	June 17, 2020
Substantial Completion	September 17, 2021	October 22, 2021
Final Completion	November 19, 2021	December 24, 2022
<u>Recycled Water Facilities</u>		
Select Preferred Injection Area	May 28, 2019	February 28, 2020
Deliver 30 Percent Design	August 04, 2020	July 09, 2021
Deliver 60 Percent Design	November 10, 2020	October 15, 2021
Deliver 90 Percent Design	February 16, 2021	January 21, 2022
Deliver 100 Percent Design	April 27, 2021	April 01, 2022
Award Construction Contract	July 21, 2021	June 24, 2022
Substantial Completion	April 21, 2022	April 28, 2023
Final Completion	June 21, 2022	June 23, 2023

Schedule recovery strategies

- Task 5 – General Permitting
 - Continue to work on the CDFW permit (Morro Creek) and Caltrans encroachment permit (Highway 1) applications for the Conveyance Facilities
- Task 6 – Potable Reuse Permitting
 - Continue development of the Enhanced Source Control Plan
 - Continue development of the Title 22 Engineering Report (hydrogeological work must be completed in order to finalize the report)
- Task 7 – Funding
 - Facilitate technical, financial, and legal review of the CWSRF application

Recommendations



- Receive the Water Reclamation Facility Project Quarterly Update Report.



Questions and Discussion