

**City of Morro Bay**  
City Council Meeting  
WRF Project Update  
August 9th, 2016

# Project Status

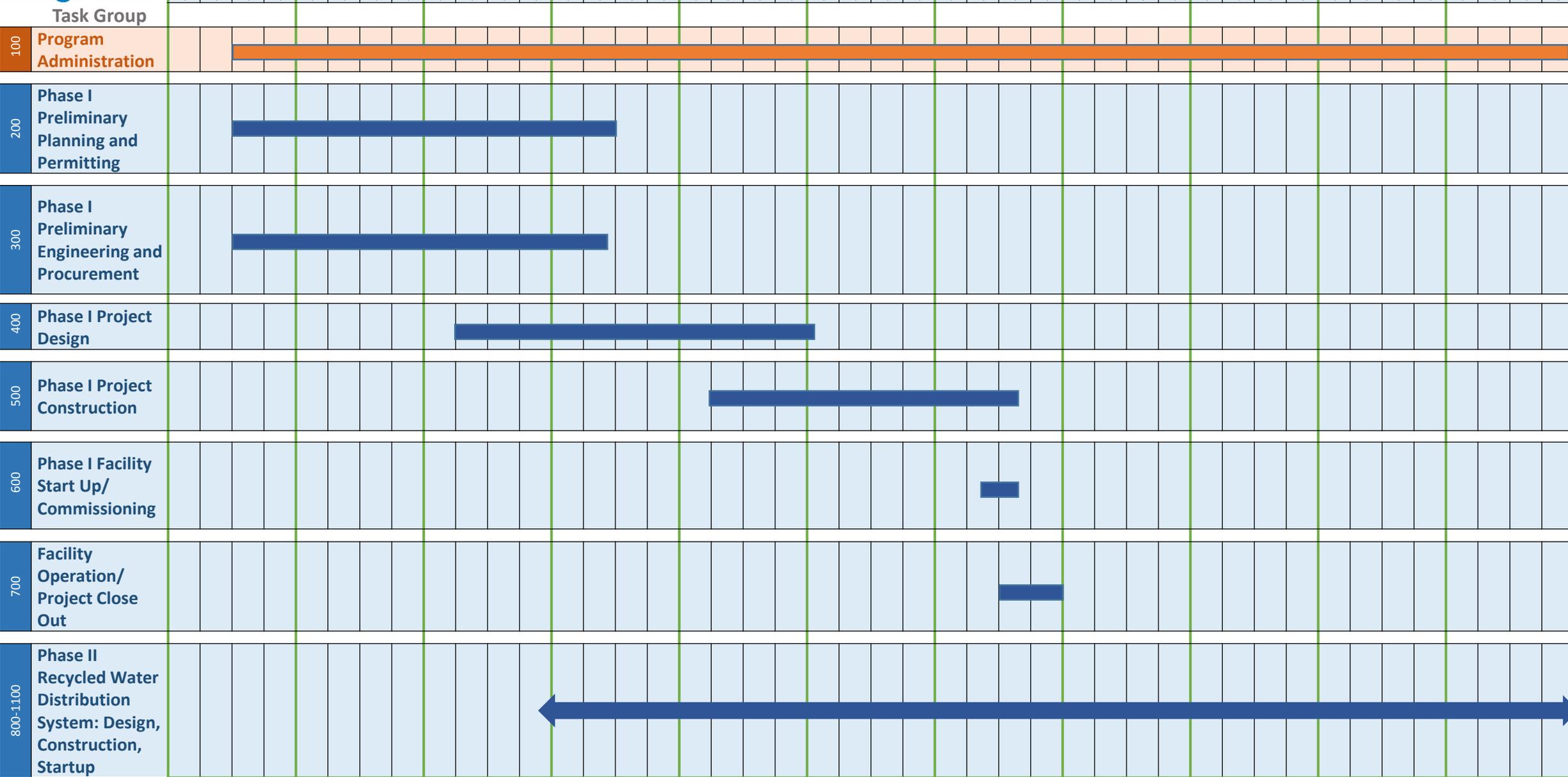


- Council directed staff to proceed with South Bay Blvd site as preferred site for planning/permitting on Jun 14
- Facility Master Plan reinitiated for South Bay Blvd site
- EIR Underway - Notice of Preparation of EIR has been sent to interested parties
- Scoping Meeting scheduled for Tues, August 16, at 4 PM – Veterans Hall
- Property MOU negotiation ongoing

# Water Reclamation Facility Program Schedule Overview



2015				2016				2017				2018				2019				2020				2021				2022				2023				2024				2025			
Q1	Q2	Q3	Q4																																								



# Project Schedule – Next 12 Months



Milestone	Date
Community Workshop/Input on Phase I WRF Architecture	October 2016
Draft Facility Master Plan	November 2016
Final Facility Master Plan	December 2016
Council Selection of Delivery Method for Phase I WRF	January 2017
Draft Master Water Reclamation Plan	March 2017
Confirmation of Phase I and Phase II WRF Budget	April 2017
Council Selection and Award for Design of Phase I WRF Offsite Improvements (Lift Station and Pipelines)	April 2017

# Project Schedule – Major Milestones



<b>Milestone</b>	<b>Date</b>
<b>RFQ for Design/Construction of Phase I WRF Onsite Improvements</b>	June 2017
<b>Release of Public Draft EIR</b>	August 2017
<b>RFP for Design/Construction of Phase I WRF Onsite Improvements</b>	October 2017
<b>Certification of EIR (Critical Timeline for Grant Pursuit)</b>	November 2017
<b>Negotiation/Award of Contract for Phase I WRF Onsite Improvements</b>	May 2018
<b>Award of Contract for Construction of Phase I Offsite Improvements (Lift Station and Pipelines)</b>	April 2019
<b>Completion of Phase I WRF Improvements</b>	May 2021

# WRF Project Budget – FY 2015/16



Fund/ Code	Object Name	Projected Budget	Expenditures	Percent Expended	Variance
<b>599-8312</b>	<b>Contractual Services</b>				
6105	Past Siting Studies (Completed - no further encumbrance)	--	--	--	--
6105	Current Consultant Contracts (see P. 2)	\$2,409,968	\$1,209,444	50.19%	\$1,200,524
6105	Water Rights Legal Support (See Note 2)	--	\$0	--	--
	Subtotal	\$2,409,968	\$1,209,444	50.19%	\$1,200,524
<b>599-8312</b>	<b>Labor (Fully Burdened)</b>				
4910,4999	Labor and Benefits	\$50,000	\$70,035	140.07%	(\$20,035)
	Subtotal	\$50,000	\$70,035	140.07%	(\$20,035)
<b>599-8312</b>	<b>Other Costs</b>				
6105, 6162	Laboratory/Sampling	\$100,000	\$17,159	17.16%	\$82,841
5199,6106, 6105,6710	Printing and Advertising	--	\$9,048	--	--
5199	Software license and fees	\$42,205	\$42,205	100.00%	\$0
5199,7101	Property Acquisition	\$31,000	\$25,000	80.65%	\$6,000
5199, 6106, 6750	Program office equipment	\$0	\$3,746	--	--
5199, 6514	Travel expense	--	\$266	--	--
	Subtotal	\$173,205	\$97,424	56.25%	\$75,781
	<b>TOTALS</b>	<b>\$2,633,173</b>	<b>\$1,376,904</b>	<b>52.29%</b>	<b>\$1,256,270</b>

# WRF Project Revenue– FY 2015/16



Accounts		Fiscal Year To Date (YTD)			
Fund/Code	Object Name	Projected Budget	Expenditures	Percent Expended	Variance
<b>SWRCB</b>	<b>Grants</b>				
	Recycled Water Grant (Pending)	\$0	\$0	--	\$0
	Subtotal	\$0	\$0	0.00%	\$0
<b>SWRCB</b>	<b>Supplemental Environmental Project</b>				
	SEP from California Men's Colony	\$87,361	\$87,361	100.00%	\$0
	Subtotal	\$87,361	\$87,361	100.00%	\$0
<b>User Rates</b>	<b>User Rates</b>				
	User Rates (Allocated for WRF per May 2015 Rate Study)				
	Subtotal				
	<b>TOTALS</b>	<b>\$87,361</b>	<b>\$87,361</b>	<b>100.00%</b>	<b>\$0</b>

# City Budget – Total Project



Fund/ Code	Object Name	Amend Budget	Expenditures	Encumbrance Balance	Percent Expended	Variance
<b>599-8312</b>	<b>Contractual Services</b>					
6105	Past Siting Studies (Completed - no further encumbrance)	\$534,418	\$448,057	\$0	83.84%	\$86,361
6105	Current Consultant Contracts (see P. 2)	\$2,409,968	\$1,209,444	\$1,200,524	50.19%	\$1,200,524
6105	Water Rights Legal Support (See Note 2)	--	\$7,880	--	--	--
	Subtotal	\$2,944,386	\$1,657,501	\$1,200,524	56.29%	\$1,286,885
<b>599-8312</b>	<b>Labor (Fully Burdened)</b>					
4910,4999	Labor and Benefits	\$400,000	\$210,711	--	52.68%	\$189,289
	Subtotal	\$400,000	\$210,711	--	52.68%	\$189,289
<b>599-8312</b>	<b>Other Costs</b>					
6105, 6162	Laboratory/Sampling	\$200,000	\$17,159	--	--	\$182,841
5199,6106, 6105,6710	Printing and Advertising	--	\$13,359	--	--	--
5199	Software license and fees	\$371,205	\$42,205	\$329,000	11.37%	\$329,000
5199,7101	Property Acquisition	--	\$30,500	--	--	--
5199, 6106, 6750	Program office equipment		\$3,746			
5199, 6514	Travel expense		\$379			
	Subtotal	\$571,205	\$107,348	\$329,000	18.79%	\$463,857
	<b>TOTALS</b>	<b>\$3,915,591</b>	<b>\$1,975,561</b>	<b>\$1,529,524</b>	<b>50.45%</b>	<b>\$1,940,031</b>

# City Budget – Total Project Revenue



Accounts		Total Project				
Fund/ Code	Object Name	Amended Budget	Recognized Revenue		Percent Recognized	Variance
<b>SWRCB</b>	<b>Grants</b>					
	Recycled Water Grant (Pending)	\$75,000	\$0		0.00%	(\$75,000)
	Subtotal	\$75,000	\$0		0.00%	(\$75,000)
<b>SWRCB</b>	<b>Supplemental Environmental Project</b>					
	SEP from California Men's Colony	\$87,361	\$87,361		100.00%	\$0
	Subtotal	\$87,361	\$87,361		100.00%	\$0
<b>User Rates</b>						
	User Rates (Allocated for WRF per May 2015 Rate Study)	\$70,312,500	*Cannot be separated from City's sewer revenue			
	Subtotal	\$70,312,500	*Cannot be separated from City's sewer revenue			
	<b>TOTALS</b>	<b>\$70,474,861</b>	<b>\$87,361</b>		<b>0.12%</b>	<b>(\$70,387,500)</b>

# General Comments – FY 15/16 Budget



1. WRF report tracked expenditures against \$2.6M multi-year budget and encumbrances
2. City FY 15/16 budget was initially \$2.3M – Amended \$2.6M
3. WRF Expenditures (1.36 to \$1.6 M after FY 15/16 finished) significantly less for FY 15/16 due to site selection
4. Final FY 15/16 Actuals will be revised by City in August or September after all charges/invoices are received

# City Budget – FY 16/17



<b>TOTAL EXPENDITURES</b>	<b>(5,878,609)</b>
<b>PROJECTED REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,571,391</b>

<b>REVENUES/LOANS</b>	<b>2016/17 Budget</b>
State Grants:	
RWQCB SEP award	-
Recycled Water Planning Grant	75,000
SRF Planning Loan (**Loan not revenue)	10,375,000

<b>EXPENDITURES</b>	
Program Management	(900,000)
Staff Support/Supplies	(200,000)
Kestrel (Grant Spt)	(32,000)
Procore Software	(42,204)
Facility Master Plan	(205,018)
GSI Water	(165,000)
Yeh and Associates	(53,902)
J.Head Surveying	(60,000)
Bridging/ Procurement Docs	(300,000)
LWA (Salinity Control Plan)	(45,000)
Far Western Archeo - SBB	(6,000)
Far Western Archeo - Righetti	(6,485)
ESA	(338,000)
Property Acquisition	(2,400,000)
SBB Property Negotiation All.	(25,000)
Lift Station & Force Main Design(60%)	(1,100,000)

# City Budget – FY 16/17 - Comments



1. Program Management budget (\$900,000) includes schedule and budget tracking; coordination of consultants, work and permitting; public outreach; preliminary planning, including Master Reclamation Plan; and preliminary design
2. Staff support budget (\$200,000) includes outside counsel, sampling, analysis, staff time, reproduction, and other City support.
3. Kestrel budget (\$32,000) – grant and loan support
4. Procore Software is program management software; budget is for the annual fee (\$42,204)

# City Budget – FY 16/17 - Comments



5. Facility Master Plan (B&V) budget (\$205,018) includes scope amendment
6. GSI Water budget (\$165,000) consists of hydrogeological studies to inform the Master Reclamation Plan
7. Yeh and Associates (\$53,902): Geotechnical constraints study for South Bay Blvd site
8. J. Head Surveying (\$60,000): Topographic survey and base mapping for sites and pipeline alignments

# City Budget – FY 16/17 - Comments



9. Bridging and procurement documents (\$300,000): Bid documents for procuring design/construction team for Phase I WRF
10. Larry Walker Associates (LWA) costs (\$45,000) are for salinity identification and control plan
11. Far Western Archeo – SBB (\$6,000): Budget estimate for fatal flaws archeological study at South Bay Boulevard site
12. Far Western Archeo – Righetti (\$6,485): Budget estimate for specific archeological studies at Righetti property (work performed last FY – payment requested in this FY)

# City Budget – FY 16/17 - Comments



13. Environmental Science Associates (ESA) costs (\$338,000) are for CEQA/NEPA services including EIR
14. Property Acquisition – (\$2,400,000): Placeholder for budgeting purposes
15. SBB Option or Property Negotiation Allowance - (\$25,000)
16. Lift Station and Force main design (60%) - (\$1,100,000)

# WRF Budget – FY 16/17 - Goals



- Program Budget (Including Construction of Ph I and II) by 4Q16/17
- Better alignment between City FY 16/17 Budget and WRFCAC budget reports
- Detailed, quarterly review of program budget for WRFCAC and Council

# Reporting Schedule



- Aug 9 – Council presentation –WRF Update and Budget Report
- Sep 13 – Monthly WRF Update on Consent Agenda
- Oct 11 - Monthly WRF Update on Consent Agenda
- Nov 15 - Council presentation – Quarterly WRF Update and Budget Report
- Dec 13 – Monthly WRF Update on Consent Agenda
- Jan 10 – Monthly WRF Update on Consent Agenda
- Feb 14 - Council presentation – Quarterly WRF Update and Budget Report