

Memorandum

MORRO BAY-CAYUCOS J.P.A. WASTEWATER TREATMENT PLANT

To: Honorable Mayor and City Council, City of Morro Bay
Honorable President and Board of Directors, Cayucos Sanitary District

From: Dennis Delzeit, P.E., Project Manager

Date: August 7, 2012

Subject: Status Report on Upgrade Project as of August 7, 2012

Activities during July 2012 and up to August 7, 2012

Activities consisted of four major components:

1. Reviewing the California Coastal Commission (CCC) staff report;
 2. Responding to the staff report;
 3. Briefing Coastal Commissioners;
 4. Preparing for the Coastal Commission hearing scheduled for August 9, 2012.
- Met with the Regional Water Quality Control Board staff with the Environmental Protection Agency staff on the conference phone, July 23, 2012;
 - The CCC staff report was issued at the close of business on Friday, July 27 recommending denial of the permit, leaving very little time prior to the August 9 hearing to respond;
 - The MBCSD staff and consultants met in the Santa Cruz staff office and telephone conferenced with the CCC staff on August 3, 2012 and discussed the staff report, the MBCSD response letter and our request for approval of the Coastal Development Permit;
 - Conducted weekly meetings with telephone conference attendance that included Morro Bay and Cayucos staff and project consultants;
 - Upon receiving the CCC staff report, prepared a detailed response letter;
 - McCabe & Company coordinated meetings and phone conference meetings with Coastal Commissioners that included Morro Bay and Cayucos staff and project consultants. To date, nine Commissioners and one alternate Commissioner have been briefed on the project. McCabe & Company is also in frequent contact with Commissioners and other officials that have a stake in the project;
 - The project web site was updated;

- The monthly status report update was submitted to the Regional Water Quality Control Board, as required by the force majeure time extension.

Looking Ahead-August 2012

- The focus is preparation for the Coastal Commission hearing August 9, 2012.

Fiscal Impact:

- There are no new expenditures to report.

Discussion/Project Overview:

Major Milestone Schedule

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|--|--------------------------|
| • Council certified the EIR and approval of the Conditional Use Permit and Coastal Development Permit | January 11, 2011 |
| • Deadline for Coastal Commission Appeals | January 31, 2011 |
| • Coastal Commission substantial issue hearing | March 11, 2011 |
| • Public Outreach/Workshops | June 27 & 28, 2011 |
| • Deadline for the rough screening criteria and alternative sites public comments | July 15, 2011 |
| • Coastal Commission staff level meeting in Santa Cruz | August 25, 2011 |
| • Public release of the Rough Screening analysis | September 1, 2011 |
| • Rough Screening Analysis Presentation to the JPA | September 8, 2011 |
| • Public workshop- Alternative Sites Update | September 19, 2011 |
| • Deadline for public comments on the Rough Screening Analysis and Fine Screening criteria and alternative sites | September 30, 2011 |
| • Public release of the draft Fine Screening analysis | November 3, 2011 |
| • Fine Screening Analysis Presentation to the JPA | November 10, 2011 |
| • Coastal Commission staff level meeting in Santa Cruz (review de novo materials) | December 9, 2011 |
| • Coastal Commission staff level meeting in Santa Cruz (review de novo materials) | June 22, 2012 |
| • Coastal Commission de novo hearing, Santa Cruz | August 9, 2012 |
| • Submit SRF loan application to the State Board | On hold |
| • Issuance of SRF Financing Agreement | On hold |
| • Submit first SRF disbursement request to State Board | On hold |
| • Completion of the Design | On hold |
| • Advertise for Construction Bids | On hold |
| • Receive Construction Bids | On hold |
| • Award Construction Contract, after receiving State Revolving Fund Loan Approval | On hold |
| • Start Construction | On hold |

- Completion of Construction On hold
- Achieve full compliance with federal secondary treatment Requirements Deadline on hold per force majeure

Dudek - California Coastal Commission - Substantial Issues Study

Dudek contract Fee Status:

- Original Contract Amount: \$345,485.00
- Amendment: \$110,157.00
- Revised Contract Amount: \$455,642.00¹
- Amount invoiced to date: \$429,742.87
- Amount remaining in contract: \$ 25,899.13
- Most recent billing amount (7/17/12): \$ 3,601.38
- Percent of contract billed: 94%

MWH Design

Final design of the project will resume after completion of the Coastal Commission Appeal Process.

MWH Contract Fee Status:

- Contract Amount: \$2,700,000.00
- Addendum #1, updated flows and loadings: \$ 9,000.00
- Addendum #2, advanced treatment options: \$ 9,600.00
- Addendum #3, updated cost estimate \$ 18,700.00
- Revised MWH Contract Amount: \$2,737,300.00
- Amount Billed to Date: \$ 474,490.33
- Amount Remaining: \$2,225,509.67
- Most Recent Billing Amount (10/7/11)² \$ 4,631.46
- Percent of contract billed: 18%

McCabe& Company) California Coastal Commission Communications/Liaison Services

- Invoice 4/11/11: \$12,500 + \$857.47³ = \$13,347.57
- Invoice 5/3/11: \$12,500 + \$98.28⁴ = \$12,598.28
- Invoice 6/3/11: \$12,500 + \$4,032⁵= \$16,532.00
- Total billings from start of contract to suspension: \$42,477.85⁶
- Invoice for January 2012, dated 2-29-12: \$12,500.00

¹ \$21,627 is reserved as an optional task for archaeology services, if required by Coastal.

² The 5/2/11 invoice is for services rendered 1/1/11 through 1/28/11. MWH work was suspended on 11/19/10 except for completion of surveying, geotechnical report, floor plan layout and support at the PC and CC meetings in support of the permits.

³ Travel expenses to Morro Bay and the Santa Cruz Coastal Commission hearing on 3/11/11. The contract fee is \$12,500 per month plus outside expenses.

⁴ Conference calls outside expenses.

⁵ This is the prorated fee from March 22 through 31 that was not previously billed.

⁶ This is the total fee for services from the beginning to the suspension of the contract: Feb 22 through May 31, 2011. No services were provided between May 31 through December 31, 2011.

• Invoice for February 2012, dated 3-23-12:	\$12,500.00
• Invoice for March 2012, dated 4-23-12:	\$12,500.00
• Invoice for April 2012, dated 5-15-12:	\$12,500.00
• Invoice for May 2012, dated 6-25-12:	\$12,991.97 ⁷
• Amount billed to date:	\$105,469.82
• Not to exceed limit:	\$155,000
• Percent billed to date:	68%

State Revolving Fund Loan:

The SRF process is on hold pending approval of the California Coastal Commission. Without a Coastal Development Permit from the CCC, the project components are unknown as is the total project cost.

Project Manager, Dennis Delzeit, Services:

- Prepared and submitted the monthly report to the RWQCB;
- Prepared the monthly status report to the JPA;
- Updated the web site information;
- Reviewed the Dudek invoice;
- Reviewed the McCabe invoice;
- Participated/Managed the activities described in the first portion of this report.

Dennis Delzeit's Contract Fee Status:

▪ Original Contract amount:	\$250,000.00
▪ Contract Amendment (PERC)	\$ 3,000.00
▪ Revised Contract Amount:	\$253,000.00
▪ Amount Billed to Date:	\$164,878.45
▪ Amount Remaining:	\$ 88,121.55
▪ Most Recent Billing Amount (7/1/12)	\$ 6,287.00
▪ Percentage of contract billed:	65%

⁷ Expenses for meeting with CCC staff in Santa Cruz: \$407.60 airfare; \$45.54 car rental; \$8.83 gas; \$30 taxi.