



AGENDA NO: C-1

MEETING DATE: January 9, 2018

**THE FOLLOWING PUBLIC CORRESPONDENCE
WAS RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA**

Dana Swanson

From: Karen Beckman [REDACTED]
Sent: Monday, January 08, 2018 2:35 PM
To: Council
Cc: Scott Collins
Subject: Agenda Item C-1

January 8, 2018

Dear Mayor Irons and Council Members,

This letter is directed to Item C-1 of the January 9, 2018 Morro Bay City

Council Meeting agenda.

It is my opinion that the present management of Morro Bay's WRF project is ineffective and should be replaced. Others who are more number savvy than I have regaled you with figures on flow data, line capacity, contingency, peak variations, etc. My objection to continuing with our current team has to do with anticipating and meeting deadlines. Case in point is our panicked rush to obtain WIFIA funds. We have known since July, 19, 2017 that our paperwork for this money was due by July 19, 2018. How is it that we are now scrambling to meet this all-important deadline? We have no preliminary EIR (yet another deadline missed) to submit to the EPA to qualify for the WIFIA funds. With so much depending on this money and by extension the upcoming July date, it is incomprehensible to me how we can continue with the present team. Any one of us who in our careers chronically missed deadlines would be out of a job. It's time for a change.

Sincerely,

Karen Beckman

Dana Swanson

From: Jamie Irons
Sent: Monday, January 08, 2018 8:33 PM
To: Dana Swanson
Subject: Fw: Comments pertaining to Item C-1 of the Morro Bay City Council Agenda for January 9, 2018

Dana, Please add the email below to agenda correspondence.
Thank you - Jamie

From: Bart Beckman [REDACTED]
Sent: Monday, January 8, 2018 2:25 PM
To: Scott Collins; John Heading; Robert Davis; Marlys McPherson; Jamie Irons; Matt Makowetski
Cc: Carole and Tom Rost; Jeffrey Heller; Barry Branin; Richard E.T. Sadowski
Subject: Re: Comments pertaining to Item C-1 of the Morro Bay City Council Agenda for January 9, 2018

One additional point I forgot to include.

In the WRFAC meeting, MKN confirmed the design of the Lift Station is .97 mgd. They waffled on defending this flow rate and indicated that the contractors will be given the data and they are expected to size the plant.

So, a fixed flow for delivering waste water is applied to a "to be determined" sized plant. ergo, the analogy that Tom Rost used in that this design team has designed a 10 floor elevator (.97 mgd lift station) for a possible 6 story building (.6 mgd plant).

Incredulous!

On Mon, Jan 8, 2018 at 1:16 PM, Bart Beckman [REDACTED] wrote:
City Manager/City Council:

I strongly recommend that the City retain a new Project Management person or team.

1. I reviewed the website of MKN (<http://mknassociates.us/>), and it appears their experience relies almost totally on their work on this Project. Certainly, they do not have the experience they called for in the SOQ of 2 \$85 million projects.

And the experience of Mr. Livick appears to be in the area of Operations - a vastly different skill set than Managing a new Construction Project.

2. The SOQ identifies a need for contractors who have built 2 \$85 million projects.

Why did they not require that any joint venture submittals be for joint ventures who have previously done business as a joint venture.

Since neither MKN nor Mr. Livick have previously prepared specs for this type of Project, why did they not seek comments on the SOQ before sending it out. One such vendor attempted to point this out by submitting a "Plan B" proposal.

How do MKN and Mr. Livick reconcile the fact that the Cayucos plant with a flow of approximately half that of Morro Bay, has a firm bid of approximately \$19 million for their plant whereas the estimate from MKN for Morro Bay is \$89 million?

Why did Filanc who has the \$19 million contract for Cayucos see the need to joint venture with B&V? The somewhat obvious conclusion is that it was due to how the spec was written to exclude smaller contractors and to encourage larger multi-national contractors.

3. Mike Nunnally indicated that we must include an allowance for sewer pipe leakages as it can take decades to repair all of the leaks. Mr. Livick has known of the Morro Bay leaks to our drinking water and into our sewage system during rainfall for more than a decade. Why then when Mr. Livick has known of these leaks for more than a decade, does he not have a prioritized plan to address this public safety concern? If the City Council declines to fund this concern, that is a different proposition.

4. Mr. Sadowski asked Mr. Livick if the City has an agreement in writing from CCC staff to place a lift station in the flood zone - this agreement could be one in principle.

Mr. Livick said that in his opinion (and by association, MKN), this was unnecessary. Mr. Livick was part of the leadership which saw no need to obtain an MOU for the Rancho Colina property - the City lost a year due to that mistake. Presumably we don't want a repeat of something that could be avoided?

5. I have attached additional concerns which address the need for new eyes.

Cayucos has demonstrated that with effective leadership, a cost-effective Waste Treatment and Water Reclamation Facility can be constructed for the existing 218 funding. And if we cannot figure it out, I suggest we ask Cayucos to submit a proposal to us to manage our waste and possibly reclaim the water by the use of Whalerock Reservoir.

It is clearly time to hire new leadership for Morro Bay.

Sincerely,

Bart Beckman

RECOMMENDATION

Hire a Project Manager Reporting Directly to the City Manager for the WTF/WRF Project

There is a need for a NEW set of eyes to evaluate options for the Water Treatment and Reclamation Facility reporting directly to the City Manager.

This person preferably would be a NEW City Employee assuming one of the vacant positions currently existing.

This would free up the Public Works Manager to focus on the largest Department in the City and have a full time Project Manager for this Major Project.

The current Project Management Team of MKN, JFR, and B&V are incentivized to create the largest Project in schedule and cost. B&V wrote spec they could bid on, but not the cookie cutter contractors.

Issues of concern:

1. Work with Cayucos
 - a. In January of 2013, Cayucos recommended withdrawing CCC application.
 - b. Toro Creek site was deemed unattainable by consultants – Cayucos is now close to breaking ground on that site.
 - c. There are still viable options to working with Cayucos at the Toro Creek site including buying service from Cayucos. Consultants have not fully explored these options.
 - d. The Toro Creek site has the potential of utilizing Whale Creek Reservoir for Water Reclamation – we may be
 - e. into another drought situation after our 1-year reprieve.
 - f. Cayucos has an excellent CSD President and Public Works Manager (Rick Koons). And has apparently also found a Project Manager for their Project.
 - g. Citizens of Morro Bay have had easy access to these individuals.
2. Cookie-Cutter Predesigned Plant
 - a. About 3 years ago, Councilman Heading and several citizens toured facilities near Ventura. This concept has never been fully vetted by the consulting team.
 - b. It is a belief that the recent contractor request had provisions to not allow qualified candidates to submit Cookie-Cutter Proposals – did any submit? If not, this seems like a valid concern.
 - c. Several companies who could offer this service including PERC (not only PERC).
 - d. Concept could be applied to the South Bay, a site west of Hwy 1, or to the Toro Creek.
3. Flow Rates
 - a. The flow rates have dramatically been reduced over time.
 - b. IF the sewer leaks were corrected, the peaking flows would GREATLY DIMINISH. Note that in theory, there should be NO impact of rainfall to our sewer flow rates.
 - c. Contrary to what was said at the Council Meeting, Cayucos leaving greatly reduces the design point.

- d. This issue alone should disqualify the current consultants.
 - e. And shouldn't we be concerned about sewage leaking into our groundwater or wherever?
4. Sites west of Hwy 1
- a. In recent discussions, why were citizens able to have discussions with CCC staff 2 weeks earlier than consultants who had meeting literally on the day they were required to report back given a month to do so – again, what could be a knock-out issue for consultants.
 - b. The consultants neglected to note at the Council Meeting that the staff indicated that cost and community acceptance were of high importance – we only heard this when interim City Manager Lomeli noted it after the presentation.
 - c. With Cayucos leaving, the existing site will be IN COMPLIANCE. Other than when we have large rains – refer to 3a.
 - d. Is anyone aggressively working with the RWQCB relative to this issue?
5. Rancho Colina
- a. Rancho Colina was excluded because of Corporate Yard, solar panels, etc. The family said OK to just the WTF/WRF. Why was the option of having just the facility there and keeping the Corp yard where it is?
 - b. Why didn't consultant make sure we had an MOU – another knockout.
6. Cost Studies
- a. How can a legitimate study ignore a \$2,000,000 site acquisition difference for more than 3 years – after it was noted. And in fact, how does the Council allow this to continue. Note that the Rancho Colina site was selected BECAUSE of a lower site acquisition cost.
 - b. How does a legitimate estimate note that a site has a significant site prep cost, but not include an allowance for this?
 - c. How is it even close to credible that a recent site comparison estimate suggested that the “Dynegy” site was equivalent to the South Bay site.
 - d. And in general, how were the issues discussed herein not included and actively pursued.
7. Los Osos Overdesign
- a. While this is likely not a viable option, again, it was not aggressively pursued.
 - b. The Council Meeting response from the Consultants brushed this off – they apparently were requested to go back and look again.
8. Critical Thinking Skills based on Facts
- a. Are consultants not given ANY leeway to THINK. I understand that we cannot allow willy-nilly studying, but if they see an opportunity, wouldn't it be a good idea to first broach this with their boss (suggesting the CM) who would then decide if worthwhile to bring to the attention of the Council.
 - b. This would eliminate the possible suggestion that the consultants are constrained by the Council.
9. Rob Livick – the ONLY management person who is associated with ALL of these Leadership failures. Whether deserved or not, he is the ONLY common thread. So why would one choose to have him assume an even larger role?