

In response to your request for information that might assist in your assessment of allegations that sewage exfiltration has contaminated the Morro well fields, we would direct your attention to the following:

Collection System CIP

The City of Morro Bay maintains a list of Capital improvement projects (CIPs) for the wastewater collection system. This list is generated thru the Capital Improvement Program Priority Process and review of the current Sewer System Master Plan dated 2006. A complete list of CIPs can be found in Table 7-3 of the Sewer System Master Plan, a copy of which is attached. The City reviews the capital projects, available funding, anticipated staff resources, and project priorities on an annual basis during development and adoption of the City budget. A copy of the proposed 5 year CIP and capital projects for FY14/15 are attached. Project prioritization typically includes an operational assessment based on the age of the infrastructure, visual inspection and maintenance history

We specifically direct your attention to the trunk line that runs on Main Street in Morro Bay. The trunk line is identified for future improvements (Morro Bay/Cayucos Joint Sewer Upgrade) in Table 7-3 of the Sewer System Master Plan, as well as the 5-year CIP for the City. While the City recognizes that future improvement projects may be required on the Main Street Trunk line, our perspective is that it would be premature to develop a strategy for improvements until a decision has been made concerning the location of the proposed new Water Reclamation Facility (WRF). The location of the WRF has the potential to impact the design of any improvements. City staff will also continue to investigate funding sources for the required improvements as the Master Plan has identified the North Main Trunk Line MB/CSD Joint Sewer upgrade as the single largest project on the CIP project list.

It should be noted that the City has completed many of the capital improvements identified in the 2006 Sewer System Master Plan. The City has completed the construction of two new lift stations (including construction of a new force main at lift station #3), and the FY13/14 adopted budget contains funding for a project to rehabilitate the last remaining lift station. Design of that project is nearing completion and an Invitation to Bidders will be issued in the coming months. The City has continued in our efforts to reduce I&I through continued video inspections, spot repairs to damaged pipelines, slip lining pipe (Quintana Rd., Bella Vista Dr. to Butte Ave.), manhole repair and coating projects, chemical treatment of root prone areas, and installation of sealing manholes where needed.

The FY14/15 draft City budget contains funding for the update of the 2006 Sewer Master Plan. The Master Plan will assist the City in prioritizing both present and future wastewater system needs and set forth a mechanism for addressing those needs. This update will include revised recommendations for near-term and future collection system improvements and tie the assessment to the capital projects budgeting process.

Rate Analysis

A major component of any capital improvements program is the ability to fund the necessary projects. The City is in the process of beginning a rate analysis that will include review of the funding requirements for developing and financing the new WRF, on-going O&M for the existing wwtp and collection systems, collection system capital improvements, and major maintenance and repair projects at the existing WWTP. An RFP for hiring a consultant to prepare a rate analysis was public noticed on March 27, 2014. The RFP closes on April 25, 2014. City staff anticipates bringing the draft rate analysis back to the Council for review of preliminary rates in September 2014, and for final Council approval and to schedule a Prop 218 vote in November of 2014. Per the requirements of Prop 218, local government must have a vote of the affected property owners for any proposed new or increased assessment before it can be levied.