



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Daniel Gho, Public Works Director
MEETING DATE: February 21, 2018
SUBJECT: Sewer Collection System Master Plan Progress Report
CEQA: This action does not constitute a project under California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(2).

RECOMMENDATION

Receive report on the Sewer Collection System Master Plan progress.

BACKGROUND

The City provides sewer collection services for residences and commercial businesses over an area of approximately 1,414 acres with a population of approximately 15,000 residents. The City's collection and conveyance system is comprised of approximately 58 miles of pipelines which includes 57 miles of gravity pipelines, which vary in diameter from 4-inch to 18-inch, and one mile of force mains. Maintenance access to the sewers is provided by 904 manholes and numerous structures, such as clean outs and inspection holes. There are nine sewer lift stations located in the City's service area, seven of which are owned by the City, and two of which are owned by Monterey One Water (MOW), formally known as Monterey Regional Water Pollution Control Agency. MOW operates and maintains all nine lift stations. Collected sewage is conveyed via an interceptor pipeline to MOW's regional sewer treatment plant located north of the City of Marina.

The City's sewer collection service is a self-sufficient enterprise fund, the Sewer Fund. Revenues are generated from sewer rates, which fund the total cost of service and Capital Improvement Plan projects on an annual basis. At the May 21, 2014, City Council Meeting, the Council received the [Sewer Collection System Master Plan](#) (Plan) which includes 9 projects to be completed over the next 10 years.

Associated with the Plan was a proposal to increase the City's sewer collection system fees. Sewer rate fees are not only used to pay for sewer collection system capital improvements, but also for operations and maintenance. The City initiated the Proposition 218 process in March of 2015 to increase the sewer fees. The City Council approved and adopted the sewer rate increase in July of 2015. The new fee structure took effect in August of 2015 and the City began implementing the Capital Improvement recommendations noted in the Plan.

DISCUSSION

Projects

The City has initiated the use of the Sewer Fund to finance the 9 projects. Each of the projects, identified as “Near-Term Projects,” aims to fix existing deficiencies over a 10-year period. The total estimated cost of these 9 projects is \$13,937,000. The Chart Below provides an overview of each of the projects and their status.

Project #	Title	Description	Street	Location	Total Project Estimated Cost (\$)	Status Update
1	17 Mile	Upgrade sewer main due to capacity deficiency	17MileDrive	Majella Road from Treasure Road to 17-Mile Drive, and 17-Mile Drive from Majella Road to Sunset Drive	\$1,624,000	Project is being evaluated to determine if City should remove from Pebble Beach ROW
2	Oceanview & Mermaid	Replace sewer mains due to age & condition	Mermaid	Oceanview Blvd to Sea Palm Ave	\$1,269,000	Completed 2017
			Marine	Mermaid to Oceanview Blvd	\$116,000	Completed 2017
			Clyte	Mermaid to Oceanview Blvd	\$101,000	Completed 2017
			Oceanview	Marine Street to Balboa Ave	\$1,592,000	Completed to Sea Palm. Scheduled for 2021/22
			Oceanview	Balboa Ave to Lift Station 15	\$1,365,000	Scheduled for 2021/22
3	Asilomar	Upgrade sewer main due to capacity deficiency	Asilomar Avenue	Lighthouse Ave to Del Monte Blvd	\$1,500,000	Match for Prop 1 Completed by 2020/21
4	Crocker & Asilomar	Replace or rehabilitate manholes due to hydrogen sulfide deterioration	Crocker	Sinex to easement to Asilomar	\$525,000	Match for Prop 1 Completed by 2020/21
			Asilomar	Arena Ave to Oceanview	\$682,000	Match for Prop 1 Completed by 2020/21
5	14th: Sinex to Pine	Consolidate multiple sewer mains	14th	Sinex Street to Junipero Ave	\$525,000	Completed 2016
		Consolidate multiple sewer mains	Easement	Junipero Ave to Pine Ave	\$460,000	Match for Prop 1 Completed by 2020/21
		Abandon existing sewer main and tie-over to new sewer main	14th	Gibson Street to Junipero Ave	\$42,000	Match for Prop 1 Completed by 2020/21
6	Hillcrest	Replace sewer mains due to root intrusion	Multiple	Hillcrest Avenue to Sunset Avenue, from Forest Ave to Congress Ave	\$1,703,000	2021/22
			Easement	Sunset & Forest Ave to 19th Street & Marino Pines Road	\$822,000	2022/23
7	14th: Lighthouse to Central	Consolidate multiple sewer mains	14th	Lighthouse Ave to Central Ave	\$448,000	Out to Bid Fiscal Year 2017/18
8	Carmel	Replace sewer main to eliminate sags	Carmel	Junipero Ave to Ricketts Row	\$1,104,000	Prop 1 Match Completed by 2020/21
9	Hwy 68	Protect exposed pipe from damage	Hwy 68	Between Adobe Lane & Bishop Ave	\$59,000	2024-25

Total	\$13,937,000	
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Since adoption nearly three years ago, the City has made significant progress on 3 of the 9 the projects including: replacement of sewer mains and lines on Mermaid Avenue, Marine Street, and Clyte Street (Project #2), consolidation of multiple sewer lines on 14th Avenue from Sinex Avenue to Junipero Avenue (Project #5), and preparation of plans for the consolidation of multiple sewer mains on 14th Avenue from Lighthouse Avenue to Central Avenue (Project #7).

Although projects 3, 4 and 5 were scheduled for completion by FY 2020/21, the project completion dates have been extended to FY 2021/22. This extension was prompted by the City’s receipt of Proposition 1 grant funding for storm water projects. As noted in the table above, projects 3, 4, 5 and 8 will be engineered and constructed in conjunction with the Proposition 1 storm water project and will act as matching funds.

The 17 Mile Drive Project, project #1, was scheduled to be completed in FY 2015/16. This complex project calls for upgrades to a portion of the City’s sewer system that captures sewer water from Del Monte Park Service area and runs through Pebble Beach. The City is still actively assessing options to abandon this portion of line and construction main lines that would capture Del Monte Park service area while keeping the system within the Pacific Grove’s right of way. Staff anticipates bringing this item before the City Council to discuss options.

Operations and Maintenance

Aside from the noted capital improvement projects slated to occur over the next 7 years, the City’s wastewater fund also supports operations and maintenance of the entire collection system. The table below specifies the operations and maintenance cost over the last three fiscal years since the adoption of the Plan.

Fiscal Year	Operations and Maintenance Cost
2014/2015	\$1,303,010
2015/2016	\$1,332,178
2016/2017	\$1,506,346

The operations and maintenance budget has multiple components, with a majority of the funding supporting labor. The City contracts maintenance services to ensure proper cleaning of our wastewater lines and root cleaning of the City’s mains. Additional items that fall within operations and maintenance, that are not as significant as labor, include: the City’s Fat, Oil and Grease program, public outreach, lift station maintenance, and utilities, to name a few.

Reserve Funding

When the appropriate rate for sewer fees was determined, the City incorporated a reserve for unforeseen sewer main line replacement, lift station repairs, unscheduled maintenance, and major equipment repairs or replacement. As part of the Fiscal Year 2018/19 budget process, staff will be requesting the purchase of a new Vac-con truck to replace our current truck that has exceed its expected useful life. The new truck will cost approximately \$400,000.

Continued Funding

To support the capital improvements and the operations and maintenance of the sewer collection system the City has established rates that will increase on a yearly basis through fiscal year 2024/25.

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Rate per month	\$26.98	\$28.32	\$29.07	\$29.83	\$30.61	\$31.41	\$32.23	\$33.06	\$33.94	\$34.83
Annual Change in Rate	5.00%	5.00%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%

The City opted to front load the fund by having the first two years of the rates increase by 5% to build a stronger fund balance and then increase at a slower rate for the remainder of the 10-year period. Upon the completion of fiscal year 2024/25 the current rate of \$34.83 will remain unless the City opts to proceed with an updated collection system master plan and initiate a new rate study.

FISCAL IMPACT

There is no fiscal impact by receiving this report

CITY COUNCIL GOAL

Infrastructure

RESPECTFULLY SUBMITTED,



Daniel Gho
Public Works Director

REVIEWED BY,



Ben Harvey
CITY MANAGER