

**MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE**

City Hall, Council Chambers
Thursday, November 19, 2015 at 4:00 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:08p.m. Roll call was taken, with the following members in attendance:

Committee members: Jose Esteves, John Gatto, Pat Kolstad, Sam Liccardo, Jamie Matthews, Manh Nguyen, Pierluigi Oliverio, Dave Sykes, Steven Leonardis.

2. APPROVAL OF MINUTES

A. October 8, 2015

Item 2.A was approved to note and file.

Ayes – 8 (Esteves, Gatto, Kolstad, Liccardo, Matthews, Nguyen, Oliverio, Sykes)

Nays – 0

Absent – 1 (Leonardis)

David Wall spoke on this item.

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTORS REPORT

A. Directors Report (verbal)
Monthly progress report

There was no report. Kerrie Romanow introduced board members of the Burbank Sanitary District: Michelle Kaelker-Boor and Rene Prupes.

5. AGREEMENTS/ACTION ITEMS

A. San José- Santa Clara Regional Wastewater Facility Master Agreements

Amendments

Recommendation:

- (a) General discussion of interests and concerns related to the proposed amendments to the Master Agreement for the San José-Santa Clara Regional Wastewater Facility; and
- (b) Direct staff to return with the draft Amendment and Restatement of the Master Agreements to include amendments that would be necessary to secure State Revolving Fund loans and short term financing for the Tributary Agencies' obligation for the capital projects in FY 15-16; and

- (c) Direct staff to coordinate with the City of Santa Clara to evaluate the scope of the proposed amendments, and return to the City Council with recommendations on whether to proceed with negotiations, and a process and budget to negotiate the amendments as part of the FY 2016-2017 budget.

This item is scheduled for consideration by the City Council on December 1, 2015.

Staff (Nina Hawk, Jon Newby, and Richard Tanaka) from the Tributary Agencies made a presentation, followed by Kerrie Romanow, Director of the Environmental Services Department. The Cupertino and Burbank Sanitary District representatives expressed their desire to participate in financing, and request to begin negotiations on the proposed changes to the Master Agreement from the Tributary Agencies as part of the amendment to extend the term of the Agreements. There was general discussion that the scope of proposed changes from the Tributary Agencies would require extensive negotiations, and of the impact of a delay to extending the term of the Master Agreements on the timeline to deliver the upcoming Digester Rehabilitation project, and to the City's ability to execute a state revolving fund loan on behalf of all agencies by Spring 2016. TPAC discussed the timeline for negotiating the various proposals. Staff indicated that before they could proceed with negotiations, they would need time and resources to adequately analyze and solicit feedback from both the San José and Santa Clara city councils.

Michelle Kaelker-Boor of the Burbank Sanitary District, Angela Chen of the Cupertino Sanitary District, and David Wall spoke on this item.

On a motion by Committee Member Liccardo and a second by Committee Member Kolstad, to recommend approval of the Staff recommendations (a) & (b), and to modify recommendation (c) to the 2015-2016 Mid-Year Budget instead of FY 2016-2017.

Ayes – 5 (Kolstad, Liccardo, Matthews, Nguyen, Sykes)

Nayes – 3 (Esteves, Gatto, and Leonardis)

Absent -1 (Oliverio)

B. Approval of Final Proposer Ranking and Authorization to Negotiate the Design-Build Contract for the Cogeneration Facility Project at the San José- Santa Clara Regional Wastewater Facility

Staff Recommendation:

Adopt a resolution:

- (a) Approving the final proposer ranking for design-build firms for the Cogeneration Facility at the San José – Santa Clara Regional Wastewater Facility.

- (b) Authorizing the City Manager to negotiate the design-build contract for the Cogeneration Facility Project with CH2M HILL Engineers, Inc. (CH2M HILL)
- (c) Authorizing the City Manager to terminate negotiations with CH2M HILL, and to negotiate the design-build contract for the Cogeneration Facility Project with the second-ranked proposer, in the event that the City Manager determines that the City and CH2M HILL cannot agree upon the terms of the design-build contract.
- (d) Finding the Initial Study and Mitigated Negative Declaration for the San José-Santa Clara Regional Wastewater Facility (RWF) Cogeneration Project is complete, and was prepared in compliance with the California Environmental Quality Act (CEQA), and incorporating environmental mitigation measures as set forth in the Mitigation Monitoring and Reporting program for the project.

This item is scheduled for consideration by the City Council on December 1, 2015.

David Wall spoke on this item.

On a motion by Committee Member Sykes and a second by Committee Member Kolstad, to recommend approval of the staff recommendation for Item 5.B.

Ayes – 6 (Esteves, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)

Nays – 1 (Gatto)

Absent -1 (Oliverio)

C. Second Amendment for Legal Services Agreement for Regional Wastewater Facility Capital Program

Recommendation to:

Adopt a resolution authorizing the City Attorney to execute a Second Amendment to the legal services agreement with Hawkins, Delafield & Wood LLP, to modify the initial term of December 1, 2014 through December 1, 2015, to December 1, 2014 through June 20, 2016, to coincide with the fiscal year appropriations which will increase the amount available in the initial term to \$700,000, and to modify the number of option terms from two terms to one term, without increasing the total maximum amount of compensation of \$1,000,000 available under the contract, subject to appropriation of funds by City Council, to support the San José-Santa Clara Regional Wastewater Facility ("RWF") capital improvement program.

This item is scheduled for consideration by the City Council on December 1, 2015.

On a motion by Committee Member Sykes and a second by Committee Member Leonardis, to recommend approval of the staff recommendation for Item 5.C.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)
Nays – 0
Absent -1 (Oliverio)

D. Master Consultant Agreement with CDM Smith Inc. for Engineering and Construction Management Services for the “7701- Headworks Project” at the San José- Santa Clara Regional Wastewater Facility

Recommendation to:

Approve a master consultant agreement with CDM Smith Inc. to provide engineering and construction management services for the Headworks Improvements (including Headworks Critical Improvements) and New Headworks at the San José-Santa Clara Regional Wastewater Facility for a period beginning on the date of execution through December 31, 2022 in a total amount not to exceed \$9,670,000, subject to the appropriation of funds.

This item is scheduled for consideration by the City Council on December 1, 2015.

David Wall spoke on this item.

On a motion by Committee Member Leonardis and a second by Committee Member Liccardo, to recommend approval of the staff recommendation for Item 5.D.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)
Nays – 0
Absent -1 (Oliverio)

E. Report on Bids and Award of Contract for 7946- Process Water Pumps Replacement Project

Staff Recommendation:

1. Award of a construction contract for 7946 – Process Water Pumps Replacement Project to the low bidder, Anderson Pacific Engineering Construction, Inc., in the amount of \$382,100
2. Approval of a construction contingency of 15 percent in the amount of \$57,315.

This item is scheduled for consideration by the City Council on December 1, 2015.

On a motion by Committee Member Kolstad and a second by Committee Member Liccardo, to recommend approval of the staff recommendation for Item 5.E.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)
Nayes – 0
Absent -1 (Oliverio)

F. Execute An Open Purchase Order with ABB Inc.

Authorize the City Manager to:

- (a) Execute an Open Purchase Order with ABB Inc. (Wickliss, OH) for hardware repair, replacement, and rebuilding services for the Distributed Control Systems (DCS) at the Regional Wastewater Facility, for the term December 1, 2015 through November 30, 2016 in an amount not to exceed \$750,000 per year; and
- (b) Execute change orders to purchase additional parts and services subject to the appropriation of funds; and
- (c) Execute additional purchase orders for the subsequent annual purchase of hardware repair, replacement, and rebuilding services through November 30, 2018 subject to the appropriation of funds.

This item is scheduled for consideration by the City Council on December 1, 2015.

On a motion by Committee Member Leonardi and a second by Committee Member Sykes, to recommend approval of the staff recommendation for Item 5.F.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)
Nayes – 0
Absent -1 (Oliverio)

G. Clean Water State Revolving Fund Loan Application

Staff Recommendation:

Adopt the following resolutions:

- (a) Authorize the City Manager to execute and deliver documents to the State Water Resources Control Board to complete the financial assistance application for a Clean Water State Revolving Fund Loan to finance the Digester and Thickener Facilities Upgrade Project at the San José-Santa Clara Water Pollution Control Plant;
- (b) Declare the official intent of the City of San José to reimburse itself for certain capital expenditures related to the Digester and Thickener Facilities Upgrade Project from the proceeds of the Clean Water State Revolving Fund Financing Agreement Project Funds; and
- (c) Pledge revenues received from the San José Sewer Service and Use Charge, the City of Santa Clara, and from Outside Users that are deposited into the San José-Santa Clara Treatment Plant Fund pursuant to San José Municipal Code Chapter 4.80 and written agreements with these agencies for each agency's share of the capital cost including repayment of any and all Clean Water State

Revolving Fund financings for the Digester and Thickener Facilities Upgrade Project.

This item was considered by Council on November 10, 2015.

On a motion by Committee Member Liccardo and a second by Committee Member Leonardis, to recommend ratification of the staff recommendation for Item 5.G.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)

Nayes – 0

Absent -1 (Oliverio)

6. OTHER BUSINESS/CORRESPONDENCE

A. Request to Provide Presentation at November 19, 2015 Treatment Plant Advisory Committee Meeting

The Tributary Agencies submitted a request to provide a presentation regarding the Master Agreements for Item 5.A.

David Wall spoke on this item.

7. STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC

A. San José–Santa Clara Regional Wastewater Facility Capital Improvement Program Semiannual Status Report

Staff Recommendation:

Accept the semiannual status progress report on the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program (CIP) for the period January through June 2015.

The proposed report was accepted by Council on October 27, 2015.

David Wall spoke on this item.

B. Odor Control Implementation Plan for San José–Santa Clara Regional Wastewater Facility

Staff Recommendation:

(a) Adopt the Odor Control Implementation Plan for the San José-Santa Clara Regional Wastewater Facility (RWF).

(b) Direct staff to proceed with implementation of the Phase I odor control improvements, except for the odor control improvements for the Digested Sludge Dewatering Facility project, to achieve the adopted odor goals at the approved fence line for the RWF.

(c) Defer odor control improvements for the Digested Sludge Dewatering Facility project to mitigate on-site impacts at the southern odor fence line for the purpose of promoting development along the southern fence line until alternate funding sources can be identified to pay for the improvements.

(d) Defer consideration of the Phase II odor control improvements until the decommissioning of the lagoons and drying beds has been completed.

(e) Defer consideration of the Phase III odor control improvements until the extent of public access at Pond A18 and the proposed shoreline levee has been determined.

Ashwini Kantak and Jay Witherspoon presented on this item.

The proposed implementation plan was accepted by Council on October 27, 2015.

David Wall spoke on this item.

C. Purchase of California Carbon Allowances for 2014

Staff Recommendation:

Adoption of a resolution authorizing the City Manager to negotiate and execute an agreement between the City of San José and a carbon credit seller approved by the California Air Resources Board for the purchase of California Carbon Allowances for the San José-Santa Clara Regional Wastewater Facility as part of the California Cap-and-Trade Program for an amount not to exceed \$320,000.

The proposed resolution was accepted by Council on October 20, 2015.

David Wall spoke on this item.

D. First Amendment to the Master Agreement with Haley & Aldrich for Environmental Support Services

Staff Recommendation:

Approve the First Amendment to the Master Agreement with Haley & Aldrich, for environmental consulting services, increasing the amount of compensation by \$200,000, for a total agreement not to exceed \$450,000, with no extension on the term of the agreement, which expires on March 1, 2017.

The proposed amendment was accepted by Council on October 20, 2015.

David Wall spoke on this item.

E. Pond A18 and Shoreline Levee

Staff Recommendation:

Direct staff to enter into discussions with the Santa Clara Valley Water District on the terms of a memorandum of understanding related to Pond A18 and the Shoreline Levee to facilitate the implementation of the Shoreline Levee Study.

The proposed directive was accepted by Council on October 20, 2015.

David Wall spoke on this item.

F. Clean Water State Revolving Fund Loan Application Information Memorandum

Staff Recommendation:

Accept the informational memo regarding the status of the City's application to the State Water Resource Control Board for Clean Water State Revolving fund loan for the Digester and Thickener Facilities Upgrade project.

The recommendation was adopted by Council on November 10, 2015.

All Items under section 7 were approved to note and file.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)

Nayes – 0

Absent -1 (Oliverio)

8. REPORTS

A. Open Purchase Orders Greater Than \$100,000 (including Service Orders)

The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1.08 million and of services between \$100,000 and \$270,000.

Item 8.A. was approved to note and file.

Ayes – 8 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Matthews, Nguyen, Sykes)

Nayes – 0

Absent -1 (Oliverio)

9. **MISCELLANEOUS**

A. The next TPAC meeting is December 10, 2015, at 4:30 p.m. City Hall, Room 1734.

10. **PUBLIC COMMENT**

David Wall spoke on several items.

11. **ADJOURNMENT**

A. The Treatment Plant Advisory Committee adjourned at 5:45 p.m.

A handwritten signature in black ink, appearing to read "Jamie Matthews", with a long horizontal stroke extending to the right.

Jamie Matthews, Chair
TREATMENT PLANT ADVISORY COMMITTEE