

**SAN JOSE/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE**

CHUCK REED, CHAIR  
BOB LIVENGOOD, VICE-CHAIR  
KEVIN MOORE, MEMBER  
PATRICIA MAHAN, MEMBER  
MADISON NGUYEN, MEMBER

KEN YEAGER, MEMBER  
JOHN GATTO, MEMBER  
ED SHIKADA, MEMBER  
NORA CAMPOS, MEMBER

**AGENDA**

**4:30 p.m.**

**October 8, 2009**

**Room T-955**

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**1. ROLL CALL**

**2. MINUTES**

A. Minutes of June 11, 2009

**3. UNFINISHED BUSINESS**

A. McCarthy Property Status (Verbal Update)

**4. CORRESPONDENCE**

**5. REPORTS**

A. Open Purchase Orders Greater Than \$100,000  
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

**6. ACTION ITEMS**

A. Technical Committee Recommendation (Handout)

B. Action Item – TPAC Recommendation for Approval Requested

1. Nomination and election of TPAC Chair for the term of October 8, 2009 through June 10, 2010.

C. Action Item – TPAC Recommendation for Concurrence Requested

**The following item is scheduled to be approved by the San Jose City Council on October 6, 2009:**

1. Adoption of a resolution authorizing the Director of Environmental Services to:

- a. Award the Contract for the Arzino Ranch Demolition Project to the lowest responsive bidder in an amount not to exceed \$506,000, and approve a ten percent construction contingency, subject to the concurrence of the Treatment Plant Advisory Committee; and
  - b. Hear and decide any timely bid protest(s), to make the City's final determination as to lowest responsive and responsible bidder, or to reject all bids and re-bid the project.
2. Adoption of a resolution approving the Arzino Ranch Demolition Project and incorporating environmental mitigation measures as set forth in the Mitigation Monitoring and Reporting Program (MMRP) for the project.

D. Action Item – TPAC Recommendation for Approval Requested

**The following items are scheduled to be approved by the San Jose City Council on October 20, 2009:**

1. Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara Valley Water District (District) for cost sharing associated with water conservation programs in FY 2009-2010, under which the City will receive an amount not to exceed \$205,000 and the City will pay the District an amount not to exceed \$500,000 for a net cost to the City of \$295,000.
2. Approval of an amendment to the agreement with Mobile Modular Management Corporation to:
  - a. Extend the term of the agreement by six months to July 12, 2010, and
  - b. Increase the total maximum amount of compensation from \$98,856.93 to \$122,322.69
3. Adopt a resolution:
  - a. Authorizing the Director of Environmental Services to execute a first amendment to the New Construction of Various Equipment 2008-2009 Contract with Anderson Pacific Engineering and Construction Inc. to:
    1. Change the contract term from a one year term with the option of two additional one year terms to a two year contract term.
    2. Modify the compensation to enable the payment of the total contract amount up to \$1,450,930.00 over a two year term instead of paying the total contract amount over a one year term with two optional one year terms

E. Informational Item – TPAC Item Previously Recommended for Approval

**The following items were approved by the San Jose City Council on June 23, 2009:**

1. Proposed Capital Improvement Program – 2010-2014
2. Proposed Operating and Maintenance Budget – 2009-2010
3. Adopt a resolution authorizing the City Manager to negotiate and execute an amendment to the Agreement with International Disposal Corporation of California, Inc. to:
  - a. Provide for the disposal of grease, grit, and screening, and the beneficial reuse of biosolids from the Water Pollution Control Plant, at an estimated annual expenditure of \$1,614,520 for Fiscal Year 2009-2010.
  - b. Reflect changes to the residential and commercial solid waste management program including, but not limited to, enabling the exclusive commercial franchisees to use the City's disposal capacity at the Newby Island Landfill at the City's rate, clarifying the compensation for baled residential recycling residue, providing for the processing of certain waste generated from the performance of municipal services, and redefining the basis for reimbursement of regulatory costs.
4. Direction to staff to explore feasibility, options and terms and conditions for an agreement that would allow International Disposal Corporation of California, Inc., to deliver leachate from Newby Island Sanitary Landfill to the San José/Santa Clara Water Pollution Control Plant and for the delivery of recycled water from the Plant to Newby using existing pipelines.
5. Adoption of a resolution authorizing the Director of Public Works to negotiate and execute Contract Change Order No. 6 with Zolman Construction and Development, Inc. for the Environmental Services Building Repair Project in an amount not to exceed \$325,000 to replace the existing damaged vinyl floor in the laboratory area of the building with ceramic floor tile and to install new, upgraded data/voice cabling and a security system.
6. Increase the project funding by \$325,000, and contingency authorization from 15% to 24% for a total project contingency of \$865,000.
7. Increase the project delivery funding by \$50,000 for a total project delivery cost of \$1,094,000.

F. Informational Item – TPAC Item Previously Recommended for Approval

**The following items were approved by the San Jose City Council on May 19, 2009.**

1. Approve an ordinance amending Chapter 15.14 of Title 15 of the San Jose Municipal Code to limit the discharge of dental amalgam into the sanitary sewer system and to require the installation of dental amalgam separators in certain dental offices.

2. Approve an ordinance amending Chapter 15.14 of Title 15 of the San Jose Municipal Code to revise provisions related to the discharge of grease into the sanitary sewer system, to establish requirements for food service establishments related to installation or upgrade of grease control devices, and to establish maintenance and recordkeeping requirements for grease control devices.
3. Approve the first amendment to the agreement with David J. Powers & Associates for environmental consultant services for various Environmental Services Department (ESD) projects by increasing the total compensation by \$250,000, from \$250,000 to an amount not to exceed \$500,000.

7. **MISCELLANEOUS**

- A. The next TPAC meeting will be Thursday, November 12, 2009, at 4:30 p.m. City Hall, Environmental Services, 10<sup>th</sup> Floor, Room 1047.

8. **OPEN FORUM**

9. **ADJOURNMENT**

NOTE: If you have any changes or questions, please contact Monica Perras, Environmental Services, 408-975-2515.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please call Monica Perras at (408) 975-2515 or (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

**Availability of Public Records.** All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at San Jose City Hall, 200 East Santa Clara Street, 10<sup>th</sup> Floor, Environmental Services at the same time that the public records are distributed or made available to the legislative body.

**DRAFT**  
**MINUTES OF THE**  
**SAN JOSÉ/SANTA CLARA**  
**TREATMENT PLANT ADVISORY COMMITTEE**  
City Hall, Environmental Services, 10<sup>th</sup> Floor, Room 1047  
Thursday, June 11, 2009 at 4:30 p.m.

**1. ROLL CALL**

Minutes of the Treatment Plant Advisory Committee convened this date at 4:30 p.m. Roll call was then taken, with the following members in attendance:

Committee members: Chuck Reed (Chair), Bob Livengood (Vice Chair), Kevin Moore, Patricia Mahan, Madison Nguyen, Ed Shikada, John Gatto, Nora Campos.

Staff present: Monica Perras, Dale Ihrke, Bhavani Yerrapotu, Mansour Nasser, John Stufflebean, Walter Rossmann, Jo Zientek, Mollie Dent, Kate Drayson, Napp Fukuda, Kristen Yasukawa.

Others present: Dave Sykes, Paul Marino, (City of San Jose) Alan Kurotori, (City of Santa Clara), John Ryan (CH2MHill), Emily Hanson, (Zero Waste), Erik Schoennauer, Steve Machida, (Cupertino Sanitary District), Kathleen Phalen (City of Milpitas), David Wall (San José City Resident).

**2. APPROVAL OF MINUTES**

Minutes of May 14, 2009.

Motion by Committee member Gatto and Second by Committee member Moore to accept the minutes of May 14, 2009. Committee Member Reed was not present.

**3. UNFINISHED BUSINESS**

**4. CORRESPONDENCE**

**5. REPORTS**

Committee Member Reed arrives.

- A. Open Purchase Orders Greater Than \$100,000  
The attached monthly Procurement and Contract Activity Report summarizes the purchase and contracting of goods with an estimated value between \$100,000 and \$1 million and of services between \$100,000 and \$250,000.

Item was accepted by unanimous vote.

**6. AGREEMENTS**

- A. Technical Committee Recommendation (Handout)  
Item was accepted by unanimous vote.

B. Action Items – TPAC Recommendation for Approval Requested

**The following items were scheduled to be approved by the San Jose City Council on June 16, 2009:**

1. Adopt a resolution authorizing the City Manager to negotiate and execute a Memorandum of Understanding between the City of San Jose and Zero Waste Energy Development Company, Inc., regarding their intent to develop lease terms for use of approximately 40 acres of a closed landfill site located on San Jose/Santa Clara Water Pollution Control Plant buffer-lands, for a biogas facility and the process for bringing the lease forward for Council and other required approvals and any amendments to the master agreement with the tributary agencies, if needed.
2. Report on bids and award of construction contract for the project entitled “San José/Santa Clara Water Pollution Control Plant, FY 2008-2009 Capital Improvement Program, Waste Heat Recovery Boiler A-1 Replacement,” to the low bidder, Bay City Boiler & Engineering Co. Inc., in the amount of \$ 136,000, and approval of a 10% contingency in the amount of \$13,600.
3. Report on bids and award of construction contract for the project entitled “San José/Santa Clara Water Pollution Control Plant, FY 2008-2009 Capital Improvement Program, Nitrification Gate and Channel Aeration Improvements Project,” to the low bidder, Pacific Infrastructure, in the amount of \$1,684,000, and approval of a 15% contingency in the amount of \$253,000.

Items 6.B.1, 2 & 3 were recommended for approval by unanimous vote.

C. Action Items – TPAC Recommendation for Approval Requested

**The following items were scheduled to be approved by the San Jose City Council on June 23, 2009:**

1. Proposed Capital Improvement Program – 2010-2014
2. Proposed Operating and Maintenance Budget – 2009-2010
3. Adopt a resolution authorizing the City Manager to negotiate and execute an amendment to the Agreement with International Disposal Corporation of California, Inc. to:
  - a. Provide for the disposal of grease, grit, and screening, and the beneficial reuse of biosolids from the Water Pollution Control Plant, at an estimated annual expenditure of \$1,614,520 for Fiscal Year 2009-2010.

- b. Reflect changes to the residential and commercial solid waste management program including, but not limited to, enabling the exclusive commercial franchisees to use the City's disposal capacity at the Newby Island Landfill at the City's rate, clarifying the compensation for baled residential recycling residue, providing for the processing of certain waste generated from the performance of municipal services, and redefining the basis for reimbursement of regulatory costs.
4. Direction to staff to explore feasibility, options and terms and conditions for an agreement that would allow International Disposal Corporation of California, Inc., to deliver leachate from Newby Island Sanitary Landfill to the San José/Santa Clara Water Pollution Control Plant and for the delivery of recycled water from the Plant to Newby using existing pipelines.

Items 6.C.1, 2 & 3 (a,b) & 4 were recommended for approval by unanimous vote.

5. Adoption of a resolution authorizing the Director of Public Works to negotiate and execute Contract Change Order No. 6 with Zolman Construction and Development, Inc. for the Environmental Services Building Repair Project in an amount not to exceed \$325,000 to replace the existing damaged vinyl floor in the laboratory area of the building with ceramic floor tile and to install new, upgraded data/voice cabling and a security system.
6. Increase the project funding for the ESB Repairs Project by \$325,000, and contingency authorization from 15% to 24% for a total project contingency of \$865,000.
7. Increase the project delivery funding for the ESB Repairs Project by \$50,000 for a total project delivery cost of \$1,094,000.

Items 6.C.5, 6 & 7 were accepted as late submissions and recommended for approval by unanimous vote.

D. Informational Item – TPAC Item Previously Recommended for Approval

**The following items were approved by the San Jose City Council on May 19, 2009.**

1. Approve an ordinance amending Chapter 15.14 of Title 15 of the San Jose Municipal Code to limit the discharge of dental amalgam into the sanitary sewer system and to require the installation of dental amalgam separators in certain dental offices.
2. Approve an ordinance amending Chapter 15.14 of Title 15 of the San Jose Municipal Code to revise provisions related to the discharge of grease into the sanitary sewer system, to establish requirements for food service establishments related to installation or upgrade of grease control devices, and to establish maintenance and recordkeeping requirements for grease control devices.
3. Approve the first amendment to the agreement with David J. Powers & Associates for environmental consultant services for various Environmental Services Department (ESD) projects by increasing the total compensation by \$250,000, from \$250,000 to an amount not to exceed \$500,000.

Report on Items 6.D.1, 2 & 3 was accepted by unanimous vote.

7. MISCELLANEOUS

- A. The July 9, 2009 TPAC meeting was proposed to be cancelled.

8. PUBLIC COMMENT

10. ADJOURNMENT

- A. The Treatment Plant Advisory Committee adjourned at 4:42 p.m.

Chuck Reed, Chair  
Treatment Plant Advisory Committee

**City Manager's Contract Approval Summary**  
**For Procurement and Contract Activity between \$100,000 and \$1 Million for Goods and \$100,000 and \$250,000 for Services**

May 24, 2009- Sept 23, 2009

Description of Contract Activity <sup>1</sup>	Fiscal Year	Req#/ RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount
ABB DCS Training & Service	FY08-09	<del>09693</del> 11014		ABB Automatic	\$216,500			
	FY09-10	09734	OP 43213	Badger Meter	\$400,000			
LIQ Sodium Hypochlorite	FY09-10	09727	OP43761	Olin Corporation	\$500,000			
400 TONS O F IND'L GRD 19% AQUA AMMONIA	FY09-10	09554	OP43665	Hills Bros Corp	\$150,000			
Bulk Liquid Chlorine	FY09-10	09555	OP43818	Olin Corporation	\$450,000			
25% Sodium Bisulfite	FY09-10	09728	OP43728	Basic Chemical Solution	\$100,000			
Fuel & Petroleum	FY09-10	09645	OP43411	Western States Oil Co	\$275,000			
Fuel & Petroleum	FY09-10	09650	OP43413	Valley Oil Company	\$150,000			
Repair Joints / Cracked Concrete	FY09-10	09657	OP 43097	Tucker Construction	\$150,000			
Electrical Parts/ Supplies	FY09-10	09663	OP 43259	Buckles Smith Electric	\$180,000			
Electrical Parts/ Supplies	FY09-10	09667	OP 43261	Graybar Electric Company	\$130,000			
Test Repair/ Parts Equipment	FY09-10	09684	OP43915	Vincent Electric	\$120,000			
Paintings and Sand Blasting Project	FY09-10	10283		Redwood Painting Company	\$200,000			
Fuel & Petroleum	FY09-10	09679	OP43415	Coast Oil Company	\$140,000			
Office Furniture	FY09-10	10767		Western Contract Interiors	\$462,000			
Office Furniture	FY09-10	10768		Western Contract Interiors	\$132,880			

<sup>1</sup> This report captures in process contract activity (Requisition Number or RFP Number) and completed contract activity (Purchase Order Number, Contract Term, and Contract Amount)



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean  
Katy Allen

**SUBJECT:** SEE BELOW

**DATE:** 09-14-09

Approved

Date

9/18/09

**COUNCIL DISTRICT:** Citywide

**SUBJECT: AWARD OF PROJECT AND ARZINO RANCH DEMOLITION –  
APPROVAL OF PROJECT AND ENVIRONMENTAL MITIGATION  
MEASURES.**

## RECOMMENDATION

- a. Adoption of a resolution authorizing the Director of Environmental Services to:
  1. Award the Contract for the Arzino Ranch Demolition Project to the lowest responsive bidder in an amount not to exceed \$506,000, and approve a ten percent construction contingency, subject to the concurrence of the Treatment Plant Advisory Committee; and
  2. Hear and decide any timely bid protest(s), to make the City's final determination as to lowest responsive bidder, or to reject all bids and re-bid the project.
  
- b. Adoption of a resolution approving the Arzino Ranch Demolition Project and incorporating environmental mitigation measures as set forth in the Mitigation Monitoring and Reporting Program (MMRP) for the project.

## OUTCOME

Approval of this construction contract will, subject to the concurrence of the Treatment Plant Advisory Committee, allow the Arzino Ranch Demolition project to proceed. Approval of a ten percent contingency will provide funding for unforeseen work necessary for the proper completion of the Project. Approval of the project and incorporation of the MMRP will allow the project to satisfy all of the environmental requirements for the project.

## BACKGROUND

The City of San José purchased the Arzino Ranch property, located at 201 Nortech Parkway, on behalf of the Treatment Plant in the early 1970s. The property is located adjacent to the San José Santa Clara Water Pollution Control Plant and is currently

considered to be part of the Plant buffer lands. The property was leased from the City of San José by the Arzino family from about 1978 through 2008 for a horse boarding business. The City terminated the lease with the Arzino family in 2008 in part because of numerous code violations but also because the Water Pollution Control Plant ("Plant") would like to return the property to a semi-natural state as part of the facility Master Plan. The Plant also wishes to remove the improvements because the abandoned structures and other improvements on the site occasionally attract trespassers.

### ANALYSIS

The proposed project is to demolish the various ranch buildings and related improvements located at the former Arzino Ranch site. The area to be demolished is approximately ten acres. There are numerous structures on the property that are in various states of disrepair and none of them are considered to be historically significant. As expected with older structures, several of them have either lead or asbestos contamination that will require remediation prior to demolition. The related Hazmat remediation is therefore included in the scope of this proposed project.

Demolishing the structures including removal of concrete slabs followed by soil stabilization measures will return the property to a state similar to surrounding Plant buffer lands and eliminate the current attractive nuisance aspect of the property.

The engineer's estimate for this proposed project is \$506,000 inclusive of all Hazmat remediation, demolition, rough grading and soil stabilization. Due to the limited nature of the project and associated environmental requirements, there are no suitable add-alternates for this project. The engineer's estimate assumes that the current competitive bidding market will result in a minimum of 15% savings over the baseline estimate. With many recent projects bidding at between 20% and 30% or more under engineer's estimates, staff feels that this is a conservative approach.

In order to meet the project schedule and avoid the burrowing owl nesting season, it is imperative that the demolition contract be awarded in October 2009. Bid opening is scheduled on October 1, 2009, and the bid protest period will expire on October 10.

For these reasons staff is asking Council to delegate authority to the Director of Environmental Services to hear and decide any bid protest, to make the City's final determination as to lowest responsive bidder, or to reject all bids and re-bid the project.

The specifications for the project will include the following process regarding bid protest:

1. Bid results and Notification of Intent to Award contract to Apparent Low Bidder by the Director of Environmental Services will be posted on the Department Hotline website.
2. All bidders will be emailed or faxed a copy of the Notification of Intent to Award contract and will have 5 days to file a formal written bid protest.

3. The Director of Environmental Services will then hear any timely bid protests, including and issues of the bidder responsiveness or responsibility and then award the contract after.

### EVALUATION AND FOLLOW-UP

This project is currently in budget and on schedule. No additional follow up action with the Council is expected at this time.

### PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This project does not meet any of the above Criteria, but this memorandum will be posted on the City's website for the October 6, 2009 Council agenda. This item is scheduled to be heard at the October 8, 2009 Treatment Plant Advisory Committee meeting.

### COORDINATION

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, the City Manager's Budget Office, and the City Attorney's Office. This project and memorandum are scheduled to be considered by the Treatment Plant Advisory Committee on October 8, 2009.

### COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:	<b>Not to exceed \$506,000*</b>
Project Delivery	\$138,000
Construction	506,000
Contingency	50,600
<b>TOTAL PROJECT COST</b>	<b>\$694,600</b>
Prior Year Expenditures	(87,000)
<b>REMAINING PROJECT COSTS</b>	<b>\$607,600</b>

\* Authorization to Award is being requested for the Director of Environmental Services.

2. COST ELEMENTS OF CONSTRUCTION CONTRACT: A Lump Sum Contract
3. SOURCE OF FUNDING: 513 – San Jose Santa Clara Treatment Plant Operating Fund
4. OPERATING COSTS: Existing funds are available for this project. No additional appropriation action is required within the Treatment Plant Operations & Maintenance Fund; and this project will have no impact on the General Fund.

**BUDGET REFERENCE**

Fund #	Appn #	Appn Name	RC #	Total Appn	Amt. for Contract	Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				\$607,600			
<b>Remaining Funding Available</b>							
513	0762	ESD Non-Personal/Equipment	971871	\$36,207,625	\$506,000	VIII-64	6/23/2009, 28593
<b>Total Current Funding Available</b>				\$36,207,625			

\* The 2009-2010 Operating Budget was adopted by Council on June 23, 2009.

HONORABLE MAYOR AND CITY COUNCIL  
09-14-09  
Subject: Award of Arzino Ranch Demolition Project  
Page 5

**CEQA**

CEQA: Mitigated Negative Declaration, File No. PP08-286

Planning has issued a mitigated negative declaration for this project. The mitigated negative declaration identifies a number of mitigations that need to be implemented in order to address environmental impacts. These mitigation measures and their manner of implementation are identified in the Mitigation Monitoring and Reporting Program for the project. These mitigations will be incorporated into the project design and the construction documents. As part of today's action, staff is requesting Council to approve these mitigations and their manner of implementation, as set forth in the Mitigation Monitoring and Reporting Program, and direct the implementation of these mitigations as part of the project.

/s/  
KATY ALLEN  
Director, Public Works

/s/  
JOHN STUFFLEBEAN  
Director, Environmental Services

For questions please contact Jon Newby, Mechanical Maintenance Division Manager, at 408-945-5160, or Dave Sykes, Assistant Director of Public Works, at 408-535-8300.



# Memorandum

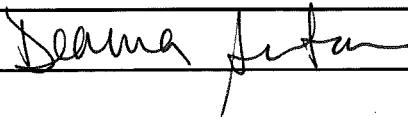
**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT: COST SHARING AGREEMENT  
WITH WATER DISTRICT FOR  
WATER CONSERVATION**

**DATE:** 09-28-09

Approved



Date

10/1/09

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara Valley Water District (District) for cost sharing associated with water conservation programs in FY 2009-2010, under which the City will receive an amount not to exceed \$205,000 and the City will pay the District an amount not to exceed \$500,000 for a net cost to the City of \$295,000.

## OUTCOME

In support of the Treatment Plant's National Pollutant Discharge Elimination System (NPDES) permit, programs administered by both the District and the City under this agreement could achieve up to 233,000 gallons per day of measurable flow savings in the Plant Service Area. The agreement will also support the City's goals identified in the City's Water Conservation Plan and the City's Green Vision Goal #6 (Recycle or beneficially reuse 100 percent of our wastewater), as part of the wastewater discharge reductions in that goal.

This agreement will help achieve two desired outcomes for the Environmental and Utility Services core service area: 1) Safe, Reliable and Sufficient Water Supply; and 2) Healthy Streams, River, Marsh and Bay.

## BACKGROUND

Since January 1996, the City has achieved water conservation savings through financial incentives and cost sharing agreements in cooperation with the District. In addition to the reduced wastewater flows, water conservation reduces the City's total demand for potable water, which given expected population and economic growth, is expected to exceed available supply by 2030 (or sooner, depending on availability of future imported supplies). Cost-sharing with the

District has been a cost-effective strategy to implement water conservation rebates and other incentives in the Plant's service area, because it capitalizes on the District's staffing resources to administer several programs, while sharing costs in programs administered by the City.

### **ANALYSIS**

#### **Payment to the District**

Under this agreement, the City will reimburse the District for wastewater flow reduction through specific District administered programs, such as rebates for high efficiency clothes washers and high efficiency toilets and urinals, submeters for mobile home parks and apartment buildings, and water use surveys for residents and businesses. The City's reimbursement will be based on a pre-determined flat rate for each program as listed in the Agreement. Using flat reimbursement rates will reduce administrative costs for the City. Staff will still track quantifiable wastewater reductions for each program. Goals for the wastewater reduction by each program are listed in the Attachment.

The total not to exceed amount for reimbursement to the District for these programs is \$500,000.

#### **Reimbursement to the City**

Under the agreement, the District will reimburse the City up to \$175,000 to cover 50% of the City's cost (not including administration) for the Water Efficient Technology rebates administered by the City within the Plant Service Area. Also, the District will provide complete reimbursement for the City's Neighborhood Preservation Water Conservation Program in an amount not to exceed \$30,000. This program provides vouchers to low-income San José homeowners who have received a citation under the City's Neighborhood Preservation Ordinance and who have improved their front yards in water-efficient ways. The program supports the City's Strong Neighborhoods Initiative.

The total not to exceed amount for District reimbursement to the City is \$205,000.

### **EVALUATION AND FOLLOW-UP**

Staff will track wastewater flow reduced in the Plant service area as a result of the programs under this agreement. This performance measure is reported annually in the Environmental and Utility Services CSA, Core Service: Protect Natural and Energy Resources.

### **POLICY ALTERNATIVES**

Staff considered the following three alternatives in developing the recommendation.

*Alternative # 1:* Solely develop, implement and fund water conservation programs.

**Pros:** Direct control over which water conservation programs are developed and implemented.

**Cons:** Increase in costs and staff time to implement or manage program contracts.

**Reason for not recommending:** The cost-sharing agreement is more efficient and cost effective.

**Alternative # 2:** Develop, implement and fund water conservation programs at a greatly reduced level.

**Pros:** Decrease in program costs and staff time.

**Cons:** Less water conserved, higher wastewater flows, fewer services offered to the community.

**Reason for not recommending:** Reduction in achievable water conservation, potentially increasing future water demand, and increasing wastewater flows and treatment costs.

**Alternative # 3:** Cease to offer and fund water conservation programs.

**Pros:** Elimination of associated program costs and staff time.

**Cons:** Increased wastewater flow and increased demand for future water supply. Ongoing education and conservation efforts would lose momentum.

**Reason for not recommending:** Elimination of the water conservation programs may require amendment of the Plant's NPDES Permit. Also, uncertainties and challenges to the City's water supply and reliability present a need for continued water conservation.

### **PUBLIC OUTREACH/INTEREST**

This action does not meet any of the criteria below.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

### **COORDINATION**

This agreement and memorandum have been coordinated with the City Attorney's Office, Risk Management, and the City Manager's Budget Office and is scheduled to be heard at the October 8, 2009 Treatment Plant Advisory Committee meeting.

**FISCAL/POLICY ALIGNMENT**

This agreement supports activities that align with several City policies and regulatory requirements, including: 1) City's Green Vision; 2) Water Pollution Control Plant NPDES Permit; 3) City's Water Conservation Plan; 4) San José Municipal Water System Urban Water Management Plan; and 5) Urban Environmental Accords Actions 19 and 20.

**COST SUMMARY/IMPLICATIONS**

The total reimbursement from City funds for District administered programs will not exceed \$500,000. Reimbursement from the District for City administered programs will be up to \$205,000, for a net cost to the City of \$295,000. Funding for this agreement is included in the Environmental Services Department Adopted 2009-2010 Operating Budget.

This recommendation meets the general principles of the Council approved budget strategy to protect vital core City services (Environmental Services: Protect Natural and Energy Resources).

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2009-2010 Proposed Budget Page	Last Budget Action (Date, Ord. No.)
513	0762	Non-Personal/ Equipment	\$36,207,625	\$500,000	X1-78	6/23/2009, Ord. No. 28593

**CEQA**

Not a project.

/s/  
JOHN STUFFLEBEAN  
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, at (408) 277-4218.

Attachment

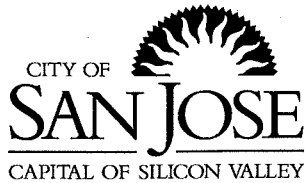
## Attachment

### Goals and Costs of Cost-Shared Programs

Under this agreement the City will reimburse the District up to \$500,000 for programs administered by the District, and the District will reimburse the City up to \$205,000 for programs administered by the City. The tables below list the cost-shared programs, with the goal in gallons of flow reduced annually (for programs that have established water savings estimates) or number of units completed (for programs without established water savings estimates). The total costs to each agency are also shown as estimated if these goals are reached.

<b>District-Administered Programs</b>	<b>Total Goals</b>	<b>District Cost if Goals are Reached (not including administration)</b>	<b>City Cost if Goals are Reached</b>
Residential Clothes Washers	61,250 gallons	\$437,500	\$140,000
Residential High Efficiency Toilets	57,442 gallons	\$344,750	\$122,500
Commercial Clothes Washers	11,505 gallons	\$52,500	\$17,500
Commercial High Efficiency Toilets	66,675 gallons	\$336,000	\$105,000
Water Submeter Rebates	35,700 gallons	\$70,000	\$28,000
Commercial High Efficiency Urinals	228 urinals	\$64,750	\$20,125
Water-Wise House Call Surveys for residents	1050 surveys	\$78,750	\$26,250
Water Use Surveys for businesses, schools, etc.	53 surveys	\$183,750	\$39,375
<b>Total</b>		<b>\$1,568,000</b>	<b>\$498,750</b>

<b>City-Administered Programs</b>	<b>Total Goal</b>	<b>Total City Cost (not including administration)</b>	<b>District Cost Share</b>
Water Efficient Technologies rebates	14 projects	\$350,000	\$175,000
Neighborhood Preservation vouchers	20 vouchers	\$0	\$30,000
<b>Total</b>		<b>\$400,000</b>	<b>\$230,000</b>



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** John Stufflebean  
Peter Jensen

**SUBJECT:** SEE BELOW

**DATE:** 09-28-09

Approved

Date

10-2-09

**COUNCIL DISTRICT:** City-wide

**SUBJECT: APPROVAL OF AN AMMENDMENT TO EXTEND TRAILER LEASE AT  
THE WATER POLLUTION CONTROL PLANT**

## RECOMMENDATION

Approval of an amendment to the agreement with Mobile Modular Management Corporation to:

- A. Extend the term of the agreement by six months to July 12, 2010, and
- B. Increase the total maximum amount of compensation from \$98,856.93 to \$122,322.69

## OUTCOME

Approval of the amendment to the agreement with Mobile Modular Management Corporation will allow Environmental Services Department (ESD) staff to continue occupying existing office spaces located in a trailer being leased from Mobile Modular Management Corporation, without disruption of services while permanent office space is being made available.

## BACKGROUND

In early 2008, General Services, at the request of the Environmental Services Department, bid and awarded a minor public works agreement with Mobile Modular Management Corporation for the lease and installation of a 60 foot by 72 foot trailer to accommodate additional program staff hired to implement the asset management program, and capital program at the Plant. The term of the agreement is for a period of up to 24 months from the date of execution by the City to March 28, 2010, with a maximum compensation not to exceed \$98,856.

The agreement provides that the lease of the trailer is to expire on January 12, 2010, and that the trailer must be vacated by December 12, 2009. This was done so that all dismantling and

removal activities and final invoice payments could be completed by March 28, 2010. Under the proposed amendment the lease and all activities must be completed by July 12, 2010, so there will be no separate termination date for the trailer.

Temporary office space is needed until the Environmental Services Building Repair project is completed and all necessary tenant improvements made thereafter. The Environmental Services Building is expected to be ready for move-in by December 2009. The move-in is planned in phases over two months to avoid significant disruption to the critical laboratory and program services to the Plant. At the current monthly lease rate the maximum compensation limits of the contract would be reached by January 12, 2010, requiring the vacating of the trailer space by early December.

### **ANALYSIS**

Staff has been negotiating with Mobile Modular Management Corporation to maintain the current monthly lease rate of \$3,579.83 and Mobile Modular Management Corporation has agreed to that amount. To allow additional flexibility for the completion of the repair project and phased move-in, staff is requesting the agreement be extended by a period of up to six months with an option to terminate early if appropriate depending on the move schedule for the various teams vacating the trailer space. Including sales tax and with the six month lease extension, the additional cost to rent the trailer is \$23,465.76.

### **EVALUATION AND FOLLOW UP**

No follow up items are anticipated with Council at this time.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: web Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing, that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers).**

This action does not meet any of the above criteria. This memo has been posted on the City's website for October 20, 2009 Council Agenda.

09-28-09

Subject: Approval of Amendment to Extend Trailer Lease at WPCP

Page 3

**COORDINATION**

This project and memorandum have been coordinated with City Manager's Budget Office and the City Attorney's Office. This item is scheduled to be heard at the October 8, 2009 Treatment Plant Advisory Committee meeting.

**COST IMPLICATIONS**

The monthly rent of the lease will be \$3,910.96 (including sales tax) for a total of \$23,465.76.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2009-20010 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
513	0762	ESD Non-Personal/ Equipment	4000000 941800	\$36,207,625	\$23,465	XI-78	6/23/2009, 28593
<b>Total Current Funding Available</b>				<b>\$36,207,625</b>			

**CEQA**

Not a project.

/s/  
JOHN STUFFLEBEAN  
Director, Environmental Services Department

/s/  
PETER JENSEN  
Director, General Services Department

For questions please call Matt Morley, Deputy Director of General Services, at (408)535-1298.



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 09-28-09

Approved

Date

10-2-09

**COUNCIL DISTRICT:** Citywide

**SUBJECT: FIRST AMENDMENT TO THE NEW CONSTRUCTION CONTRACT WITH ANDERSON PACIFIC ENGINEERING CONSTRUCTION, INC. FOR NEW CONSTRUCTION OF VARIOUS EQUIPMENT 2008-2009.**

## RECOMMENDATION

Adopt a resolution:

(a) Authorizing the Director of Environmental Services to execute a first amendment to the New Construction of Various Equipment 2008-2009 Contract with Anderson Pacific Engineering and Construction Inc. to:

- (1) Change the contract term from a one year term with the option of two additional one year terms to a two year contract term.
- (2) Modify the compensation to enable the payment of the total contract amount up to \$1,450,930.00 over a two year term instead of paying the total contract amount over a one year term with two optional one year terms.

## OUTCOME

Approval of this amendment to the contract will enable the timely construction, replacement and repair of critical infrastructure at the San Jose/Santa Water Pollution Control Plant (Plant).

## BACKGROUND

On April 21, 2009, Council approved a contract with Anderson Pacific Construction Inc., in an amount not to exceed \$450,930 for a one year term, with an option to extend the contract by two

additional one year terms for an amount not to exceed \$500,000 per term, for a total contract amount up to \$1,450,930. The purpose of this contract is to provide an efficient project implementation vehicle for the various new construction projects at the Plant, that include emergency and non-emergency repairs and replacement of various piping, valves, equipment etc., on a time and materials basis. The term of the contract was based on previously completed condition assessments and information at the time regarding work needs.

## ANALYSIS

Since the award of this contract, the Plant has implemented an aggressive process optimization and reliability improvement effort to attain the 20% reduction in energy goal over the next two years and eventually meet the City's Green Vision of 50%. The Plant is also preparing to implement demonstration and pilot projects that will verify actual conditions for performance and demonstrate actual process reliability. These projects include routing the supernatant from the Residual Solids Management Facility through Area E before returning to the Plant, and enhanced control of nitrification air valves to reduce air consumption, a primary use of energy for in the treatment process. These projects have a positive return on investment of two years or less where the costs of construction result in savings equal to the costs of construction. The rapid implementation of these projects has cost \$310,200 to date with another \$200,000 in projects that are ready for construction upon execution of this amendment, which exceeds the amount remaining available under the existing contract.

The Plant's Master Plan team has also identified the need to initiate process method pilot studies to determine the most effective approaches for modifying existing processes. These pilots include modification of existing process facilities to pilot different technologies. The piloting of these unit processes determines the best unit process for the Plant's solids processing to reduce the risk of implementing a process Plant-wide that does not meet performance expectations. Given the significant Plant investment for these process changes, piloting will verify assumptions, identify other issues and lead to the best suited process and greater probability of a smooth start up when initiated.

This contract will also enable the Plant to respond to critical repairs in a number of process areas, which require a shutdown before maintenance can be performed. Currently, the nitrification area of Biological Nutrients Removal (BNR) treatment is been shut down for maintenance and repair. With the process shut down, staff now has access to areas previously not available for inspection due to submergence with Plant influent. These inspections have identified the need for critical process repairs not known prior to the process shut down. Examples of these include failed and delaminating concrete in channels of nitrification, and corrosion failure in nitrification composed of air piping in aeration tanks and drain valves. Additional shut downs of critical processes are scheduled over the next two years that staff anticipates will result in similar findings based on past experiences.

Given the rapid implementation schedule for the above projects, staff sees that the remaining \$1,000,000, under the contract will be needed sooner than originally contemplated. The

proposed amendment will enable the Plant to respond to these critical repairs within the shut down period and return the process to normal operation.

### **Changing the Term of the Contract**

The existing contract provides the City with the flexibility to perform needed repairs and installation of new equipment at the Plant when and where they are needed. Over the next nineteen months, additional projects are projected that will reduce energy consumption and improve plant reliability as discussed above. Modifying the term of the agreement from a one year term with two additional one year options to a two year term will enable staff to rapidly implement these projects by allowing the use of a in place contract with available funds. This ability to rapidly implement projects benefits the City in the following six areas:

- Immediate response to process failure as a result of aging infrastructure to reduce down time of critical equipment for the treatment of wastewater.
- Takes immediate advantage of energy reduction and increase efficiency of various treatment processes such as reductions in air used in treatment, reduced loading of nutrients, and equalization of flow allowing for expedited benefit of decreased energy cost consistent with the two year 20% energy reduction goal.
- Allows the City to take advantage of competitive material pricing as a result of the down turn in the economy.
- Enables staff to carry out newly identified work developed by the process reliability and improvement studies and respond to unknown critical repairs found during Plant shut downs of critical process such as Nitrification BNR, A & B side, Secondary BNR B side, and Backwash equalization basin.
- Provides contract resources to complete new construction and equipment replacements to address high rag loadings associated with high flows caused by heavy rainfall associate with El Niño year creating high flow conditions.

Accelerating the implementation of these projects will allow the Plant to realize the energy reduction goal of 20% by 2012, as set forth in the Energy Strategic Plan.

### **Change in Compensation**

The proposed amendment will not increase the total contract amount of \$1,450,930.00. The amendment modifies the contract by changes the term from a potential three year term to two years with a proposed completion date of April 21, 2011. Instead of being paid in increments of \$450,930, \$500,000, and \$500,000 over a potential three year term, the contractor may be paid up to \$1,450,930.00 over a two year term under the proposed amendment.

### EVALUATION AND FOLLOW-UP

Decreasing the term of this contract will require the Plant to seek additional contracts upon the exhaustion of the contract amount or the end of the term of the contract. These contracts will be brought forward for Council action as necessary, at the appropriate time. Plant's efforts at achieving the energy goals will be reported through Council updates on the Energy Strategic Plan.

### POLICY ALTERNATIVES

*Alternative 1:* Utilize City Employees to complete the project.

**Pro:** Potential savings of money by using in-house staff.

**Con:** Lack of experience, resources, and time to perform the work.

**Reason for not recommending:** City staffs lack the experience, resources, and time required to perform. Having staff perform the work would delay implementation of the project and corresponding reduction in energy costs.

*Alternative 2:* Prepare new project bids and contracts.

**Pro:** Preparing new bids could result in greater competition and reduced labor cost.

**Con:** This will delay installation and replacement of critical equipment needed for wet weather and delay the benefits of energy reduction and improved efficiencies. It may also not result in lower bids and may increase costs to City, and would likely result in increased material cost by missing the window of opportunity as a result of the down turn in the economy. Staff cost to implement projects associated with bid preparation would also increase.

**Reason for not recommending:** Increases cost to the City and hinder efforts towards achieving the goals set forth in the Energy Strategic Plan.

### PUBLIC OUTREACH/INTEREST

- X **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: web Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing, that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers).**

This action meets criteria 1 above. This council memo will be posted as part of the Council and TPAC agenda on the City's website.

**COORDINATION**

This project has been coordinated with Offices of Equality Assurance and Risk Management, City Manager's Budget Office, and the City Attorney's Office. This item is scheduled to be heard at the October 8, 2009 Treatment Plant Advisory Committee meeting.

**FISCAL/POLICY ALIGNMENT**

This action is consistent with the Council approved Budget Strategy to focus on rehabilitating aging Plant infrastructure and improving wastewater treatment efficiency. This action is also consistent with the 20% energy reduction goal assigned to the Plant

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amount for Contract	Proposed CIP Budget Page	Last Budget Action (Date, Ord. No.)
512	4332	Plant Infrastructure Improvements	038685	\$4,630,000	\$500,000*	V-145	6/23/2009 28593

\* The total amount for this contract is \$1,450,930. Of this, \$450,930 was paid in 2008-2009, and \$500,000 is already included in the 2009-2010 CIP in the Plant Infrastructure Improvements appropriation. Changing the terms of the contact as recommended would result in an additional spending of \$500,000 in 2009-2010.

**CEQA**

Exempt, PP08-202

/s/  
JOHN STUFFLEBEAN  
Director, Environmental Services

For questions, please call Jon Newby, Division Manager, Mechanical Maintenance Division, at 408-945-5160.