

SAN JOSÉ/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

CHUCK REED, CHAIR
PETE McHUGH, MEMBER
KEVIN MOORE, MEMBER
JAMIE MATTHEWS, MEMBER
MADISON NGUYEN, MEMBER

KEN YEAGER, MEMBER
JOHN GATTO, MEMBER
ED SHIKADA, MEMBER
KANSEN CHU, MEMBER

AGENDA/TPAC

4:30p.m.

June 14, 2012

Room 1734

1. **ROLL CALL**

2. **APPROVAL OF MINUTES**

A. May 10, 2012

3. **UNFINISHED BUSINESS/REQUEST FOR DRFERRALS**

4. **AGREEMENTS/ACTION ITEMS**

A. **Contract Change Order for the Switchgears M1, M2 and M3 Replacement Design Build Project at the San Jose/Santa Clara Water Pollution Control Plant**

Recommendation: TPAC approval to authorize the Director of Environmental Services to negotiate and execute Contract Change Order (CCO) No. 21 for the Switchgears M1, M2, & M3 Replacement Design-Build Project in the maximum amount of \$195,000 with Rosendin Electric for a total contract amount not to exceed \$9,685,025; and to approve a \$40,000 increase to the construction contingency amount of \$1,258,047 for a revised contingency amount of \$1,298,047 and a total contract amount not to exceed \$9,685,025.

The San Jose City Council is scheduled to consider this matter on June 19, 2012.

B. **Report on Bids and Award of a Construction Contract for the 6449 – Fire Main Replacement – Phase II Project at the San Jose/Santa Clara Water Pollution Control Plant**

Recommendation: TPAC approval of a Report on Bids and award of construction contract for the 6449 – Fire Main Replacement – Phase II Project to the low bidder, D&D Pipelines, Inc., in the amount of \$989,500; and approval of a 10% contingency in the amount of \$99,000.

The San Jose City Council is scheduled to consider this matter on June 19, 2012.

C. Report on Bids and Award of a Construction Contract for the Street Treatment Project at the San Jose/Santa Clara Water Pollution Control Plant

Recommendation: TPAC approval of a Report on Bids and award of construction contract for the Street Treatment Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Wattis Construction, Inc., in the amount of \$108,100; and approval of a 10% contingency in the amount of \$10,800.

The San Jose City Council is scheduled to consider this matter on June 19, 2012.

D. Amendment to the Agreement with Westin Engineering, Inc. for Implementation of a Computerized Maintenance Management System at the San Jose/Santa Clara Water Pollution Control Plant

Recommendation: TPAC approval of a Third Amendment to the Agreement with Westin Engineering, Inc., for implementation of a Computerized Maintenance Management System at the San Jose/ Santa Clara Water Pollution Control Plant to increase the compensation by \$191,000 to an amount not to exceed \$1,052,000, and to extend the term through December 31, 2013 to complete a revised scope of work.

The San Jose City Council is scheduled to consider this matter on June 19, 2012.

E. Bay Area Biosolids to Energy Coalition Joint Exercise of Powers Agreement

Recommendation: TPAC approval to authorize the City Manager to execute the Amended and Restated Bay Area Biosolids to Energy Coalition Joint Exercise of Powers Agreement to become a member of the Bay Area Biosolids to Energy Coalition for a contribution in the amount of \$370,588, and consideration for the City's matching contribution in the amount of \$215,000 to an Initial Feasibility Study and Potential Demonstration of a Biomass-To-Energy Technology Facility at the San Jose/Santa Clara Water Pollution Control Plant with the California Energy Commission and Harvest Power, Inc.; and to appoint a City representative, and alternate to the Bay Area Biosolids to Energy Coalition Steering Committee.

The San Jose City Council is scheduled to consider this matter on June 19, 2012.

F. Cost Sharing Agreement with the Santa Clara Valley Water District for the South Bay Water Recycling Program

Recommendation: TPAC approval of:

1. Authorization to the City Manager to execute a cost sharing agreement between the City of San José and the Santa Clara Valley Water District to share the cost of developing a strategic master plan for the South Bay Water Recycling Program, estimated to cost up to \$2,400,000 with each party to contribute up to \$1,200,000; and to share in reimbursements from

the United States Department of Interior Bureau of Reclamation Grant of up to \$1,200,000 for costs associated with developing the plan.

2. The following 2011-2012 Appropriation Ordinance and Funding Source Resolution amendments in the San José/Santa Clara Treatment Plant Capital Fund:
 - a. Increase the Estimate for Earned Revenue by \$1.2 million;
 - b. Increase the SBWR Master Plan appropriation by \$132,000; and
 - c. Increase the Ending Fund Balance by \$1,068,000.

The San Jose City Council is scheduled to consider this matter on June 19, 2012.

5. **REPORTS**

Open Purchase Orders Greater Than \$100,000

- A. 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. **OTHER BUSINESS/CORRESPONDENCE**

7. **STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC**

- A. San Jose/Santa Clara Water Pollution Control Plant 2013-2017 Proposed Capital Improvement Program

Recommendation: TPAC approval of the San Jose/Santa Clara Water Pollution Control Plant 2013-2017 Proposed Capital Improvement Program

The San Jose/Santa Clara Water Pollution Control Plant 2013-2017 Proposed Capital Improvement Program was approved by the San José City Council on June 12, 2012, and is scheduled for consideration of adoption on June 19, 2012.

- B. San Jose/Santa Clara Water Pollution Control Plant 2012-2013 Proposed Operating and Maintenance Budget

Recommendation: TPAC approval of the San Jose/Santa Clara Water Pollution Control Plant 2012-2013 Proposed Operating and Maintenance Budget

The San Jose / Santa Clara Water Pollution Control Plant 2012-2013 Proposed Operating and Maintenance Budget was approved by the San José City Council on June 12, 2012, and is scheduled for consideration of adoption on June 19, 2012.

- C. Report on Bids and Award of Construction Contract for the Water Pollution Control Plant Administration Building Standby Generator Project

Recommendation: TPAC approval of the Report on Bids and Award of Construction Contract for the Water Pollution Control Plant Administration Building Standby Generator

The Report on Bids and Award of Construction Contract for the Water Pollution Control Plant Administration Building Standby Generator project to the low bidder, Guerra Construction, Inc., in the amount of \$147,620, and approval of a contingency in the amount of \$14,800, was approved by the San José City Council on May 15, 2012.

D. Award of Construction Contract for the Nortech – Zanker Services Lateral Project

Recommendation: TPAC approval of the Award of Construction Contract for the Nortech-Zanker Services Lateral Project

The award of construction contract for the Nortech-Zanker Service Lateral Project to the lowest bidder, Platinum Pipelines, Inc., in the amount of \$578,960, and approval of a contingency in the amount of \$115,000, was approved by the San José City Council on May 15, 2012.

8. MISCELLANEOUS

- A. The next TPAC meeting is proposed to be July 12, 2012, at 4:30 p.m. City Hall, City Manager's Office, 17th Floor, Room 1734.

9. OPEN FORUM

10. 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, 10th 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 JOSE/SANTA CLARA
SPECIAL
TREATMENT PLANT ADVISORY COMMITTEE
City Hall, City Manager's Office, 17th Floor, Room 1734
Thursday, May 10, 2012 at 5:00 p.m.

1. **ROLL CALL**

Minutes of the Treatment Plant Advisory Committee convened this date at 5:00 p.m. Roll call was then taken, with the following members in attendance:

Committee members: Pete McHugh, John Gatto, Jamie Matthews, Kevin Moore, Madison Nguyen, Ed Shikada, Chuck Reed, Kansan Chu.

Staff present: Monica Perras, Joanna De Sa, Jon Newby, Kerrie Romanow, Rosa Tsongtaatarii, Diane Ikegami, Laura Burke, Linda Charfauros, Rene Eyerly.

Others present: Chris de Groot (City of Santa Clara), Kathleen Phalen (City of Milpitas), Steve Machida, (Cupertino Sanitary District), Hany Gerges-(member of the public), Joe Rios(City of San Jose-Auditor), David Wall (San Jose Resident).

2. **APPROVAL OF MINUTES**

A. **April 12, 2012**

Item 2.A was approved unanimously.

3. **UNFINISHED BUSINESS/REQUEST FOR DEFERRALS**

4. **AGREEMENTS/ACTION ITEMS**

A. **San Jose/Santa Clara Water Pollution Control Plant 2013-2017 Proposed Capital Improvement Program**

Recommendation: TPAC approval of the San Jose/Santa Clara Water Pollution Control Plant 2013-2017 Proposed Capital Improvement Program

The San Jose/Santa Clara Water Pollution Control Plant 2013-2017 Proposed Capital Improvement Program is scheduled for consideration by the San José City Council on June 12, 2012, and for adoption on June 19, 2012.

B. **San Jose/Santa Clara Water Pollution Control Plant 2012-2013 Proposed Operating and Maintenance Budget**

Recommendation: TPAC approval of the San Jose/Santa Clara Water Pollution Control Plant 2012-2013 Proposed Operating and Maintenance Budget

The San Jose / Santa Clara Water Pollution Control Plant 2012-2013 Proposed Operating and Maintenance Budget is scheduled for consideration by the San José City Council on June 12, 2012, and for adoption on June 19, 2012. **(Forthcoming)**
Items 4.A&B were approved unanimously.

David Wall presented a speaker card on this item

- C. Report on Bids and Award of Construction Contract for the Water Pollution Control Plant Administration Building Standby Generator Project

Recommendation: TPAC approval of the Report on Bids and Award of Construction Contract for the Water Pollution Control Plant Administration Building Standby Generator

The Report on Bids and Award of Construction Contract for the Water Pollution Control Plant Administration Building Standby Generator project to the low bidder, Guerra Construction, Inc., in the amount of \$147,620, and approval of a contingency in the amount of \$14,800, is scheduled to be considered by the San José City Council on May 15, 2012.

- D. Award of Construction Contract for the Nortech – Zanker Services Lateral Project

Recommendation: TPAC approval of the Award of Construction Contract for the Nortech-Zanker Services Lateral Project

The award of construction contract for the Nortech-Zanker Service Lateral Project to the lowest bidder, Platinum Pipelines, Inc., in the amount of \$578,960, and approval of a contingency in the amount of \$115,000, is scheduled to be considered by the San José City Council on May 15, 2012.

Items 4.C&D approved unanimously.

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.
Item 5.A was approved unanimously.

6. OTHER BUSINESS/CORRESPONDENCE

7. **STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVED BY TPAC**

A. Acton Item - TPAC Recommendation for approval:

The following action item is scheduled to be considered by the San José City Council on April 17, 2012:

Accept this report update on the South Bay Water Recycling program and strategic planning effort.

Item 7.A was approved to note and file.

8. **MISCELLANEOUS**

A. The next TPAC meeting will be June 14, 2012, at 4:30p.m., City Hall, City Manager's Office, 17th Floor, Room 1734.

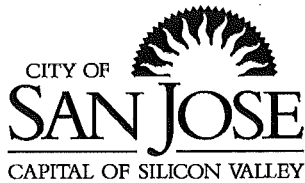
9. **PUBLIC COMMENT**

David Wall presented a speaker card on varied topics.

10. **ADJOURNMENT**

A. The Treatment Plant Advisory Committee adjourned at 5:12 p.m.

Chuck Reed, Chair
Treatment Plant Advisory Committee



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
David Sykes

SUBJECT: SEE BELOW

DATE: May 29, 2012

Approved

Date

6/1/12

SUBJECT: CONTRACT CHANGE ORDER NO. 21 FOR THE "SWITCHGEARS M1, M2 & M3 REPLACEMENT DESIGN-BUILD PROJECT" AT THE SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT

RECOMMENDATION

1. Adopt a resolution authorizing the Director of Environmental Services to negotiate and execute Contract Change Order (CCO) No. 21 for the Switchgears M1, M2, & M3 Replacement Design-Build Project in the maximum amount of \$195,000 with Rosendin Electric for a total contract amount not to exceed \$9,685,025.
2. Approve a \$40,000 increase to the construction contingency amount of \$1,258,047 for a revised contingency amount of \$1,298,047 and a total contract amount not to exceed \$9,685,025.

OUTCOME

Approval of CCO No. 21 and increase to the construction contingency will allow for a new stairwell and ventilation system to be constructed at the M3 Switchgear cable vault, thereby enabling the M3 vault to be reclassified as a non-confined space area.

BACKGROUND

In June 2010, the City Council approved the award of the Switchgears M1, M2 & M3 Replacement Design-Build Project to Rosendin Electric, Inc. in the amount of \$8,386,978 along with a 15% contingency in the amount of \$1,258,047. The project is currently 90% complete with \$156,385 remaining in the contingency balance.

The scope of work for the M3 switchgear included removal and replacement of existing switchgear M3, installation of a 115KV relay building, and installation of associated

interconnecting cables. Construction of the new M3 switchgear is expected to be completed in December 2012. The replacement of M1 and M2 switchgears was completed earlier this year.

ANALYSIS

The existing 4.16 kV M3 switchgear is mounted over a 20' x 40' x 8' cable vault which allows underground cables to be routed to the M3 switchgear feeders. Beginning last year, due to a new confined space permit requirement, access to the cable vault requires a third-party stand-by rescue team. These requirements significantly restrict access and increase maintenance costs to perform routine work. The M3 switchgear is one of the two remaining switchgears in the Plant that needs to be upgraded to eliminate the need of confined space entry permits. Other switchgears will be upgraded in the future when they are due for replacement.

This change order will allow Rosendin Electric to provide the labor, materials and equipment to expand the existing vault and install a below-grade stairwell, including a new ventilation system. This modification will enable the M3 switchgear vault to be re-classified as a non-confined space area and provide maintenance staff with direct, unassisted access to the vault. The one-time cost of these improvements is estimated at \$145,000. Staff reviewed the proposal and determined that the proposed cost is in-line with the project's schedule of values and is reasonable for the work involved. A \$50,000 allowance is recommended to enable Rosendin to address potential utility conflicts that may arise during construction.

Total funding needed for CCO No. 21 is \$195,000. With \$156,385 remaining in the contingency, a \$40,000 increase to the originally approved construction contingency will be required to implement the change and complete the project.

This change order will not add any additional working days to the construction contract.

EVALUATION AND FOLLOW-UP

The project is currently within budget with a projected completion of December 2012. No other follow-up action with the Council is expected at this time. Should start-up or testing conditions warrant additional change orders to be executed that require Council action, staff will bring forth those recommendations at that time.

POLICY ALTERNATIVES

Alternative #1: Not approving CCO No.21 and bidding out the stairwell construction as a separate project.

Pros: Potential lower construction cost from a competitive bidding process.

Cons: A separate set of plans and specifications will need to be developed for bidding through a separate process which will require additional City staff time and cost.

Reasons for not Recommending: The cost of developing a separate bid package and going through a separate bidding process will most likely offset any potential cost savings from a competitive bid procurement. In addition, this process will require additional time to install the remote control equipment which will not coincide with the current scheduled demolition of the existing M3 switchgear.

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 action does not meet the above criteria, however this memorandum will be posted on the City's website for the June 19, 2012 Council Agenda.

COORDINATION

This project and memorandum have been coordinated with the City Manager's Budget Office, and the City Attorney's Office. This item is scheduled to be heard at the June 14, 2012, Treatment Plant Advisory Committee (TPAC) meeting.

COST SUMMARY/IMPLICATIONS

This action will allow staff to encumber the additional funds needed to execute CCO No. 21. There is sufficient funding in the San Jose-Santa Clara Treatment Plant Capital Fund, Plant Electrical Reliability appropriation to cover this contingency increase.

1.	AMOUNT OF RECOMMENDATION:	\$40,000
2.	COST OF PROJECT	
	Project Delivery	\$1,315,415
	Construction	8,386,978
	Previous Change Orders	1,101,662
	Remaining Contingency Balance	156,385
	Contingency Increase	40,000

May 29, 2012

Subject: CCO No. 21 and Contingency Increase for the Switchgears M1, M2 & M3 Replacement Project

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TOTAL PROJECT COSTS	\$11,000,440
2011-2012 Expenses and Encumbrances	\$3,768,719
Prior Year Expenditures	\$6,948,000
REMAINING PROJECT COSTS	\$283,721

3. SOURCE OF FUNDING: 512 – San José-Santa Clara Treatment Plant Capital Fund.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	Adopted 2011-2012 Budget Page	Last Budget Action (Date, Ord. No.)
<u>Remaining Project Costs</u>				\$283,721			
<u>Remaining Funding Available</u>							
512	4341	Plant Electrical Reliability	158345	\$2,814,000	\$40,000	V-171	6-21-2011, Ord. No. 28928
<u>Total Current Funding Available</u>				\$283,721	\$40,000		

CEQA

Exempt, PP04-03-079

/s/
 DAVID SYKES
 Director of Public Works

/s/
 KERRIE ROMANOW
 Acting Director, Environmental Services


For questions please contact Jon Newby, Deputy Director of Environmental Services, at (408) 635-2000 or Michael O’Connell, Deputy Director of Public Works, at (408) 535-8300.



Subject: APPROVAL OF THIRD AMENDMENT TO THE AGREEMENT WITH WESTIN ENGINEERING, INC.

**Council Agenda: 06-19-12
Item:**

City Council Action Request

Department: Environmental Services	CEQA: Not a Project, File No. PP10-066(a), Contract amendment for software installation and support.	Coordination: ITD, CAO, and TPAC	CMO Approval:  4/1/12
			Dept. Approval: /s/ Kerrie Romanow

RECOMMENDED ACTION:

Approve the Third Amendment to the Agreement with Westin Engineering, Inc., for implementation of a Computerized Maintenance Management System at the San Jose/ Santa Clara Water Pollution Control Plant to increase the compensation by \$191,000 to an amount not to exceed \$1,052,000, and to extend the term through December 31, 2013, to complete a revised scope of work.

BASIS FOR RECOMMENDATION:

The purpose of this Agreement is to develop a plan and provide implementation services for installation of a Computerized Maintenance Management System (CMMS) with a combination of software application modules to be separately procured by the City from Infor/Datastream 7i. This contract with Westin was executed in April 2008, for a compensation of \$861,000. The agreement was subsequently amended in December 2010 and June 2011, to extend the term of the contract through June 2012, with no change to the contract amount. The implementation services included in this Scope of Services are:

- (1) Project Management: provide a project team to manage and oversee the implementation of the CMMS.
- (2) System Development: plan and develop requirements for implementation of a CMMS.
- (3) System Implementation, Reports, Testing and Validation. This includes all data migration and needed reports
- (4) Documentation: provide documentation (hardcopy and electronic) relating to the new system.
- (5) Training: provide and implement a training plan for all levels of the organization.
- (6) Maintenance/Support: provide technical support and provide software updates, including installation and training, troubleshooting and help with any recovery operations.

Items 1 through 5 have been completed. Item 6 will be completed by June 30, 2012.

The proposed Third Amendment to the Agreement would allow Westin to assist the City in implementing the latest software upgrade (from version 8.3 to 8.5), including data migration, customization, testing, reports, and training. The proposed Third Amendment would also provide for additional technical support and maintenance; increase the compensation by an amount not to exceed \$191,000, and extend the term of the Agreement through December 31, 2013.

COST AND FUNDING SOURCE:

1. AMOUNT OF THE AMENDMENT TO THIS AGREEMENT: \$191,000
2. SOURCE OF FUNDING: San José/Santa Clara Treatment Plant Operating Fund; APPN 0762 \$ 25,548,275 Ord. No. 28928; 06/21/2011 (Fund 513-76-941800-4051).
3. FISCAL IMPACT: Existing funds available for this project; no additional appropriation required.
4. Amended contract will expire on 12/31/2013
5. Original Contract Amount was \$861, 000, approved by Council on October 16, 2007. This contract was funded by Treatment Plant Capital Fund, Plant Infrastructure improvements appropriation.
6. Amendments one and two were time only extensions and did not add compensation to the agreement.


FOR QUESTIONS CONTACT: Amit Mutsuddy, Division Manager, Environmental Services at (408) 635-2077.



Subject: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 6449-FIRE MAIN REPLACEMENT – PHASE II PROJECT

**Council Agenda: 06-19-12
Item:**

City Council Action Request

Department: Environmental Services,	CEQA: Exempt, PP12-032	Coordination: Office of Risk Mngt., CMO Budget, CAO, TPAC, and DPW	CMO Approval:  Dept. Approval: /s/Kerrie Romanow
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RECOMMENDED ACTION:

- 1) Award the construction contract for the 6449 - Fire Main Replacement – Phase II Project to the low bidder, D&D Pipelines, Inc., in the amount of \$989,500.
- 2) Approve a 10% contingency in the amount of \$99,000.

BASIS FOR RECOMMENDATION:

The San José/Santa Clara Water Pollution Control Plant (Plant) fire protection system comprises of approximately 15,000 linear feet (LF) of fire main, two 100-HP electric pumps, fire hydrants, and associated valves and appurtenances. The fire main consists of cast iron and steel pipes between six and 12 inches in diameter. The piping was installed in stages, over the past 50 years, as the Plant expanded. Due to age and corrosion, the existing fire main has been plagued with leaks and breaks, which have increased significantly in recent years, requiring more staff time and resources to repair and maintain the system. A condition assessment was completed in 2007 and revealed corrosion and potential failure throughout the system.

A phased approach for replacement of the fire main system is currently underway. In FY 2007-08, Phase I of the project replaced approximately 2,700 LF of existing 10-inch cast iron line with new 12-inch corrosion-resistant PVC C-900. This Phase II project will replace an additional 5,600 LF of pipe, along with associated valves, appurtenances, and fire hydrants. These improvements will improve the reliability of the system, increase the flow capacity, and provide for ease of operation and maintenance.

This project was advertised in April 2012, with a total of eight bidders submitting proposals. D&D Pipelines, Inc., from San Francisco, CA, submitted the low bid in the amount of \$989,500 which is 3% above the Engineer’s Estimate. The highest bid was 38.5% above the Engineer’s Estimate, whereas the lowest 3 bids were within 5% of each other, reflecting a highly competitive bidding environment. The low bid amount is considered acceptable for the type of work involved and a 10% contingency is appropriate.

COST AND FUNDING SOURCE:

1.	AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$989,500
2.	COST OF PROJECT:	
	Project Delivery	\$310,000
	Construction	\$989,500
	Contingency	\$99,000
	TOTAL PROJECT COSTS	\$1,398,500
	Prior Year Expenditures	(142,048)
	REMAINING PROJECT COSTS	\$1,256,452

SOURCE OF FUNDING: 512 – San José-Santa Clara Treatment Plant Capital Fund, 7397 - Treatment Plant Fire Main Replacement appropriation (\$1,200,000 for 2012-2013).

FOR QUESTIONS CONTACT: Jon Newby, Deputy Director, Environmental Services at (408) 635-2000.



Subject: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE 6646-STREET TREATMENT AT SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT, FISCAL YEAR 2010-2011

**Council Agenda: 06-19-12
Item:**

City Council Action Request

Department: Environmental Services	CEQA: Exempt, PP12-004	Coordination: Office of Risk Mngt., DPW, CMO Budget, CAO, and TPAC	CMO Approval: 6/1/12 Dept. Approval: /s/ Kerrie Romanow
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RECOMMENDED ACTION:

- 1) Award the construction contract for the Street Treatment Project at the San Jose/Santa Clara Water Pollution Control Plant to the low bidder, Wattis Construction, Inc., in the amount of \$108,100.
- 2) Approve a 10% contingency in the amount of \$10,800.

BASIS FOR RECOMMENDATION:

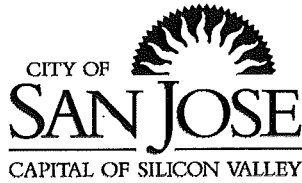
This project will improve the drainage and repair aging roadways on two streets located within the Water Pollution Control Plant (WPCP), 5th Street and Center Street. The streets at the WPCP are nearing the end of their service life. Many streets have sections of pavement failure, unraveling, potholing, damaged curb and gutter, and areas of poor drainage. This project will replace existing curb and gutter, sidewalk, driveways, and asphalt concrete street pavement on 5th Street from Center Street to C Street, and will construct approximately 350 feet of concrete valley gutter adjacent to an existing building located along Center Street.

The project was advertised for bid and a total of six bids were received and opened on March 22, 2012. The low bid submitted by Wattis Construction, Inc. is 42 percent below the Engineer's Estimate of \$186,000. The bid is considered to be low for the work involved in the project. The low bid can be attributed to the current competitive bidding environment for roadway construction in this area. Council Policy provides for a standard contingency of 10 percent on roadway pavement projects. The standard contingency is appropriate for this project.

COST AND FUNDING SOURCE:

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:	\$108,000
2. COST OF PROJECT:	
Project Delivery	\$172,000
Construction	\$108,000
Contingency	<u>\$ 10,800</u>
TOTAL PROJECT COSTS	\$290,800
2011-2012 Expenditures To Date	\$ 50,159
Prior Year Expenditures	<u>\$ 82,215</u>
REMAINING PROJECT COSTS	\$158,426
<i>NOTE: Total project delivery cost is high due to inclusion of program level pavement restoration planning for the entire WPCP site with the project delivery cost. In addition, as a result of significant staff attrition, the project scope had to be reduced to match staffing and focus on the most critical areas. The reduction in scope combined with a competitive bidding climate have contributed to a low construction cost and a relatively high delivery cost. With the completion of the program level planning, future street treatment project delivery costs are anticipated to drop.</i>	
3. SOURCE OF FUNDING: 512 – San Jose/Santa Clara Treatment Plant Capital Fund. Treatment Plant Street Resurfacing Appropriation (\$500,000 Modified 2011-2012 Budget. Ord. No. 29036, 2/14/2012).	
4. FISCAL IMPACT: Existing funds are available for this project. No additional appropriation is required.	

FOR QUESTIONS CONTACT: For questions please contact Jon Newby, Deputy Director, Environmental Services Department at (408)635-2000.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: May 29, 2012

Approved

Date

6/4/12

SUBJECT: BAY AREA BIOSOLIDS TO ENERGY COALITION AGREEMENT

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute the Amended and Restated Bay Area Biosolids to Energy Coalition Joint Exercise of Powers Agreement to become a member of the Bay Area Biosolids to Energy Coalition for a contribution in the amount of \$370,588, and consideration for the City's matching contribution in the amount of \$215,000 to an Initial Feasibility Study and Potential Demonstration of a Biomass-To-Energy Technology Facility at the San Jose/Santa Clara Water Pollution Control Plant with the California Energy Commission and Harvest Power, Inc.; and to appoint a City representative, and alternate to the Bay Area Biosolids to Energy Coalition Steering Committee.

OUTCOME

Approval of the Amended and Restated Bay Area Biosolids to Energy Coalition Joint Exercise of Powers Agreement would allow the San Jose/Santa Clara Water Pollution Control Plant to expand its future options for biosolids disposal.

BACKGROUND

On February 6, 2012, staff presented a report on the biosolids transition timing and CIP delivery approach to the Transportation and Environment Committee. Staff reported that as part of the effort to establish regional solutions to mitigate the cost of alternative biosolids processing, staff would bring forward a recommendation to join the Bay Area Biosolids to Energy Coalition (Coalition) for Council consideration. The purpose of the Coalition is to develop regional waste to energy facilities for biosolids. Seven waste water agencies formed the Coalition in 2007 to create a local sustainable solution to biosolids disposition. The Coalition subsequently expanded

May 29, 2012

Subject: Bay Area Biosolids to Energy Coalition Agreement

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to 17 agencies, operating under a Joint Exercise of Powers Agreement; however, the Coalition is not a separate legal entity.

Most of the participating agencies presently utilize a combination of hauling biosolids for land application and/or alternative daily cover at landfills, and are seeking to preserve these beneficial reuses. Increasingly restrictive regulations in various counties around the state and diminishing landfill capacity have been the impetus to diversify present options with a long-term sustainable alternative. San José was approached to join the Coalition several times since it was formed. Due to the ongoing San Jose/Santa Clara Water Pollution Control Plant (Plant) Master Plan effort, staff decided to wait until the Plant Master Plan was completed to consider joining the Coalition, but has been tracking their efforts for the past several years.

After releasing a Request for Qualifications (RFQ) in 2009, the Coalition received 16 Statements of Qualifications (SOQ) proposing various biosolids-to-energy technologies. In 2010, three of these were short-listed as potential recipients of a future Request for Proposal to build a facility. The Coalition obtained \$1,000,000 in California Energy Commission (CEC) grant funding for a pilot project proposed by Intellergy, one of the short-listed firms. The Coalition has engaged the Water Environment Research Foundation to conduct peer review of the pilot. Following the 2010 short-listing, the Coalition became aware of further technology advancements and new market entrants and decided to invite SOQs from other groups to be considered. The new RFQ was released in April 2012, with SOQs due June 19, 2012.

Throughout the two RFQ processes, the Coalition has contracted with a major engineering firm to review proposals and provide advice regarding biosolids-to-energy technologies. The Coalition has also contracted with advocacy firms in Sacramento and Washington, DC, to lobby on issues related to biosolids-to-energy funding and regulation. Most of the \$1,700,000 contributed by the first 16 members has been committed to these contracts, and have either been paid or encumbered for work to be completed through 2012-2013. About \$330,000 of the original contributions remains uncommitted.

The Coalition has amended its Joint Exercise of Powers Agreement to allow in-kind contributions by new members, to incorporate changes to the original goals, and to facilitate the development of one or more regional facilities using a design-build-own-operate model that will not require capital funding from Coalition members. The Coalition anticipates completing the pilot project and issuing a Request for Proposal for regional facilities by the end of 2012.

ANALYSIS

Membership Benefits

The Plant currently processes about 30,000 dry tons of biosolids every year, which are removed from the solar drying beds after the moisture level falls to about 25 percent. At the time of removal, these biosolids, including the remaining moisture and the clay incorporated during drying operations, amount to about 50,000 to 70,000 tons per year. All of the dried biosolids are

beneficially reused as alternative daily landfill cover at the Newby Island Landfill, in one of the most cost effective and environmentally friendly ways available to reuse biosolids. In order to reduce odor, this system will be replaced by 2018.

The Plant Master Plan recommends that the City secure three biosolids disposition options, including a local or regional biosolids-to-energy project, to reduce the risk of losing disposal options due to contractual or regulatory changes. Offsite disposal currently costs the Plant about \$1,400,000 per year for removal of dried biosolids from the solar drying beds and for the tipping fees charged by Newby Island Landfill to accept the material. The Plant's costs will rise as it moves to mechanical drying and as the tonnage to be hauled away and disposed increases both due to population growth and the higher moisture content of mechanically dried biosolids. A regional solution will benefit the Plant and other Bay Area facilities and is expected to mitigate these disposal costs, including hauling costs and tipping fees. The Plant is already pursuing one biosolids-to-energy project with Harvest Power, and is planning the biosolids transition to control odors and eliminate the sludge lagoons and solar drying beds—an effort which is expected to have capital costs of \$230,000,000 or more. Participation in the Coalition will allow staff to focus on these projects, while monitoring other technologies through the regional effort and being able to participate in the selection of proposals most favorable to the Plant and its users.

Sharing efforts to develop one or more additional biosolids-to-energy projects with the Coalition is expected to result in a lower cost and less risk than if the City pursued alternative projects independently. The value of actively sharing data between the Coalition project and the Harvest Power gasification project supported by the City and the CEC, the benefits of regional biosolids-to-energy technology development, the potential value of joint advocacy efforts regarding biosolids-to-energy funding and regulation, as well as developing additional grants and expanding options analysis for biosolids at the Plant, makes this an ideal time to join the Coalition.

Membership Cost

Coalition membership contributions are related to the size of the facility, based on the 2007 Average Dry Weather Effluent Flow (the Plant's flow was 112 million gallons per day). Each member's contribution also includes a fixed amount of \$40,000. The Plant's calculated contribution would therefore be \$585,588. The San Francisco Public Utilities Commission, the largest current member of the Coalition, has a cost share contribution of \$424,835 (based on 79 million gallons per day of average dry weather Plant effluent flow). Total contributions to the Coalition, if San Jose joins, would be \$2,400,119.

On April 19, 2011, Council approved agreements with Harvest Power and the CEC for a feasibility study and potential demonstration of the Agnion gasification technology for biosolids and wood waste. These agreements implement a \$1,900,000 grant from the CEC, with matching capital funds from Harvest Power, and in-kind contributions from San José. Because of the value of the feasibility research and potential demonstration data to the Coalition members, the \$215,000 value of San José's CEC grant match expenditures for planning and feasibility studies

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was proposed as an in-kind contribution to the coalition. These funds are already fully encumbered in consultant agreements.

Following negotiations, the Coalition agreed to accept the entire San José contribution of \$215,000 to the Harvest Power feasibility study as a credit and the cash contribution for the Plant was reduced to \$370,588, which will be paid from the San José/Santa Clara Treatment Plant Operating Fund.

The additional contributions from San José and from the City of Santa Rosa, which joined in April 2012 with a contribution of \$114,531, will bring total cash contributions to \$2,185,119, with about \$800,000 of that unencumbered and available for 2012 and 2013 Coalition activities.

Under the terms of the Joint Exercise of Powers Agreement, Coalition members may not be required to contribute additional funds without unanimous consent of the members. For San José, such consent would require the approval of the City Council. The members are not committed, either individually or collectively, to enter into any agreements as a result of the planned RFP, although it is the intent of most to proceed with one or more projects if any of the proposals received meet the goals of the Coalition and are acceptably priced.

Legislative advocacy

Increased advocacy efforts for biosolids-to-energy are especially important now, and the opportunity to collaborate with the Coalition provides an efficient and cost-effective means for the City to have an impact in this arena. While it is not likely that individual infrastructure projects will be funded in federal appropriation bills as long as earmark bans continue in force, biosolids-to-energy projects may benefit from increased federal and state funding available for biomass projects generally. At the federal level, a Senate committee has accepted language that would make \$170,000,000 available in the next fiscal year for biomass projects other than algae biofuels and directs the Department of Energy to consider projects that "include biosolids derived from the municipal wastewater treatment process." The Coalition anticipates that San José's membership would add more power and credibility to this effort, which may be needed to include such language in the Department of Energy budget later this year.

The Coalition's Sacramento consultant is primarily focusing on regulations and legislation related to utility funding for renewable energy projects and the greenhouse gas (GHG) emission allowances, which may be available in the 2012-13 budget year. Current work relates to the Electric Program Investment Charge (EPIC), which is intended to replace the Public Goods Charge that funded renewable energy projects; amendments to allow funding of biosolids-to-energy projects in several categories eligible for GHG emission allowances in the future; and exploration of biosolids-to-energy funding opportunities with CalRecycle.

The City's representative to the Coalition will be Jon Newby, Deputy Director Water Pollution Control and the alternate will be Skip Lacaze, Supervising Environmental Services Specialist Zero Waste Planning and Disposal. Their role will monitor legislative positions being considered by the Coalition and will attempt to modify any that are contrary to City policy or

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interests. Any such legislation of importance to the City will be brought to Council as appropriate for action. The Coalition will be instructed to ensure that their communications do not represent a position as unanimous in cases where the City's position differs. Based on the stated goals and previous activities of the Coalition, it is not anticipated that the Coalition will take positions contrary to the City.

EVALUATION AND FOLLOW-UP

Progress of the Bay Area Biosolids to Energy Coalition will be reported to Council and the Treatment Plant Advisory Committee as part of the regular updates to be provided on Plant biosolids transition and Capital Improvement Program progress.

PUBLIC OUTREACH/INTEREST

- 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)**

This recommendation does not meet any of the above criteria; however, it will be posted on the City's website for the June 19, 2012 City Council agenda.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and Office of Intergovernmental Relations. This item is scheduled to be heard at the June 14, 2012, Treatment Plant Advisory Committee meeting.

FISCAL POLICY ALIGNMENT

This recommendation meets the general principles of the 2011-2012 Mayor's June Budget Message of providing essential public services while valuing financial stability and cost recovery.

COST SUMMARY/IMPLICATIONS

As described above, coalition membership costs are related to the size of the facility, based on the 2007 Average Dry Weather Effluent Flow. Each member's contribution also includes a fixed amount of \$40,000. The Plant's calculated contribution would be \$585,588. A portion of this (\$215,000) will be offset by City funds already encumbered for a CEC grant match, approved by the City Council on April 19, 2011. The remaining funding of \$370,588 will be encumbered from 2011-2012 funds available in Environmental Services Department Non-Personal/ Equipment appropriation. Under the terms of the Joint Exercise of Powers Agreement, Coalition members may not be required to contribute additional funds without unanimous consent of the members, which, for San José, would require approval of the City Council. The members are not committed, either individually or collectively, to enter into any agreements as a result of the planned RFP.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC.	Total Appn.	Amt. For This Recommendation	2011-2012 Adopted Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
513	0762	Non-Personal/ Equip	N/A	25,548,275	370,588	XI-78	6/21/11 Ord No. 28928

CEQA

Not a Project, File No. PP10-066(g), Memorandum of Understanding

/s/
 KERRIE ROMANOW
 Acting Director, Environmental Services

For questions, please contact Jon Newby, Deputy Director, Environmental Services Department, at 408-635-2000

**AMENDED AND RESTATED
BAY AREA BIOSOLIDS TO ENERGY COALITION
JOINT EXERCISE OF POWERS AGREEMENT**

This amended and restated joint exercise of powers agreement (this “Agreement”) is dated as of July 1, 2012 and is by and among the public entities identified on Exhibit A (each, an “Initial Member”).

RECITALS

- A. The California Government Code at Section 6500 *et seq.* provides that two or more public agencies may, by agreement, jointly exercise powers common to them.
- B. Each Initial Member is a party to a joint exercise of powers agreement dated March 30, 2006, between the City and County of San Francisco, the City of Millbrae, the Delta Diablo Sanitation District, the Dublin San Ramon Services District, the East Bay Municipal Utility District, the Fairfield-Suisun Sewer District, and the Union Sanitary District, as amended by Amendment No. 1 and by Amendment No. 2 (the “Original JEPA”). Among other changes, Amendment No. 1 added the following parties to the agreement: City of Burlingame, City of Livermore, City of Richmond, North San Mateo County Sanitation District, West County Wastewater District, Central Marin Sanitation Agency, Ironhouse Sanitary District, South Bayside System Authority, Sausalito-Marín City Sanitary District, Vallejo Sanitation and Flood Control District, and deleted the East Bay Municipal Utilities District. Amendment No. 2 created a mechanism for other entities to become parties to the Agreement upon (i) approval by a majority of then-current Parties, and (ii) execution of a completed Addendum. Subsequently, the City of Santa Rosa and the City of San Jose each executed a completed Addendum. As a result of the foregoing, all of the Initial Members listed in Exhibit A are parties to the Original JEPA.
- C. Under the Original JEPA, the parties cooperated to plan, advocate, and analyze biosolids management solutions for the Bay Area.
- D. Under the Original JEPA, the parties agreed that certain tasks were to be undertaken and completed in Phase IIIB, as defined in the Original JEPA. The status of those tasks is set forth in Exhibit B.
- E. Under the Original JEPA, the Delta Diablo Sanitation District was required and empowered to perform certain tasks on behalf of the group, including the following: enter into contracts with consultants to perform certain services and to manage such contracts; and submit funding applications related to the group’s purposes and to act as the group’s agent for the receipt of any state and federal funds resulting from such applications. Acting on behalf of the group, the Delta

Diablo Sanitation District entered into the contracts identified on Exhibit C (together, the “Existing Contracts”).

F. The Initial Members now desire to amend and restate the Original JEP A in order to permit the Members, as defined below, to work cooperatively to further explore and develop biosolids management solutions and to permit Members to subsequently enter into contracts for the planning, design, construction, operation, and maintenance of one or more regional biosolids facilities.

G. By this Agreement, the parties do not intend to create a separate legal entity.

The parties therefore amend and restate the Original JEP A to read in its entirety as follows:

SECTION 1

Definitions

The following terms have the following meanings:

“Addendum” means an agreement that is in substantial conformity with the addendum set forth in Exhibit E.

“Coalition” means the Members, when the Members are acting pursuant to this Agreement. The Coalition is sometimes referred to as the “Bay Area Biosolids to Energy Coalition” and the “BAB2E Coalition.” The Coalition is not a legal entity.

“Contribution” means a payment or payments made to the Coalition by a Member pursuant to Section 4.A.

“Existing Contracts” has the meaning ascribed to it in Recital E.

“Fiscal Year” means the 12-month period that begins on July 1.

“Initial Member” has the meaning ascribed to it in the introductory paragraph.

“Lead Agency” means the Member that is designated as the Lead Agency in accordance with this Agreement to perform the duties set forth in Section 5.A. on behalf of the Coalition. Unless otherwise determined in accordance with Section 5.D., the Lead Agency is Delta Diablo Sanitation District, a California sanitation district organized and existing under the laws of the State of California.

“Material Action” means any action taken by or on behalf of the Coalition that will directly (1) create or increase an obligation, debt or liability of any Member, or (2) require any Member to make a payment or payments to the Coalition in excess of that Member’s Contribution.

“Members” means the parties to this Agreement, including all Initial Members and any Subsequent Members, unless and until such party withdraws from participating in the Coalition in accordance with Section 6.B.

“Subsequent Member” means an entity that becomes a party to this Agreement in accordance with Section 6.A.

SECTION 2

Purpose

The purpose of the Coalition is to provide a vehicle for participating agencies to work together to: (i) explore biosolids management issues and technologies, and (ii) develop a regional project to diversify biosolids management options. The regional project may ultimately consist of one facility or multiple facilities.

SECTION 3

Decision Making

A. Steering Committee.

- a. Representatives. Each Member may appoint one individual to serve as its representative on the Coalition’s steering committee (the “Steering Committee”). Each such individual is a “Representative.” In addition, each Member may appoint an individual to serve in place of its Representative, in the event its Representative is unable to attend a meeting of the Steering Committee (an “Alternate”). Each Member’s Representative and Alternate must be a senior manager of the Member (s)he represents. By entering into this Agreement, each Member represents that its Representative and Alternate have the authority to vote on any issue before the Steering Committee and to bind the Member (s)he represents.
- b. Responsibilities. The Steering Committee is the decision-making body of the Coalition. The Steering Committee decides all matters that affect the Coalition. The Steering Committee oversees all financial matters affecting the Coalition, including the expenditure of Coalition funds.
- c. Voting. Each Representative has one vote. In order for a Member to cast a vote, the Member’s Representative or Alternate must attend the meeting of the Steering Committee at which a vote is taken. If neither a Member’s Representative nor its Alternate is able to attend a meeting of the Steering Committee in person, the Member’s Representative or Alternate may attend by phone. If a Representative or Alternate is attending a meeting of the Steering Committee by phone, any vote taken at such meeting is to be taken by roll call and all other requirements of a teleconferenced meeting under the Ralph M. Brown Act, as defined below, will be observed.

- i. Quorum. A majority of the Members constitutes a quorum for any matter requiring a vote. A Representative or Alternate attending a meeting of the Steering Committee by phone counts toward the quorum.
 - ii. Majority Vote. All decisions of the Steering Committee are based on the majority vote of the Members voting on a particular issue; provided, however, the Steering Committee may not take a Material Action without the unanimous consent of all affected Members. Members shall endeavor to avoid abstaining from any vote; however, any abstention does not count toward either the majority or the minority on any vote.
 - d. Delegation of Duties. The Steering Committee may delegate ministerial duties to the Lead Agency.
 - e. Meetings. The Steering Committee will schedule meetings as it deems appropriate.
 - f. Minutes. Unless otherwise provided by the Steering Committee, the Lead Agency will keep minutes of each Steering Committee meeting and will circulate a copy of the minutes of each meeting to each Representative.
- B. Material Action. If any Members desire to pursue a project that could result in a Material Action without the unanimous consent of all affected Members, the Members desiring the project may separately contract for and finance the project.

SECTION 4

Finances

- A. Contributions. Each Member is required to make a Contribution. Contributions are used to fund Coalition expenses.
- a. Initial Members. The Contribution made or committed to by each Initial Member is set forth in Exhibit D.
 - b. Subsequent Members. Unless determined otherwise by the Steering Committee prior to the admission of a Subsequent Member, the Contribution required of a Subsequent Member will be based on the Subsequent Member's 2007 average dry weather flow and will be equal to that of the Member identified on Exhibit D that has the same 2007 average dry weather flow as the Subsequent Member. If the Subsequent Member's flow does not match that of an Initial Member identified on Exhibit D, the Subsequent Member's Contribution will be calculated to be proportionately equal to that of the Initial Members. The Contribution by a Subsequent Member may be made either in one lump payment or through installment payments, as approved by the Steering Committee.

Upon the admission of a Subsequent Member, the Lead Agency shall update the information shown in Exhibit D and circulate the updated information to all Members.

- c. In-Kind Payment. If a Member carries out a demonstration of a new technology, or takes other actions substantially beyond those taken by other Members, that contributes to the purpose of this Agreement, the Steering Committee may grant such Member a credit toward its Contribution, or toward future Contributions, in exchange for access to and/or information about the demonstration or other actions. Any such decision by the Steering Committee will be documented by the Steering Committee through a memo to all Members.

B. Administration of Funds.

- a. Account. Coalition funds are to be accounted for by the Lead Agency.
 - b. Financial Obligations. Financial obligations of the Coalition to be covered by Coalition funds, including Lead Agency Costs, as defined below, must be authorized by the Steering Committee.
 - c. Annual Accounting. The Lead Agency shall prepare, or shall hire a consultant to prepare, periodic reports and accountings of all Coalition funds. Within sixty (60) days after the close of each Fiscal Year, the Lead Agency shall prepare, or shall hire a consultant to prepare, a written report of all of the Coalition's financial activities for such Fiscal Year. Such reports shall be distributed to each Member. Should the Lead Agency utilize a consultant for such reporting, the costs shall be reimbursable from the Coalition Contributions.
 - d. Records. The Lead Agency shall maintain accurate records of all Coalition expenditures. Any Member may inspect the books and records of the Coalition at any time during regular business hours.
- C. Disposition. Upon termination of this Agreement, any Coalition assets from cash contributions remaining after the payment of, or provision for, all debts, liabilities and obligations of the Coalition (including obligations to Members), are to be returned to the Members in proportion to their Contributions.

SECTION 5

Lead Agency

A. Duties

- a. General. The Lead Agency shall coordinate the activities of the Steering Committee, including calling and organizing meetings, transmitting notices, minutes, and other communications to the members of the Steering Committee,

and ensuring compliance with the “Ralph M. Brown Act” (Government Code section 54950 *et seq.*), if and to the extent required.

- b. Custodian of Coalition Funds. The Lead Agency shall maintain an account for Coalition funds and perform the accounting and reporting activities set forth in Section 4.
 - c. Contracts. The Lead Agency is empowered by the Coalition to enter into contracts on behalf of the Coalition, provided (i) the contract relates to ministerial duties that have been delegated to the Lead Agency by the Steering Committee (such as bookkeeping and other administrative services), or (ii) the Steering Committee has approved the essential terms of the contract. No other Member is authorized to enter into contracts on behalf of the Coalition. All contracts signed by the Lead Agency on behalf of the Coalition, including but not limited to the Existing Contracts, bind all Members, including Subsequent Members. Upon request, the Lead Agency will make available to any Member a copy of any contract entered into on behalf of the Coalition.
- B. Costs. Subject to the approval of the Steering Committee, the Lead Agency is entitled to be reimbursed for costs it incurs in carrying out its duties as Lead Agency, including, but not limited to, the cost of travel for state and federal advocacy, conference call hosting, and copying and postage, but excluding staff time, (hereinafter referred to as “Lead Agency Costs”). Payment of Lead Agency costs from Coalition funds shall only be made with Steering Committee approval. The Lead Agency shall keep a record of Lead Agency Costs and, upon request, shall provide to the Steering Committee a summary thereof.

If the parties agree to a future project for the design, construction, or operation of a regional biosolids facility, to the extent not otherwise reimbursed, the Lead Agency may elect to have Lead Agency Costs reimbursed in the form of a credit toward any contribution required of the Lead Agency for such project.

- C. Indemnification. The Members shall defend, indemnify and hold the Lead Agency harmless from and against any and all claims, damages, losses, liens, judgments, penalties, expenses (including reasonable attorneys and consultant fees), and/or liabilities arising out of or relating to any acts of the Lead Agency in its capacity as Lead Agency, except to the extent caused by the intentional or willful misconduct, or the negligent acts, errors, or omissions of the Lead Agency or its agents, officers, or employees. This provision will survive the expiration or termination of this Agreement.
- D. Replacement.
- a. Resignation. If the Member acting as the Lead Agency resigns as Lead Agency, the Steering Committee shall select another Member to serve as the Lead Agency.
 - b. Termination. The Steering Committee may replace the Member acting as Lead Agency with another Member, with or without cause.

- c. Effective Date. The effective date of the appointment of a new Lead Agency is to be determined by the Steering Committee and the new Lead Agency. The outgoing Lead Agency shall cooperate in transferring management of Coalition funds to the new Lead Agency, as well as the transfer of all appropriate Coalition books and records to the new Lead Agency.

SECTION 6

Changes in Coalition Membership

- A. Subsequent Members. Any public agency in the Bay Area responsible for processing and/or managing biosolids may become a Subsequent Member upon (i) approval by the Steering Committee, and (ii) the execution of an Addendum by such Subsequent Member. The Contribution to be made by a Subsequent Member will be determined in accordance with Section 4.A.
- B. Withdrawal. A Member may withdraw from the Coalition by providing written notice to the other Members. Withdrawal from the Coalition does not relieve an entity of any obligations incurred while a Member, including its obligations as an indemnitor and its obligation to pay its Contribution in full. At the discretion of the Steering Committee, a Member shall be deemed to have withdrawn pursuant to this sub-Section if the Steering Committee determines, after notice to all Members, the Member has failed to abide by this agreement. Withdrawal from the Coalition, whether voluntary or involuntary, does not entitle a Member to a refund of its Contribution.

SECTION 7

Indemnification

With the exception of the Lead Agency when performing its duties as Lead Agency, in the performance of this Agreement, each Member and its agents, employees, and contractors shall act in an independent capacity and not as officers, employees, or agents of any other party. Except as, and to the extent, set forth in Section 5.C., no Member assumes any liability for the activities of another Member in the performance of this Agreement and each Member (i) is responsible in proportion to its respective fault for all liability, including but not limited to personal injury or property damage that may arise out of this Agreement and, (ii) specifically repudiates the division of liability otherwise provided for in Chapter 21 of Part 2 of Division 3.6 of title 1 of the Government Code, entitled "Tort Liability under Agreements between Public Entities," section 895 *et seq.* Except to the extent Section 5.C. provides otherwise, each Member expressly agrees to defend, indemnify, and hold harmless the other Members and their directors, council members, officers, agents and employees from and against any and all loss, liability, expense, claims, suits, and damages, including attorneys' fees, to the extent arising out of or resulting from the negligent acts, errors or omissions, or the intentional or willful misconduct of the indemnifying Member, its associates, employees, sub-consultants, or other agents, in the operation of and/or

performance under this Agreement. This provision will survive the expiration or termination of this Agreement.

SECTION 8

Dispute Resolution

- A. General. It is the intent of the Members that before the initiation of any administrative, legal or equitable action concerning any dispute arising out of this Agreement, such dispute be subject to the dispute resolution process provided in this Section. The Members shall make good faith efforts to resolve all such disputes by negotiation or mediation as provided in this Section and at the lowest possible cost.
- B. Dispute Notification and Negotiation. Any Member claiming a dispute arising out of this Agreement shall notify the other Members of the nature of the dispute in writing. The Members shall first attempt to negotiate and resolve the dispute at the technical and/or administrative staff level as appropriate. If the dispute is not resolved at this level, then the General Manager of each of the relevant Members, or other chief staff persons or their designees, shall attempt to negotiate and resolve the dispute. If the Members are unable to resolve the dispute at the staff level, the governing bodies of the Members may each appoint not more than two representatives who will attempt to negotiate and resolve the dispute. If the dispute is not resolved through the negotiation process set forth in this paragraph within ten (10) weeks of the initial written notification of the dispute, any party to the dispute may request mediation as set forth below.
- C. Mediation. Any party to the dispute may request mediation by sending a written demand for mediation of a dispute to the other parties to the dispute. The parties shall select, by agreement, the mediator. No person shall act as a mediator who is in any way financially interested in the work or the business or political affairs of any party to the dispute. The mediator shall meet with the parties together and/or alone as needed in an attempt to facilitate the resolution of the dispute. The parties will share the cost of the mediation equally.
- D. Final Recourse. If a dispute is not resolved through mediation within eight (8) weeks of the written demand for mediation, a party to the dispute may resort to such other recourse deemed appropriate, including, but not limited to, seeking administrative, legal or equitable relief.
- E. Attorneys' Fees. With the exception of the Lead Agency when performing its duties as Lead Agency, each party to a dispute shall bear its own attorneys' fees and costs in all aspects of dispute resolution. If the Lead Agency participates in any dispute resolution process in its capacity as Lead Agency with the prior approval of the Steering Committee, the Lead Agency is entitled to be reimbursed by the Members for any costs, expenses and attorneys' fees it incurs in such capacity.

SECTION 9

General

- A. Existing Contracts. The Members hereby ratify and approve the Existing Contracts.
- B. Privileges and Immunities. In accordance with Government Code section 6513, all of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, workmen's compensation, and other benefits that apply to the activity of the officers, agents or employees of the Members when such agents or employees are performing their respective functions within the territorial limits of their respective agencies, apply to them to the same degree and extent while they are engaged in the performance of any of their functions and duties extraterritorially in furtherance of the objectives of this Agreement.
- C. Term. This Agreement will remain in effect indefinitely unless terminated by mutual written agreement of the parties.
- D. Officers, Employees, Agents. If the Coalition contracts with any Member for services, none of the persons providing that service on behalf of the Member is, by reason of such contract, an employee or agent of the Coalition.
- E. Principal Office. The Steering Committee may, but is not obligated to, establish a principal office of the Coalition.
- F. Notices. Unless and until notified of a substitute address, all notices are to be directed to a Member at the address designated for such Member in Exhibit A or the Addendum executed by such Member, as applicable. Notices are effective three business days after depositing in the United States postal system, upon confirmed facsimile transmission, upon receipt of electronic (e.g., e-mail) transmission, or on the next business day if sent by overnight courier in accordance with this Section.
- G. Integration; Amendment. This Agreement, including its exhibits, all contracts executed by the Lead Agency on behalf of the Coalition, including but not limited to the Existing Contracts, and all Addendums, together set forth all the promises, agreements, conditions, and understandings of the Members with respect to the subject matter hereof. Except as otherwise provided in Section 9.L and elsewhere herein, no subsequent alteration, amendment, change or addition to this Agreement is binding upon the Members unless reduced to writing and signed by all Members.
- H. No Construction Against Drafter. Each Initial Member has participated in negotiating and drafting this Agreement. If an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Agreement.
- I. Severability. If any part of this Agreement is held by a court to be invalid, the remainder of the Agreement will continue in full force and effect, provided that the

remainder of the Agreement can be interpreted to give effect to the intention of the Members.

- J. Successors. This Agreement binds and inures to the benefit of the successors of the Members in the same manner as if they were expressly named. Nothing in this Agreement may be construed to give any rights or benefits to anyone other than the parties or their respective successors.
- K. Governing Law. The laws of the State of California govern all matters arising out of this Agreement.
- L. Effectiveness. Upon execution by the Initial Members, this Agreement shall be deemed effective as of the date first set forth above, except that execution by an Initial Member that withdraws is not required in order for this Agreement to become effective as to the other Members.
- M. Entire Agreement. This Agreement supersedes all prior agreements and understandings between the Members on the subject matter hereof.;

SECTION 10

Signatures

- A. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.
- B. Signatures. The following signatures attest the parties' agreement hereto.

CITY OF BURLINGAME

Approved as to form:

Gus Guinan
City Attorney

Jim Nantell
City Manager

CITY OF LIVERMORE

Approved as to form:

John Pomidor
City Attorney

Linda M. Barton
City Manager

CITY OF MILLBRAE

Approved as to form:

Joan Cassman
City Attorney

Marcia Raines
City Manager

CITY OF RICHMOND

Approved as to form:

City Attorney

Bill Lindsay
City Manager

CITY OF SAN JOSE

Approved as to form:

City Attorney

City Manager

CITY OF SANTA ROSA

Approved as to form:

City Attorney

City Manager

CENTRAL MARIN SANITATION AGENCY

Approved as to form:

Jack Govi
Assistant County Counsel

Jason R. Dow
General Manager

DELTA DIABLO SANITATION DISTRICT

Approved as to form:

Mary Ann Mason
District Counsel

Gary W. Darling
General Manager

DUBLIN SAN RAMON SERVICES DISTRICT

Approved as to form:

Robert B. Maddow
General Counsel

Bert L. Michalczyk
General Manager

FAIRFIELD-SUISUN SEWER DISTRICT

Approved as to form:

Mark Cornelius
District Counsel

Greg Baatrup
General Manager

IRONHOUSE SANITARY DISTRICT

Approved as to form:

Frederick M. Etzel
District Counsel

Tom Williams
General Manager

NORTH SAN MATEO COUNTY SANITATION DISTRICT

Approved as to form:

Rose Zimmerman
District Counsel

Patricia E. Martel
General Manager

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

Approved as to form:

John S. Roddy
City Attorney

Ed Harrington, General Manager
General Manager

SAUSALITO-MARIN CITY SANITARY DISTRICT

Approved as to form:

Jennifer Fraught
District Counsel

Robert Simmons
General Manager

SOUTH BAYSIDE SYSTEM AUTHORITY

Approved as to form:

David E. Schricker
General Counsel

Daniel Child
Manager

UNION SANITARY DISTRICT

Approved as to form:

David M. O'Hara
District Counsel

Richard Currie
General Manager

VALLEJO SANITATION AND FLOOD CONTROL DISTRICT

Approved as to form:

Favaro, Lavezzo, Gill, Caretti & Heppell
District Counsel

Ron Matheson
District Manager

WEST COUNTY WASTEWATER DISTRICT

Approved as to form:

Alfred A. Cabral
Board Attorney

E. J. Shalaby
General Manager

EXHIBIT A
BAY AREA BIOSOLIDS TO ENERGY COALITION
JOINT EXERCISE OF POWERS AGREEMENT
INITIAL MEMBERS & REPRESENTATIVES

City of Burlingame

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City of Richmond

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**Central Marin Sanitation Agency
(CSMA)**

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Delta Diablo Sanitation District (DDSD)

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(DSRSD)**

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Fairfield-Suisun Sewer District

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Ironhouse Sanitary District (ISD)

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EXHIBIT A
(Continued)

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San Francisco Public Utilities Commission (SFPUC)

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Wastewater Enterprise
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Sausalito-Marin City Sanitary District

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Fax: (415) 332-0453
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South Bayside System Authority

Daniel T. Child, Manager
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Union Sanitary District

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Vallejo Sanitation and Flood Control District

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West County Wastewater District (WCWD)

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City of Santa Rosa

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City of San Jose

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EXHIBIT B
BAY AREA BIOSOLIDS TO ENERGY COALITION
STATUS OF "PHASE III.B" (FROM ORIGINAL JEPA) TASKS

TASK	DESCRIPTION	STATUS
1	Biosolids Management Alternatives	Complete
2	Engineering Facility Planning	Complete
3	Site Screening and Environmental Documentation	Complete
4	Project (Agency) Outreach	Complete
5	Stakeholder Outreach	Complete
6	Grant Funding Assistance	Ongoing
7	State and Federal Advocacy Assistance	Ongoing

EXHIBIT C

BAY AREA BIOSOLIDS TO ENERGY COALITION

JOINT EXERCISE OF POWERS AGREEMENT

EXISTING CONTRACTS

The following is a list of contracts that Delta Diablo Sanitation District (DDSD) has entered into on behalf of the Bay Area Biosolids to Energy Coalition.

1. **Consulting Services Agreement between DDSD and Carollo Engineers**, dated March 26, 2009, for technical and engineering services.
2. **Consulting Services Agreement between DDSD and ENS Resources**, dated January 1, 2009, for federal advocacy services.
3. **Consulting Services Agreement between DDSD and Edelstein Gilbert Robson & Smith**, dated November 1, 2008, for state advocacy services.
4. **Agreement between Bay Area Biosolids to Energy Coalition/DDSD and Water Environment Research Foundation**, dated May 12, 2011, for WERF to organize and manage a peer review of a demonstration project
5. **Contract for legal Services between DDSD and Archer Norris, A Professional Law Corporation**, dated March 17, 2011, for legal services related to establishing a governance structure (through a JEPA Amendment) for the Bay Area Biosolids to Energy Coalition.
6. **Agreement No. 500-10-34 between DDSD and the State of California Energy Resources Conservation and Development Commission (Energy Commission)**, to provide funding for a technology demonstration project
7. **Project Agreement between DDSD and Intellergy Incorporated**, dated June 21, 2011, to Transfer Obligations and funding under Funding Agreement 500-10-34 to Intellergy.

**Joint Exercise of Powers Agreement
BAY AREA BIOSOLIDS TO ENERGY COALITION**

EXHIBIT D

Project Cost Allocation

Agency	2007 Avg Dry Weather Flow(mgd)	Total Payment
Sausalito Marin	1.3	\$46,333
City of Milbrae	1.5	\$47,307
Ironhouse Sanitary District	2.7	\$53,153
City of Burlingame	3.6	\$57,537
North San Mateo County San	6.6	\$72,151
Central Marin Sanitation Agency	7.0	\$74,099
City of Livermore	7.1	\$74,586
West County Wastewater District	7.2	\$75,074
City of Richmond	9.2	\$84,816
Dublin San Ramon Services District	11.1	\$94,072
Vallejo Sanitation District	11.0	\$93,585
Delta Diablo Sanitation District	14.0	\$108,199
Fairfield-Suisun Sewer District	14.5	\$110,634
South Bayside System Authority	15.3	\$114,531
Santa Rosa	15.3	\$114,531
Union Sanitary District	26.5	\$169,090
San Francisco Public Utilities District	79.0	\$424,835
City of San Jose	112.0	\$585,588
TOTAL		\$2,400,119
San Jose Credit for demonstration		\$215,000
TOTAL Cash Contributions		\$2,185,119

EXHIBIT E
BAY AREA BIOSOLIDS TO ENERGY COALITION
JOINT EXERCISE OF POWERS AGREEMENT
FORM OF ADDENDUM

This addendum to the _____ [date] agreement entitled "Amended and Restated Bay Area Biosolids to Energy Coalition Joint Exercise of Powers Agreement", [as amended on _____ [list dates of any amendments] (the "Agreement"), is dated _____, and is made by _____ [name of agency] (the "Agency"), a _____ [state legal capacity, e.g. a municipal corporation] for the purpose of Agency becoming a party to the Agreement and a Member of the Coalition, as those terms are defined in the Agreement. The Agreement is incorporated by reference and made a part of this Addendum.

The Agency acknowledges that it has received a copy of the Agreement and, after a thorough review of the Agreement, desires to become a party to the Agreement and a Member. The Agreement permits the addition of parties to the Agreement if (i) such addition is approved by a majority of the members of the Steering Committee, as defined in the Agreement, and (ii) the agency desiring to become a party provides certain information and assumes the obligations of a party through the execution of an addendum.

The governing body of the Agency certifies that the Agency has reviewed the Agreement and agrees to its terms.

In consideration for the mutual promises set forth in the Agreement, the governing body of the Agency hereby agrees to accept and perform all duties, responsibilities and obligations required of a Member as set forth in the Agreement. Further, the governing body authorizes its _____ [title], or his/her designee, as its Representative, with authority to sign all documents necessary to implement the Agreement.

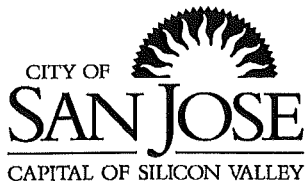
The notice address for the Agency's Representative is:

[Name of Agency]

By: _____
Chairperson

The Agreement and the Addendum are approved as to form:

By: _____, Attorney for AGENCY



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
Jennifer A. Maguire

**SUBJECT: SOUTH BAY WATER RECYCLING
STRATEGIC/MASTER PLAN**

DATE: May 29, 2012

Approved

Date

6/5/12

RECOMMENDATION

1. Adopt a resolution authorizing the City Manager to execute a cost sharing agreement between the City of San José and the Santa Clara Valley Water District to share the cost of developing a strategic master plan for the South Bay Water Recycling Program, estimated to cost up to \$2,400,000 with each party to contribute up to \$1,200,000; and to share in reimbursements from the United States Department of Interior Bureau of Reclamation Grant of up to \$1,200,000 for costs associated with developing the plan.
2. Adopt the following 2011-2012 Appropriation Ordinance and Funding Source Resolution amendments in the San José/Santa Clara Treatment Plant Capital Fund:
 - a. Increase the Estimate for Earned Revenue by \$1.2 million;
 - b. Increase the SBWR Master Plan appropriation by \$132,000; and
 - c. Increase the Ending Fund Balance by \$1,068,000.

OUTCOME

An arrangement with the Santa Clara Valley Water District (District) is beneficial to the City by enabling the City to develop a comprehensive strategic master plan for the South Bay Water Recycling Program that addresses both wastewater and water supply needs by sharing in the planning costs and subsequent reimbursements from the Bureau of Reclamation Grant.

BACKGROUND

The City's Environmental Services Department operates SBWR to divert wastewater from the San José/Santa Clara Water Pollution Control Plant (Plant), and deliver wholesale recycled water to retailers in Milpitas, San Jose and Santa Clara. SBWR began operations in 1995 as a wastewater diversion program to meet the Plant's National Pollutant Elimination Discharge System (NPDES) permit, and has supported maintaining plant flows below the 120 million gallons per day (mgd) flow trigger.

In April 2012, the Recycled Water Policy Advisory Committee, a joint committee composed of City Council and District Board members, supported City and District staff's recommendation to approve a cost sharing agreement to implement the SBWR strategic/master planning process.

City and District staffs recommend that the cost of SBWR's strategic and master planning efforts be shared equally, with the San José/Santa Clara Treatment Plant Capital Fund and the District each contributing up to \$1,200,000, for a total project cost of \$2,400,000, and share in the reimbursements from Bureau of Reclamation Feasibility Study Grant for costs associated with developing the plan.

ANALYSIS

The Plant's flows are approximately 25 mgd below the flow trigger based on current use of the wastewater system. Given this buffer, City staff recognized an opportunity to conduct a comprehensive planning effort to identify and prioritize the short and long-term improvements necessary to maintain, improve, and potentially expand the SBWR system to meet regulatory and financial commitments into the future. The outcome of this planning effort will provide Council and the District an opportunity to consider the optimum approaches toward operating and maintaining current and future SBWR assets; and improving distribution system reliability and water quality, as well as fiscal considerations of the SBWR system.

The agreement for funding the Feasibility Study between the City and the District provides that the District will transfer a \$1,200,000 contribution to the San José/Santa Clara Treatment Plant Capital Fund to share in the cost of the study. These funds will be held separately in a special account until funds are expended for service orders related to the strategic and master planning tasks. The District will earn interest on the funds that are not expended during the course of this agreement. Furthermore, the funds that are not expended plus the interest earned on those funds will be returned to the District either due to termination or expiration of this agreement.

The City or the District has the right to terminate the agreement without cause at any time. If the District terminates their participation in this agreement, the City will complete a reduced scope of work focused on operating and maintaining the existing infrastructure and meeting the specific water recycling requirements of the Plant's NPDES permit with funds from the San José/Santa Clara Treatment Plant Capital Fund, which come from San José, Santa Clara and Plant Tributary Agencies.

The procurement process to select technical consultants to support SBWR's strategic planning effort is now underway and is expected to be completed in August 2012, with the consultant selection process being a collaborative effort with the Plant Tributary Agencies and the District. The overall strategic/master planning process will be concluded by late 2013.

In September 2011, the City of San José was awarded a grant from the United States Bureau of Reclamation to develop a Feasibility Study for the Improvement and Expansion of SBWR Facilities. The grant would provide for 50% reimbursement to the City for master planning activity costs up to \$2,400,000. As part of the agreement with the District, the City would pass a proportional share of the grant to the District, up to a maximum of \$600,000, to offset 50% of the District's contributions.

EVALUATION AND FOLLOW-UP

Staff will present an update on the SBWR Master Planning process to the Transportation and Environment Committee in January 2013. Staff is expecting to bring a recommended Master Plan consultant selection to Council in August 2012.

PUBLIC OUTREACH/INTEREST

- X 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 recommendation meets Criteria 1 above. This item will be heard at the June 14, 2012 Treatment Plant Advisory Committee (TPAC) meeting, and will be posted on the City's website for the June 19, 2012 City Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office. This item is scheduled to be heard at the June 14, 2012 TPAC meeting.

COST SUMMARY/IMPLICATIONS

The cost for this strategic and master planning project is up to \$2,400,000. The City of San José and the Santa Clara Valley Water District will share the cost of the project, with the District contributing up to \$1,200,000, or half of the project cost. While it is expected that 50% of the total Master Planning costs will be reimbursed by the District under this agreement, the District and the City have the right to terminate the agreement without cause at any time. In the event that this agreement is terminated, the City will return any unspent funds as well as interest earned on those funds to the District.

Of the total \$2,400,000 needed for the strategic and master planning project, \$2,268,000 is available in 2011-2012 in the SBWR Master Plan appropriation in the San José/Santa Clara Treatment Plant Capital Fund. The appropriation action recommended in this memorandum augments this appropriation by \$132,000 using the funding provided by the District, bringing the total funding available to \$2.4 million. Additionally, the appropriation actions in this

05-29-12

Subject: South Bay Water Recycling Strategic/ Master Plan

Page 4

memorandum reimburse the San José/Santa Clara Treatment Plant Capital Fund by the District for \$1,068,000 that was provided up front by the Fund toward the master planning project.

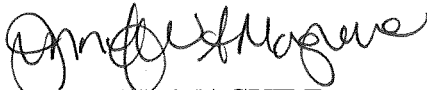
An action was included for City Council consideration to rebudget the funding in the SBWR Master Plan appropriation, and the related revenue recognized in this memorandum, as part of the Manager's Budget Addendum #46, Recommended Adjustments to the 2012-2013 Proposed Operating and Capital Budgets that will be considered by the City Council as part of the 2012-2013 Mayor's June Budget Message on June 12, 2012.

Grant funding through the US Bureau of Reclamation approved through Council Resolution No. 79587 will reimburse the City of San José up to \$1,200,000 or 50% of allowable project costs up to \$2,400,000. Through this cost sharing agreement, the City will transfer up to 50% of approved federal reimbursements of the District's share to the District. Of this U.S. Bureau of Reclamation grant funding, \$268,000 was recognized in 2011-2012, of which \$220,000 was recommended for rebudget as part of the Manager's Budget Addendum #46, Recommended Adjustments to the 2012-2013 Proposed Operating and Capital Budgets that will be considered by the City Council as part of the 2012-2013 Mayor's June Budget Message on June 12, 2012; \$446,000 is being recognized for 2012-2013 as part of the Proposed Capital Budget; and another \$446,000 is expected to be reimbursed in 2013-2014, and is included in the U.S. Bureau of Reclamation Grant total in the 2013-2017 Proposed CIP. The balance of \$40,000 is expected to be retained by the U.S. Bureau of Reclamation for administrative expenses.

In the event that the project costs less than the anticipated \$2.4 million including assumed reimbursements from the grant, the District's share of any unspent funding will be returned to the District.

CEQA

Not a Project, File No.PP 10-069(a), Staff Reports.



JENNIFER MAGUIRE
Budget Director

/s/

KERRIE ROMANOW
Acting Director, Environmental Services

I hereby certify that there will be available for appropriation in the San José/Santa Clara Treatment Plant Capital Fund in the Fiscal Year 2011-2012 monies in excess of those heretofore appropriated therefrom, said excess being at least \$1,200,000.



JENNIFER A. MAGUIRE
Director, Budget Office

For questions please contact David Tucker, SBWR Program Manager at (408) 795-1865.

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 1 - May 31, 2012

Description of Contract Activity ¹	Fiscal Year	Req#/RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount	Total \$ Amount	Comments
NEW:										
ONGOING:										
TRACTORS - AERATOR MODIFICATIONS	FY11-12	15317	76405	PETERSON TRACTOR CO	\$871,395					
REPLACEMENT 3-PHASE 40 KVA FERRO UPS	FY11-12	15490		AMETEK SOLID STATE CONTROLS	\$144,066					
NEW OFF ROAD CRANE PER SJ SPECIFICATION	FY11-12	15954		NIXON EGLI EQUIPMENT CO	\$480,200					

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