

SAN JOSÉ/SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE

CHUCK REED, CHAIR
JOSE ESTEVES, MEMBER
PAT KOLSTAD, MEMBER
JAMIE MATTHEWS, MEMBER
MADISON NGUYEN, MEMBER

CHUCK PAGE, MEMBER
JOHN GATTO, MEMBER
JENNIFER MAGUIRE, MEMBER
KANSEN CHU, MEMBER

AGENDA/TPAC

4:30 p.m.

September 11, 2014

Room 1734

1. ROLL CALL

2. APPROVAL OF MINUTES

A. August 14, 2014

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTOR'S REPORT (verbal)

- A. **Directors Verbal Report**
- Monthly Progress Report

5. AGREEMENTS/ACTION ITEMS

A. Proposed Ordinance to Amend the Sewer Use Regulations

Staff Recommendation: Approve an ordinance amending Chapter 15.14 of Title 15 of the San Jose Municipal Code to add a new Section 15.14.248 and amend Section 15.14.755 to add a new definition of the Clean Water Act and modify permit conditions to allow the transfer of discharge permits in the event of a change of ownership.

The Proposed Ordinance to Amend the Sewer Use Regulations is scheduled for Council consideration on September 16, 2014.

B. Approval of Citywide Insurance Renewals and Related Appropriation Ordinance Amendments in the Convention and Cultural Affairs Fund

Staff Recommendation:

- (a) Adopt a resolution authorizing the City Manager to select and purchase certain City property and liability insurance policies for the period October 1, 2014 to October 1, 2015, at a total cost not to exceed \$1,700,000 for all policies, with the following insurance carriers, subject to the appropriation of funds:
 - (1) Lexington Insurance Company, Boston, MA for Property Insurance, including Boiler & Machinery.
 - (2) QBE Insurance for Airport Owners and Operators Liability including War Risks & Extended Perils Coverage (Primary and Excess) and Police Aircraft Hull & Liability including War Risks & Extended Perils
 - (3) Travelers - or other insurers that the City is currently in negotiations with - for Automobile Liability (Airport fleet vehicles including Shuttle Buses, Regional Wastewater Facility fleet vehicles, and Airport Shuttle Bus physical damage.
 - (4) Indian Harbor Insurance Company for Secondary Employment Law Enforcement Professional Liability.

- (b) Adopt the following 2014-2015 Appropriation Ordinance amendments in the Convention and Cultural Affairs Fund:
 - (1) Increase the Insurance Expenses appropriation to the Finance Department for Insurance Expenses by \$11,000; and
 - (2) Decrease the Ending Fund Balance by \$11,000.

The Approval of Citywide Insurance Renewals and Related Appropriation Ordinance Amendments in the Convention and Cultural Affairs Fund is scheduled for Council consideration on September 23, 2014.

C. Approval of the Use of the Design Build Project Delivery Method for the Cogeneration Facility Project at the San Jose–Santa Clara Regional Wastewater Facility

Staff Recommendation: Adopt a resolution approving the use of the design-build project delivery method in accordance with California Public Contract Code Section 20193 for the construction of the Cogeneration Facility Project, which is estimated to cost in excess of \$2,500,000.

The Approval of the Use of the Design Build Project Delivery Method for the Cogeneration Facility Project at the San Jose–Santa Clara Regional Wastewater Facility is scheduled for Council consideration on September 23, 2014.

6. **OTHER BUSINESS/CORRESPONDENCE**

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

A. Execute A Purchase Order with Murphy Industrial Coatings, INC.

Authorize the City Manager to:

1. Execute a Purchase Order with Murphy Industrial Coatings, Inc. (Signal Hill, CA) for the coating and rehabilitation of five clarifier tanks at the San José-Santa Clara Regional Wastewater Facility ("Plant") for the period July 1, 2014 through June 30, 2015, in an amount not to exceed \$638,513; and
2. Approve a 10% contingency for a not-to-exceed amount of \$63,851 to execute change orders for any unforeseen changes or requirements that may arise prior to the completion of services; and
3. Exercise up to four additional one-year options to renew the purchase order through June 30, 2019 to provide coating and rehabilitation services for additional clarifier tanks as required for scheduled maintenance, subject to the annual appropriation of funds.

The Execution of a purchase order with Murphy Industrial Coatings, Inc. was approved by Council on August 19, 2014.

8. **REPORTS**

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

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

9. **MISCELLANEOUS**

A. The next TPAC meeting is October 9, 2014, at 4:30 p.m. City Hall, Room 1734.

10. **OPEN FORUM**

11. **ADJOURNMENT**

NOTE: If you have any changes or questions, please contact Chantel Khatchatourian, Environmental Services, (408) 975-2515.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please contact Chantel Khatchatourian 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.

**MINUTES OF THE
SAN JOSE/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE**
City Hall, City Manager's Office, 17th Floor, Room 1734
Thursday, August 14 2014 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 taken, with the following members in attendance:

Committee members: Committee Chair Chuck Reed, Committee Members, Kansan Chu (late), Jose Esteves, John Gatto, Pat Kolstad, Jennifer Maguire, Patricia Mahan, Madison Nguyen and Chuck Page

Absent: Committee Member Jaime Matthews (alternate present)

2. APPROVAL OF MINUTES

- A. June 12, 2014
- Item 2.A was approved.**
- Ayes - 8**
- Nays - 0**
- Absent - 1**

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTORS REPORT

- A. Directors Verbal Report:
 - Monthly Progress Report

Ashwini Kantak, Assistant Director, Environmental Services noted that the monthly progress report was included in the packet.

She stated that staff may be scheduling two special sessions for discussions related to the biosolids and financing strategies in November and December. Staff will canvas the Committee Members to find the best dates.

Committee Member Maguire suggested that the special sessions be scheduled before the regular TPAC meetings if possible.

Committee Member Gatto asked if staff will present a flow study report soon.

Ashwini said that staff could give an interim status update.

5. **AGREEMENTS/ACTION ITEMS**

A. Execute a Purchase Order with Murphy Industrial Coatings, INC.

Staff Recommendation: Authorize the City Manager to:

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2. Approve a 10% contingency for a not-to-exceed amount of \$63,851 to execute change orders for any unforeseen changes or requirements that may arise prior to the completion of services; and
3. Exercise up to four additional one-year options to renew the purchase order through June 30, 2019 to provide coating and rehabilitation services for additional clarifier tanks as required for scheduled maintenance, subject to the annual appropriation of funds.

The Execution of a purchase order with Murphy Industrial Coatings, Inc. is scheduled for Council consideration on August 19, 2014.

Motion by Committee Member Gatto, second by Committee Member Nguyen to approve item 5.A.

Ayes - 9

Nays - 0

Absent - 0

6. **OTHER BUSINESS/CORRESPONDENCE**

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

A. Report on Bids and Award of Contract for the 7474 – RWF Street Treatment Phase III

- a. Award the construction contract for the 7474 – RWF Street Treatment Phase III project at the San Jose-Santa Clara Regional Wastewater Facility to the lowest bidder, O'Grady Paving, Inc., in the amount of \$388,859.
- b. Approve a 10% contingency in the amount of \$39,000.

The Report on Bids and Award of Contract for the 7474 – RWF Street Treatment Phase III was approved by Council on June 17, 2014.

B. Report on Bids and Award of Contract for the 6833 – Filtration Building B2 and B3 Pipe and Valve Replacement

- 1) Award of a construction contract for the Filtration Building B2 and B3 Pipe and Valve Replacement to the low bidder, Anderson Pacific Engineering Construction Inc., in the amount of \$158,900.
- 2) Approve a contingency in the amount of \$31,780.

The Report on Bids and Award of Contract for the 6833 – Filtration Building B2 and B3 Pipe and Valve Replacement was approved by Council on June 17, 2014

- C. Report on Bids and Award of Contract for 7394 – Emergency Diesel Generator Package 2A Project

Report on bids and award of a construction contract for 7394 – Emergency Diesel Generator Package 2A Project to the lowest responsive bidder, Anderson Pacific Engineering Construction, Inc., for the base bid in the amount of \$15,310,000, and approval of a ten percent contingency in the amount of \$1,531,000

The Report on Bids and Award of Contract for 7394 – Emergency Diesel Generator Package 2A Project was approved by Council on June 17, 2014

- D. San Jose-Santa Clara Regional Wastewater Facility Technical Training Program Update

Accept this status report on the development of a technical training program at the San Jose-Santa Clara Regional Wastewater Facility.

The San Jose-Santa Clara Regional Wastewater Facility Technical Training Program Update was approved by Council on August 5, 2014.

- E. Progress Report on Burrowing Owl Habitat Improvements at the Regional Wastewater Facility

Accept this progress report highlighting habitat improvement activities for the Western Burrowing Owl on San Jose-Santa Clara Regional Wastewater Facility bufferlands that began in 2012.

The Progress Report on Burrowing Owl Habitat Improvements at the Regional Wastewater Facility was approved by Council on August 5, 2014

- F. Status Report on the Sanitary Sewer Flow Study

Accept this status report on the Sanitary Sewer Flow Study.

The Status Report on the Sanitary Sewer Flow Study was approved by Council on August 5, 2014.

G. Status Report on Agreement with Telstar to Provide Temporary Staffing at the San Jose-Santa Clara Regional Wastewater Facility

Adopt a resolution to authorize the City Manager to exercise the second one-year option to extend the Agreement for August 17, 2014, through August 16, 2015 for a maximum compensation not to exceed \$998,000, and for the authority to exercise the two remaining one-year options to extend the Agreement through August 16, 2017, subject to the appropriation of funds.

David Wall, Public spoke about Instrument Techs leaving and questioned the series of electrical failures at the Regional Wastewater Facility.

The Status Report on Agreement with Telstar to Provide Temporary Staffing at the San Jose-Santa Clara Regional Wastewater Facility was approved by Council on August 5, 2014

8. REPORTS

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

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

Item 8.A was approved to note and file.

9. MISCELLANEOUS

A. The next TPAC meeting is September 11, 2014, at 4:30 p.m. City Hall, 1734

Chair Reed suggested that a discussion of the water bond be included in an upcoming committee meeting as part of the Director's Report.

10. PUBLIC COMMENT

None

11. ADJOURNMENT

A. The Treatment Plant Advisory Committee adjourned at 4:39 p.m.

Chuck Reed, Chair
Treatment Plant Advisory Committee



Capital Improvement Program Monthly Status Report for July 2014

September 4, 2014

This report provides a summary of the progress and accomplishments of the Capital Improvement Program (CIP) for the San José-Santa Clara Regional Wastewater Facility ("Wastewater Facility") for the period of July 2014.

Report Contents

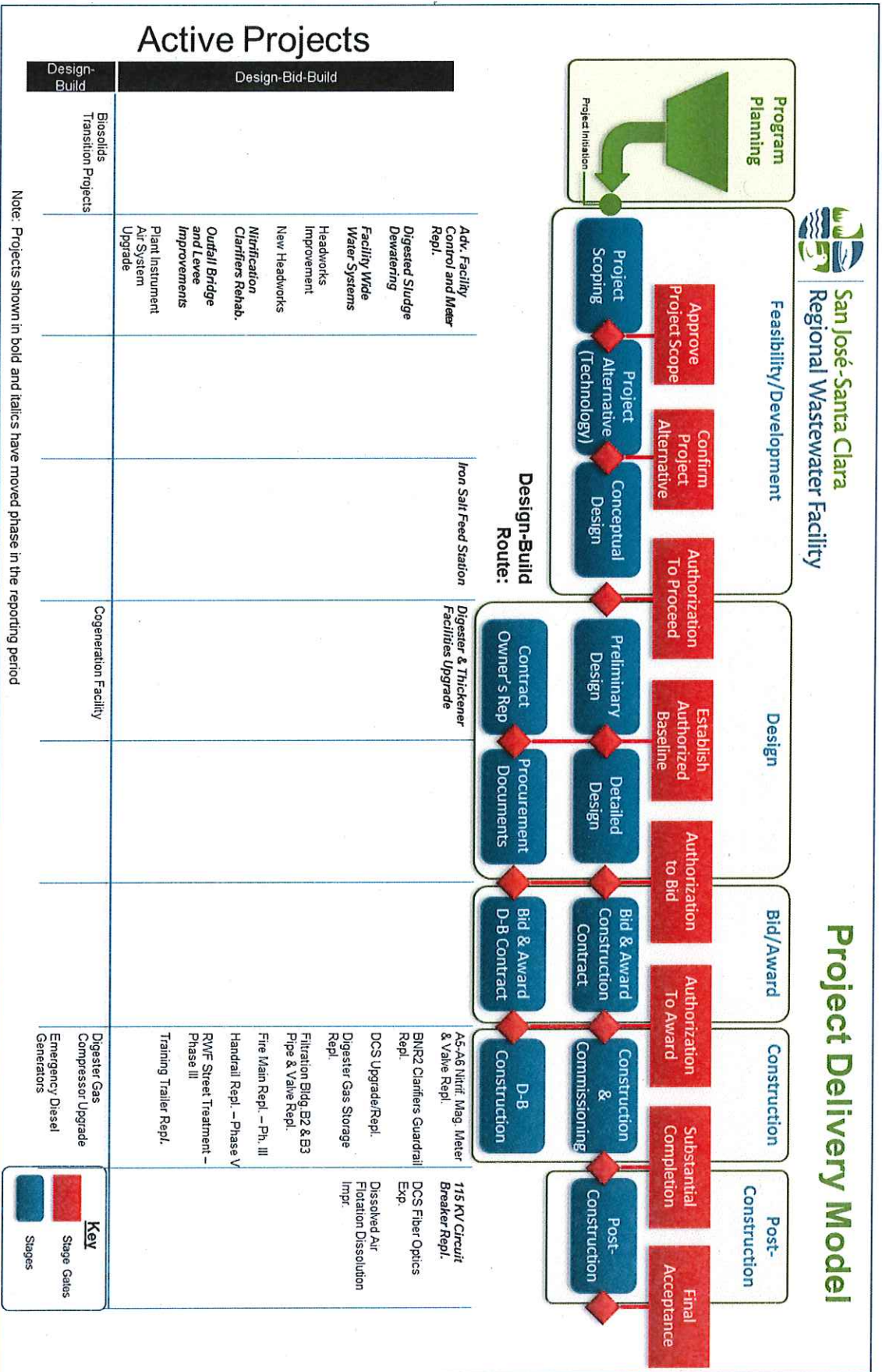
- Project Delivery Model 2
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Project Delivery Model



Project Delivery Model



Program Summary

July 2014

In 2008, the Wastewater Facility undertook a Plant Master Plan (PMP) effort which ultimately resulted in its adoption in November 2013. The Project Validation process held between October 2013 and January 2014 reviewed the projects identified in the Plant Master Plan in order to develop a five-year and ten-year CIP. This monthly report provides a summary of the progress and accomplishments of the CIP for the month of July 2014 within Fiscal Year 2014-2015.

In the month of July, the focus was on initiating several new projects and moving forward on all fronts with existing projects, bringing them into the Project Delivery Model (PDM) process (see figure, inside of front cover). We continued to enhance our program tools, and held additional staff training on several items, including our decision log. We moved forward with drafting an Operations Plan for the Wastewater Facility, which will include both unit process descriptions and an annual plan for coordinating CIP construction with on-going operations. July saw intense activity on our Asset Management Study (see below), one of our nine programmatic studies. We held four workshops the week of June 30th, and a final workshop on July 15th to outline the asset management initiatives we would carry forward. Finally, we continued driving implementation of our program tools and processes on all existing projects, bringing new staff onto the program, and finalizing the next fiscal year service orders for the program work.

There were no regular meetings in July of the Technical Advisory Committee (TAC) or the Treatment Plant Advisory Committee (TPAC). There was a special study session held with TAC on July 16th to review the status of the Flow Study, which is being conducted by others outside of the CIP Program.

Look Ahead

In August, we will move forward with financial planning activities, supporting ESD as it works on its upcoming debt financing. We will develop a cost estimating guideline document, for use throughout the program. Our project schedules will undergo a thorough review, to take advantage of "lessons learned" in the first nine months of the program. In addition, we will continue to implement the PDM and Stage Gate process.

Program Highlight – Asset Management

One of our nine programmatic studies involves developing a strategy for asset management (AM) at the Wastewater Facility. As defined for the CIP Program, asset management involves optimizing the full cycle of an asset's life (see Figure 1 below). The program team is building on a previous AM study, along with our program tools, to develop a pragmatic approach to implementing an on-going AM program. We anticipate the program will consist of three to five AM initiatives being implemented each year, with an annual report summarizing progress and laying out the next year's direction. As illustrated in Figure 1, AM truly spans both capital delivery and operations and maintenance (O&M), and will be an intensely collaborative effort between those two groups at the Wastewater Facility.

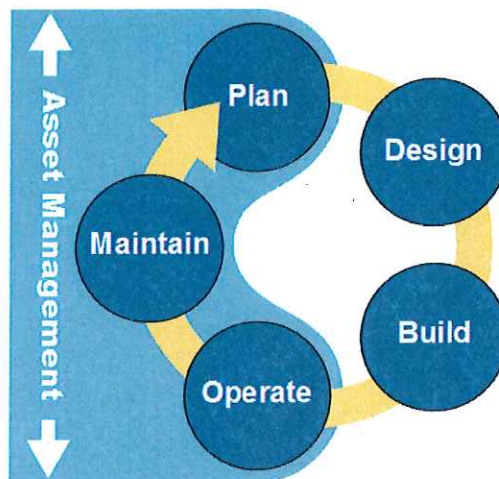














Figure 1—Asset Life Cycle



Program Performance Summary

Seven KPIs have been established to measure the overall success of the CIP. Each KPI represents a metric which will be monitored on a regular frequency. Through the life of the CIP, KPIs will be selected and measured which best reflect the current maturity of the program. In this report, the six KPIs currently being measured have been reset to reflect the start of the new Fiscal Year 2014-2015. The target for the seventh KPI "Staff Count" KPI will be established as part of the analysis of future staffing needs.

Program Key Performance Indicators – Fiscal Year 2014-2015

KPI Description	Target	Actual	Status	Trend	Measurement
Schedule ¹	85%	NA			Percentage of CIP projects delivered within 2 months of approved baseline Beneficial Use Milestone. Target: 85% of projects delivered within 2 months of approved baseline schedule or better.
Budget ¹	90%	NA			Percentage of CIP projects that are completed within the approved baseline budget. Target: 90% of projects total expenditures do not exceed 101% of the baseline budget.
Expenditure ¹	≥\$123.9M	NA			Total CIP actual + forecast committed cost for the fiscal year compared to CIP fiscal year budget. Target: Forecast committed cost meets or exceeds 70% of budget for Fiscal Year 14/15 (70% of \$177= \$123.9M)
Procurement ^{1/2}	100%	100% (7/7)			Number of actual + forecast consultant and contractor procurements compared to planned for the fiscal year. Target: Forecast /actual procurements for fiscal year meet or exceed planned.
Safety ¹	0	0			Number of OSHA reportable incidents associated with CIP construction for the fiscal year. Target: zero incidents.
Environment/Permits ¹	0	0			Number of permit violations caused by CIP construction for the fiscal year. Target: zero violations.
Staffing Level ³	TBD	TBD	TBD	TBD	Percentage of authorized staffing level Target: to be determined

KEY:

Cost:  Meets or exceeds KPI target  Does not meet KPI target

Notes

1. KPIs have been reset for the new FY14-15.
2. Procurement KPI target will be updated following the project schedule reviews.
3. Staff count KPI measured quarterly; all other KPIs measured monthly.

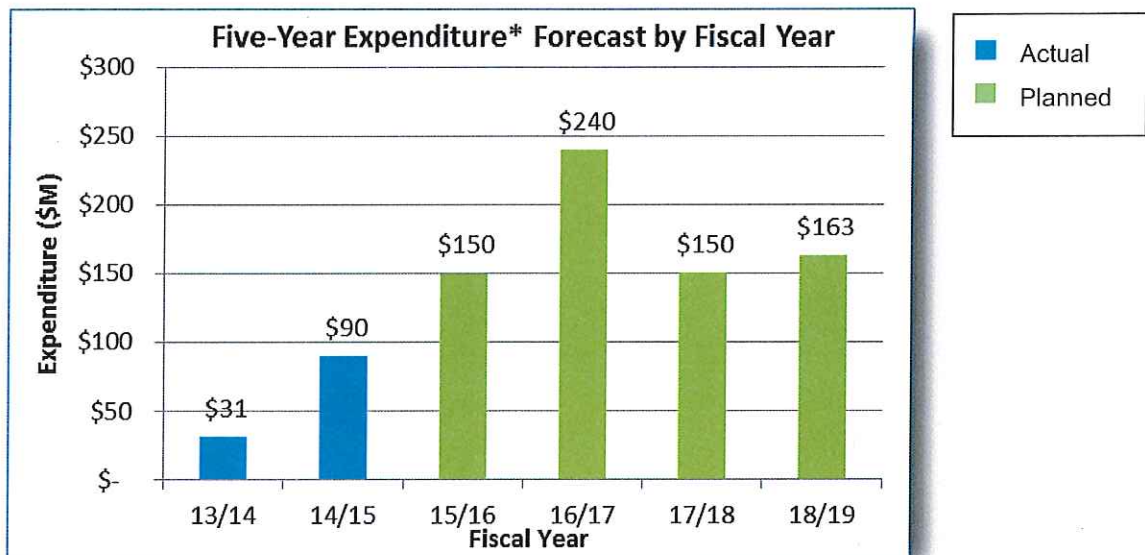


Program Cost Performance

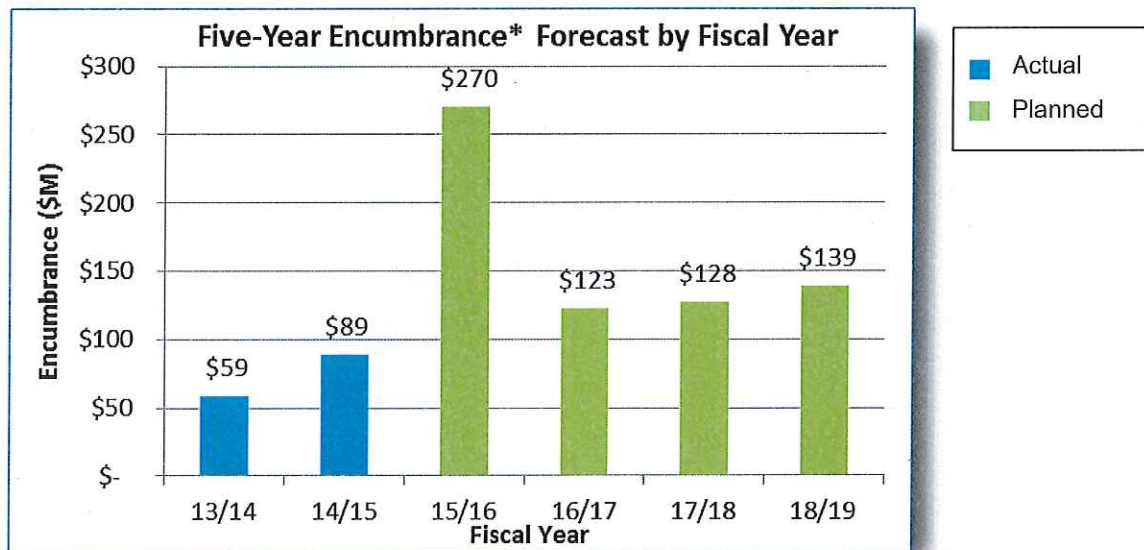
This section provides a summary of CIP cost performance for all construction projects and non-construction activities for FY14-15 and the Five-Year CIP.

Adopted 2015-2019 CIP Expenditure and Encumbrances

To accommodate the proposed increase in expenditures and encumbrances over the next five years, the City is developing a long-term financial strategy to fund the needed, major capital improvements while minimizing the impact to ratepayers. The City held special study sessions with TAC and TPAC in April to discuss the ten-year funding strategy and the financing plan.



*Expenditure defined as: Actual cost expended associated with services and construction of physical asset which may include encumbered amounts from previous years



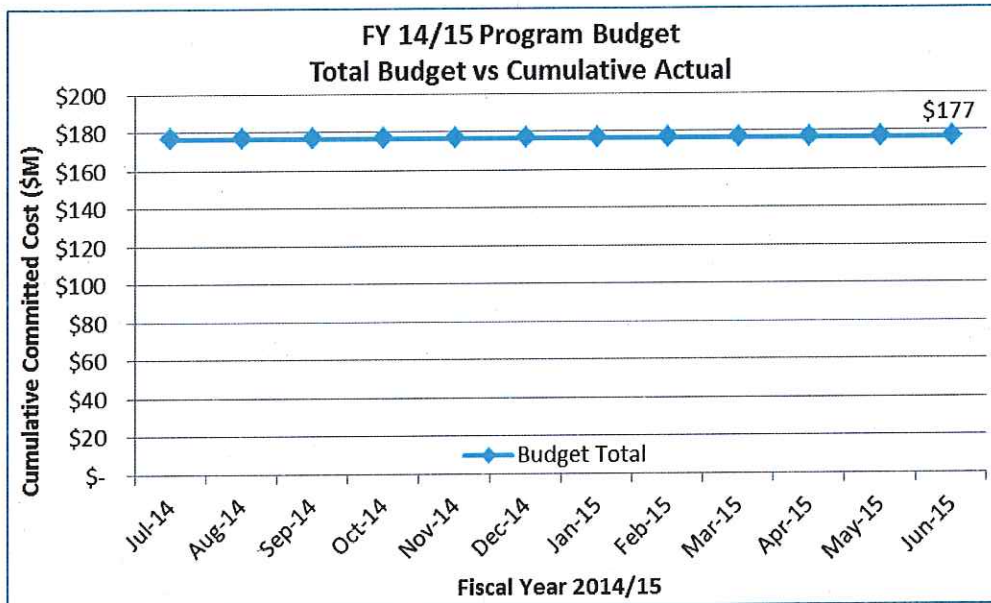
*Encumbrance defined as: Financial commitments, such as purchase orders or contracts, which are chargeable to an appropriation and for which a portion of the appropriation is reserved



Fiscal Year 2014-2015 Program Budget Performance





























The fiscal year program budget is \$177 million. The budget amount of \$177 million represents the 2014-2015 budget of \$182 million plus carryover of \$58 million, less reserves of \$5 million and ending fund balance of \$60 million and Fall adjustment of \$2.4M. Committed costs are expenditures and encumbrance balances, including carryover (encumbrance balances from the previous fiscal year).

The committed costs forecast for Fiscal Year 2014-2015 are currently being finalized and will be included in next month's report.



Project Performance

There are currently 14 active projects in the construction or post-construction phase with a further 11 projects in feasibility/development, design or bid and award phases (see PDM graphic at the front of this report). All active projects are listed in the tables below. Projects in the construction phase have cost and schedule baselines established and are monitored using the City's Capital Project Management System (CPMS). These projects have green/red icons included in the table below to indicate whether they are on budget and schedule using the CPMS data as a source.

Project Name	Phase	Estimated Beneficial Use Date ¹	Cost Performance ²	Schedule Performance ²
Baselined Projects				
Dissolved Air Flotation (DAF) Dissolution Improvement	Post-Construction	Apr 2014		
Distributed Control System (DCS) Fiber Optics Network Expansion	Post-Construction	May 2014		
115KV Circuit Breaker Replacement	Post-Construction	Jul 2014		
A5-A6 Nitrification Mag. Meter & Valve Replacement	Construction	Jul 2014		
BNR-2 Clarifier Guardrail Replacement	Construction	Dec 2014		
DCS Upgrade/Replacement	Construction	Jun 2016		
Digester Gas Compressor Upgrade	Construction	Jul 2016 ³		
Digester Gas Storage Replacement	Construction	Jun 2015		
Emergency Diesel Generators	Construction	Aug 2016 ³		
Filtration Building B2 & B3 Pipe & Valve Replacement	Construction	Apr 2015 ³		
Fire Main Replacement - Phase III	Construction	Apr 2015		
Handrail Replacement - Phase V	Construction	Mar 2015		
RWF Street Rehabilitation - Phase III	Construction	Jan 2015 ³		
Training Trailer Replacement	Construction	May 2015		



Project Name	Phase	Estimated Beneficial Use Date ¹	Cost Performance ²	Schedule Performance ²
Pre-Baseline Projects				
Cogeneration Facility	Design	Mar 2017	N/A	N/A
Digester & Thickener Facilities Upgrade	Design	Feb 2018	N/A	N/A
Adv. Facility Control and Meter Repl.	Feasibility/Development	Feb 2016	N/A	N/A
Digested Sludge Dewatering	Feasibility/Development	Dec 2018	N/A	N/A
Facility Wide Water Systems	Feasibility/Development	Mar 2021	N/A	N/A
Headworks Improvement	Feasibility/Development	Nov 2017	N/A	N/A
Iron Salt Feed Station	Feasibility/Development	Apr 2016	N/A	N/A
New Headworks	Feasibility/Development	Nov 2017	N/A	N/A
Nitrification Clarifiers Rehab.	Feasibility/Development	June 2018	N/A	N/A
Outfall Bridge and Levee Improvements	Feasibility/Development	Aug 2018	N/A	N/A
Plant Instrument Air System Upgrade	Feasibility/Development	Dec 2015	N/A	N/A

KEY:

Cost:	 On Budget	 >1% Over Budget
Schedule:	 On Schedule	 >2 months delay

Notes

- Beneficial Use is defined as when the work is sufficiently complete, in accordance with the contract documents, so that the City can occupy or use the work. Beneficial use dates being reviewed as part of project schedule reviews.
- An explanation of cost and schedule variances on specific projects identified in this table is provided on the next page.
- Beneficial use dates pending Contractor's Schedule.



Significant Accomplishments

Cogeneration Facility Project

In July, the City received authorization from the State to utilize the design-build procurement method to deliver the Cogeneration Project. Significant work is underway preparing the Request for Pre-qualifications, which is anticipated to be released in September, followed by the Request for Proposals, targeted for release in November. Estimated contract amount is approximately \$60 Million.

Emergency Diesel Generators Project

The contract for the Emergency Diesel Generator Project with the Design-Builder (Anderson Pacific) was executed on July 31, 2014.

115KV Circuit Breaker Replacement Project

The 115KV Circuit Breaker Replacement project was commissioned on July 25, 2014.

Digester & Thickener Facilities Upgrade

The Authorization to Proceed Stage Gate was held on July 17. The recommendations from the Conceptual Design Report were presented and ratified by the Stage Gate Panel.

Explanation of Project Performance Issues

DAF Dissolution Improvement

This project involved the replacement of pipe sections, check valves, and knife gate valves, and the installation of new electric actuators to automate valve operations for the dissolved air flotation process in the Wastewater Facility's Sludge Control Building. One of the new valves required an extended shutdown period and repeated installation attempts. In existing facilities, it is not uncommon for new equipment to present fit and alignment challenges as was encountered in this case. In addition, the installation of the local control panel required a longer than expected submittal review period. These issues resulted in minor cost and schedule impacts (3% above target budget and 3 months beyond target schedule).

In April, the project achieved beneficial use. The contractor's work is essentially complete, with the exception of a local control panel connection and outstanding punch list items. In-house staff is expected to finish the remaining electrical work and staff anticipates project acceptance in August.



Active Construction Photos

In lieu of a detailed project description, photographs of the following active construction projects are provided:

- 115KV Circuit Breaker Replacement
- Dissolved Air Flotation (DAF) Dissolution Improvement
- Digester Gas Storage Replacement
- Fire Main Replacement - Phase III
- Handrail Replacement - Phase V
- Distributed Control System (DCS) Fiber Optic Network Expansion

115KV Circuit Breaker Replacement

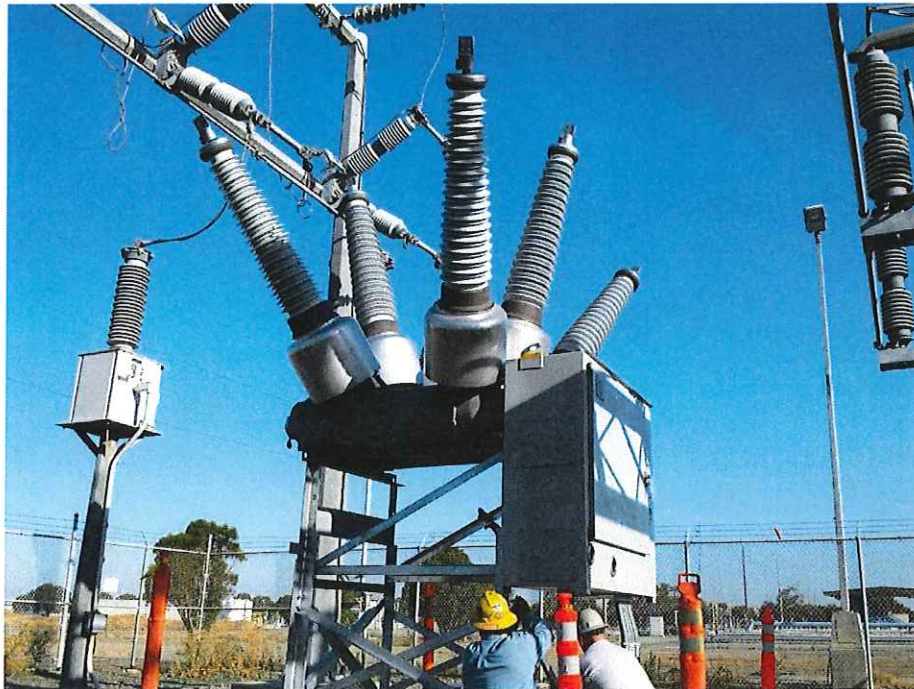


Figure 2—115KV Circuit Breaker Replacement

Dissolved Air Flotation (DAF) Dissolution Improvement

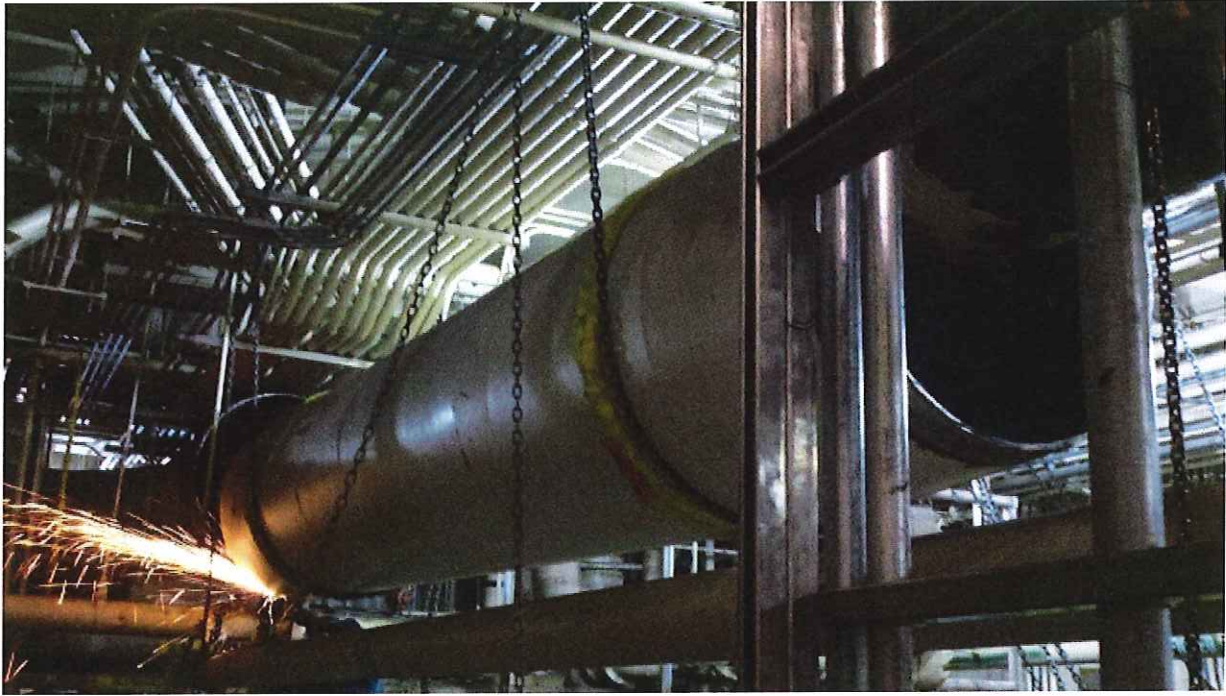


Figure 3—Dissolved Air Flotation (DAF) Dissolution Improvement

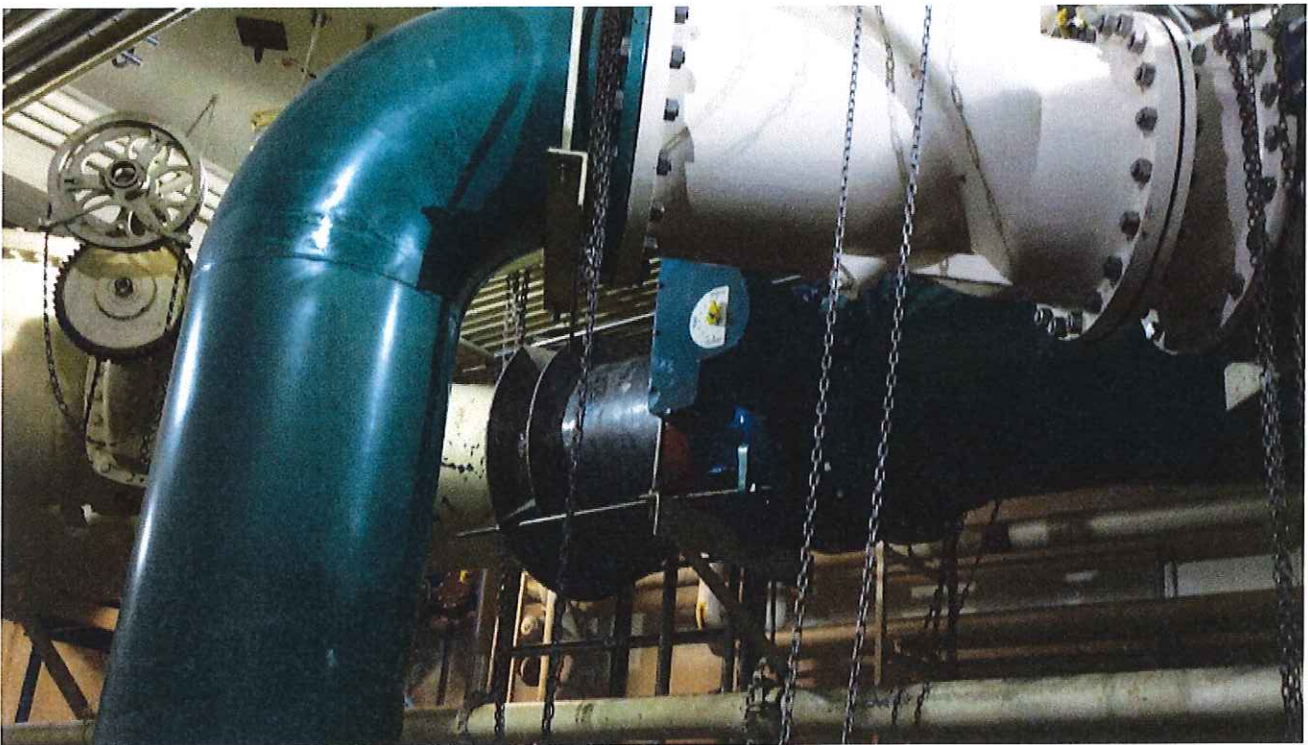


Figure 4—Dissolved Air Flotation (DAF) Dissolution Improvement, Valve Installation

Digester Gas Storage Replacement

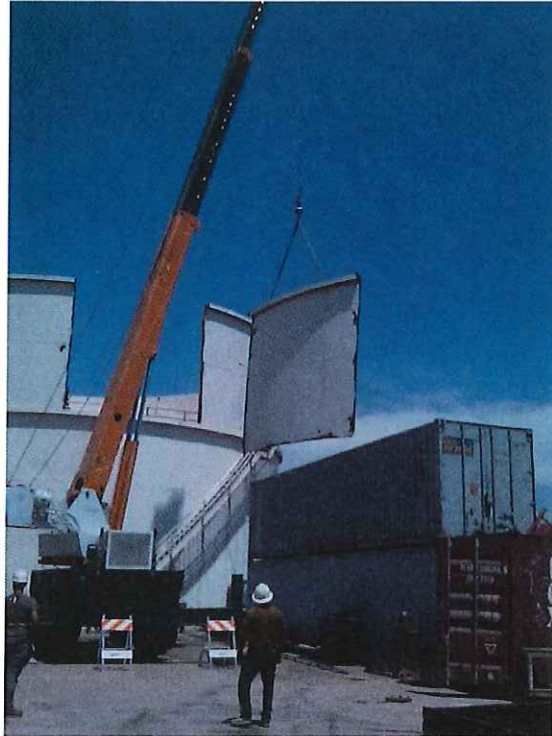


Figure 5—Digester Gas Storage Replacement, Demolition



Figure 6—Digester Gas Storage Replacement, Demolition

Fire Main Replacement - Phase III



Figure 7— Fire Main Replacement - Phase III



Handrail Replacement - Phase V



Figure 8— Handrail Replacement – Phase V

Distributed Control System(DCS) Fiber Optic Network Expansion

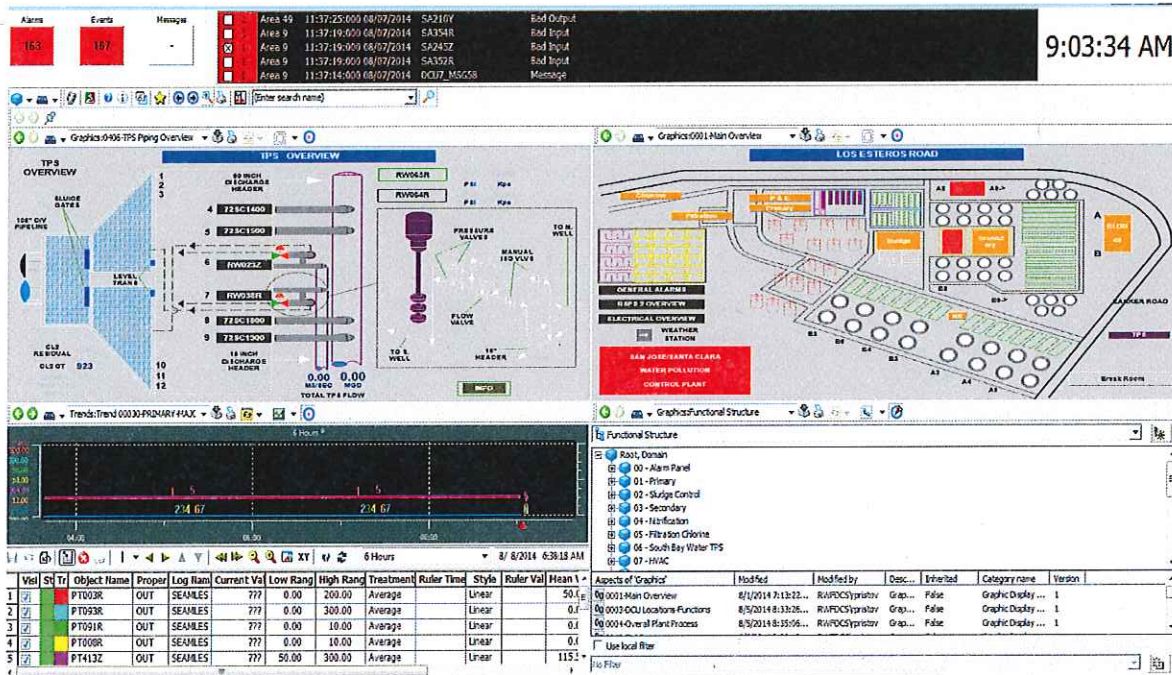


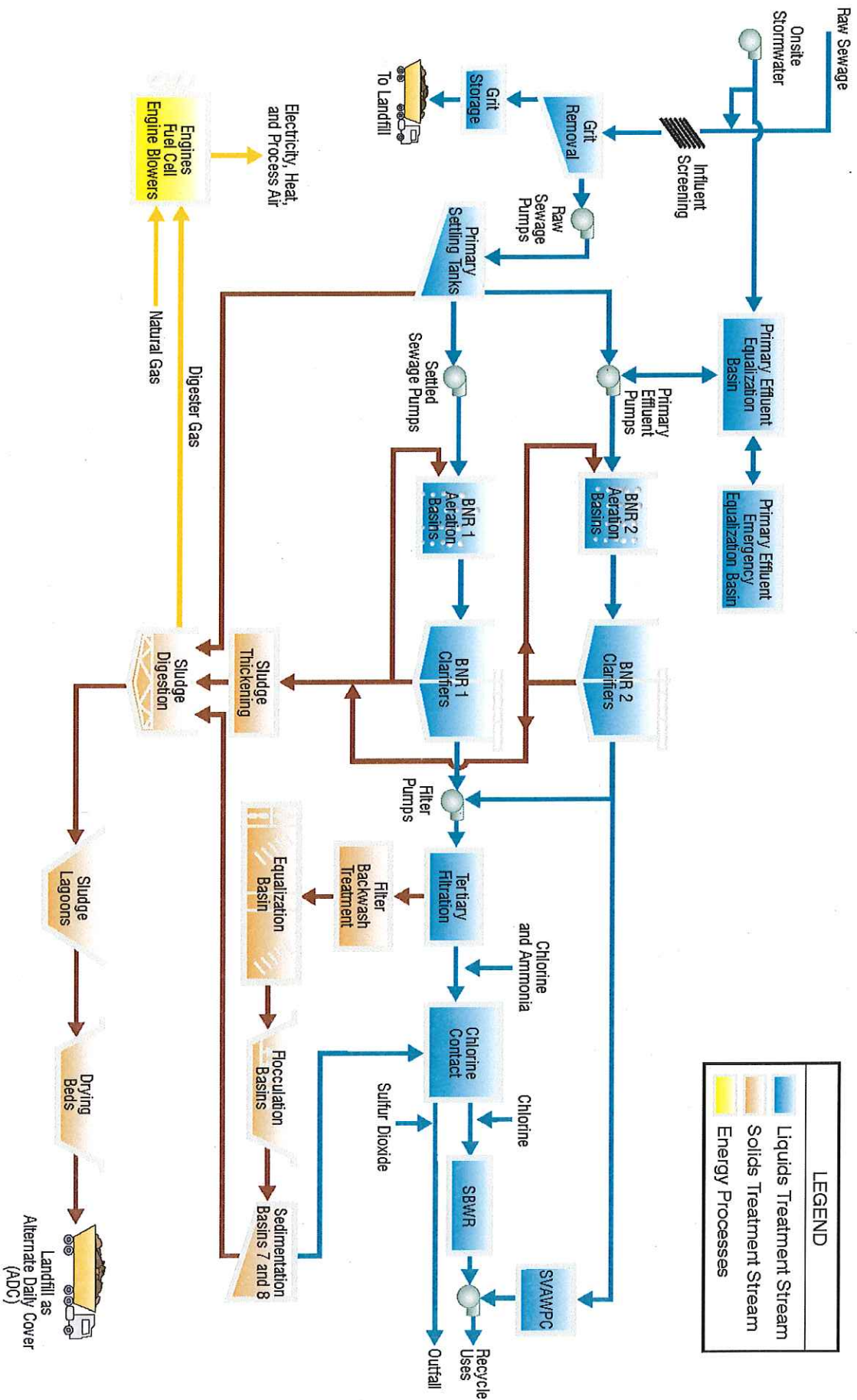
Figure 9— Distributed Control System(DCS) Fiber Optic Network Expansion, Screens Overview



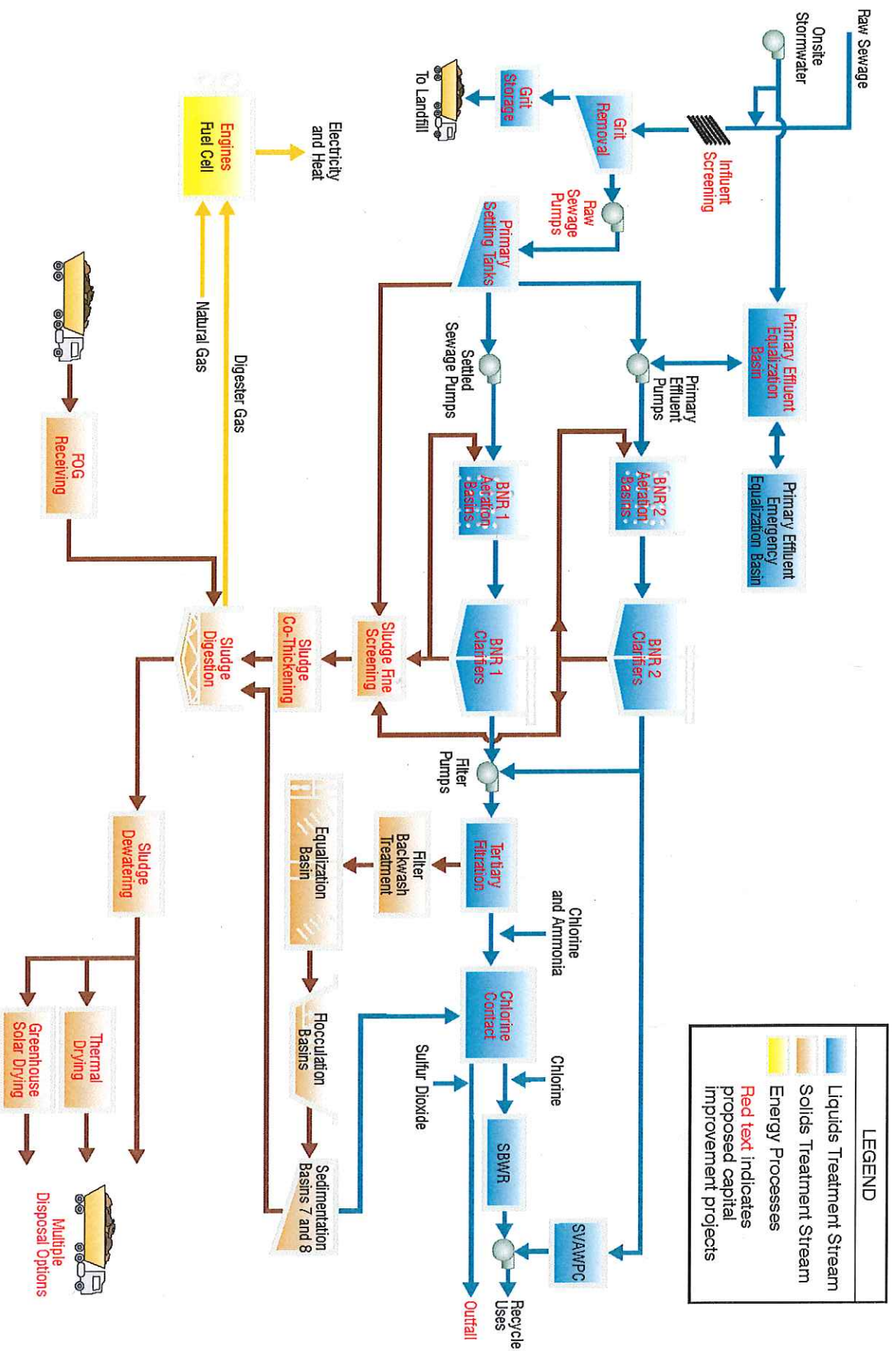
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Regional Wastewater Facility Treatment – Current Treatment Process Flow Diagram



Regional Wastewater Facility Treatment – Proposed Treatment Process Flow Diagram

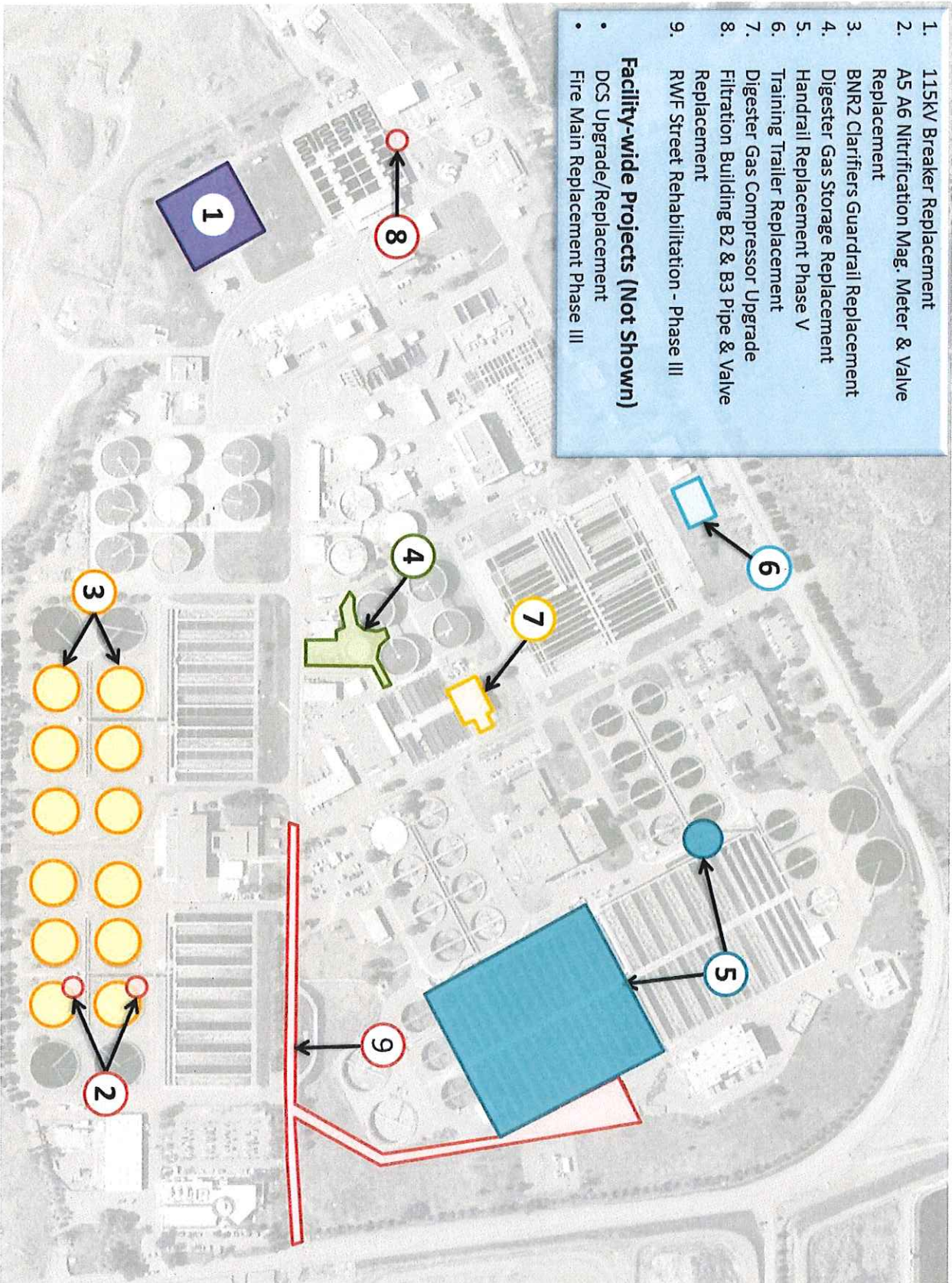


Active Construction Projects – Aerial Plan

1. 115kV Breaker Replacement
2. A5 A6 Nitrification Mag. Meter & Valve Replacement
3. BNR2 Clarifiers Guardrail Replacement
4. Digester Gas Storage Replacement
5. Handrail Replacement Phase V
6. Training Trailer Replacement
7. Digester Gas Compressor Upgrade
8. Filtration Building B2 & B3 Pipe & Valve Replacement
9. RWF Street Rehabilitation - Phase III

Facility-wide Projects (Not Shown)

- DCS Upgrade/Replacement
- Fire Main Replacement Phase III






Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: August 27, 2014

Approved 

Date 9/4/14

SUBJECT: PROPOSED ORDINANCE TO AMEND THE SEWER USE REGULATIONS

RECOMMENDATION

Approve an ordinance amending Chapter 15.14 of Title 15 of the San Jose Municipal Code to add a new Section 15.14.248 and amend Section 15.14.755 to add a new definition of the Clean Water Act and modify permit conditions to allow the transfer of discharge permits in the event of a change of ownership.

OUTCOME

Approval of the proposed Ordinance will ensure the City of San José is consistent with federal regulations governing pretreatment programs, and improve the Environmental Services Department's (ESD) ability to effectively permit industrial dischargers.

BACKGROUND

The federal Clean Water Act establishes water quality standards for water bodies such as streams, rivers, bays, and oceans. In addition, the law created the National Pollution Discharge Elimination System (NPDES) Permit program to control the discharge of pollutants from sources, both direct dischargers like the Regional Wastewater Facility (referred to as "Point Source"), and indirect dischargers such as industrial and commercial facilities (referred to as "non-point sources"). Wastewater treatment plants are designed primarily to treat domestic waste and traditional pollutants such as organic material, oil and grease, and pH. Industrial pollutants such as heavy metals, solvents, and other chemicals are difficult and expensive to treat using standard treatment methods. Under the Clean Water Act, wastewater treatment plants above a certain capacity are required to regulate industrial dischargers to prohibit or severely restrict discharges of industrial pollutants in order to protect the health and safety of operations and maintenance staff, the integrity of infrastructure and treatment processes, and the health of the

HONORABLE MAYOR AND CITY COUNCIL

August 27, 2014

Subject: Revision to Sewer Use Hauling Liquid Waste Ordinance.

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receiving waters. Since 1989, the City of San José (City) has implemented a pretreatment program for the Regional Wastewater Facility's 300-square mile service area.

ANALYSIS

As the City monitors and partners with industrial users in the service area to implement the pretreatment program, state and federal regulators do the same with the City. A significant component of monitoring and oversight under the NPDES permit program is regular inspection of facilities, processes, and procedures. The City is also subject to audits and inspections to evaluate the effectiveness and compliance of its pretreatment program. Recently, the Pretreatment Program has undergone evaluations by regulators from the Environmental Protection Agency (EPA). These evaluations entail review and quality control and adequacy of the sewer use ordinance. The following are the revisions needed to parts of Chapter 15 of the San José Municipal Code.

Sewer Use Ordinance Revisions

The proposed Ordinance updates Chapter 15.14.248 and 15.14.755 to include language that expressly reference:

- Adding the definition for Clean Water Act.

Following an EPA evaluation in 2013, the City was required to add a definition for Clean Water Act to its Ordinance. Adding this definition will further clarify the City's authority to implement a pretreatment program.

- Clarify language for transfer of a discharge permit.

During EPA evaluations in 2013 and 2014, it was observed the City's prohibition of discharge permit transfers presents a challenge in regulatory oversight during changes in ownership at regulated industries. Under the current Ordinance, discharge permits are not transferable and are immediately cancelled in the event of a change of ownership. Under Federal law, discharge permits may be transferred in the event of a change of ownership with prior notification to and approval from the control authority. Updating the Ordinance to allow discharge permit transfers will allow the City to maintain regulatory authority over industrial users and allow industrial users to continue to legally discharge during a change in ownership until a new discharge permit is issued.

EVALUATION AND FOLLOW UP

No additional follow-up actions with the Council are expected at this time. Staff will monitor the impact of these actions and report any issues to the Council as appropriate.

HONORABLE MAYOR AND CITY COUNCIL
August 27, 2014
Subject: Revision to Sewer Use Hauling Liquid Waste Ordinance.
Page 3

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the September 16, 2014 City Council agenda.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COST IMPLICATIONS

There are no cost implications to the City as a result of these actions. Although some penalties amounts are proposed, the majority of the proposed changes to Ordinance.

CEQA

Not a Project, File No. PP11-106.

/s/
KERRIE ROMANOW
Director, Environmental Services Department

For questions please contact Casey Fitzgerald, Pretreatment Program Manager, Environmental Services Department, at 408-793-5378.

DRAFT

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING
CHAPTER 15.14 OF TITLE 15 OF THE SAN JOSE
MUNICIPAL CODE TO ADD A NEW SECTION 15.14.248
TO DEFINE CLEAN WATER ACT AND AMEND SECTION
15.14.755 TO ALLOW THE TRANSFER OF DISCHARGE
PERMITS IN THE EVENT OF A CHANGE OF OWNERSHIP**

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under File No. PP10-068c (Municipal Code amendments that involve no changes in the physical environment); and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Chapter 15.14 of Title 15 of the San José Municipal Code is hereby amended to add a new Section to be numbered and entitled and to read as follows:

15.14.248 Clean Water Act

“Clean Water Act” is the 1972 amendment to the Federal Water Pollution Control Act, 33 U.S.C. section 1251, et seq. The Act is the primary legislation concerning water pollution and its regulation. The Act establishes a permit system that must be used by point sources of pollution such as industrial facilities, government facilities, and agricultural operations. These point sources are not allowed to discharge or dispose of the pollutants they produce in surface water without a permit from the National Pollutant Discharge Elimination System (NPDES).”

SECTION 2. Section 15.14.755 of Chapter 15.14 of Title 15 of the San José Municipal Code is hereby amended to be entitled and to read as follows:

15.14.755 ~~No-t~~Transfer of Ppermit

Discharge permits are issued to a specific user for a specific operation. A discharge permit shall not be reassigned or transferred or sold to a new owner, new user, different premises, or a new or changed operation without prior approval of the Director. However, nothing in this Chapter shall be construed to prevent the application of terms and conditions of this Chapter, including enforcement penalties, from applying to a succeeding owner, successor in interest, or other assigns of an existing contract or permit holder. No user shall assign, transfer or sell a discharge permit, or use the permit for premises or for facilities or operations not covered by the permit.

PASSED FOR PUBLICATION of title this _____ day of _____, 2014, by the following vote:

AYES:

NOES:

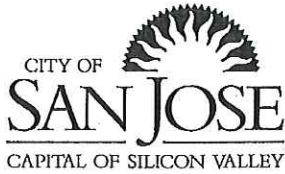
ABSENT:

DISQUALIFIED:

CHUCK REED
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Julia H. Cooper
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: September 2, 2014

Approved

Date

9/4/14

SUBJECT: APPROVAL OF CITYWIDE INSURANCE RENEWALS AND RELATED APPROPRIATION ORDINANCE AMENDMENTS IN THE CONVENTION AND CULTURAL AFFAIRS FUND

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager to select and purchase certain City property and liability insurance policies for the period October 1, 2014 to October 1, 2015, at a total cost not to exceed \$1,700,000 for all policies, with the following insurance carriers, subject to the appropriation of funds:
 - (1) Lexington Insurance Company, Boston, MA for Property Insurance, including Boiler & Machinery.
 - (2) QBE Insurance for Airport Owners and Operators Liability including War Risks & Extended Perils Coverage (Primary and Excess) and Police Aircraft Hull & Liability including War Risks & Extended Perils.
 - (3) Travelers - or other insurers that the City is currently in negotiations with - for Automobile Liability (Airport fleet vehicles including Shuttle Buses, Regional Wastewater Facility fleet vehicles, and Airport Shuttle Bus physical damage.
 - (4) Indian Harbor Insurance Company for Secondary Employment Law Enforcement Professional Liability.

- (b) Adopt the following 2014-2015 Appropriation Ordinance amendments in the Convention and Cultural Affairs Fund:
 - (1) Increase the Insurance Expenses appropriation to the Finance Department for Insurance Expenses by \$11,000; and
 - (2) Decrease the Ending Fund Balance by \$11,000.

OUTCOME

Approval of these insurance policies will ensure the City maintains appropriate insurance

coverage to provide financial protection from catastrophic loss for the City.

EXECUTIVE SUMMARY

The recommended insurance policies will provide comprehensive coverage to protect the City from loss or claims due to a catastrophic event. Annually, the Finance Department, on behalf of the City, analyzes the City's insurance coverage with the City's Insurance Broker, Arthur J. Gallagher Insurance Services ("Gallagher"). Gallagher receives competitive quotes from the insurance market and presents the results to the City for consideration. After reviewing the scope and cost of coverage as well as the insurer's financial strength to pay claims and provide additional resources, the Finance Department determines the appropriate insurance coverage and recommends the most advantageous insurance policies. All policies are for a one-year term, although some have a guaranteed rate renewal term for up to two years.

BACKGROUND

Every year, the City of San Jose ("City") purchases insurance to protect the City against a catastrophic event or loss, when the frequency of events cannot be predicted, the severity of potential loss could seriously hamper operations, and the cost of the insurance policy is not prohibitive.

To secure policies through "best practices," the City utilizes its insurance broker, Gallagher, to review and analyze the insurance market, regional claims' history and exposures, the City's insurance and coverage requirements, and to obtain competitive insurance quotes.

The insurance policies addressed in this memorandum have a renewal date of October 1, 2014. The annual premiums are subject to change during the term due to changes such as additions or deletions to property schedules, acquisition of automobiles at the Airport or Regional Wastewater Facility, or changes to equipment lists.

In addition, the City staff reviewed and considered Excess Liability Insurance, Earthquake Insurance, Terrorism Risk Insurance Act of 2002 Insurance, and Excess Workers' Compensation Insurance and found it was cost prohibitive to purchase an annual policy.

ANALYSIS

Annually, the Finance Department reviews the City's risk exposures with the City's insurance broker and measures those exposures to recent claims' trends, insurance market trends, and the historical insurance program for the City. In May, 2013, Gallagher was selected through a competitive Request for Proposal ("RFP") process and remains the City's broker for this fiscal year's policy renewals. Gallagher's responsibilities include working with staff to analyze the

City's needs and present the City's risk portfolio to insurance carriers to obtain the most cost-effective insurance coverage.

Gallagher solicits major insurance companies to provide quotes for the insurance policies described below. The quotes were compared and evaluated with respect to scope of coverage, cost, the financial strength to pay claims, and the insurer's availability of resources to provide industry-related services such as property evaluations, safety training and loss control.

Appendix A reflects the best value coverage, renewal premiums and insurance carriers presented for fiscal year 2014-2015 for all renewal policies. The quoted renewal premiums are subject to market fluctuations prior to October 1, 2014. Additionally, premiums may change based upon the addition or deletion of covered properties during the policy term.

Appendix B provides a comparison of insurance premiums by fund and type of insurance. This comparison shows that the aggregate cost of insurance is 8.37% higher than last year. Major changes to premium costs resulted from increase of insured property value by 12% resulting in an increase to the property insurance premium by approximately 11%.

A. Insurance Coverage Recommended

1. All Risk Property & Casualty including Boiler & Machinery Property Insurance

Provides coverage for City owned and leased real and personal property (including buildings, contents, business interruption, boiler and machinery, EDP equipment and media, fine arts, loss of rents, expediting expenses, off premises services interruption, unnamed locations, transit, tunnels/bridges/roadways, animals, accounts receivable, valuable papers, and other coverage as detailed in the policy forms subject to sub-limits as defined in the policy). This includes property previously owned by the Redevelopment Agency of the City of San José, which as a result of the dissolution of the Redevelopment Agency on February 1, 2012, is now owned by the Successor Agency to the Redevelopment Agency. The property insurance limit is \$1 billion each occurrence with a \$100,000 deductible per occurrence. The annual rate for the October 1, 2014 renewal is .0323 per \$100 of insured value. This rate is reflective of the guaranteed rate of insurance of insured valued the City received for the October 1, 2013 to October 1, 2014 period.

The property insurance premium increased by 11% as the result of a 12% increase in insurable values reported on the City's property schedule. Values were updated in three categories: contents, business interruption and real property value. Risk Management further reviewed property insurance terms in contracts, parcel summaries from Real Estate, Public Works facility logs, the national building cost index, and department schedules to assess whether all City owned, insurable property was identified and on schedule. Increased values also reflect new buildings or improvements including: Chevron Energy Efficient Improvements, addition of 23,492 sq. ft. to the Environmental Innovation Center, addition of the Educational Park Library, and addition of the fire

station at Yerba Road. Following completion of the Convention Center expansion project and full occupation and use, the Convention Center property also increased in contents valuation from \$4,777,477 to \$14,525,000.

Insurance Carrier: Lexington Insurance Company

Premium: \$1,297,031 Total Annual including Surplus lines Tax and Fees and AJG Broker Fee.

2. Airport Owners and Operators Liability including War Risks & Extended Perils Coverage

Provides coverage for those amounts that the City becomes legally obligated to pay as damage because of bodily injury, property damage and personal injury resulting from airport operations. Additionally, the program provides coverage for bodily injury or property damage caused by war and other perils. City has a rate guarantee for 2 years.

Insurance Carrier: QBE Insurance Corporation

Premium: \$85,749 (Net) Total Annual

3. Secondary Employment Law Enforcement Professional Liability

Provides coverage for an actual or alleged error or omission, negligent act, neglect or breach of duty by the City's police officers who have been approved to participate in the Secondary Employment program by the City's Secondary Employment Unit (SEU) while conducting law enforcement activities on behalf of an approved third party secondary employer, which result in bodily injury, property damage or personal injury.

Insurance Carrier: Indian Harbor Insurance Company

Premium: \$117,251 (Net) Total Annual

4. Automobile Liability for Airport Fleet & Shuttle Bus Fleet Physical Damage

Automobile Liability provides coverage for bodily injury, property damage and personal injury for claims arising out of the operation at the Airport. Airport Shuttle Bus Physical Damage coverage provides comprehensive physical damage (i.e. fire, theft, vandalism, malicious mischief) and collision damage subject to a \$25,000 deductible.

Insurance Carrier: St. Paul / Travelers Insurance Company

Premium: \$57,177 (Net), annual total for automobile liability based on number of reported units.

5. Automobile Liability for Water Pollution Control Plant Fleet

Automobile Liability provides coverage for bodily injury, property damage and personal injury for claims arising out of the operation at the Treatment Plant.

Insurance Carrier: St. Paul / Travelers Insurance Company
Premium: \$28,215 (Net Plant) Total Annual based on number of units reported.

6. Police Aircraft Hull and Liability including War Risks & Extended Perils Coverage

Provides coverage for those amounts that the City becomes legally obligated to pay as damages because of bodily injury (including passengers), property damage and hull coverage for the Cessna 182 and American Eurocopter EC 120B. Additionally, program provides coverage for bodily injury or property damage caused by war and other perils resulting from aviation operations. Provides coverage for two (2) aircraft, N408DC and N2705 with current hull values of \$1,750,000 and \$275,000 respectively and limit of liability of \$50,000,000. War coverage is included within this policy for \$1,064. City has a rate guarantee for 2 years.

Insurance Carrier: QBE Insurance Corporation
Premium: \$32,371 (Net) Total Annual

Appendix A compares the current insurance program by coverage levels, carrier(s) and premiums to the recommended renewal program. Please note that with respect to Property (including Boiler & Machinery), Automobile Liability (Airport fleet vehicles including Shuttle Buses, and WPCP fleet vehicles) and Airport Shuttle Bus physical damage coverages, final coverage levels, carriers and/or premiums may be modified depending on the outcome of pending negotiations. However, the total cost will not exceed \$1,700,000 for all policies which are the subject of this memorandum, without further authorization from Council.

B. Insurance Coverage Not Recommended

The insurance coverages described below were reviewed and analyzed by staff and were determined to be cost prohibitive. Staff, in consultation with Gallagher, will continue to review the market on a periodic basis and make the appropriate recommendations to Council should circumstances change.

1. Terrorism Risk Insurance Act of 2002 (TRIA)

Provides coverage for insured losses resulting from certified acts of terrorism as defined by the Terrorism Risk Insurance Act (TRIA). For those participating, coverage is currently provided through a temporary Federal program. TRIA was extended by Congress on December 31, 2005 for an additional two years and was set to expire on December 31, 2007, and has since been further extended and amended. The current law, under the Terrorism Risk Insurance Program Reauthorization Act, is set to expire on December 31, 2014 and Congress is in the middle of debating the Program's reauthorization.

Under TRIA, there is a \$5 million aggregate requirement. Total damages suffered by all insureds from an "Act of Terrorism" as defined by TRIA must be at least \$5,000,000. If the \$5,000,000 threshold is met, coverage applies subject to specific policy terms and conditions.

If not included in the cost of the insurance policy, the cost of purchasing TRIA coverage is summarized below:

<u>Insurance Policy Type</u>	<u>Additional Premium</u>
All Risk and Boiler & Machinery Property Insurance	\$70,922
Airport Owners and Operators Liability (included)	0
Police Aircraft Hull & Liability (included)	<u>0</u>
Total estimated TRIA Premium	\$70,922

2. Excess Workers' Compensation

Excess insurance indemnifies the City for Workers' Compensation Claims above a defined dollar threshold. In 2013, Risk Management Staff worked with the insurance broker (Alliant) of the California State Association of Counties Excess Insurance Authority (CSAC-EIA), a large statewide joint powers authority of California public entities, including cities, to evaluate the cost of excess workers' compensation insurance. Estimated costs of coverage for Fiscal Year 2014-2015 have increased. For a limit of \$5,000,000 in employer's liability and statutory for workers' compensation, the evaluation resulted in the following insurance premium estimates based on four different self-insurance retention levels as shown in the table below.

Self-Insured Retention/Deductible per Occurrence	<u>Annual Premium</u>
\$5 million	\$416,906
\$3 million	\$768,000
\$2 million	\$1,002,000
\$1 million	\$1,387,000

The City has not experienced a single workers' compensation claim costing over \$2,000,000 in the last 20 years. In light of the City's claim cost history, high frequency of claims, and the high self-insured retentions and annual premiums, purchase of excess workers' compensation insurance is not cost effective to purchase excess worker's compensation excess liability insurance.

3. Excess Liability

Excess liability insurance indemnifies the City for third-party claims alleging Bodily Injury, Property Damage, and Personal Injury arising from City premises, operations and vehicles above a defined dollar threshold.

The City has historically been self-insured for its exposures to third-party liability claims, with the exception of the Airport Owners and Operators Liability Insurance program. In 2014, the City Risk Manager, in conjunction with Gallagher, sought competitive quotes for excess insurance for varying Self-Insured Retentions and Limits. Self-insured retentions and limits must be paid in full before a claim becomes compensable by policy proceeds. The following is a brief summary of best option at each level:

<u>Self-Insured Retention/ Deductible per Occurrence</u>	<u>Annual Premium</u>	<u>Limit Per Occurrence/ Aggregate</u>	<u>10 Year Total Premiums Paid by City</u>
\$5,000,000	\$1,289,690	\$50,000,000	\$12,896,690
\$3,000,000	\$1,692,537	\$50,000,000	\$16,925,370
\$5,000,000	\$1,114,690	\$25,000,000	\$11,146,900
\$3,000,000	\$1,442,537	\$25,000,000	\$14,425,370
\$2,000,000	NA	NA	NA

For the past ten fiscal years, the City has paid approximately \$2,500,000 in aggregate per year for costs associated with liability claims. Please note that the data does not include claims the City has filed against third parties, grievances, appeals to City filed cases, regulatory matters, environmental liability claims, or contract disputes/as those matters would not have coverage through an excess policy. The City has paid costs or claims of approximately 28% of those claims raised. On average per claim, the City is paying approximately \$4,000 per claim filed or \$14,658 per claim paid.

The largest compensable claim that an excess insurance policy would have covered, if in place, would have been for \$4,960,000. With a self-insured retention of \$3,000,000 this would have been the only claim compensable under an excess liability policy and coverage would have been for \$1,960,000 of the total loss. Of claims filed, only eleven paid were in excess of \$250,000 and four were in excess of \$1,000,000 dollars. Highest frequency of City claims were against the Department of Transportation and followed by the Police Department. Highest dollar per claim was against the Police Department

followed by the Fire Department. Overall, the City has been successful in mitigating costs associated with claims in comparison with other public entities in California.

Nonetheless, there has been a State-wide trend reflecting increased value of claims per dollar over the City of San José's experience. As with the City's claims history, frequency and severity of loss on claims appears to mirror exposures for roadway defects, police services, recreational services geared towards youth populations and automobile accidents. There does not appear to be a major deviation on the types of events or exposures unique to the City. The largest claim against a public entity (City of Dana Point) was for \$50,000,000 and was the direct result of a settlement for a roadway defect resulting in catastrophic injury to two people. In California for the past ten years, there have been 79 publicly identifiable claims against cities for over \$3,000,000, but the majority of those claims were geographically located in Southern California.

Considering the City's history, geographic location, current trending as well as the breakdown of the City's cost per claim, Risk Management would recommend that the City continue to be self-insured and not purchase excess liability coverage. The coverage per year would amount to approximately ten times the cost for the compensable portion at \$1,960,000 of the City's worst claim of \$4,960,000 that the City has experienced in its history. Likewise, regional trending has not suggested that the exposure in this geographic area is outweighed by the ten years of paid premiums which would likely be at a minimum \$11,146,900 with a \$5,000,000 deductible and \$25,000,000 limit should the City maintain and purchase excess liability insurance for the next ten years or, in looking at the largest claim currently closed against the City, approximately five (5) claims of the same magnitude would have to occur over the next ten years.

Alternatively, there are factors that suggest that the City may consider an Excess Liability policy, such as current statewide trends on the frequency and severity of claims and national trends on the highest dollar per claims in the areas of transportation and police services.

In consideration of these factors as well as the data presented, Risk Management would recommend that the City not purchase excess liability coverage as it remains cost prohibitive and the City is unlikely to recapture that loss. In the event the City experiences a catastrophic loss, options exist for payment of claim(s) which include the issuance of judgment bonds (no greater than 40-year term), as well as court-ordered installment payments (no greater than 10-year period). It should be noted that these options require either a successful validation action for the first option, and court approval is required for the second option.

4. Earthquake

Provides coverage for damage caused by the peril of earthquake or volcanic action. The coverage is limited to direct damage caused by an earthquake.

Earthquake insurance is another type of coverage that has become cost prohibitive. During last year's marketing efforts, we found that the cost for \$5,000,000 in coverage was in excess of \$500,000 annually. The insurance markets that write catastrophic covers (flood, wind, and earthquake) have reduced available capacity along with increasing insurance rates. This pricing level, the minimum deductible of 5% of the values at risk, and the relatively low limits of coverage available, make it uneconomical to purchase coverage citywide.

Appendix B provides a comparison of the allocation of insurance premiums by fund and insurance type between October 2013 renewal and the proposed October 2014 renewal.

EVALUATION AND FOLLOW-UP

The City Council will be informed as to the status of these policies as part of the annual renewal process each September or by Supplemental Memorandum if necessary.

PUBLIC OUTREACH/INTEREST

This memorandum will be posted on the City's Council Agenda Website for the September 23, 2014, Council Meeting at <http://www.sanjoseca.gov/index.aspx?nid=3549>.

COORDINATION

This memo has been coordinated with the following Departments: Airport, Transportation, Police, Housing, Environmental Services, and the City Attorney's Office.

This item will be scheduled for approval by the Treatment Plant Advisory Committee (TPAC) on September 12, 2014.

COST SUMMARY/IMPLICATIONS

Due to the renovation and expansion of the Convention Center, the replacement value of contents has increased from \$4,777,477 to \$14,525,000 and business interruption was verified at \$30,799,225 with a total sum valuation of \$545,492,769. For added property by endorsement in Fiscal Year 2013-2014, the carrier waived the additional premium. This has resulted in an increase of the premiums for the property insurance for the Convention Center which is paid from the Convention and Cultural Affairs Fund. In order to pay for these additional costs, the recommended budget actions include an increase in the Insurance Expenses appropriation and a corresponding decrease in the Ending Fund Balance of the Convention and Cultural Affairs Fund.

The balance of the funding associated with the recommendations in this memo was appropriated as part of the 2014-2015 Adopted Budget approved by the City Council on June 17, 2014.

BUDGET REFERENCE

The insurance policies are funded by appropriations in the 2014-2015 Adopted Operating Budget.

In addition to the appropriations listed on page 10, costs associated with insuring the remaining Successor Agency assets are estimated to be \$9,212 in 2014-2015. The anticipated payment of these costs associated with asset management for the Successor Agency is reflected on line 85 of the Recognized Obligation Payment Schedule (ROP). However, due to the nature of these costs, they should be reflected as part of the Administrative Budget of the Successor Agency and will be trued-up in subsequent ROPs periods and reconciliations. As a result of the known insufficiency in redevelopment property tax increment to meet all obligations in FY 2014-2015, the Successor Agency anticipates relying on the City's General Fund support to provide funding for this obligation as part of the Reimbursement Agreement which provide a mechanism for reimbursement to the City of all financial support (beginning July 1, 2012) once sufficient funds are available to pay for the Successor Agency's enforceable obligations.

The table below identifies the fund and appropriations recommended to fund the insurance premiums identified.

Fund #	Appn #	Appn. Name	Total Appn.	Recommended Budget Action	Amount for Premium*	2014-2015 Proposed Budget Page**	Last Budget Action (Date, Ord. No.)
001	2001	Insurance Premiums	\$575,000		\$545,162	IX-22	6/17/2014, Ord. No. 29431
001	2864	Police Officers Professional Liability	\$161,000		\$117,251	IX-19	6/17/2014, Ord. No. 29431
001	0502	Non-Personal (Police Department)	\$23,765,517		\$32,371	VIII-241	6/17/2014, Ord. No. 29431
523	0802	Non-Personal (Airport Department)	\$31,939,717		\$489,905	VIII-4	6/17/2014, Ord. No. 29431
536	3405	Insurance Expenses	\$226,000	\$11,000	\$236,043	XI-25	6/17/2014, Ord. No. 29431
536	8999	Ending Fund Balance	\$1,539,539	(\$11,000)	N/A		6/17/2014, Ord. No. 29431
533	0512	Non-Personal (Department of Transportation)	\$5,377,483		\$52,512	XI-41	6/17/2014, Ord. No. 29431
513	0762	Non-Personal (Environmental Services Department)	\$31,337,798		\$142,420	XI-81	6/17/2014, Ord. No. 29431
346	0562	Non-Personal (Housing Department)	\$1,197,634		\$2,130	XI-58	6/17/2014, Ord. No. 29431
Totals			\$96,119,688	\$0	\$1,617,794		

* The amount for premium is subject to change up until the beginning date of the new insurance policy. Therefore, current estimates are lower than the recommended contract amount not to exceed \$1.7 million.

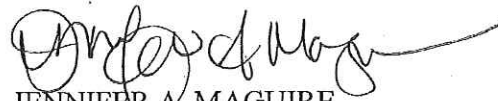
** The 2014-2015 Adopted Operating Budget was approved by City Council on June 17, 2014.

HONORABLE MAYOR AND CITY COUNCIL
September 2, 2014
Subject: Approval of Citywide Insurance Renewals
Page 12

CEQA

Not a Project, File No.PP 10-066 (a) Agreements and Contracts for purchase of insurance.

/s/
JULIA H. COOPER
Director of Finance


JENNIFER A. MAGUIRE
Deputy City Manager / Budget
Director

If you have questions, please contact Stephanie Williams, Risk Manager, at (408) 975-1438.

Appendix A
Appendix B

APPENDIX A

1. ALL RISK AND BOILER & MACHINERY PROPERTY INSURANCE

	Current Program 10/01/2013-10/1/2014	Renewal Program 10/01/2014-10/01/2015
Carrier	Lexington Insurance Company Boston, MA	Lexington Insurance Company Boston, MA
Total Insurable Values	\$3,222,174,533	\$3,654,371,469
Limit of Liability	\$1,000,000,000 subject to a \$100,000 Deductible Per Occurrence	\$1,000,000,000 subject to a \$100,000 Deductible Per Occurrence
Boiler & Machinery	Included	Included
Earthquake	Excluded. Relatively low limits available, 5% deductible, high premium-not recommended.	Excluded. Relatively low limits available, 5% deductible, high premium-not recommended.
Flood	\$100,000,000 but not to exceed \$25,000,000 in Zone B and \$15,000,000 in Zone A. Locations Specified in the insurance policy on file in Risk Management	\$100,000,000 but not to exceed \$25,000,000 in Zone B and \$15,000,000 in Zone A. Locations Specified in the insurance policy on file in Risk Management
Other Sub-limits	Other sub-limits as outlined in the insurance policy on file in Risk Management	Other sub-limits as outlined in the insurance policy on file in Risk Management
Terrorism and Non Certified Act of Terrorism	Excluded	Excluded
Average Rate per \$100 of Values	.0323 per \$100.00 of Insured Value	.0323 per \$100.00 of Insured Value
Annual Premium for City	\$1,040,762 Annual Premium \$ 33,304 Surplus lines Tax and Fees (3.20%) \$ 79,000 AJG Broker Fee \$ 1,153,066 Total Annual	\$1,180,262 Annual Premium \$ 37,769 Surplus lines Tax and Fees (3.20%) \$ 79,000 AJG Broker Fee ¹ \$1,297,031 Total Annual
Engineering Services	\$28,750	\$50,000 (in addition to premium costs)
Multiyear Agreement	Available-quoted 2 year rate guarantee	Available-quoted 2 year rate guarantee
Optional TRIA Premium (not recommended or purchased)	\$55,160	\$70,922

¹ The broker's fee is listed as a separate line item, and not included with the premium as requested by the broker. In years prior to 2012/2013, premium included commission.

2. AIRPORT OWNERS AND OPERATORS LIABILITY

	CURRENT PROGRAM 10/1/2013	RENEWAL PROGRAM 10/1/2014
Carrier	QBE Insurance Corporation 88 Pine Street, New York, New York	QBE Insurance Corporation 88 Pine Street, New York, New York
Coverage and Deductible	Airport Liability - \$200,000,000 each occurrence combined single limit for bodily injury and property damage with a \$50,000,00 each occurrence limit for personal injury, war risk liability at \$150,000,000 each occurrence and in the annual aggregate and \$50,000,000 Excess Automobile and Excess Employers Liability. Deductible: \$0 each occurrence 2-Year Price Guarantee (see endorsement)	Airport Liability - \$200,000,000 each occurrence combined single limit for bodily injury and property damage with a \$50,000,00 each occurrence limit for personal injury, war risk liability at \$150,000,000 each occurrence and in the annual aggregate and \$50,000,000 Excess Automobile and Excess Employers Liability. Deductible: \$0 each occurrence 2-Year Price Guarantee (see endorsement)
Annual Premium	\$85,749	\$85,749
Current War Risk & Extended-Perils, Terrorism	\$0	\$0
Total (Including Taxes/Fees)	\$85,749 (Net) ²	\$85,749 (Net)
Optional TRIA premium (not recommended for purchase)	Included at No Cost	Included at No Cost

² Net cost does not include commission; whereas, gross cost includes commission. City is obligated for amounts designated as "net," where indicated, as Gallagher waives its proportionate share of fees per the terms and conditions of the City's brokerage agreement with Gallagher.

3. SECONDARY EMPLOYMENT LAW ENFORCEMENT PROFESSIONAL LIABILITY

	CURRENT PROGRAM 10/01/2013-10/1/2014	RENEWAL PROGRAM 10/01/2014-10/01/2015
Carrier	Indian Harbor Insurance Company Stamford, CT	Indian Harbor Insurance Company Stamford, CT
Limits of Insurance and Deductibles	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate Subject to a \$100,000 Deductible including Loss Adjustment Expense (LAE) ³	\$2,000,000 Each Occurrence \$2,000,000 Annual Aggregate Subject to a \$100,000 Deductible including Loss Adjustment Expense (LAE) ⁴
Average Rate per Officer	\$159 (849 officers at policy inception)	\$155 (733 officers at policy inception)
Annual Premium	\$130,900 (Net)	\$113,615 (Net)
SURPLUS LINES TAXES AND FEES	\$4,510	\$3,636
FEES (IF ANY)	None	None
TOTAL ANNUAL PREMIUM	\$135,410	\$117,251

4. AUTOMOBILE LIABILITY FOR THE AIRPORT FLEET & AIRPORT SHUTTLE BUS FLEET PHYSICAL DAMAGE

	CURRENT PROGRAM 10/01/2013-10/1/2014	RENEWAL PROGRAM 10/01/2014-10/01/2015
Carrier	St. Paul/Travelers Hartford, CT	St. Paul/Travelers Hartford, CT
Coverage and Deductibles	Auto Liability-Fleet Only \$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) Physical Damage-Buses Only Per Schedule Subject to \$10,000 Comp/\$25,000 Coll. Deductible \$500 Comp/Coll. Deductible for Hired Physical Damage	Auto Liability-Fleet Only \$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) Physical Damage-Buses Only Per Schedule Subject to \$10,000 Comp/\$25,000 Coll. Deductible \$500 Comp/Coll. Deductible for Hired Physical Damage
Exposure	Number of Vehicles 90	Number of Vehicles 88
Average Rater Per Unit	\$703.77	\$722.04 (increase reflects total value increase of \$5.3 million from \$5.134)
Annual Premium	\$57,006 (Net)	\$57,177 (Net)

³ LAE includes staffing and legal costs for processing claims.

⁴ LAE includes staffing and legal costs for processing claims.

5. AUTOMOBILE LIABILITY-WATER POLLUTION CONTROL PLANT FLEET

	CURRENT PROGRAM 10/01/2013-10/1/2014	RENEWAL PROGRAM 10/01/2014-10/01/2015
Carrier	St. Paul Travelers Hartford, CT	St. Paul Travelers Hartford, CT
Coverage	\$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$5,000 Medical Payments (Any Auto) \$3,500 Property Damage UM	\$1,000,000 Combined Single Limit (Any Auto) \$1,000,000 UM/UIM (Owned Autos) \$5,000 Medical Payments (Any Auto) \$3,500 Property Damage UM
Exposure	Number of Units 41	Number of Units 45
Average Rate Per Unit	\$692.54	\$696.66
Annual Premium	\$25,555 (Net)	\$28,215 (Net)

6. POLICE AIRCRAFT HULL AND LIABILITY

	CURRENT PROGRAM 10/01/2013-10/1/2014	RENEWAL PROGRAM 10/01/2014-10/01/2015
Carrier	QBE Insurance Corporation 88 Pine Street, New York, New York	QBE Insurance Corporation 88 Pine Street, New York, New York
Coverage	Aircraft Hull and Liability- \$50,000,000 each occurrence for liability. Hull coverage: Cessna \$275,000 Eurocopter \$1,750,000 Deductible: Liability - NIL <ul style="list-style-type: none"> • Hull/Cessna-\$500 per occurrence (in-motion) • Hull/Cessa-\$100 per occurrence (not in-motion) • Hull/Eurocopter-\$25,000 per occurrence (rotors in-motion) • Hull/Eurocopter-\$500 per occurrence (rotors not in-motion) 	Aircraft Hull and Liability- \$50,000,000 each occurrence for liability. Hull coverage: Cessna \$275,000 Eurocopter \$1,750,000 Deductible: Liability - NIL <ul style="list-style-type: none"> • Hull/Cessna-\$500 per occurrence (in-motion) • Hull/Cessa-\$100 per occurrence (not in-motion) • Hull/Eurocopter-\$25,000 per occurrence (rotors in-motion) Hull/Eurocopter-\$500 per occurrence (rotors not in-motion)
Annual Premium	\$31,307	\$31,307
Surplus Lines Taxes and Fees	NA	NA
War Liability & Hull--both aircraft	\$1,064	\$1,064
Total	\$32,371	\$32,371
TRIA (if purchased with War)	Included Both Hull & Liability with War Premium	Included Both Hull & Liability with War Premium

APPENDIX B

Insurance Policies with October 1 Renewal Date
Allocation of Insurance Premiums by Fund & Type of Insurance

	<u>FY 2013-14</u> <u>Premiums</u> <u>12 Month</u>	<u>FY2014-15</u> <u>Premiums</u> <u>12 Month</u>	<u>Percentage</u> <u>Increase/</u> <u>Decrease</u>
General Fund-Fund 001			
Property Insurance	\$ 489,792	\$ 535,950 ⁽¹⁾	9.43%
Police Secondary ⁽²⁾	135,410	117,251	(13.41) %
Police Air Support (Hull & Liability)	<u>32,371</u>	<u>32,371</u>	<u>0.00%</u>
Subtotal	\$ 657,573	\$ 685,572	4.26%
Airport- Fund 523			
Property Insurance	\$ 305,307	\$ 346,979	13.64%
Liability Insurance	85,749	85,749	0.00%
Auto Liability/Property Insurance	<u>57,006</u>	<u>57,177</u>	<u>0.03%</u>
Subtotal	\$ 448,062	\$ 489,905	9.33%
ESD – Fund 513			
Property Insurance	\$ 111,659	\$ 114,205	2.0%
Auto Insurance	<u>25,555</u>	<u>28,215</u>	<u>10.0%</u>
Subtotal	\$ 135,464	\$ 142,420	5.0%
Convention and Cultural Affairs- Fund 536			
Property Insurance	<u>\$ 191,499</u>	<u>\$ 236,043</u>	<u>23.26%</u>
Subtotal	\$ 191,499	\$ 236,043	23.26%
General Purpose Parking-Fund 533			
Property Insurance	<u>\$ 43,283</u>	<u>\$ 52,512</u>	<u>21.32%</u>
Subtotal	\$ 43,283	\$ 52,512	21.32%
Successor Agency ⁽³⁾			
Property Insurance	<u>\$ 10,125</u>	<u>\$ 9,212</u>	<u>(9.01%)</u>
Subtotal	\$ 10,125	\$ 9,212	(9.01%)
Housing ⁽⁴⁾			
Property Insurance	<u>\$ 2,163</u>	<u>\$ 2,130</u>	<u>(0.98 %) </u>
Subtotal	\$ 2,163	\$ 2,130	(0.98%)
TOTAL	<u>\$ 1,489,157</u>	<u>\$ 1,617,794</u>	8.37%

Notes

⁽¹⁾ In FY 2013-14 property insurance for the golf courses was separately budgeted in the Municipal Golf Course fund (\$638) beginning in FY 2014-15 costs will be included in the General Fund insurance appropriation.

⁽²⁾ Each Police Officer participating in the secondary employment program pays \$110 toward the premium cost. Renewal premium is based on 733 officers enrolled at policy inception.

⁽³⁾ The City as Successor Agency to the Redevelopment Agency has assumed operations previously performed by the Redevelopment Agency. The premium amount has been included in the General Fund appropriation.

⁽⁴⁾ Allocated premium for Housing will be invoice directly to Housing for payment.

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COUNCIL AGENDA: 9/23/14
ITEM:



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes
Kerrie Romanow

SUBJECT: SEE BELOW

DATE: September 4, 2014

Approved 

Date 9/4/14

SUBJECT: APPROVAL OF THE USE OF THE DESIGN-BUILD PROJECT DELIVERY METHOD FOR THE COGENERATION FACILITY PROJECT AT THE SAN JOSE-SANTA CLARA REGIONAL WASTEWATER FACILITY

RECOMMENDATION

Adopt a resolution approving the use of the design-build project delivery method in accordance with California Public Contract Code Section 20193 for the construction of the Cogeneration Facility Project, which is estimated to cost in excess of \$2,500,000.

OUTCOME

Approval of the use of the design-build process for the construction of the Cogeneration Facility Project ("Project"), by the City Council in accordance with California Public Contract Code Section 20193, will enable the City to solicit design-build entities to construct the Cogeneration Facility Project at the San José-Santa Clara Regional Wastewater Facility¹ (Wastewater Facility).

BACKGROUND

In 2012, the City completed an Energy Management Strategic Plan that assessed the Wastewater Facility's existing and future power demands and condition of the existing energy systems. The study identified existing, aging cogeneration equipment as a critical issue that would need to be addressed in order to maintain onsite production of a reliable supply of power and heat. Cogeneration equipment at the Wastewater Facility consists of engines which utilize available digester gas (produced by the on-site anaerobic digestion tanks) to produce power to meet a

¹ The official name of the facility remains San Jose/Santa Clara Water Pollution Control Plant, but beginning in early 2013, the facility was approved to use a new common name, the San José-Santa Clara Regional Wastewater Facility.

significant portion of the Wastewater Facility's power requirements, as well as, producing heat required by the anaerobic digestion tanks.

Existing cogeneration equipment at the Wastewater Facility ranges from 20 to 61 years of age, and has been subject to breakdowns of increasing frequency and severity. The acquisition of parts for aging equipment is equally a critical consideration. As a result, the 2012 study recommended that the existing cogeneration equipment be replaced in order to provide reliable on-site power and heat.

The new Cogeneration Facility will consist of advanced generation internal combustion engines selected based on their low capital cost, high electrical efficiency, and high availability of high-grade heat for the anaerobic digestion tanks. The new engines will replace all existing Wastewater Facility engines with the exception of the recently installed Fuel Cell. Accounting for the Fuel Cell, power output on the engines is expected to meet projected power demands through 2036. In addition, the Cogeneration Facility project scope includes a new digester gas treatment system, control system and monitoring system with connectivity to the Wastewater Facility's Distributed Control System (DCS), electrical switchgear, various additional appurtenances in support of the engines and building, a new digester gas pipeline and natural gas pipeline, new heat recovery systems, and civil work including parking areas and utilities (water, stormwater and sanitary sewer lines). See Attachment "A" for the project location map.

The City has the authority under its Charter to use the design-build delivery method for construction of City capital projects as an alternative to the traditional design-bid-build approach to building public works projects. Design-build can provide the owner with the flexibility to define the project based on available funds, select a contractor based on qualifications and other factors rather than strictly lowest bid, and negotiate a contract structured around the project's priorities. The City has successfully used the design-build project method at the Norman Mineta San José International Airport and the Convention Center. The City is also in the process of using design-build for the United States Patent and Trademark Office Project.

However, the Wastewater Facility is a regional wastewater treatment facility serving eight South Bay cities and four special districts, jointly owned by the cities of San José and Santa Clara and administered and operated by the City of San José. Because of this regional nature of the Wastewater Facility, the City must comply with State law requirements in its procurement of construction projects at the Wastewater Facility on a design-build basis, and cannot rely upon its Charter authority to do so. Of currently existing options under State law, Section 20193 of the State Public Contract Code ("PCC") provides the City with the clearest and broadest authority to pursue procurement of the Cogeneration Facility project on a design-build basis.

ANALYSIS

Section 20193 of the PCC allows local entities who operate waste water facilities, solid waste facilities, or water recycling facilities to utilize the design-build procurement method for construction projects that are in excess of \$2,500,000, upon obtaining approval from the

HONORABLE MAYOR AND CITY COUNCIL

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Subject: Approve Use of Design-Build Project Delivery Method for the Cogeneration Facility Project

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Governor's Office of Planning and Research ("OPR") and the local entity's governing body. Under Section 20193, design-build projects may be procured on the basis of either: a) a competitive process resulting in lump sum bids; or b) a competitive process that is based on best value and is evaluated by using criteria and selection procedures specifically identified in the request for proposal. However, as distinguished from the City's Charter design-build authority, for best value procurements under Section 20193 there are minimum factors required by the statute which shall each represent at least 10 percent of the total weight of consideration given to all criteria factors: price, technical design and construction expertise, life cycle costs over 15 years or more, skilled labor force availability, and acceptable safety record. It is staff's intention to procure the Cogeneration Facility project on a best value basis.

The Cogeneration Facility Project is estimated to cost approximately \$80,000,000, which is in excess of the \$2,500,000 minimum cost requirement in Section 20193. The City also completed and complied with the environmental review process for the Project, as required by the California Environmental Quality Act. The City sought approval from the OPR to proceed with the design-build construction of the Cogeneration Facility Project on June 2, 2014, and the OPR approved the City application on June 12, 2014. Final approval of the use of the design-build bidding for the Project is now required by the City Council.

The proposed design-build procurement approach to the Cogeneration Facility Project was selected for the following reasons:

- Time savings: Long lead items, such as the large engines, switchgears, and gas treatment systems, may be selected and ordered at the earliest stage of the design effort, thereby significantly shortening the overall time schedule.
- Cost savings: This Project includes the design and coordination of plans, specifications, and submittals for complex mechanical, electrical and controls systems. Design-build provides the potential for cost savings by having a single entity provide both the design and construction in a one-stop process, thereby improving project coordination.
- Improved project coordination: A design-build approach provides a single point of responsibility for working through engineering and construction challenges. This can significantly reduce project risks to the owner by reducing or avoiding claims and disputes. Improved coordination can also yield innovative solutions to project challenges that would be more difficult to overcome in a design-bid-build environment.

In accordance with Section 20193, staff is developing the solicitation documents necessary to acquire the services of a design-build contractor. The procurement approach is as follows:

- Request for Pre-qualifications: The PCC requires a procedure to prequalify design-build entities. In general, it is envisioned that the Request for Pre-qualifications process will follow standard City of San José format and requirements, as tailored to the requirements of Section 20193 and the present project. All design-build entities that intend to submit a

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proposal for the Cogeneration Facility project must fully complete a Pre-qualification Submittal and materials requested and must be approved by the City to be on the final pre-qualified proposer's list. A selection committee comprised of City staff will evaluate the Pre-qualification submittals. The evaluation will address design experience, construction experience, and design-build experience as applicable to wastewater facilities and the development of cogeneration facilities as well as financial capability to take on the project.

- Request for Proposals: The PCC requires a Request for Proposal (RFP) process for submittal of proposals by prequalified design-build entities. Again, in general, it is envisioned that the RFP process will follow standard City of San José format and requirements, as tailored to the requirements of Section 20193 and the present project. The RFP will describe the selection process that will be used, the information required of proposers, a description of the program, and the necessary forms for submitting a proposal. A selection committee comprised of staff from the City Manager's Office, the Environmental Services Department and Public Works Department, a labor union representative and an individual from another wastewater facility will evaluate the written proposals, the sealed project price and life-cycle cost proposals, and then conduct interviews with the most qualified firms.

The advertisement for the Request for Pre-qualification will begin in September 2014, and the RFP will be complete and ready for advertising by November 2014.

EVALUATION AND FOLLOW-UP

After conclusion of the Request for Proposal process, staff will present the list of ranked design-build firms for council approval and authority to negotiate in March 2015. Staff would next return to Council with a proposed award of the contract immediately after negotiations are complete (anticipated to be May 2015).

PUBLIC OUTREACH/INTEREST

This memorandum will be posted on the City's Council Agenda Website for the September 23, 2014, Council Meeting at <http://www.sanjoseca.gov/index.aspx?nid=3549>.

COORDINATION

This report has been coordinated with the City Attorney's Office. This is scheduled to be heard at the September 11, 2014, Treatment Plant Advisory Committee meeting.

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COST SUMMARY/IMPLICATIONS

Advertisement of the Project does not commit the City to fund or construct the Project. The award of the Project will return to City Council for approval.

CEQA

Mitigated Negative Declaration, File No. PP14-005

/s/

DAVID SYKES

Director, Public Works

/s/

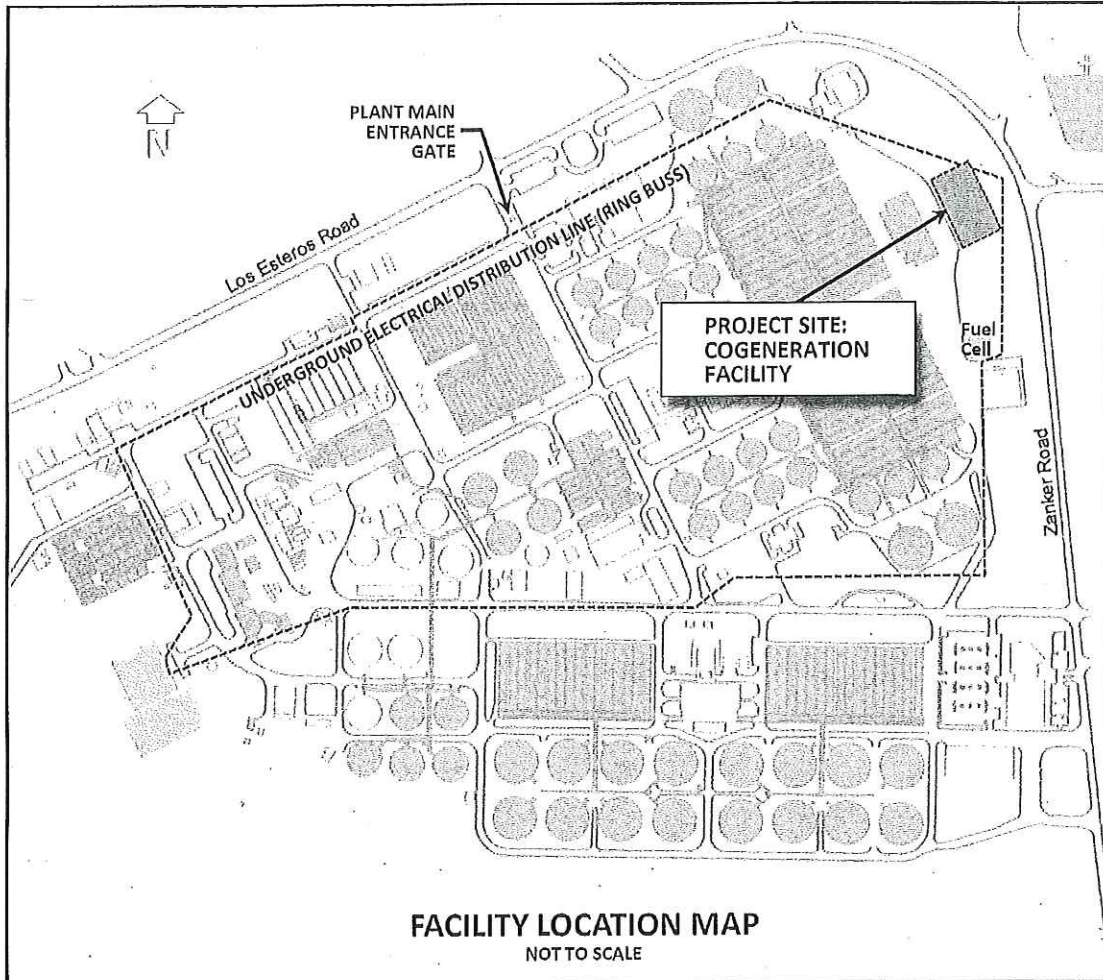
KERRIE ROMANOW

Director, Environmental Services

For questions please contact John Cannon, Principal Engineer, Department of Public Works, at 408-945-3066.

Attachment: A Project location map

Attachment A
Project Location Map



FACILITY LOCATION MAP
NOT TO SCALE

8A

City Manager's Contract Approval Summary
 For Procurement and Contract Activity between \$100,000 and \$1.08 Million for Goods and \$100,000 and \$270,000 for Services

AUGUST 1, 2014 - AUGUST 31, 2014

Description of Contract Activity ¹	Fiscal Year	Req#/ RFP#	PO#	Vendor/Consultant	Original \$ Amount	Start Date	End Date	Additional \$ Amount	Total \$ Amount	Comments
NEW:										
AQUEOUS AMMONIA	FY13-14	17331	48871	HILL BROS CHEMICAL CO	\$162,000	7/1/13	8/31/14	\$25,000	\$187,000	EXT FROM 6/30/14 TO 8/31/14
WATER TOXICITY TESTING	FY13-14	17347	48874	PACIFIC ECORISK LAB	\$200,000	7/1/13	10/30/14			EXT FROM 6/30/14 TO 10/30/14
PROGRAM MANAGEMENT - FY 14-15 PROGRAM MANAGEMENT OFFICE	FY14-15		AC 25704	MWH AMERICAS, INC.	\$7,320,862	8/6/2014	6/30/2015			SERVICE ORDER #4 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
PROGRAM MANAGEMENT - PACKAGE MANAGER SERVICES	FY14-15		AC 25704	MWH AMERICAS, INC.	\$1,020,610	8/7/2014	6/30/2015			SERVICE ORDER #5 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
PROGRAM MANAGEMENT - SUBJECT MATTER EXPERT SERVICES	FY14-15		AC 25704	MWH AMERICAS, INC.	\$1,856,710	8/7/2014	6/30/2015			SERVICE ORDER #6 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
PROJECT MANAGEMENT SERVICES - ADVANCED FACILITY	FY14-15		AC 25704	MWH AMERICAS, INC.	\$273,605	8/7/2014	6/30/2015			SERVICE ORDER #7 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
PROJECT MANAGEMENT SERVICES - DIGESTED SLUDGE DEWATERING	FY14-15		AC 25704	MWH AMERICAS, INC.	\$570,471	8/7/2014	6/30/2015			SERVICE ORDER #8 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
PROJECT MANAGEMENT SERVICES - FACILITY-WIDE WATER SYSTEMS	FY14-15		AC 25704	MWH AMERICAS, INC.	\$195,600	8/7/2014	6/30/2015			SERVICE ORDER #10 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
PROJECT MANAGEMENT SERVICES - NEW HEADWORKS	FY14-15		AC 25704	MWH AMERICAS, INC.	\$643,310	8/7/2014	6/30/2015			SERVICE ORDER #11 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
PROGRAM MANAGEMENT - PROJECT MANAGEMENT & TECHNICAL ENGINEERING SUPPORT SERVICES	FY14-15		AC 25704	MWH AMERICAS, INC.	\$997,200	3/13/2014	6/30/2015	\$1,460,554	\$2,457,754	FIRST AMENDMENT TO SERVICE ORDER #3 (MASTER AGREEMENT TERM 9/24/13-9/30/18)
ODOR AND CORROSION CONTROL STUDY	FY14-15		AC 21247	CH2M HILL	\$567,145	8/27/2014	6/21/2015			SERVICE ORDER #15 (MASTER AGREEMENT TERM 3/25/08-6/30/15)
FACILITY TECHNICAL TRAINING PROGRAM DEVELOPMENT- PROVIDING INSTRUCTION AND ASSESSMENT FOR EIGHT (8) COMPLETED MODULES, AND DEVELOPING SIX (6) TRAINING MODULES.(3 OPS & 3 MECH)	FY14-15		AC 25736	CTS INTERNATIONAL	\$595,800	7/25/14	6/26/15			SERVICE ORDER #5 (MASTER AGREEMENT TERM 10/22/13 -6/30/17)
ONGOING:										
AQUEOUS AMMONIA	FY14-15	18969	50503	HILL BROS CHEMICAL CO	\$162,000	9/1/14	8/31/15			
WATER TOXICITY TESTING	FY14-15	19092			\$200,000					
TO LEASE A USED 4-WIDE TRAILER FOR CIP CONSTRUCTION MANAGEMENT STAFF/CONSULTANTS	FY14-15	19725			\$200,000					PREVIOUS REQ 19434 FY13-14 CANCELLED
PRODUCT: TRAVELING WATER SCREEN	FY14-15	19795			\$115,122					

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)