

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

City Hall, Council Chambers

Thursday, September 8, 2016 at 4:00 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:01 p.m. Roll call was taken with the following members in attendance:

Committee Members: Pat Kolstad, Steven Leonardis, Sam Liccardo, Manh Nguyen, Pierluigi Oliverio, Dave Sykes, Jose Esteves, John Gatto, Teresa O'Neill

2. APPROVAL OF MINUTES

A. August 11, 2016

Item 2.A. was approved to note and file.

Ayes – 6 (Kolstad, Leonardis, Liccardo, Nguyen, Oliverio, Sykes)

Nays – 0

Absent – 3 (Esteves, Gatto, O'Neill)

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTORS REPORT

A. Directors Report (verbal)

- Monthly Progress Report

There were no items to report.

5. AGREEMENTS/ACTION ITEMS

A. Master Consultant Agreement with Kennedy/Jenks Consultants, Inc., for Engineering Services for the 7760 – Facility Wide Water Systems Improvements Project at the San Jose – Santa Clara Regional Wastewater Facility

Staff Recommendation: Approve a Master Consultant Agreement with Kennedy/Jenks Consultants, Inc. to provide engineering services for the 7760 – Facility Wide Water Systems Improvements Project at the San José-Santa Clara Regional Wastewater Facility from the date of execution through June 30, 2023, in a total amount not to exceed \$2,100,000, subject to the appropriation of funds.

This item is scheduled for consideration by the City Council on September 20, 2016.

Program Manager Colin Page presented.

On a motion made by Committee Member Kolstad and a second by Committee Member Oliverio, TPAC recommended approval of staff's recommendations for Item 5.A.

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

Nayes – 2 (Esteves, Leonardis)

Absent – 2 (Gatto, O'Neill)

B. Report on Request for Proposal for Broker, Administrative, and Claims Services to Implement an Owner Controlled Insurance Program for the San Jose- Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendations: Accept the report on the Request for Proposal and adopt a Resolution authorizing the City Manager to:

- (1) Negotiate and execute an agreement with Alliant Risk Services, Inc. to provide broker, claims, and administrative services to establish and maintain a multiline, rolling Owner Controlled Insurance Program for capital improvements at the Regional Wastewater Facility for the term September 19, 2021, with a maximum compensation amount of \$1,025,000 for the initial five year term not to exceed \$245,000 per year.
- (2) Exercise up to two five-year options to extend the term on the Agreement after the initial term through September 2031, subject to the appropriation of funds, with a maximum compensation not to exceed \$245,000 per year.

This item is scheduled for consideration by the City Council on September 20, 2016.

Risk and Insurance Manager Stephanie Williams presented on this topic. The presentation provided an overview of the Owner Controlled Insurance Program (OCIP), its services and potential benefits, including projected cost savings from implementing an OCIP over the first five years.

Committee Member Esteves asked how staff determined the estimated cost savings, and requested a flowchart depicting the amount of savings on an annual basis.

Ms. Williams stated that the feasibility study estimated cost savings using loss exposure assumptions of between 25 and 100 percent. Director Kerrie Romanow and Ms. Williams stated that precise figures for the annual cost savings would not be available until the procurement was out to market. Assistant Director Ashwini Kantak re-iterated that the recommendation being brought forward was for broker services and not for insurance services and that it would cost approximately \$75,000 from September 2016 to January 2017 in broker services in order to procure the insurance products. Staff would return to TPAC with proposal in January 2017 with a recommendation on the insurance products.

Committee Member Gatto asked why the design portion was not being included in the OCIP. Ms. Williams responded that although the design product was not a recommended

element of the feasibility study, staff would look into adding an Owners Professional Indemnity Insurance. Ms. Williams also stated that comprehensive liability coverage was already part of the design consultant contracts and that there would likely not be any cost savings associated with this product in the OCIP. The feasibility study noted that professional liability and pollution liability are not recommended without further marketing analysis. The recommended broker will collect data on all products on a fixed premium rate.

On a motion made by Committee Member Oliverio and a second by Committee Member Kolstad, TPAC recommended approval of staff's recommendations for Item 5.B.

Ayes – 6 (Kolstad, Liccardo, Nguyen, Oliverio, O'Neill, Sykes)

Nayes – 2 (Esteves, Leonardis)

Absent – 0

Abstain – 1 (Gatto)

C. Approval of Citywide Insurance Renewals

Staff Recommendation: Adopt a resolution authorizing the Director of Finance to:

- (a) Select and purchase certain City property and liability insurance policies for the period October 1, 2016 to October 1, 2017 at a total cost not to exceed \$1,750,000, with the following insurance carriers:
 - (1) American Home Assurance Company for Property & Casualty Insurance, including Boiler and Machinery.
 - (2) Old Republic Aerospace, Phoenix Aviation Managers, 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) The Travelers Indemnity Company of CT for Automobile Liability, or other insurance carriers that the City are currently in negotiations with, (Airport fleet vehicles including Shuttle Buses, Regional Wastewater Facility fleet vehicles, and Airport Shuttle Bus physical damage).
 - (4) QBE Specialty Insurance Company for Secondary Employment Law Enforcement Professional Liability.
 - (5) National Union Fire Insurance Company of Pittsburg, PA for Life/Accidental Death and Dismemberment Policy for the Police Air Support Unit.
- (b) Select and purchase Government Fidelity/Crime Coverage for the period December 18, 2016 to December 18, 2017, at a cost not to exceed \$26,000.

On a motion made by Committee Member Esteves and a second by Committee Member O'Neill, TPAC recommended approval of staff's recommendation for Item 5.C.

Ayes – 9 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Nguyen, Oliverio, O’Neill, Sykes)

Nayes – 0

Absent – 0

D. Burrowing Owl Habitat Improvements at the San Jose- Santa Clara Regional Wastewater Facility

Staff Recommendation: Accept this progress report highlighting ongoing habitat management activities for the Western Burrowing Owl on San José- Santa Clara Regional Wastewater Facility bufferlands.

This item is scheduled for consideration by the Transportation and Environment Committee on September 12, 2016.

Acting Sustainability and Compliance Manager Ken Davies presented on this item.

The presentation highlighted the substantial increase in the owl population, underscoring the success of the habitat management strategy. Mr. Davies also referenced a recent agreement that had been presented to TPAC through which the operations along with associated costs would be borne by the Santa Clara Valley Habitat Agency. Mr. Davies stated that another agreement with the Santa Clara Valley Habitat Agency would be brought forward in the future. This agreement would create long term conservation easement in lieu of paying mitigation fees of about \$1.4 million for various Capital Improvement Program projects.

Committee Member Esteves expressed concerns about the 50-year duration of the habitat easement and 72 acres allocated for conservation.

City of San José staff explained that when the Plant Master Plan was adopted, TPAC recommended, and San José and Santa Clara concurred that there would be 180 acres set aside for habitat. No additional land was intended to be set aside. Staff reiterated that by maintaining a productive site for the burrowing owls, the Regional Wastewater Facility managed to avoid paying \$1.4 million in mitigation fees to the Santa Clara Valley Habitat Agency. Director Kerrie Romanow stated that TPAC could discuss the fee-in-lieu option as a future action item if the habitat agency was no longer preferred by some of the Agencies.

On a motion made by Committee Member Gatto and a second by Committee Member O’Neill, TPAC recommended approval of staff’s recommendation for Item 5.D.

Ayes – 9 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Nguyen, Oliverio, O’Neill, Sykes)

Nayes – 0

Absent – 0

E. Master Consultant Agreement with Williams, Adley, & Company – CA, LLP for 8132- Audit Services for the San Jose- Santa Clara Regional Wastewater Facility

Staff Recommendations: Approve a Master Consultant Agreement with Williams, Adley & Company – CA, LLP to provide audit services for the Capital Improvement Program at the San Jose- Santa Clara Regional Wastewater Facility from the date of Execution through December 21, 2021 in a total amount not to exceed \$1,000,000, subject to the appropriation of funds.

This item is scheduled for consideration by the City Council on September 20, 2016.

Deputy Director Julia Nguyen presented on this item.

On a motion made by Committee Member O’Neill and a second by Committee Member Oliverio, TPAC recommended approval of staff’s recommendations for Item 5.D.

Ayes – 8 (Gatto, Kolstad, Leonardis, Liccardo, Nguyen, Oliverio, O’Neill, Sykes)

Nays – 1 (Esteves)

Absent – 0

F. Contract Change Order No. 12 for 7394 – Emergency Diesel Generator Package 2A Project

Staff Recommendation: Approve a Contract Change Order for a credit to the City in the amount of \$718,000 and extend the construction completion date from January 11, 2017 to February 22, 2017 for the 7394 – Emergency Diesel Generator Package 2A Project.

This item is scheduled for consideration by the City Council on September 20, 2016.

Deputy Director Julia Nguyen presented on this item.

On a motion made by Committee Member Kolstad and a second by Committee Member Oliverio, TPAC recommended approval of staff’s recommendation for Item 5.E.

Ayes – 9 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Nguyen, Oliverio, O’Neill, Sykes)

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 Construction Contract for 7617 – Plant Instrument Air Upgrade Project at the San Jose- Santa Clara Regional Wastewater Facility**

Staff Recommendations:

- (a) Adopt a resolution approving the San José- Santa Clara Regional Wastewater Facility Plant Instrument Air System Upgrade Project Initial Study/Mitigated Negative Declaration and related Mitigation Monitoring and Reporting Program (File No. PP15-114).
- (b) Report on bids and award of construction contract for 7617 – Plant Instrument Air System Upgrade Project to the low and only low bidder, Anderson Pacific Engineering Construction, Inc., in the amount of \$2,848,000, and approve a 15 percent construction contingency in the amount of \$427,200.
- (c) Adopt a resolution authorizing the Director of Public Works to execute one or more change orders in excess of \$100,000 for the remaining duration of the Plant Instrument Air System Upgrade Project, not to exceed the total contingency amount approved for the Project.

The proposed resolutions were adopted by the City Council on August 23, 2016.

This item was approved to note and file.

Ayes – 9 (Esteves, Gatto, Kolstad, Leonardis, Liccardo, Nguyen, Oliverio, O’Neill, Sykes)

Nayes – 0

Absent – 0

8. **REPORTS**

9. **MISCELLANEOUS**

- A. The next monthly TPAC Meeting is October 13, 2016, at 4:00 p.m., City Hall, Room 1734.

10. **OPEN FORUM**

- A. Dean Stanford spoke.

11. ADJOURNMENT

A. The Treatment Plant Advisory Committee adjourned at 4:41 p.m.



Sam Liccardo, Chair
TREATMENT PLANT ADVISORY COMMITTEE