

**MINUTES OF THE
SAN JOSÉ/SANTA CLARA
TREATMENT PLANT ADVISORY COMMITTEE**
City Hall, Council Chambers
Thursday, October 13, 2016 at 4:00 p.m.

1. ROLL CALL

Minutes of the Treatment Plant Advisory Committee convened this date at 4:02 p.m. Roll call was taken with the following members in attendance:

Committee Members: Jose Esteves, Pat Kolstad, Patrick Kwok (alternate), Sam Liccardo, Manh Nguyen, Pierluigi Oliverio, Dave Sykes, Steven Leonardis, Teresa O'Neill

Absent: Committee Member John Gatto

2. APPROVAL OF MINUTES

A. September 8, 2016

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

Ayes – 7 (Esteves, Kolstad, Kwok, Liccardo, Nguyen, Oliverio, Sykes)

Nays – 0

Absent – 2 (Leonardis, O'Neill)

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTORS REPORT

A. Directors Report (verbal)

- Monthly Progress Report

Director Kerrie Romanow announced the retirement of Deputy Director Joanna De Sa and acknowledged her contributions to the City of San José.

5. AGREEMENTS/ACTION ITEMS

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

Staff Recommendations: Accept the semiannual status report on the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program for the Period January through June 2016.

This item is scheduled for consideration by the City Council on October 25, 2016.

Deputy Director Julia Nguyen and Principal Engineer John Cannon presented on this item.

Committee Member Kwok requested a report of all active Regional Wastewater Facility Capital Improvement Program consultant agreements and service orders, a request he stated he had already made at a previous TPAC meeting. Assistant Director Ashwini Kantak responded that, as requested, such a report was already being provided to staff of all the Agencies on a quarterly basis, however in the future, City staff would also send this report directly to TPAC members.

Chair Liccardo inquired if the list of 25 active projects were on track in terms of schedule and expenditures. Assistant Director Ashwini Kantak responded that the majority of projects are currently progressing as planned; project schedules for a few projects had been adjusted based on resource and funding availability. Future CIP reports could provide additional detail on project status.

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

Ayes – 9 (Esteves, Kolstad, Kwok, Leonardis, Liccardo, Nguyen, Oliverio, O'Neill, Sykes)

Nays – 0

Absent – 0

- B. Master Consultant Agreement with Brown and Caldwell, for Engineering Services as Owner's Advisor for the 7758 – Digested Sludge Dewatering Facility Project at the San Jose – Santa Clara Regional Wastewater Facility

Staff Recommendation: Approve a Master Consultant Agreement with Brown and Caldwell to provide engineering services as owner's advisor for the 7758 – Digested Sludge Dewatering Facility at the San José – Santa Clara Regional Wastewater Facility from the date of execution through December 31, 2023, in a total amount not to exceed \$7,700,000, subject to the appropriation of funds.

This item is scheduled for consideration by the City Council on October 25, 2016.

Program Manager Colin Page presented on this item.

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 – 8 (Kolstad, Kwok, Leonardis, Liccardo, Nguyen, Oliverio, O'Neill, Sykes)

Nays – 1 (Esteves)

Absent – 0

Committee Member Esteves expressed that his opposition was due to the fact that amendments to the Master Agreements have not been negotiated.

C. Actions Related to the Purchase Order for Mechanical Maintenance and Repair Services

Staff Recommendation: Adopt a resolution authorizing the City Manager to:

- (1) Execute a Purchase Order with Monterey Mechanical Company (Oakland, CA) to provide all labor, material, and equipment for mechanical Maintenance and repair services for various wastewater treatment projects at the Regional Wastewater Facility for the term November 1, 2016 through October 31, 2017, in an amount not to exceed \$290,000.
- (2) Exercise up to four one-year options to extend the term of the Purchase Order through October 31, 2021, for an aggregate maximum compensation amount of \$1,200,000, subject to the annual appropriation of funds.

This item is scheduled for consideration by the City Council on October 25, 2016.

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

Ayes – 9 (Esteves, Kolstad, Kwok, Leonardis, Liccardo, Nguyen, Oliverio, O'Neill Sykes)

Nayes – 0

Absent – 0

D. Purchase of California Carbon Allowances

Staff Recommendation: Approve the Agreement between the City of San José and Vitrol, Inc., which is approved by the California Air Resources Board for the purchase of California Carbon Allowances for the San José - Santa Clara Regional Wastewater Facility, as part of the California Cap-and-Trade Program, for an amount not to exceed \$310,000.

This item is scheduled for consideration by the City Council on October 25, 2016.

Committee Member Kwok asked what steps city staff is taking to mitigate potential risks of re-entering into the California Cap-and- Trade Program (CATP).

Assistant Director Ashwini Kantak explained that the RWF entered the CATP in 2013 due to failure of the digester gas holder and failure of landfill gas infrastructure. Upon entering the CATP, an entity is required to continue to be in program through two compliance periods. Since 2013 staff has been very closely monitoring and managing the purchase of natural gas and electricity and this has enabled the RWF to stay under the 25,000 metric ton threshold. The RWF anticipates staying under the cap until the new Cogeneration Facility comes online in 2019. At that time, staff will bring forward a comprehensive energy generation and management strategy at the RWF.

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

Ayes – 9 (Esteves, Kolstad, Kwok, Leonardis, Liccardo, Nguyen, Oliverio, O'Neill, Sykes)
Nays – 0
Absent – 0

6. OTHER BUSINESS/CORRESPONDENCE

A. Information Memorandum: Public Art Appropriation Review

Assistant Director Ashwini Kantak re-iterated that the memo formalized adjustments made to the 2015-2016 Capital Improvement Program budget. Many of the projects were not subject to the Public Art Allocation due to the fact that they were rehabilitation projects and not new construction projects. The City of San José, City of Santa Clara, and each tributary agency will be credited for their share of the Public Art Appropriation during the third quarter reconciliation. Interest will be factored into the final amount as is typically done for the overall adjustment.

7. STATUS OF ITEMS PREVIOUSLY RECOMMENDED FOR APPROVAL BY TPAC

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 \$2,100,00, subject to the appropriation of funds.

The proposed recommendation was approved by the City Council on September 20, 2016.

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 20, 2016 through September 19, 2021, with a maximum compensation amount of \$1,025,00 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 of the Agreement after the initial term through September 2031, subject to the appropriation of funds, with maximum compensation not to exceed \$245,000 per year.

On September 20, 2016, City Council discussed this item. Based on questions raised about a protest, Council rejected all bids and directed staff to re-bid the project.

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 & 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 is 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.

The proposed resolution was adopted by the City Council on September 20, 2016.

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

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

The progress report was accepted by the Transportation and Environment Committee on September 12, 2016 and by the City Council on October 4, 2016.

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

Staff Recommendation: Approve a Master Consultant Agreement with Williams, Adley, & Company – CA, LLP to provide audit services for the Capital Improvement Program at the San José- 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.

The proposed recommendation was accepted by the City Council on September 20, 2016.

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 Emergency Diesel Generator Package 2A Project.

The proposed recommendation was approved by the City Council on September 20, 2016.

Assistant Director Ashwini Kantak mentioned that Item 7.B. received Council direction to reject all bids due to questions raised through a protest. City staff is currently in the process of a re-bidding the proposal and that a revised recommendation would be brought forward to TPAC and Council in December 2016.

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 of services between \$100,000 and \$270,000.

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

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

Nays – 0

Absent – 0

9. **MISCELLANEOUS**

- A. The next monthly TPAC Meeting is November 10, 2016, at 4:00 p.m., City Hall, Room 1734.

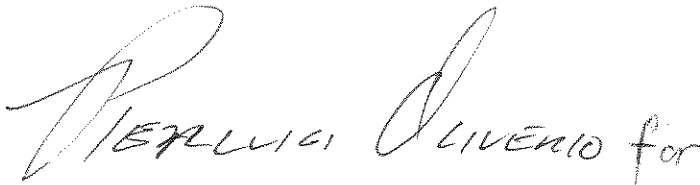
10. **OPEN FORUM**

- A. Dean Stanford, Seth LaForge, Eduardo Morales, Gus Meyner, Andrew Spencer, and Paul Slavik spoke in support of opening a zero emission recreational vehicle park in San José.

Committee Member Esteves inquired if the subject was within TPAC's purview and suggested that this item be agendaized for a future TPAC meeting. Director Romanow indicated that although there is recreational land set aside in the Plant Master Plan; there is no direction from the City Council or City Manager's Office to work on this effort at this time. Chair Liccardo concurred with this statement and the item was not agendaized for future discussion.

11. **ADJOURNMENT**

- A. The Treatment Plant Advisory Committee adjourned at 4:47 p.m.

A handwritten signature in cursive script, appearing to read "S. Liccardo" or similar, followed by the word "for" in a smaller, less legible script.

Sam Liccardo, Chair
TREATMENT PLANT ADVISORY COMMITTEE