

**MINUTES OF THE  
SAN JOSÉ/SANTA CLARA  
TREATMENT PLANT ADVISORY COMMITTEE**  
San José City Hall, T-1734  
Thursday, October 12, 2017 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:** Sylvia Arenas (alternate), Debi Davis, Dev Davis, John Gatto, Marsha Grilli, Dave Sykes, Kathy Watanabe (alternate), Steven Leonardis

**Absent:** Chair Sam Liccardo, Vice Chair Pat Kolstad, and Committee Member Lan Diep

**2. APPROVAL OF MINUTES**

A. September 14, 2017

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

**Ayes – 7** (Arenas, Debi Davis, Dev Davis, Gatto, Grilli, Sykes, Watanabe)

**Nayes – 0**

**Absent – 1** (Leonardis)

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

**4. DIRECTOR'S REPORT**

A. Director's Report (verbal)

- Monthly Progress Report

There were no items to report.

**5. AGREEMENTS/ACTION ITEMS**

A. Actions Related to the Establishment of an Interim Financing Program to Finance Capital Improvements at the San Jose – Santa Clara Regional Wastewater Facility

Staff Recommendations: It is recommended that the City Council:

- a. Adopt a resolution providing for the allocation of Wastewater System Revenues, the pledge of Wastewater Net System Revenues, and establishing covenants to secure the payment of obligations payable from Wastewater Net System Revenue and repealing prior inconsistent resolutions.
- b. Adopt a resolution approving the issuance by the City of San José Financing Authority of its Subordinate Wastewater Revenue Notes from time to time in an aggregate principal amount not to exceed \$300,000,000 outstanding at any one time for the purpose of financing Wastewater System and Treatment Plant Projects for the City of San José and/or refunding Prior Obligations issued or incurred for such purpose, approving and authorizing the execution and delivery

of a Credit Agreement and a Fee Letter Agreement with Wells Fargo Bank, National Association, and a Subordinate Installment Purchase Contract, and authorizing other related actions in connection therewith.

**The proposed recommendation was adopted by the City Council and Financing Authority Board on October 3, 2017.**

Committee Member Gatto asked what the terms are for the interim financing program. Director Julia Cooper clarified that it is a three year term with Wells Fargo Bank with a Sub 2 interest rate. The annual fee would cost approximately \$760,000 on a 25 basis point. The City could enter into a renewal with Wells Fargo or with another bank at the end of the three year term.

Committee Member Gatto disagreed with the statement in the memo that the Tributary Agencies did not want to participate in the program and instead expressed strong concerns that the Tributary Agencies were not provided information about the financing terms and given the chance to participate. Director Kerrie Romanow stated that the Tributary Agencies had been provided a chance to participate, and this was noted in a memo from 2015.

**On a motion made by Committee Member Dev Davis and a second by Committee Member Watanabe, TPAC recommended approval of staff's recommendation for Item 5.A.**

**Ayes – 6** (Arenas, Debi Davis, Dev Davis, Grilli, Sykes, Watanabe)

**Nays – 2** (Gatto, Leonardis)

**Absent – 0**

**B. San Jose – Santa Clara Regional Wastewater Facility Capital Improvement Program Semiannual Status Report**

Staff Recommendation: Accept the semiannual status report on the San José – Santa Clara Regional Wastewater Facility Capital Improvement Program for the period of January 2017 through June 2017.

**This item was approved by the Transportation and Environment Committee on October 2, 2017 and is scheduled for consideration by the City Council on October 24, 2017.**

Deputy Director Julia Nguyen and Principal Engineer John Cannon presented.

**On a motion made by Committee Member Leonardis and a second by Committee Member Grilli, TPAC recommended approval of staff's recommendation for Item 5.B.**

**Ayes – 8** (Arenas, Debi Davis, Dev Davis, Grilli, Gatto, Leonardis, Sykes, Watanabe)  
**Nays – 0**  
**Absent – 0**

C. Construction Impacts to San Jose – Santa Clara Regional Wastewater Facility

Staff Recommendation: Accept this report about the construction impacts to Operation and Maintenance at the San José – Santa Clara Regional Wastewater Facility.

**This item was approved by the Transportation and Environment Committee on October 2, 2017 and is scheduled for consideration by the City Council on October 24, 2017.**

**On a motion made by Committee Member Dev Davis and a second by Committee Member Watanabe, TPAC recommended approval of staff's recommendation for Item 5.C.**

**Ayes – 6** (Arenas, Debi Davis, Dev Davis, Grilli, Sykes, Watanabe)  
**Nays – 2** (Gatto, Leonardis)  
**Absent – 0**

D. Wastewater Flow Pattern Changes at the San Jose – Santa Clara Regional Wastewater Facility

Staff Recommendation: Accept this report about the wastewater influent and effluent flow pattern changes at the San Jose – Santa Clara Regional Wastewater Facility.

**This item was approved by the Transportation and Environment Committee on October 2, 2017 and is scheduled for consideration by the City Council on October 24, 2017.**

**On a motion made by Committee Member Dev Davis and a second by Committee Member Watanabe, TPAC recommended approval of staff's recommendation for Item 5.D.**

**Ayes – 6** (Arenas, Debi Davis, Dev Davis, Grilli, Sykes, Watanabe)  
**Nays – 2** (Gatto, Leonardis)  
**Absent – 0**

E. Shoreline Levee Update

Staff Recommendation: Accept this status report on the consideration of discussions with the Santa Clara Valley Water District on the transfer of Pond A18.

**This item was approved by the Transportation and Environment Committee on October 2, 2017 and is scheduled for consideration by the City Council on October 24, 2017.**

**On a motion made by Committee Member Dev Davis and a second by Committee Member Watanabe, TPAC recommended approval of staff's recommendation for Item 5.E.**

**Ayes – 6 (Arenas, Debi Davis, Dev Davis, Grilli, Sykes, Watanabe)**

**Nayes – 2 (Gatto, Leonardis)**

**Absent – 0**

F. Wildlife Habitat at the San José – Santa Clara Regional Wastewater Facility

Staff Recommendation: Accept this report highlighting the established wildlife habitat at the San José – Santa Clara Regional Wastewater Facility, and ongoing habitat management activities for the Western Burrowing Owl.

**This item was approved by the Transportation and Environment Committee on October 2, 2017 and is scheduled for consideration by the City Council on October 24, 2017.**

**On a motion made by Committee Member Dev Davis and a second by Committee Member Watanabe, TPAC recommended approval of staff's recommendation for Item 5.F.**

**Ayes – 6 (Arenas, Debi Davis, Dev Davis, Grilli, Sykes, Watanabe)**

**Nayes – 2 (Gatto, Leonardis)**

**Absent – 0**

6. **OTHER BUSINESS/CORRESPONDENCE**

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

A. Amendment to the Master Consultant Agreement with Stantec Consulting Services Inc. (formerly MWH Americas, Inc.) for Program Management Services for the San Jose – Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendation: Approve an Amended and Restated Master Consultant Agreement with Stantec Consulting Services Inc. (formerly MWH Americas, Inc.) for program management services for the San José – Santa Clara Regional Wastewater Facility Capital Improvement Program, increasing the not to exceed agreement amount from \$39,000,000 to a revised not to exceed agreement amount of \$78,000,000; and extending the term of the agreement from September 30, 2018 to June 30, 2023.

**This item was re-scheduled to the October 17, 2017 City Council Meeting.**

B. Approval of Citywide Insurance Renewals

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

- (a) Select and purchase City property and liability insurance policies for the period October 1, 2017 to October 1, 2018, at a total cost not to exceed \$1,850,000, including a 12.6% contingency for additional property or assets scheduled, 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.
  - (6) Berkley Regional Insurance Company for Government Fidelity/Crime Coverage.
  - (7) Hudson Insurance Company, for Fiduciary Liability Coverage for the VEBA Health Savings Trust.

**The proposed recommendation was approved by the City Council on September 19, 2017.**

C. Purchase of California Carbon Allowances

Staff Recommendation: Approve the Agreement between the City of San José and Vitol, 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 of \$303,437.60

**The proposed recommendation was approved by the City Council on September 26, 2017.**

D. Audit of Environmental Services Department Consulting Services

Staff Recommendation: Accept the audit report on Environmental Services Department Consulting Services.

The proposed recommendation was approved by the City Council on October 3, 2017. City staff will provide a six month status update to the Transportation and Environment Committee and City Council.

Item 7.A. was approved to note and file.

Ayes – 8 (Arenas, Debi Davis, Dev Davis, Gatto, Grilli, Leonardis, Sykes, Watanabe)  
Nays – 0  
Absent – 0

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 – 8 (Arenas, Debi Davis, Dev Davis, Gatto, Grilli, Leonardis, Sykes, Watanabe)  
Nays – 0  
Absent – 0

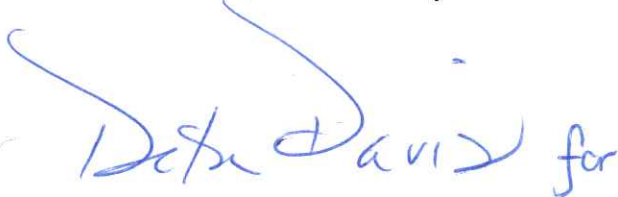
9. **MISCELLANEOUS**

A. The next monthly TPAC Meeting is **November 9, 2017** at 4:00 p.m., City Hall, Room 1734.

10. **OPEN FORUM**

11. **ADJOURNMENT**

A. The Treatment Plant Advisory Committee adjourned at 4:21 p.m.



Sam Liccardo, Chair  
TREATMENT PLANT ADVISORY COMMITTEE