

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

San José City Hall, T-1734
Thursday, September 12, 2019 at 4 p.m.

1. ROLL CALL

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

Committee Members: Debi Davis, Dev Davis, John Gatto, Steven Leonardis, Sam Liccardo, Carmen Montano, Jim Ortbal, Kathy Watanabe, Lan Diep (4:04pm)

2. APPROVAL OF MINUTES

A. June 13, 2019

On a motion made by Committee Member Debi Davis and a second by Committee Member Leonardis, TPAC recommended approval of the minutes with the amendment of Debi Davis' name instead of Sam Liccardo as signatory.

Ayes – 8 (Debi Davis, Dev Davis, Gatto, Leonardis, Liccardo, Montano, Ortbal, Watanabe)

Absent– 1 (Diep)

3. UNFINISHED BUSINESS/REQUEST FOR DEFERRALS

4. DIRECTOR'S REPORT

A. Director's Report (verbal)

Director Kerrie Romanow announced the appointment of Mariana Chavez-Vazquez as the Regional Wastewater Facility CIP Deputy Director.

Director Romanow also updated the Committee that the Parks Recreation Neighborhood Services Department was meant to present on the South Bay Trail planning this month but the South Bay trail planning feasibility study was delayed and they would need to come to the November TPAC.

Director Romanow made note that the monthly reports of May, June, and July were in the packet but that the July Budget tracking tables and graphs were blank due to technical difficulties with San Jose's new budget tracking software and that the budget tracking tables and graphs would be updated in the next monthly report.

Member Gatto asked Director Romanow about the study students were doing regarding the piece of property that might be available and where it stood.

Director Romanow stated that Berkley had won the study he was speaking of, the Golden Shovel, and that she thought the Department had released an Info memo some time ago but that she would double check.

Member Gatto asked if the committee would be getting a presentation. Director Romanow answered that the teams were not able to prepare any presentations, but she would check to see if the Department had released an Info memo with a summary of all information and bring it back to the committee.

5. AGREEMENTS/ACTION ITEMS

A. Amendments to the Master Consultant Agreements with AECOM Technical Services, Inc., Brown and Caldwell and Black & Veatch Corporation for General Engineering Services at the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendation:

- (a) Approve the First Amendment to the Master Agreement with AECOM Technical Services, Inc. for the 7995 - General Engineering Services, extending the term from June 30, 2021 to June 30, 2024 at no additional cost to the City.
- (b) Approve the First Amendment to the Master Agreement with Brown and Caldwell for the 7995 - General Engineering Services, extending the term from June 30, 2021 to June 30, 2023 at no additional cost to the City.
- (c) Approve the First Amendment to the Master Agreement with Black & Veatch Corporation for the 7995 - General Engineering Services, extending the term from June 30, 2021 to December 31, 2023 at no additional cost to the City.

This item is scheduled for consideration by the City Council on September 24, 2019.

Assistant Director Napp Fukuda described these Agreements to the Committee and was available for questions.

On a motion made by Committee Member Gatto and a second by Committee Member Leonardis, TPAC recommended approval of this item.

Ayes – 9 (Debi Davis, Dev Davis, Diep, Gatto, Leonardis, Liccardo, Montano, Ortbal, Watanabe)

B. Report on Bids and Award of Construction Contract for 8983- Environmental Services Building Lab HVAC Ducting Replacement Project at the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendation:

Report on bids and award of contract for the 8983 – Environmental Services Building Lab HVAC Ducting Replacement Project to the sole bidder, Kinetics Mechanical Services, Inc., in the amount of \$538,000, and approval of a fifteen percent contingency in the amount of \$80,700.

This item is scheduled for consideration by the City Council on September 24, 2019.

Assistant Director Napp Fukuda described this item to the Committee and was available for questions.

Committee Member Gatto asked if this would be considered maintenance or Capital improvement.

Assistant Director Fukuda clarified that this would be considered Capital because it is not a small endeavor and requires major work.

Committee Member Gatto asked what the life expectancy for the replacement fume hoods and ducts.

Assistant Director Fukuda answered that hopefully the same amount of time that they have currently lasted, which has been approximately 25 years with proper maintenance.

On a motion made by Committee Member Debi Davis and a second by Committee Member Watanabe, TPAC recommended approval of this item.

Ayes – 9 (Debi Davis, Dev Davis, Diep, Gatto, Leonardis, Liccardo, Montano, Ortbal, Watanabe)

C. First Amendment to the Master Agreement with Cornerstone Earth Group for

Environmental Support Services

Staff Recommendation:

Approve the First Amendment to the Master Agreement with Cornerstone Earth Group for environmental consulting services, increasing the amount of compensation by \$500,000, for a total agreement not to exceed \$1,000,000. No extension is being recommended on the term of the agreement, which expires on June 30, 2020.

This item is scheduled for consideration by the City Council on September 24, 2019.

Assistant Director Napp Fukuda described this item to the Committee and was available for questions.

On a motion made by Committee Member Debi Davis and a second by Committee Member Watanabe, TPAC recommended approval of this item.

Ayes – 8 (Debi Davis, Dev Davis, Diep, Gatto, Liccardo, Montano, Ortbal, Watanabe)

Nay – 1 (Leonardis)

D. Approval of a Design-Build Contract with Walsh Construction Company, LLC for the Digested Sludge Dewatering Facility Project at the San José-Santa Clara Regional Wastewater Facility

Staff Recommendation:

1. Adopt a resolution adopting an Addendum to the Environmental Impact Report for the San José-Santa Clara Regional Wastewater Facility in accordance with the California Environmental Quality Act (CEQA), as amended, and adopting a related Mitigation Monitoring and Reporting Program.
2. Approve the design-build contract with Walsh Construction Company, LLC for the Digested Sludge Dewatering Facility at the RWF in an amount not to exceed \$7,492,564 for the performance of Preliminary Services under the contract.
3. Approve a design contingency in the amount of \$749,256 for City-approved changes to the scope of Preliminary Services.
4. Adopt a resolution authorizing the City Manager or his designee to:

- a. Negotiate and execute separate amendments to the contract to direct Walsh Construction to repair critically deteriorated infrastructure that requires immediate repair, which may be discovered during subsurface investigations, in an amount not to exceed \$500,000.
- b. Negotiate and execute separate amendments to the contract to allow Walsh Construction to proceed with discrete portions of the Design-Build Work (referred to as “Early Work Packages”) prior to the City’s execution of the Definitive Contract Amendment in an amount not to exceed \$10,800,000, which amounts will be subject to the base Guaranteed Maximum Price;
- c. Negotiate and execute change orders in excess of \$100,000 up to the amount of the approved contingency for changes to the scope of the Preliminary Services and/or Early Work Packages.

This item is scheduled for consideration by the City Council on September 17, 2019.

Assistant Director Napp Fukuda noted that the Agenda showed that item 6A would be heard first and then this item would be heard. Assistant Director Fukuda introduced RWF Capital Improvement Program Deputy Director Mariana Chavez-Vasquez to present.

Deputy Director Mariana Chavez-Vasquez presented the information regarding item 6A, the Biosolids Disposition Market Assessment.

Committee Member Gatto praised the report as being very thorough, detailed and answering most of his questions.

However, he was curious as to how some of the companies that are listed are just picking up the biosolids and dropping them off, and how these companies would make a profit.

Deputy Director Chavez-Vasquez clarified that that the companies aren’t in the business of Biosolids but are certified fertilizer producers. She said she wasn’t sure how the market group works but that the companies seem confident that the market exists.

Director Romanow reminded the committee that these companies would be paid to pick up the Biosolids, so that is a portion of the profit.

Committee Gatto clarified that all the service providers listed would be paid to take the material. He questioned, had there been any thought to it being done in-

house?

Director Romanow stated that while this had been considered, consultant advice and research found that having a public-private partnership would prove the most successful due to the private corporation having the skill of marketing and offloading the material. We could also develop local options for land application where there might be different benefits to the community. She stated that a three to five year bridge is needed while all the other options are framed up and if they can be framed up sooner than that, that would be ideal however, it is unlikely that a processing facility will be built fast enough. Yet, since there are other facilities that also would like to contribute, it is viable that someone may build something, maybe not on Wastewater land, but somewhere.

Committee Member Gatto asked if that was still an option.

Director Romanow said yes and that she would like to minimize the trucking distance due to Greenhouse gas emissions as well as increasing the cost and therefore if there was a local option then it would be better.

Committee Member Gatto asked if there would be a period of time in which there would be a duplication of materials, since there would also be sludge coming out of the lagoons?

Deputy Director Chavez-Vasquez answered yes and that they were looking in to options on how to deal with this, either by trying to receive regulatory relief or perhaps a local option of soil blending.

Committee Member Gatto asked if it was viable to create a composting facility?

Director Romanow stated that she wasn't sure. She stated it depends on where you are and when you are doing it, as well as the prohibitive cost to build. She assured the committee that all options are being explored as well as looking at risk management due to changing markets and being mindful of cost.

Deputy Director Chavez-Vasquez also stated that looking at the age of the facility could impact cost. Being that an older facility would be less expensive due in part to less regulations whereas a newer facility would be constrained to more regulations and be a more expensive facility.

Dean Stanford had a public comment regarding the Biosolids memo regarding possibly using the sludge from the Lagoons for the Parks Proposal he was bringing to the committee.

Deputy Director Chavez-Vasquez moved on to present item 5.D. She was available for questions.

Committee Member Montano asked whether not using pilings would compromise safety.

Deputy Director Chavez-Vasquez answered no.

Assistant Director Fukuda added that surcharging the site would entail using gravel or dirt piled on site to allow the area to settle/compact for six months to a year in-lieu of pilings.

Deputy Director Chavez-Vasquez clarified that there are less expensive options than pilings if time allows.

Committee Member Gatto asked what the ten acres was based on.

Deputy Director Chavez-Vasquez answered that it was based on the preliminary layout of the facility and what is needed to house the equipment, etc.

Committee Member Gatto asked who did the preliminary report.

Deputy Director Chavez-Vasquez answered that it was done by Brown & Caldwell, the City's owner's advisors.

On a motion made by Committee Member Debi Davis and a second by Committee Member Dev Davis, TPAC recommended approval of this item.

Ayes – 8 (Debi Davis, Dev Davis, Diep, Gatto, Liccardo, Montano, Ortbal, Watanabe)

Nay – 1 (Leonardis)

E. 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, 2019 to October 1, 2020, at a total cost not to exceed \$2,250,000, as well as an 18.0% contingency for additional property or assets scheduled, subject to the appropriation of funds with the following insurance carriers:

- (1) Factory Mutual Insurance Company for Property Insurance, including Boiler & Machinery and TRIA Coverage;
- (2) Beazley Syndicate 2623/623 at Lloyd's for Terrorism Insurance;

- (3) Old Republic Insurance Company, for Airport Owners and Operators Liability including War Risks & Extended Perils Coverage (including Excess Automobile and Employers' Liability) and Police Aircraft Hull & Liability including War Risks & Extended Perils Coverage;
- (4) QBE Specialty Insurance Company for Secondary Employment Law Enforcement Professional Liability;
- (5) Hartford Life and Accident Insurance Company for Accidental Death, Accidental Dismemberment, and Paralysis Policy for the Police Air Support Unit; and
- (6) Berkley Insurance Company for Government Fidelity/Crime Coverage.

(b) Select and purchase additional insurance coverage not-to-exceed \$450,000 for the following products:

- (1) Up to \$15 million in excess property coverage for the flood peril for locations in high and moderate hazard flood zones for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$150,000 subject to the appropriation of funds;
- (2) Auto Liability insurance for Airport fleet vehicles including Shuttle Buses; Regional Wastewater Facility fleet vehicles; and Airport Shuttle Bus physical damage for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$120,000 for the Airport and \$100,000 for the Regional Wastewater Facility, subject to the appropriation of funds; and
- (3) Up to \$25 million in Excess Auto Liability insurance for Airport fleet vehicles including Shuttle Buses for the period October 1, 2019, to October 1, 2020, at a cost not to exceed \$80,000, subject to the appropriation of funds.

This item is scheduled for consideration by the City Council on September 17, 2019.

On a motion made by Committee Member Gatto and a second by Committee Member Debi Davis, TPAC recommended approval of this item.

Ayes – 9 (Debi Davis, Dev Davis, Diep, Gatto, Leonardis, Liccardo, Montano, Ortbal, Watanabe)

6. OTHER BUSINESS/CORRESPONDENCE

- A. Update on Biosolids Disposition Market Assessment for the San Jose-

Santa Clara Regional Wastewater Facility

TO BE HEARD WITH ITEM 5.D

Please see notes regarding this item under Item 5D.

- B. Comment Letter – City of San José SCR, Response to Tentative Order from the City of San Jose, as Administering Agency for the San Jose-Santa Clara Regional Wastewater Facility

Assistant Director Napp Fukuda presented this item to the Committee and was available for questions.

Committee Member Gatto asked if this project was considered during the creation of the Plant Master Plan.

Director Romanow answered that the project was contemplated but that it wasn't funded at the time.

Chair Liccardo asked for clarification of impacted areas.

Assistant Director Fukuda showed on the map in where impacted areas are.

Committee Member Montano asked what the area is capped with.

Assistant Director Fukuda answered that the clean soil in between the lagoons would suffice to cap the area.

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

- A. Amendments to the Master Consultant Agreements with Consolidated Engineering Labs, Construction Testing Services, Inc., and Signet Testing Labs, Inc. for Special Inspection and Materials Testing Services for the San José-Santa Clara Regional Wastewater Facility Capital Improvement Program

Staff Recommendation:

Approve the Amended and Restated Master Consultant Agreements with Consolidated Engineering Laboratories, Construction Testing Services, Inc., and Signet Testing Labs, Inc. for special inspection and materials testing services to allow for premium pay, reductions in the minimum limits for Professional Liability Errors and Omissions insurance from \$5,000,000 to \$2,000,000 per claim limit, and revisions to the Schedule of Rates and Charges, with no extensions of the term or increases to the maximum total compensation.

This item was approved by the City Council on June 25, 2019.

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 \$1.17 million and of services between \$100,000 and \$290,000.

9. MISCELLANEOUS

A. The next TPAC Meeting is on **October 10, 2019, at 4:00 p.m.**, City Hall, Room 1734.

10. OPEN FORUM

Dean Stanford, citizen and park advocate, came to speak regarding the creation of a park using the 800-acres of flexible space.

Daniel Canfield, representative of the California Department of Parks and Recreation, came to speak in support of Dean Stanford's proposal of a park.

11. ADJOURNMENT

A. The Treatment Plant Advisory Committee adjourned at 4:46 p.m.

Sam Liccardo, Chair

TREATMENT PLANT ADVISORY COMMITTEE

