

**MINUTES OF SILICON VALLEY CLEAN WATER  
REGULAR MEETING – APRIL 12, 2018  
8:00 a.m.**

**ITEM 1**

**CALL TO ORDER**

Commissioner Seybert called the meeting to order at 8:02 a.m.

**ITEM 2**

**ROLL CALL - Commissioners Duly Appointed by Each Agency**

Council Member John Seybert, Redwood City – Chair  
Council Member Warren Lieberman, PhD., Belmont– Vice Chair  
Mayor Robert Grassilli, San Carlos – Secretary  
Board Member George Otte, P.E., West Bay Sanitary District

**Staff, Consultants and Visitors Present**

Christine C. Fitzgerald, SVCW Legal Counsel  
Daniel T. Child, SVCW Manager  
Teresa Herrera, SVCW Assistant Manager / Chief Engineering Officer  
Jennifer Flick, SVCW HR Manager  
Matt Anderson, SVCW Chief Financial Officer / Administration Manager  
Monte Hamamoto, SVCW Chief Operating Officer  
Kim Hackett, SVCW Engineering Director  
Bruce Burnworth, SVCW Senior Engineer  
Arvind Akela, SVCW Engineering  
Robert Huffstutler, SVCW Operations Director  
Keith McClure, SVCW Operations Supervisor  
Tara Peterson, City of San Carlos  
Molly Flowerday, City of Redwood City  
Bill Tanner, Tanner Pacific, Inc.  
Mark Minkowski, Kennedy/Jenks  
Mathew Callahan, CID, Inc.  
Nate Olson, CID, Inc.  
Dustin Kaufman, Overaa  
David Ensinger, Overaa  
Juliana Kresse, Liebert Cassidy Whitmore  
Suzanne Solomon, Liebert Cassidy Whitmore

**ITEM 3**

**PLEDGE OF ALLEGIANCE**

Mr. Anderson led those attending the meeting in the recital of the Pledge of Allegiance.

**ITEM 4**  
**PUBLIC COMMENT**

There was no Public Comment

**ITEM 5A**  
**SAFETY MOMENT**

Mr. Child spoke about safety in places of public assembly. When you are in a room or building you are not familiar with, take a look around and find at least two (2) exits in case of an emergency. Also, it's important to remain calm if something does happen as well as having an Emergency Plan and a meeting place where all are to gather.

**ITEM 5B**  
**MANAGER'S REPORT**

Mr. Child began his report by commenting on the Sustainable Water Reuse Conference. About 185 people attended from the area and they had a very interesting way of keeping the minutes. They had artists who were listening to the speakers and then drawing pictures of what they were talking about.

The conference centered on why we need potable reuse water and the fact that there's not enough water available. A panel of six (6) people spoke about the importance of developing a sustainable water policy including what was needed and how to proceed.

A second panel talked about the benefits and where we see them coming from and the final panel discussed the Regional Partnership and how wastewater can work with water as well as irrigation companies and all the different options and how this system can work.

Overall, the spirit there was very positive and one of SVCW 's engineers, Eric Hansen, was one of the three people who helped put it all together and he did a great job. Commissioner Otte who also attended the conference indicated that it was very positive and has potential cost benefits to us down the road.

The final report concerned a bill, AB 1912, in the California State Assembly sponsored by Assembly Member Freddie Rodriguez. This is the JPA Liability Bill. What the bill proposes is if a JPA dissolves, the member agencies will have to absorb that liability. The League of Cities has come out strongly against this and is asking SVCW to write a letter stating the passage of this Bill would be a mistake. Mr. Child asked the Commissioners if they were agreeable to having him draft a letter to Mr. Rodriguez and having Commissioner Seybert sign it.

Mr. Seybert indicated that when the letter was ready, he would stop by the office to sign it and added that he felt the letter should contain the names of the Commissioners and the cities they represent.

**ITEM 5C**  
**FINANCIAL REPORTS**

There were no questions on the Financial Reports

**ITEM 5D**  
**ENGINEERING PROJECT STATUS UPDATE**

There were no questions on the Engineering Report

**ITEM 5F**  
**RESCU PROGRAM DESIGN-BUILD PROJECT STATUS UPDATE**

Ms. Herrera provided a program summary handout to the Commissioners. She noted that, next month, the summary report will be included in the Agenda Package.

Also, she gave each Commissioner an article regarding the rising price of steel over the last several months which will affect SVCW's projects.

**ITEM 6**  
**MATTERS OF COMMISSION MEMBER'S INTEREST**

Commissioner Lieberman wanted to express his appreciation to Messrs. Child and Anderson regarding a study session at the City Council Meeting earlier that week in which they gave an overview regarding what was going on with the CIP Programs.

Commissioner Lieberman added that he wanted to thank everyone who participated in the Potable Reuse Conference. Fortunately, we here at SVCW are ahead of the game, but as a nation, we are way behind the rest of the world.

**ITEM 7**  
**CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR ITEMS 7A THROUGH 7E**

**Motion/Second: Mr. Grassilli / Mr. Lieberman**

The Motion carried by Unanimous Roll Call Vote.

**ITEM 8A**  
**CONSIDERATION OF RESOLUTION APPROVING GRAVITY PIPELINE PROJECT DESIGN-BUILD STAGE 1 AGREEMENT AMENDMENTS (CIP #6008)**

Ms. Herrera began her presentation by focusing on items that were not in the Agenda Package. Stage 1 Design-Build agreement brings the design from a ten percent level (10%) to a sixty percent level (60%) and Stage 2 will complete the design and then construct the pipeline. There are four (4) Amendments to the Stage 1 agreement that need to be implemented to avoid negatively affecting the project schedule. Some of these are long-lead items and others are a need for additional information for finalizing even the sixty percent (60%) design.

Referring to a site plan of the gravity pipe project, Ms. Herrera pointed out amendment Items 1 through 4. Item 1 is a PG&E power drop at the TBM launch shaft which is a long-lead item and requires P.G.&E. review and provision. Item 4 is a need for additional geotechnical work to ascertain, if any, impact of groundwater.

Referring to two items near, and at, the treatment plant site, Amendment 2 concerns two residences where we will be clipping the edges of their property by approximately five (5) feet and staff believes it will be beneficial to the Authority and the homeowners to get some monitoring devices on their homes and foundations to make sure there are no settlement problems due to the tunneling. Item 3 is the retrieval shaft here at the Plant. Staff recommends moving this work forward from a sixty percent design (60%) to one hundred percent design (100%).

This item is to ratify Amendment 1 which Mr. Child already signed and then to approve Amendments 2, 3 and 4 for a total amount of \$580,576.00. This work, with the exception of the geotechnical work, would have been done as part of Stage 2, but staff believes it is more cost effective to do the work now. The geo-technical work is needed to avoid potential issues related to finding water once the tunnel is under construction. It is much easier and less costly to deal with water if you know it is there, than to accidentally find it once the tunnel is being built.

Commissioner Seybert asked for the addresses of the two residences affected by Amendment 2.

Mr. Child stated that he did not know the exact addresses but they are located just past and across the street from the Sandpiper Elementary School in the Governors Bay area.

Move adoption of RESOLUTION OF GRAVITY PIPELINE PROJECT DESIGN-BUILD STAGE 1 AMENDMENT NO. 1 AND APPROVING AMENDMENT NOS. 2, 3 AND 4 FOR GRAVITY PIPELINE PROJECT (CIP #6008) – BARNARD-BESSAC JOINT VENTURE (\$580,576.00)

**Motion/Second: Mr. Otte / Mr. Lieberman**

The Resolution carried by Unanimous Roll Call Vote

**ITEM 8B**

**CONSIDERATION OF MOTION AWARDDING CONSTRUCTION CONTRACT FOR THE FOOD WASTE RECEIVING PILOT PROJECT (CIP #9229)**

Ms. Herrera began by stating the Item 8B is the Food Waste Receiving Pilot Project and this is to award the construction project. This was originally bid in 2016 and there was quite a range in the bids. It was put on hold because we were waiting for the Authority-To-Construct Permit from the Bay Area Air Quality Management District. The Permit was finally received last month on March 1<sup>st</sup> after a very painful process. The project was re-bid and one (1) bid was received from Overaa Construction. Their bid came in higher than expected at \$935,000.00, but since there was only one bid, staff was able to work with them for find savings and ultimately negotiate the bid down to \$684,000.00. One of the reasons staff was able to negotiate the cost down was because if we do it as a Change Order to a project that Overaa is already working on, the general conditions costs come down quite a bit. Therefore, SVCW staff is proposing that the work be done as a Change Order to Overaa's current project.

Additionally, there is some complexity to the Food Waste Project. Recology has a facility at their San Francisco site where they are testing to extract organic waste from the garbage. Unfortunately, it has not been as successful as they had hoped and the system has not been running for some time. We've spoken with them and they may be willing to restart the program when our facility is ready to accept waste.

The other concern is that we have a CEC Grant which has a completion date of September 2019. Another concern is making sure the feed stock is available and that our timeline fits within the parameters of the CEC Grant. If this item is approved today, we can plan to construct the project but it will only be implemented if the feed stock availability is confirmed and the grant timing can be met. Ms. Herrera recommended approval of a Change Order to Overaa Construction in the amount of \$684,000.00.

Commissioner Grassilli asked for a definition of feed stock. Ms. Herrera responded that feed stock is the organic material that is in garbage. Unfortunately, Recology has not been able to extract enough organics from their garbage. Recology feels that because San Francisco is so strict about source separation, they are not getting a lot of organics in the garbage.

Recology San Francisco is proposing moving the equipment to the SBWMA site where the organics in the garbage are considered to be much higher. Mr. Child added that he had a meeting yesterday with the SBWMA Manager and was told that they are committed to this program, but they need approximately sixty (60) days to figure out the timing so we would appreciate the approval so we can go when we are ready.

Commissioner Lieberman had a question regarding the two-year delay. The fact that the bids went up so high and went from multiple bids to a single bid – was that just due to the fact that contractors are busier now or were there other factors involved?

Mr. Child responded that he felt it was totally because they are busier now.

Commissioner Lieberman wanted clarification that there is a Pilot Program first and then the full effort and the Pilot Program is expected to cost less than \$100,000.00. Then if

successful, we will then go forward with the full project. Mr. Child responded that was correct.

Move adoption of RESOLUTION APPROVING CONTRACT DOCUMENTS AND ACCEPTING NEGOTIATED BID PRICE FOR FOOD WASTE RECEIVING PILOT PROJECT UNDER STATE GRANT PROGRAM (CIP #9229) WITHOUT COMPETITIVE BIDDING, FINDING THAT COMPETITIVE BIDDING WOULD BE UNAVAILING, WOULD NOT PRODUCE AN ADVANTAGE AND WOULD NOT BE IN THE PUBLIC INTEREST; AUTHORIZING EXECUTION OF AGREEMENT FOR SAID WORK AS A CONSTRUCTION CONTRACT CHANGE ORDER TO THE THICKENING IMPROVEMENTS PHASE 1 PROJECT (CIP #9168) AND AUTHORIZING THE MANAGER TO APPROVE CHANGE ORDERS UP TO TEN PERCENT (10%) OF CONTRACT VALUE FOR SAID PROJECT (\$684,000.00)

**Motion/Second: Mr. Grassilli / Mr. Otte**

The Resolution carried by Unanimous Roll Call Vote

#### **ITEM 8C**

CONSIDERATION OF RESOLUTION AWARDDING CONTRACT DOCUMENTS FOR THE DESIGN-BUILD OF WASTEWATER TREATMENT PLANT IMPROVEMENTS PHASE 2 PROJECT AND CONSIDERATION OF MOTION AMENDING THE TASK ORDER SCOPE AND BUDGET FOR OWNER'S ADVISOR SERVICES FOR THE WWTP RELIABILITY IMPROVEMENTS PHASE 2 PROJECT

Ms. Herrera began by stating that this Project is a Design-Build Project. Currently there are seven (7) Projects in this Wastewater Treatment Plant Improvements. It was decided to use a fixed-price Design-Build method for procurement which was presented to the Commission approximately one year ago. We received two (2) proposals from very good, solid Design-Build Teams. The Selection Panel recommends the award go to Overaa using HydroScience as their design engineer. This is based on Overaa being the highest ranked team on their proposals, interviews and cost.

Additionally, Kennedy/Jenks is acting as SVCW's Owners' Advisors for this project. They developed the Request For Proposal (RFP) that was distributed to potential design-build teams and they will assist SVCW during the design and construction phases. We added to their original scope of work the inclusion of two (2) rotary presses which are used for de-watering so we are requesting an increase to their Task Order.

Commissioner Seybert asked if this helped in negotiating Overaa down on the Food Waste project. Ms. Herrera responded that it absolutely did help.

Commissioner Otte asked if this was considered "deferred maintenance"? Mr. Child responded that it was.

Move adoption of RESOLUTION APPROVING DESIGN-BUILD DOCUMENTS FOR THE WASTEWATER TREATMENT PLANT IMPROVEMENTS PHASE 2 PROJECT (CIP

#9169, 9173, 9186, 9189, 9197, 9220 AND 9224) AUTHORIZING EXECUTION OF AGREEMENT AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT (10%) OF THE CONTRACT PRICE FOR SAID PROJECT - C. OVERAA / HYDROSCIENCE (\$9,000,000.00)

**Motion/Second: Mr. Lieberman / Mr. Otte**

The Resolution carried by Unanimous Roll Call Vote

Move approval of RESOLUTION AMENDING THE TASK ORDER SCOPE AND BUDGET FOR OWNER'S ADVISOR SERVICES FOR THE WWTP RELIABILITY IMPROVEMENTS PHASE 2 PROJECT IN AN AMOUNT NOT-TO-EXCEED \$87,782.00 - KENNEDY/JENKS

**Motion/Second: Mr. Lieberman / Mr. Otte**

The Resolution carried by Unanimous Roll Call Vote

#### **ITEM 8D**

**CONSIDERATION OF RESOLUTION AWARDING CONTRACT DOCUMENTS FOR CONSTRUCTION OF SAF-MBR RESEARCH FACILITY INFRASTRUCTURE.**

Ms. Herrera began her discussion by stating that in the past, SVCW had received a \$2 M grant from the California Energy Commission and since we have been teaming with other agencies as well as Stanford and the Renew It Program and together with matching funds, our initial grant is now worth approximately \$3.22 million. The Commission authorized a commitment in cash up to \$500,000.00, part of which is to cover locating and constructing the research facility at the treatment plant. We are looking for approval to construct the concrete pad, a twenty (20) foot tower and utilities (power and primary effluent) to the site.

Power Engineering who is already on site doing other work, was asked to give us a quote and because this is a Pilot Project for research purposes, SVCW Counsel determined that it qualifies for exclusion from the public bidding process.

Ms. Herrera showed a picture of where the tower was going to be located. By next week, SVCW will have a time-lapse camera to record the construction of the pad and tower. Ms. Herrera noted that SVCW intends to have cameras in other areas of the Plant to record future construction and this is a good project to test the system.

Commissioner Lieberman asked if Stanford had a couple of other options of who they could partner with to do this. Why did they choose SVCW? Was it our location or our incredibly good staff?

Mr. Child responded that it was SVCW reputation and willingness to participate in innovative technologies such as this, the potable reuse movement, Mango Materials and BioForceTech for biosolids management.

Commissioner Lieberman stated that he felt that while this is a bit of an investment for us to do this, although we are talking fifteen percent (15%) of the full cost which is a great way to leverage money, but ultimately if this proves out and good things come out of this, it would be a big net saver.

Mr. Child concurred, but cautioned this is a Pilot Program. Based on what is known today, (Stanford has a very small plant on campus that they are running) it is producing significant power savings. This is an anaerobic process and is not a typical secondary treatment process, but is generally used in digesters. It uses a lot less power than an aerobic process which SVCW uses today for secondary treatment.

Commissioner Lieberman asked if Mr. Child felt this was a good opportunity to invest in the Plant's future? Mr. Child responded it was definitely a good investment.

Commissioner Grassilli questioned that when the research is done, what happens next?

Mr. Child responded that it actually becomes ours and there is no liability because the equipment that manufacturers are donating, then becomes ours.

Commissioner Lieberman asked if there was any time frame or would it become an ongoing research facility?

Mr. Child responded that the CEC Grant was tied to it and this particular phase has to be completed by 2021 which he didn't feel was a problem. After that date, we could continue to operate it because it is very small (approximately 25 gallons per minute) and it could be expanded to the next phase. He also felt it was between a five and ten-year program to develop this technology.

Commissioner Lieberman asked what would happen if it went beyond ten-years? Do you anticipate that if there is a desire to continue operating this, there would be continued grant funds from Stanford?

Mr. Child responded that if successful, there likely would be more grant funding. If not, then there would be a structure that would have to be removed or used for something else.

Commissioner Otte asked if there would be an odor control issue. Mr. Child responded that the process is completely contained and enclosed, but odors are being addressed.

Move adoption of RESOLUTION APPROVING CONTRACT FOR CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS FOR THE SAF-MBR PILOT RESEARCH PROJECT WITHOUT COMPETITIVE BIDDING, FINDING THAT COMPETITIVE BIDDING WOULD BE UNAVAILABLE, WOULD NOT PRODUCE AN ADVANTAGE AND WOULD NOT BE IN THE PUBLIC INTEREST AND AUTHORIZING SVCW MANAGER TO APPROVE CONSTRUCTION CONTRACT CHANGE ORDERS UP TO TEN PERCENT (10%) OF THE CONTRACT PRICE - POWER ENGINEERING CONTRACTORS (\$320,000.00)

**Motion/Second: Mr. Lieberman / Mr. Grassilli**



The Resolution carried by Unanimous Roll Call Vote

**ITEM 8E**

**CONSIDERATION OF CONTRACT CHANGE ORDER FOR PLANT SECURITY GATE FOR NEW 12kV SWITCHGEAR PROJECT (CIP #9807)**

Ms. Herrera began by saying this is a combination of two projects: 12kV Project and Plant Security/Front of Plant Design-Build Project. These two (2) projects are being done on the West side of the Treatment Plant. Ms. Herrera showed a picture of the West side now and a rendering of the West side after showing the location of the new entrance gate which is the topic of this Agenda Item. During construction, the plan is to close off the chain-link gate near the dog park which will be converted to use for construction traffic only. The main gate into the treatment plant will be relocated to the north side of the front of plant area. Currently there are a couple of ways around the main gate and we are paying a security company over \$18,000.00 per month to monitor access during the hours of 6:00 pm to 6:00 am and on weekends. If we move this project up in time, the security service can be stopped.

The work would be done under a Change Order to the 12kV Project. This project is being done by JF Shea/Parsons and SVCW Engineering Staff negotiated a cost with them in an amount not to exceed \$120,000.00. By doing this work now, we will be able to exclude it from the Stage 2 design build contract.

Commissioner Lieberman asked, if he was doing the math correctly, SVCW will save enough money in seven (7) months of security company cost at \$18,000.00 per month to pay for this?

Ms. Herrera answered affirmatively.

Ms. Herrera also indicated that there will be signs posted giving directions to the new entrance gate.

Move approval of CONTRACT CHANGE ORDER FOR NEW 12kV SWITCHGEAR PROJECT (CIP #9187) IN THE AMOUNT OF \$120,000.00 AND AUTHORIZING MANAGER TO APPROVE UP TO TEN PERCENT (10%) CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – JF SHEA/PARSONS JOINT VENTURE

**Motion/Second: Mr. Grassilli / Mr. Lieberman**

The Motion carried by Unanimous Roll Call Vote

**ITEM 8F**

**CONSIDERATION OF RESOLUTIONS APPROVING AND ADOPTING FISCAL YEAR 2018 – 2019 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET.**

Mr. Anderson began his presentation by stating that this was a continuation from the March meeting and no changes are proposed from what was reviewed in March. He reminded the Commission that SVCW is looking at a 3.96% increase in our Operating Budget; this is less than our Long Range Financial plan which was our goal. In addition, we have seen decreases in our revenue funding capital which is approximately \$1.5 M that we contribute to smaller capital projects each year. There also is a decrease in the amount of the Operations Reserve Fund designations this year because last fiscal year we had an unusual emergency item that required replenishment of the fund. There is a significant increase in debt service required to fund the RESCU Program. The amount of money we have in debt proceeds at present between cash and the Bonds we issued, is estimated to be enough to last through the Summer of 2019. Prior to that point, we will be discussing future funding.

At the last meeting the Commission request that staff do some comparisons as to where SVCW stands compared to other agencies. Mr. Anderson provided a chart comparing SVCW's treatment costs to other Bay Area treatment plants treatment cost. SVCW fell in the middle of the range, which he felt was a good result. He also asked these agencies what they anticipate in budget increases for the coming fiscal year and the average came out to be around five percent (5%). Some were as high as seven percent (7%) and some were as low as two percent (2%), so SVCW's proposed increase is in the same ball park as others.

Commissioner Seybert asked who were the two really high and who was the lowest?

Mr. Anderson responded that the lowest was Marin and the two biggest are West County and Dublin-San Ramon.

Commissioner Otte asked Mr. Anderson if he could get a readable copy of the chart as it is very small. Mr. Anderson said he would provide a better copy.

Commissioner Lieberman requested that SVCW also send an electronic copy to all four JPA Agencies' Finance Directors. Mr. Child said that he would see that it was provided to all Technical Committee Members and Finance Directors.

Move adoption of RESOLUTIONS F i, F ii, F iii and F iv APROVING AND ADOPTING THE FISCAL YEAR 2018 TO 2019 REVENUE PLAN IN THE AMOUNT OF \$24,213,623.00 IN NET OPERATING REVENUES REQUIRED AND \$1,485,500.00 FOR REVENUE FUNDED CAPITAL PROJECTS IN ADDITION TO CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$984,034.00 AS WELL AS DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$20,389,946.00 AND AUTHORIZING SVCW MANAGER TO IMPLEMENT, MANAGE AND APPROVE EXPENDITURES AUTHORIZED WITHIN SAID FISCAL YEAR'S ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET AS ADOPTED BY THE SILICON VALLEY CLEAN WATER COMMISSION.

**Motion/Second: Mr. Lieberman / Mr. Grassilli**

The Resolutions carried by Unanimous Roll Call Vote

**ITEM 9**

**CLOSED SESSION**

Closed Session was called to order at 8:40 a.m.

- A. **LABOR NEGOTIATIONS (Govt. Code Section 54957.6(a)**  
AGENCY NEGOTIATIONS: Daniel T. Child, SVCW Manager  
Matt Anderson, Chief Financial Officer/Admin Manager  
Jennifer Flick, SVCW Human Resources Director  
Monte Hamamoto, SVCW, Chief Operating Officer  
Darrell Murray, IEDA  
EMPLOYEE ORGANIZATION: IUOE Local 39
- B. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**  
Pursuant to Government Code Section 54956.8  
Property Description: 930 Governor's Bay, Redwood City, CA (APN: 095-380-210)  
SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hamner, Jewell & Associates);  
SVCW Manager, Daniel T. Child  
Negotiating Parties: Young/Leung  
Under Negotiation: Price and terms
- C. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**  
Significant exposure to litigation pursuant to Section 5495639(b) and (d)(2) (one potential case)

**ITEM 10**

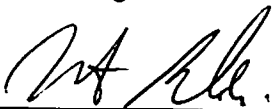
**RECONVENE IN OPEN SESSION**

Open Session reconvened at 9:42 a.m. Legal Counsel reported that as to Closed Session Item 9A, instruction was given to Staff and no action was taken. As to Closed Session Item 9B, instruction was given to Staff and no action was taken and as to Closed Session Item 9C, instruction was given to Staff and no action was taken.

**ITEM 11**

**ADJOURN**

There being no further business, the meeting adjourned at 9:44 a.m.



Robert Grassilli, Secretary

By: Teresa A. Herrera, Assistant Manager