

**MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – MAY 10, 2018
8:00 a.m.**

ITEM 1

CALL TO ORDER

Commission Chair Seybert called the meeting to order at 8:00 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
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
Arvind Akela, SVCW Senior Engineer
Eric Hansen, SVCW Senior Engineer
Robert Huffstutler, SVCW Operations Director
Cindy Hui, SVCW Accounting Supervisor
Krista Politzer, SVCW Financial Analyst
Steven Machida, City of San Carlos
Derek Rampone, City of Redwood City
Molly Flowerday, City of Redwood City
Charlie Joyce, Brown & Caldwell
Bill Tanner, Tanner Pacific, Inc.
Mark Minkowski, Kennedy/Jenks
Robert Parr, Fieldman Rolapp
Lora Carpenter, Fieldman Rolapp
EJ Shalaby, DNS Strategic Partners, LLC

ITEM 3

PLEDGE OF ALLEGIANCE

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

Ms. Herrera informed the Commissioners that Item 8B needed to be removed from the Agenda due to the fact that additional discussions with Redwood City need to occur.

Commissioner Seybert indicated that a Motion was needed to remove this item.

ITEM 8B

CONSIDERATION OF A MOTION TO REMOVE ITEM 8B FROM THE AGENDA DUE TO THE FACT THAT MORE WORK NEEDED TO BE DONE WITH THE CITY OF REDWOOD CITY AND THE ITEM WILL BE PERSENTED FOR APPROVAL AT A FUTURE MEETING.

Motion/Second: Mr. Lieberman / Mr. Grassilli

The Resolution carried by Unanimous Roll Call Vote

ITEM 4

PUBLIC COMMENT

There was no Public Comment

ITEM 5A

SAFETY MOMENT

Ms. Herrera presented this meeting's Safety Moment having to do with earthquakes. The latest thinking on where to position yourself safely during an earthquake is called "The Triangle of Life" and suggested the latest alternatives of where and how to position yourself for maximum safety and survival.

ITEM 5B

MANAGER'S REPORT

Ms. Herrera began her report with the good news that SVCW was informed by the State Water Resources Control Board that they have slated \$169 million from the SRF loan program. She attributes this to Mr. Anderson's persistence and routine meetings with State Board staff. Mr. Anderson estimated this would amount to approximately \$2 million annual savings.

The next item was the Association of Environmental Professionals bestowed a national award on SVCW's Conveyance System EIR. David J. Powers authored it and submitted the award application and we thank them as well as Kim Hackett, SVCW's Engineering Director who lead the effort.

The next item relates to the last portion of the RESCU Program; SVCW's three Pump Stations and the Belmont Force Main. These facilities need to be rehabilitated. Management

and staff have analyzed the projects and possible procurement methods and will bring a recommendation to the Commission in July to utilize a Progressive Design Build process.

The next item had to do with the evaluation of assisting the City of San Mateo with their treatment plant operations and maintenance which was discussed at last month's meeting. After considerable due diligences, it has been decided to discontinue pursuing this project any further because of the high risk which would be incurred by SVCW. Ms. Herrera could not recommend that SVCW take on this risk.

And finally, Ms. Herrera and Mr. Anderson have been working with an insurance broker, USI, on using an OCIP for our two progressive Design-Build Projects and it appears that money can be saved and insurance coverage enhanced by using an OCIP. Once bids are received and savings verified, Ms. Herrera will bring a recommendation to the Commission to enter into an OCIP for those projects.

Commissioner Grasilli asked what OCIP stands for. Ms. Herrera noted it stands for Owner Controlled Insurance Program.

ITEM 5C
FINANCIAL REPORTS

There were no comments

ITEM 5D
ENGINEERING PROJECT STATUS UPDATE

There were no comments

ITEM 5F
RESCU PROGRAM STATUS UPDATE

Commissioner Seybert asked if there was an additional update on the Rescu Program.

Ms. Herrera said there was a written report in the Agenda Packet and no verbal update was planned.

ITEM 6
MATTERS OF COMMISSION MEMBER'S INTEREST

Commissioner Grassilli mentioned that \$169 million dollars was a large amount of money and asked if it was the biggest SVCW has received. Mr. Anderson responded that \$35 million has been the largest SVCW has received in the past. Our request was actually for \$400 million and the State Board asked if we were interested in partial funding rather than full funding; we responded absolutely, yes. Mr. Anderson continued by stating that the State Board still needed to confirm this allocation at their June meeting but our application is complete and has been submitted to the State Board. If all goes well, he felt the financing agreement could be complete by December 2018 with money available in 2019.

Commissioner Grassilli asked if this amount of funding would take SVCW through all of 2019. Mr. Anderson replied, at present, SVCW has bond funding through June of 2019 so this money would be available to either supplement that or carry us through another year beyond that.

Commissioner Grassilli wanted to know if it would last another year after that. Mr. Anderson responded that at our current spending pace, it would last and carry us through 2020.

ITEM 7

CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR ITEMS 7A THROUGH 7D

Motion/Second: Mr. Lieberman / Mr. Otte

The Motion carried by Unanimous Roll Call Vote

ITEM 8A

CONSIDERATION OF RESOLUTION APPROVING PURCHASE OF MOBILE OFFICE FACILITIES SERVING AS OFFICES FOR THE RESCU PROGRAM TEAMS

Currently SVCW leases a 10,000 square foot trailer facility for the RESCU program project team members at a cost of \$127,000 per year. Ms. Herrera noted that the trailers will be occupied for at least 5 years. The trailers are owned by Mobile Modular and they were approached to discuss possible purchase of the trailers. The negotiated price for purchase is \$490,000. Mr. Anderson performed a financial analysis and came up with a simple payback of less than four years.

When the trailers are no longer needed for the RESCU projects, they could be used somewhere else on the Plant site, sold, or a combination of the two. Given the short payback, possibility of resale, and good condition of the trailers, Ms. Herrera noted that it would be advantageous to purchase the trailers rather than continue to lease them.

Commissioner Seybert asked if the \$127,000 annual cost comes out of an Operating Fund or Capital or is this just a swap of capital. Ms. Herrera responded that it is a swap of capital.

Commissioner Lieberman asked for confirmation that these trailers will last three (3) or four (4) years. Ms. Herrera responded that they would last for much longer than this period of time.

Commissioner Otte noted that the "set-up" is already paid for, but there would be a tear-down cost. Ms. Herrera stated that the tear down was part of the Lease Agreement so SVCW would not pay that cost, but ultimately we would have to demobilize the trailers and move them to a different location. Currently, there is a very good market for trailers.

Motions for Items 8a(i) and 8A(ii) taken together:

(i) Move to SUSPEND COMPETITIVE BIDDING FOR PURCHASE OF MOBILE OFFICE FACILITIES FOR THE RESCU PROJECT AT A SIGNIFICANT COST SAVINGS ON THE GROUNDS THAT IT WOULD NOT SERVE THE PUBLIC INTEREST

(ii) Move adoption of RESOLUTION APPROVING PURCHASE OF MOBILE OFFICE FACILITIES FOR THE RESCU PROJECT; ACCEPTING QUOTE FROM MOBILE MODULAR MANAGEMENT IN THE AMOUNT OF \$489,903; AUTHORIZING EXECUTION OF PURCHASE AGREEMENT, AND AUTHORIZING USE OF FUNDS FROM THE GRAVITY PIPELINE (CIP #6008), RECEIVING LIFT STATION (CIP #6013), HEADWORKS (CIP #9160) AND INFLUENT CONNECTOR PIPE (CIP #6014) PROJECTS – (MOBILE MODULAR MANAGEMENT)

Motion/Second: Mr. Otte / Mr. Lieberman

The Motion and Resolution carried by Unanimous Roll Call Vote

ITEM 9

CLOSED SESSION

Closed Session was called to order at 8:10 a.m.

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Section 54956.9(b) and (d)(2) (one potential case)

B. PUBLIC EMPLOYEE APPOINTMENT (Govt. Code Section 54957)

Title: Acting Manager

C. LABOR NEGOTIATIONS (Govt. Code Section 54957.6(a))

AGENCY NEGOTIATORS: Teresa Herrera, SVCW Asst. Manager

Matt Anderson, Chief Financial Officer/Administration Manager

Jennifer Flick, SVCW Human Resources Director

Monte Hamamoto, SVCW, Chief Operating Officer

Darrell Murray, IEDA

EMPLOYEE ORGANIZATION: IUOE Local 39

D. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

(Government Code Section 54956.9(d)(4))

ITEM 10

RECONVENE IN OPEN SESSION

Open Session reconvened at 8:36 a.m. Legal Counsel reported that as to Closed Session Item 9A, instruction was given to Counsel and no action was taken. As to Closed Session

Item 9B, the Commission voted unanimously to appoint Ms. Teresa Herrera to Manager on a temporary basis and with a temporary upgrade in pay. As to Closed Session Item 9C, instruction was given to Staff and no action was taken. With regard to Closed Session Item 9D, direction was given to Staff.

Commissioner Lieberman added that regarding Closed Session Item 9B, Ms. Herrera's upgrade in pay would be retroactive to April 12, 2018.

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:37 a.m.



Robert Grassilli, Secretary

By: Teresa A. Herrera, Acting Manager