

**MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – June 14, 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 Acting Manager / Chief Engineering Officer
Jennifer Flick, SVCW Human Resources Director
Matt Anderson, SVCW Chief Financial Officer / Administration Manager
Monte Hamamoto, SVCW Chief Operating Officer
Kim Hackett, SVCW Engineering Director
Bruce Burnworth, SVCW Senior Engineer
Steven Machida, City of San Carlos
Derek Rampone, City of Redwood City
Molly Flowerday, City of Redwood City
Bill Tanner, Tanner Pacific, Inc.
Mark Minkowski, Kennedy/Jenks
EJ Shalaby, DNS Strategic Partners, LLC
Darrell Murray, IEDA
Mathew Cox, USI Insurance Services
Mike Daoussis, USI Insurance Services
Paul Gaspari, Weintraub Tobin

ITEM 3

PLEDGE OF ALLEGIANCE

Mr. Grassilli 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

Ms. Herrera discussed safety while in the sun.

ITEM 5B
MANAGER'S REPORT

SRF Funding: The State Water Resources Control Board meets Tuesday, June 19 and will confirm projects to be funded this year. We don't anticipate any changes to State Board staff's suggested projects. Matt Anderson will attend on behalf of SVCW.

CASA Meeting: The next California Association of Sanitation Agencies is scheduled to be in Monterey from August 8 to August 10; registration is now open.

Mr. Grassilli stated that because of the CASA Meeting, the August Commission Meeting is scheduled for the 23rd. Ms. Herrera confirmed this and also noted there will not be a September meeting. The next meeting after August is scheduled for October 11th.

ITEM 5C
FINANCIAL REPORTS

There were no comments

ITEM 5D
ENGINEERING PROJECT STATUS UPDATE

There were no comments

ITEM 5E
COMMISSION REQUESTED STAFF-LEVEL ACTION ITEMS

There were no comments

ITEM 5F

RESCU PROGRAM STATUS UPDATE

There were no comments

ITEM 6

MATTERS OF COMMISSION MEMBER'S INTEREST

There were no comments

ITEM 7

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

Motion/Second: Mr. Lieberman / Mr. Grassilli

The Motion carried by Unanimous Roll Call Vote

ITEM 8A

CONSIDERATION OF RESOLUTION AWARDDING CONSTRUCTION CONTRACT FOR CHLORINE CONTACT TANK PASS 1 SURFACE REHABILITATION PROJECT.

The Chlorine Contact Tank is in the process of being rehabilitated. There are three (3) passes in the Chlorine Contact Tank and Pass 1 is the topic of this agenda item. This is Year 2 of the ongoing rehabilitation project; some work occurred in Pass 1 last year. We are limited to working in the tank during low flow summer months which is why the work is split across several years. We anticipate that there will be two other rehabilitation contracts for the remaining passes (2 and 3); one in 2019 and one in 2020.

The work was publicly advertised and SVCW received two (2) bids. The low bid was from F.D. Thomas for \$389,359.00. Ms. Herrera is familiar with this company and they have a good reputation in the industry. Therefore, it is recommended that the contract be awarded to F.D. Thomas.

Motion/Second: Mr. Grassilli / Mr. Lieberman

Move adoption of RESOLUTION APPROVING CONSTRUCTION CONTRACT DOCUMENTS FOR CHLORINE CONTACT TANK (CCT) PASS 1 SURFACE REHABILITATION PROJECT (CIP #9107); ACCEPTING BID OF LOWEST RESPONSIBLE BIDDER, REJECTING ALL OTHER BIDS; AND AUTHORIZING EXECUTION OF AGREEMENT, DIRECTING RETURN OF SECURITY DEPOSITS AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT – F.D. THOMAS, INC. (\$389,359)

The Resolution carried by Unanimous Roll Call Vote

Commissioner Seybert asked why work was only able to be completed during summer months. Ms. Herrera responded that the tank pass needs to be completely emptied and dry and, therefore only 2/3 of the total capacity is available. Since we only have two passes available while work is in progress, it needs to be done during summer time low flow periods.

ITEM 8B

CONSIDERATION OF RESOLUTION AWARDDING STAGE 2A AMENDMENT TO PROGRESSIVE DESIGN-BUILD AGREEMENT FOR FRONT OF PLANT PROJECT.

The Stage 2A Amendment covers concrete piles fabrication and installation. There are three hundred and six (306) piles that are incorporated into this authorization with an allowance for an additional 40 piles, should it be found they are needed. Construction is slated for late July. This will be the first of three Stage 2 amendments, as noted in the Staff Report. Authorization for the piles is requested because these are on the critical path for construction; they need to be placed before any other work can begin.

Ms. Herrera noted that the original Design-Build Agreement anticipated early Stage 2 packages. The recommendation is to approve the Design-Build Stage 2A Amendment.

Commissioner Lieberman asked since the work will be done over the winter, will weather be a delaying factor? Ms. Herrera responded that delays are not anticipated and that is why staff has decided to release early construction packages and get the underground work done first.

Commissioner Seybert commented that the allowance is essentially a not-to-exceed amount and requested a report back if the allowance for additional piles is needed. Ms. Herrera concurred that this is a not-to-exceed amount and use of the allowance would be reported back to the Commission.

Motion/Second: Mr. Lieberman / Mr. Otte

Move adoption of RESOLUTION APPROVING STAGE 2A DESIGN BUILD AGREEMENT AMENDMENT FOR FRONT OF PLANT PROJECT (CIP #6013, 6014, 9160); AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID STAGE 2A AMENDMENT - SHEA/PARSONS JOINT VENTURE - (\$2,193,575)

The Resolution carried by Unanimous Roll Call Vote

ITEM 8C

CONSIDERATION OF RESOLUTION AUTHORIZING THE BORROWING OF NOT TO EXCEED \$65,000,000 FROM WELLS FARGO UNDER A REVOLVING LINE OF CREDIT AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICAL ACTIONS.

Commissioner Seybert noted that this Item was discussed and approved at the May 10th meeting but needed to be a regular Agenda Item rather than a Consent Item.

Commissioner Lieberman had a question regarding the allocation of costs for use of this Line of Credit when it is drawn down; is it based on ownership? And is there a case when the percentage would change based on the way each member agency is using it?

Mr. Anderson responded that the assumption on our Line of Credit is that every Member participates according to the JPA. We only use this line of credit to cover a) SRF out of pocket expenses and b) if we deplete our Bond Funds. Every member agency participates in SRF funding. At this point we don't have any member contributing cash. Depending on bond timing, we would use this line of credit to span between issuances. In both of those scenarios, it is participation according to the JPA.

Commissioner Lieberman requested that if for any reason, we do deviate from this participation allocation, it be brought to the attention of the Commission.

Motion/Second: Mr. Otte / Mr. Grassilli

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE AMENDMENT OF A CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS; AND RESCINDING RESOLUTION NO. 18-35

The Resolution carried by Unanimous Roll Call Vote

ITEM 8D

CONSIDERATION OF RESOLUTION AUTHORIZING PROCUREMENT OF OCIP INSURANCE COVERAGE FO PROGRESSIVE DESIGN-BUILD PROJECTS.

Commissioner Seybert noted that, in May 2017 the Commission approved the use of OCIP. Ms. Herrera agreed and stated that SVCW received proposals from insurance companies on May 25th and, as the Staff Report indicates, coverage is for Workers' Compensation through General Liability, Builder's Risk and Owner's Protective Professional Indemnity, which is essentially Errors and Omission Insurance. Significant savings are anticipated and on the last page of the Staff Report we indicate what would likely be the savings given a typical loss occurrence. If there are fewer losses than typical, SVCW's savings would increase. In addition to the anticipated savings, the coverages for the Agency are more robust than if the contractors were giving us insurance.

Commissioner Grassilli commented that, in theory, the contractors who bid on the jobs will not have insurance lines and Commissioner Seybert clarified that this is where the savings come from. Ms. Herrera responded that that was correct.

Motion/Second: Mr. Grassilli / Mr. Lieberman

Move adoption of RESOLUTION AUTHORIZING THE SVCW MANAGER TO PROCURE INSURANCE COVERAGE FOR SILICON VALLEY CLEAN WATER'S OWNER CONTROLLED INSURANCE PROGRAM FOR PROGRESSIVE DESIGN BUILD PROJECTS AND AUTHORIZING MANAGER TO APPROVE CHANGES IN COVERAGES UP TO TEN PERCENT OF THE PREMIUM AMOUNTS

The Resolution carried by Unanimous Roll Call Vote

ITEM 8E

CONSIDERATION OF RESOLUTION AMENDING SECTIONS OF THE JOINT POWERS AGREEMENT RELATED TO THE AUTHORITY'S TREASURER AND CONTROLLER ROLES.

Mr. Anderson noted that currently the JPA calls for both a Treasurer and Controller. When SVCW was formed, both of these roles were assigned to Redwood City and also since that time, SVCW has used Redwood City's Accounting system. Both SVCW and Redwood City staff have agreed that each agencies' accounting system needs replacing; SVCW is implementing a new system and will "go live" July 1. Redwood City is likewise planning for a new system. At this time, it makes sense to segregate the two duties still giving Redwood City the oversight they need, while allowing SVCW to take on Treasurer role. The amendment to the JPA defines the new roles.

Commissioner Lieberman confirmed that procedurally the Commission was voting on the proposed JPA amendment and then the Member Agencies each would vote on the amendment. Ms. Herrera confirmed this was the case.

Commissioner Seybert asked Mr. Anderson to describe how business is currently being done currently.

Mr. Anderson responded that four years ago when he came on board, SVCW took on additional responsibilities, including reporting functions. The system of control is still within Redwood City, but today it is a much more of a coordinated effort as staffing changes have occurred in both agencies. Mr. Anderson does not anticipate that, in terms of current responsibilities, there would be much change.

Commissioner Seybert noted that 1) essentially this is the JPA catching up to how business is being done and 2) Redwood City will take over hiring the Auditor which will then provide additional oversight compared to the practice.

Mr. Anderson responded that that was correct.

Commissioner Seybert also noted that there were other items in the JPA that need cleaning up and he wanted to go on record that as soon as the Commission establishes future SVCW leadership, JPA changes are made a priority. Commissioner Otte echoed these statements.

Commissioner Lieberman asked Mr. Anderson if he has had any discussions with the staff of the Member Agencies. Mr. Anderson responded that he has had extensive discussions with Redwood City staff and also notified the other Agencies' finance staff and shared with them the language of the Agreement.

Commissioner Lieberman commented that the Finance staff will be preparing the report for the respective Councils and they may need assistance from Mr. Anderson to prepare the agenda items. Mr. Anderson confirmed that he is available for assistance.

Commissioner Grassilli noted that the item was on the San Carlos Agenda for their next meeting.

Commissioner Otte clarified that this item would be presented to his Board for approval. Ms. Herrera confirmed.

Ms. Fitzgerald added that she and the Redwood City attorney had discussed the matter extensively and approved the language.

Commissioner Lieberman wanted to ensure that the discussions between attorneys would be conveyed to the Member Agencies.

Commissioner Seybert offered that Redwood staff is available to other agencies to answer questions.

Motion/Second: Mr. Lieberman / Mr. Grassilli

Move adoption of RESOLUTION PROPOSING AMENDMENTS TO SECTIONS 1.16, 1.36, 3.2, 3.3, 6.5, 6.6, AND 6.7 OF JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING SOUTH BAYSIDE SYSTEM AUTHORITY, NOW KNOWN AS SILICON VALLEY CLEAN WATER, RELATING TO THE DESIGNATIONS AND ASSIGNMENTS OF TREASURER AND CONTROLLER OF THE AUTHORITY

The Resolution carried by Unanimous Roll Call Vote

ITEM 8F

CONSIDERATION OF RESOLUTIONS ESTABLISHING CLASSIFICATIONS, RATES OF PAY AND RELATED COMPENSATION FOR CONFIDENTIAL GENERAL, PROFESSIONAL, UNREPRESENTED GENERAL AND MANAGEMENT EMPLOYEES AND APPROVE CONSOLIDATED PAY SCHEDULES.

Commissioner Seybert noted that this is an annual item and suggested that all six items be considered at one time. Ms. Fitzgerald indicated that that was acceptable.

Ms. Herrera reported that there were no changes to the salary structure, however, two classifications were changed. One is the new position of General intern and the second is a title change for the Information System Analyst to a Confidential General Employee. Once the union negotiations are concluded, there may be additional changes.

Motion/Second: Mr. Otte/ Mr. Grassilli

- i. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR MANAGEMENT EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-63 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH

The Resolution carried by Unanimous Roll Call Vote

- ii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR CONFIDENTIAL GENERAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-65 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PROVISIONS THEREOF IN CONFLICT HEREWITH

The Resolution carried by Unanimous Roll Call Vote

- iii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR UNREPRESENTED GENERAL EMPLOYEE POSITIONS OF ENGINEERING INTERN, LABORATORY ASSISTANT AND GENERAL INTERN AND RESCINDING RESOLUTION NO. SVCW 17-36 AND ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH

The Resolution carried by Unanimous Roll Call Vote

- iv. RESOLUTION ESTABLISHING RATES OF PAY FOR PROFESSIONAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-64 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH

The Resolution carried by Unanimous Roll Call Vote

- v. RESOLUTION AMENDING SECTION 6 OF RESOLUTION NO. SVCW 77-6, THE SVCW PERSONNEL RESOLUTION, RELATING TO CLASSIFICATION OF POSITIONS AND RESCINDING PARAGRAPH 1 OF RESOLUTION NO. SVCW 17-

66 AND ANY AND ALL OTHER RESOLUTIONS OR PROVISIONS THEREOF IN CONFLICT HEREWITH

The Resolution carried by Unanimous Roll Call Vote

- vi. RESOLUTION APPROVING AND ADOPTING CONSOLIDATED PAY SCHEDULE FOR ALL REPRESENTED AND UNREPRESENTED EMPLOYEES OF SILICON VALLEY CLEAN WATER FOR FISCAL YEAR 2018-2019

The Resolution carried by Unanimous Roll Call Vote

ITEM 8Gi and Gii

CONSIDERATION OF RESOLUTION APPOINTING SVCW ACTING MANAGER.

Commissioner Seybert stated that approval of this Item requires that the Commission report that the monthly compensation paid to the Acting Manager during her temporary appointment is \$29,584.00 which is the salary rate for the current SVCW Manager position. This was something that needs to be done in an open session and was not done at the May 10, 2018 Commission meeting.

Commission Lieberman made the comment that first of all, he had extremely high confidence in Ms. Herrera's abilities, however, due to the dual role of Acting Manager as well as Chief Engineering Officer, how sustainable is this situation?

Ms. Herrera responded that from the standpoint of how she is managing her time and work load, it is very sustainable, however from the standpoint of the organization's need for stability she felt the sooner the Commission could act to appoint a permanent Manager the better it would be for the entire organization.

Motion/Second: Mr. Lieberman/ Mr. Otte

Move approval of RESOLUTION APPOINTING TERESA HERRERA AS ACTING MANAGER OF SILICON VALLEY CLEAN WATER AND ESTABLISHING COMPENSATION

The Resolution carried by Unanimous Roll Call Vote

AGENDA ITEM 9

CLOSED SESSION

Closed Session was called to order at 8:25 a.m.

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Paragraph (2) of subdivision (d) of

Government Code Section 54956.9 (Two Potential Cases)

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

AGENCY NEGOTIATORS: Teresa Herrera, SVCW Acting 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

C. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS

Pursuant to Government Code Section 54956.8
Property Description: San Carlos Airport, San Carlos, CA (APN(s): 095-220-140, 046-082-010, 046-081-790, 046-081-580, 095-030-230)
SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hammer, Jewell & Associates);
SVCW Acting Manager, Teresa Herrera, Bruce Burnworth
Negotiating Parties: County of San Mateo, Real Property Division
Under Negotiation: Price and Terms

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property Description: Maple Street, Redwood City, CA
SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hammer, Jewell & Associates);
SVCW Acting Manager, Teresa Herrera
Under Negotiation: Price and Terms

E. PUBLIC EMPLOYEE APPOINTMENT

Government Code Section 54957
Title: Manager

ITEM 10

RECONVENE IN OPEN SESSION

Ms. Fitzgerald reported that as to Item 9A no reportable action was taken and direction was given to Counsel.

Item 9B - no reportable action was taken and direction was given to staff

Item 9C – no reportable action was taken and direction was given staff

Item 9D – no reportable action was taken and direction was given staff

Item 9E – no reportable action was taken and direction was given to Counsel

ITEM 11
ADJOURN

There being no further business, the meeting adjourned at 9:34 a.m.

Minutes Prepared By: Teresa A. Herrera, Acting Manager



Robert Grassilli, Secretary