

**PINOLE / HERCULES
Wastewater Subcommittee**

**Minutes prepared by: Anita Tucci-Smith
December 1, 2016
8:30 A.M.**

The regular meeting was hosted by the City of Pinole in the Council Chambers of City Hall.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Debbie Long, Pinole Mayor Pro Tem, called the meeting to order at 8:33 A.M.

2. ROLL CALL

Subcommittee Members Present:

Debbie Long, Mayor Pro Tem, City of Pinole
Tim Banuelos, Councilmember, City of Pinole
Dan Romero, Mayor, City of Hercules
Sherry McCoy, Councilmember, City of Hercules

Subcommittee Members Absent:

None

Staff Present:

Michelle Fitzner, City Manager, Pinole
Tamara Miller, Public Works Director/City Engineer, Pinole
Andrea Miller, Finance Director, Pinole
Ron Tobey, Plant Operations Manager, Pinole
David Biggs, City Manager, Hercules
Mike Roberts, Public Works Director/City Engineer, Hercules
Jeff Brown, Public Works Superintendent, Hercules

Members of the Public:

Erik Helgeson, Carollo Engineers
Jim Tillman, Pinole, Wastewater Advocate
Mike Warriner, Carollo Engineers

3. INTRODUCTIONS

4. APPROVAL OF MINUTES FROM JULY 7, 2016 MEETING

Hercules Councilmember McCoy requested that the minutes be amended to reflect that the meeting was to have adjourned to *August 4, 2016*, not July 7, 2016 as shown.

Action: Motion by Hercules Councilmember Romero, seconded by Pinole Councilmember Banuelos to approve the minutes of the July 7, 2016 meeting, as amended, carried by the following vote:

Ayes: Banuelos, Kelly, Romero, Long
Noes: None
Abstain: None
Absent: None

5. CITIZENS TO BE HEARD – FOR ITEMS NOT ON THE AGENDA

Jim Tillman, Pinole, noted that the City of Pinole had promised to review the wastewater contract between Hercules and Pinole, which had yet to occur. He asked the City to address that issue publicly and allow City ratepayers to discuss a contract fair to all. He also noted that Hercules and Pinole would have to consider a rate increase, and under Prop 218 the public was allowed to respond to rate increases. He asked when that would occur.

Hercules Mayor Romero noted that Hercules was not talking about rate increases at this time.

6. OPERATOR’S REPORT

Ron Tobey, Plant Operations Manager, Pinole, identified new charts that would regularly be provided to the Wastewater Subcommittee, including a flow chart to show total flows for Pinole and Hercules each month, and plant performance indicators that identified the contaminants to be monitored. He reported that the plant was performing at a high level and was within effluent levels.

Mr. Tobey added that construction was moving forward smoothly with good coordination between Kiewit, Carollo staff, and plant staff, and no surprises been found with the underground construction. Above ground construction work would soon be visible.

In response to questions, **Mr. Tobey** clarified that the data provided represented dry weather flows and the flow from Hercules was less than that for Pinole, which he noted had flip flopped from other years. He reiterated that the plant was performing well, even during construction, and the removal rate, currently at 98 percent, would be even better with the upgrade.

Wastewater Subcommittee members applauded the process and the good data.

Pinole Chair Long noted with respect to Pinole data that while the plant was being improved, without taking advantage of better efficiencies with respect to collection would be a concern in that while Pinole had a lesser population it had a greater use. She verified with staff that the flow rate this year was similar to last

year.

PUBLIC COMMENTS OPENED

Jim Tillman, Pinole, questioned the numbers and asked that the East Bay Municipal Utility District (EBMUD) be asked how many of their pipes might be leaking, which might account for the high numbers in Pinole. He verified with Mr. Tobey that the data had included heavy metals.

PUBLIC COMMENTS CLOSED

Pinole Chair Long requested that Mr. Tobey provide a more complete report at the next meeting in response to the question related to heavy metals and whether something separate from the upgrade would be needed to address that issue.

7. FUTURE MEETING SCHEDULE

Tamara Miller, Public Works Director/City Engineer, Pinole, reported that initially Wastewater Subcommittee meetings were intended to be quarterly but had become more frequent given the expansion process. She recommended quarterly meetings but with a regular pattern of information to be provided to Wastewater Subcommittee members. She added if anything were to arise at the plant a special meeting would be scheduled.

Hercules Councilmember McCoy recommended that the meeting location be identified for each quarterly meeting.

PUBLIC COMMENTS OPENED

Jim Tillman, Pinole, emphasized the need for public oversight and suggested that a more opportune time be selected for Wastewater Subcommittee meetings.

PUBLIC COMMENTS CLOSED

It was noted that the meetings had been televised to help reach those residents who could not attend morning meetings.

8. CAPITAL PROJECT – PH WPCP UPGRADE

a. Loan Status

Mike Roberts, Public Works Director/City Engineer, Hercules, reported that the State was processing both loans for Hercules and Pinole concurrently. At this point, the loans were in the final approval process, although it was taking longer than anticipated and could be weeks away from final approval. Given the need to be reimbursed to pay Kiewit in February, efforts were ongoing to move

the process along and he described those ongoing efforts.

Michelle Fitzer, City Manager, Pinole, reported that staff had been haranguing the State to move the process along.

In response to comments, staff explained that the majority of all negotiations had taken place in the first round of documents and there was no understanding why delays had occurred. It was clarified that the bills were being paid through a contingency plan.

b. Construction Status

Mike Warriner, Carollo Engineers, reported there had been no complaints related to the plant expansion. Given that the construction trailer entrance faced into the parking lot and the gates were open all day long, many times members of the public were in the parking lot, but there had been no complaints and the public appeared to be satisfied with the ongoing construction work.

Mr. Warriner presented regular status photographs of the construction site, and the terms of the Project Labor Agreement (PLA) were being met; to date 289 hours of trades from the cities of Pinole and Hercules had been used, with 5,100 workers from Contra Costa County or 30 percent of the work force on the project. Invoices were within the expected expenditure curve, change orders were identified, and the project was on schedule with a substantial completion date of October 28, 2018, and with a final completion date of December 26, 2018.

Mr. Warriner responded to comments and acknowledged the request that reports be provided on one page, to be submitted to each city council and placed on each city's website to allow citizens access to the information.

PUBLIC COMMENTS OPENED

Jim Tillman, Pinole, verified with staff that the total loan amount for Pinole was \$27.9 million, an updated metering system had been included in Phase 1 of the project, each city's account balance was \$2.75 million in reserves, and each city had its own separate enterprise reserves.

PUBLIC COMMENTS CLOSED

c. Fiscal Administration – Flow of Funding

Andrea Miller, Finance Director, Pinole, confirmed that the escrow accounts had been set up with Wells Fargo Bank, each city had deposited \$2.75 million for a total of \$5.5 million in escrow reserves, bills were being paid, and financial summaries would be provided to the Wastewater Subcommittee each quarter. She thanked all those involved for working to get to this point.

Erik Helgeson, Carollo Engineers, provided a Fiscal Administrator update, stated that Carollo had collaborated with the cities to establish a process for paying the invoices and receiving the reimbursements, and were currently administering the process to ensure that it flowed smoothly for the flow of funds and information between cities, the contractors, the State, and Wells Fargo Bank. Carollo Engineers was also tracking the invoices, the fund amounts, and navigating the reimbursement process to ensure that it flowed smoothly and timely, and had developed a tracking and reporting tool to do that. Both cities had deposited an equivalent amount to fund the escrow funds, each drawn on an equivalent for payments on a monthly basis, and the State expected the first reimbursement in January although there were currently funds until February.

David Biggs, City Manager, Hercules, complimented everyone for their efforts to this point in the process and stated it was working very well, the invoices were coming in for approval, it was very timely, and if there was the same success over the three-year construction things should proceed smoothly.

PUBLIC COMMENTS OPENED

Jim Tillman, Pinole, questioned why the cities were working with Wells Fargo Bank given that the State had broken away. As to the money flow, he asked whether the process was in the heaviest part of construction and if that was the case assumed the delay from the State was causing issues with Pinole.

PUBLIC COMMENTS CLOSED

Andrea Miller explained that the bills were being paid, \$2.5 million remained in the combined escrow accounts of both cities, another invoice was due in January, and after that point in time there could be some concern although pressure was being applied to the State to move things along.

Ms. Fitzer clarified that the City had other funds that could be moved, if need be, from other existing reserves in the Sewer Enterprise Fund until the cities could be reimbursed. As a result, there was no problem paying the bills.

On an unrelated matter, **Hercules Councilmember McCoy** advised that this was her last meeting with the Wastewater Subcommittee given that she had not sought re-election. She noted that most people were happy to see the project move along and expressed her hope the State would continue to move things along as well.

Wastewater Subcommittee members expressed regret at the loss of Councilmember McCoy given her commitment and thoughtful, common sense approach to the process.

9. ADJOURN TO THE NEXT REGULAR SUBCOMMITTEE MEETING ON

MARCH 2, 2017 IN HERCULES

The meeting adjourned at approximately 10:20 A.M. to a regular quarterly meeting scheduled for Thursday, March 2, 2017 at 8:30 A.M. in the City of Hercules.