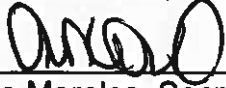


AGENDA

**WASTEWATER SUBCOMMITTEE
JUNE 4, 2015 8:30 A.M.
PINOLE CITY HALL CITY HALL
2131 PEAR STREET
PINOLE, CA 94546**

1.	CALL TO ORDER – PLEDGE OF ALLEGIANCE
2.	ROLL CALL
3.	INTRODUCTIONS
4.	APPROVAL OF DRAFT MINUTES FROM MAY
5.	CITIZENS TO BE HEARD – FOR ITEMS NOT ON THE AGENDA
6.	PROJECT UPDATE (STATUS OF LOAN WITH STATE WATER RESOURCES BOARD) <i>RECOMMENDATION: RECEIVE A VERBAL UPDATE ON THE PROJECT STATUS AND THE STATUS OF THE LOAN APPLICATION AT THE STATE WATER RESOURCES CONTROL BOARD</i>
7.	DRAFT FY 2015 – 16 OPERATIONAL AND CAPITAL BUDGETS <i>RECOMMENDATION: REVIEW AND COMMENT ON THE DRAFT FY 2015 – 16 OPERATIONAL AND CAPITAL BUDGETS</i>
8.	ADJOURN TO THE NEXT REGULAR COMMITTEE MEETING

POSTED: May 28, 2015



Ana Morales, Secretary, City of Pinole

**PINOLE / HERCULES
Wastewater Subcommittee**

DRAFT

**Draft Minutes prepared by: Anita Tucci-Smith
May 14, 2015
8:30 A.M.**

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

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Sherry McCoy, Hercules Mayor serving as Chair, called the meeting to order at 8:35 A.M. and led the Pledge of Allegiance.

2. ROLL CALL

Subcommittee Members Present:

Sherry McCoy, Mayor, City of Hercules
Bill Kelly, Councilmember, Alternate for Dan Romero, City of Hercules
Debbie Long, Councilmember, City of Pinole
Pete Murray, Mayor, Alternate for Tim Banuelos, City of Pinole

Subcommittee Members Absent:

None

Staff Present:

David Biggs, City Manager, Hercules
Dean Allison, Public Works Director/City Engineer, Pinole
Ron Tobey, Plant Operations Manager, Pinole

Members of the Public:

Anthony Gutierrez, Pinole
Jim Tillman, Wastewater Advocate, Pinole

3. INTRODUCTIONS

4. APPROVAL OF DRAFT MINUTES FROM MARCH 26, 2015 AND APRIL 15, 2015 MEETINGS

Action: Motion by Pinole Councilmember Long, seconded by Hercules Councilmember Kelly to approve the minutes of the March 26, 2015 and April 15, 2015 meetings, as submitted, carried by the following vote:

Ayes: Kelly, Long, Murray, McCoy
Noes: None
Abstain: None
Absent: None

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

Jim Tillman, Pinole, expressed concern for leakage from East Bay Municipal Utility District (EBMUD) lines affecting the Wastewater Treatment Plant; asked if recycled water from the plant could be offered to residential customers for use in residential landscaping; and urged both cities to contact Legislators in Sacramento to see if recycled water from the plant could be used to help the cities during the drought, and whether a State program related to the drought might be able to help in that regard.

David Biggs, City Manager, Hercules, reported that the Central Contra Costa Sanitary District was providing up to 50 gallons of recycled water both for district customers and those who were not customers of the district.

Dean Allison, Public Works Director/City Engineer, Pinole, advised that Ron Tobey, Plant Operations Manager, was currently working on the issue of recycled water.

- It was recommended that the use of recycled water be discussed as a future agenda item.

Anthony Gutierrez, Pinole, noted that there had been space allocated to bring the water at the Wastewater Treatment Plant to a tertiary level, and he asked of the cost to do that as opposed to sending the water out through the deep water outfall during drought conditions. He also expressed dismay that negotiations for the Project Labor Agreement (PLR) had broken down and referred to a project in Seattle which had utilized a Compromised PLA, which he described at this time.

- It was recommended that the cost of tertiary treated water be identified.

6. DRAFT FY 2015 – 2016 OPERATIONAL AND CAPITAL BUDGETS

Mr. Allison reported that the Draft FY 2015-2016 Operational and Capital Budgets were still in process and would be submitted at the next meeting in June.

7. PROJECT UPDATE (STATUS OF PLAN REVIEW, SCHEDULE, BUDGET)

Mr. Allison provided a project update and reported that HDR Engineering's 90 percent plans had been plan checked by Carrollo Engineers; HDR was reviewing Carrollo's comments and was on schedule to submit final plans early next month; and HDR had presented an updated Engineer's Estimate. As to project schedule, the path to construction continued to track with the schedule released in March; and one of the elements to be completed prior to the award of construction was the prequalification process, which was underway.

Mr. Allison added that the PLA still needed to be negotiated so that it could be integrated into the advertised specs and the prequalification agreement would identify who would get the specs to build; the PLA would modify the general specs to identify what was desired, and the process would then proceed to advertisement and award of construction. The plan was expected to be advertised on September 8, with award of construction early in 2016. He added that the bids would have to be good for a longer period to allow time for State Revolving Loan Fund approval.

As to project update, **Mr. Allison** reported that the duration of the project, in two phases, would likely take 32 months which would require extended construction management time for an estimated additional cost of \$400,000. There was also a new Engineer's Estimate; a one percent increase from the 65 percent plans that would translate to an additional \$400,000. He noted that the restrooms were now estimated at \$150,000 instead of \$300,000, and the off-site public building replacement estimate of \$500,000 would likely come in lower. Park mitigation plans had not been finalized, street mitigation was unknown, and the contingency had been reduced given the additional information.

Overall, **Mr. Allison** reported that total project costs were now \$800,000 higher than previously reported. He added that \$3.4 million had been spent to date, and the perspective project cost was reported to be \$42,001,800, which would relate to the State Revolving Loan Fund.

Mr. Allison described the current activities and process working to establish a list of qualified bidders; the permit from the Bay Conservation and Development Commission (BCDC) had been issued with conditions; the Engineer's Estimate for the off-site storage building had come in at \$175,000 with an expected award of construction in August 2015; staff was coordinating with the Contra Costa County Flood Control District over a property exchange; and there was ongoing communication with the State Water Resources Control Board. He reported that the project remained on schedule, and a 6 percent contingency had been included.

When asked, **Mr. Allison** advised that there was some flexibility in how much the State Revolving Loan Fund would fund; highlighted the elements of the prequalification agreement; summarized the bonding; and explained that the warranty bond could be extended. There was also a desire to see if there was some way to verify contractor claims related to safety and the litigation record, and a desire to have subs demonstrate some bonding capacity. He expressed a willingness to speak to the city attorneys in that regard.

Jim Tillman, Pinole, expressed concern for plant related construction traffic on Pinole Valley Road to Tenant Avenue and asked if there had been a traffic study to consider alternate traffic plans.

DRAFT

Anthony Gutierrez, Pinole, asked about the PLA and whether the costs associated with the PLA had been included in the total costs for the plant.

In response, **Mr. Allison** stated that the cost to negotiate the PLA had not been included in the estimated cost nor had the cost for Carrollo Engineers to manage some of the elements of the PLA. With respect to a traffic study, he reported that Pinole Valley Road was not an approved truck route and vehicles delivering to the plant during the construction process would likely use San Pablo Avenue from the freeway. As to a surge wall, in discussions with the BCDC, it had indicated if a barrier related to global warming or sea level rise was required, BCDC would prefer to have trails graded higher to be out of harm's way. The cost of a structural wall had been estimated at \$1.5 million, although those costs would be addressed with BCDC at some time in the future.

8. DISCUSS AND PROVIDE DIRECTION ON SUBCOMMITTEE MEETING DATE AND TIME

Action: Motion by Pinole Councilmember Long, seconded by Hercules Councilmember Kelly to change the meeting date to the first Thursday of each month, carried by the following vote:

Ayes: Kelly, Long, Murray, McCoy
Noes: None
Abstain: None
Absent: None

9. ADJOURNMENT

The meeting adjourned at 9:40 A.M. to a regular meeting scheduled for Thursday, June 4, 2015 at 8:30 A.M. in the City of Pinole.

DRAFT



AGENDA ITEM 6

TO: WASTEWATER SUBCOMMITTEE

SUBMITTED BY: DEAN ALLISON

MEETING DATE: JUNE 4, 2015

**SUBJECT: UPDATE ON PROJECT AND LOAN APPLICATION AT
THE STATE WATER RESOURCES CONTROL BOARD**

RECOMMENDATION

Receive a verbal update on the project status and the status of the loan application at the State Water Resources Control Board.

DISCUSSION

The Subcommittee has asked for an update at each meeting on the status of the upgrade project. The update will include detail regarding the loan application at the State Water Resources Control Board.



AGENDA ITEM 7

TO: WASTEWATER SUBCOMMITTEE

SUBMITTED BY: DEAN ALLISON

MEETING DATE: JUNE 4, 2015

SUBJECT: DRAFT FY 2015 – 16 BUDGET

RECOMMENDATION

Review and comment on the Draft 2015-2016 Operational and Capital Budgets.

DISCUSSION

Attached are copies of the draft operational and capital budgets. The Pinole City Council will be considering the same budgets at a June 16, 2015 Public Hearing. The budgets are presented to the Subcommittee for review and comment.

Highlights of the proposed budgets:

- The proposed FY 2015 – 2016 Operational Budget remains essentially unchanged from FY 2014 – 15. Cost of salaries and benefits increase slightly, but are offset by reductions in the cost of utilities and lab operations,
- The FY 2015 – 2016 Capital Budget presumes construction of upgrades at the plant will begin at midyear.

ATTACHMENTS

Attachment A – Draft Operational Budget
Attachment B – Pie Chart of Major Cost Items
Attachment C – Historic Costs of Operations
Attachment D – Draft Capital Budget

Department/Division: 648 Sewer/Treatment Plant

**Fund 500
Sewer Enterprise**

Account and Title:	2011/12 Actual Expended	2012/13 Actual Expended	2013/14 Actual Expended	2014/15 Revised Budget	2015/16 City Manager Recommended
SALARIES					
41101 Salaries	508,339	651,737	647,086	672,784	710,463
41102 Overtime	24,250	24,389	24,355	35,500	24,000
41102x Plant Upgrade Overtime Support	0	0	0	0	15,000
41103 Holiday Premium	4,610	7,668	7,068	0	0
41104 Part-Time	330,521	287,925	223,457	52,215	20,000
41105 Vacation Accrued	0	27,070	14,477	0	0
Total Salaries	867,720	998,789	916,443	760,499	769,463
SERVICES AND SUPPLIES					
41221 Safety Clothing	13,317	12,990	15,305	15,040	15,040
41230 Legal Services	0	0	0	0	25,000
41231 Equipment Maintenance	487,900	233,134	208,097	269,080	269,080
41232 Maint. Structures/Improvemt./Grounds	12,746	10,230	7,330	30,000	30,000
41233 Memberships	1,178	1,277	2,018	5,000	5,000
41234 Office Expense	5,234	4,656	2,423	5,000	5,000
41235 Professional Services	91,938	81,153	49,131	35,000	10,000
41236 Equipment Rental	728	0	0	1,000	1,000
41241 Special Department Expense	9,498	840	3,894	0	0
41801 WPCP - Sludge Removal	67,560	53,182	83,505	85,000	85,000
41802 WPCP - Chemicals	643,765	628,159	692,166	688,000	688,000
41803 WPCP - Permit Fees	53,618	48,500	44,832	50,000	50,000
41804A WPCP - Lab Operations	60,774	75,495	78,780	100,000	70,000
41804B WPCP -Accelerated Chronic To	0	0	0	0	15,000
41246 Compliance Inspection	11,436	19,040	24,759	25,000	25,000
41242 Travel & Training	1,110	2,753	4,429	4,500	7,000
41243 Utilities	594,471	561,844	485,957	625,800	575,000
Total Services & Supplies	2,055,273	1,733,253	1,702,626	1,938,420	1,875,120
EXPENDITURE TRANSFERS					
41421 Administrative Credits	0	(62,751)	0	0	0
41422 Administrative Charges	236,243	286,339	233,777	208,470	222,978
41423 Benefit & Insurance Charges	284,619	310,415	348,979	396,410	434,824
41424 ISF Charge for Technology	21,194	24,510	28,366	27,948	28,565
Total Expenditure Transfers	542,056	558,513	611,122	632,828	686,367
TOTAL BUDGET	3,465,049	3,290,555	3,230,191	3,331,747	3,330,950
			Year Over Year Change		(797)

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ATTACHMENT A

648 - SEWAGE TREATMENT PLANT

Mission Statement

The mission of the Sewage Treatment Plant is to produce an effluent that meets or exceeds State and Federal standards, minimize the emission of unpleasant odors, and meet the Air Quality Control Board requirements, while processing solids in a safe manner. Maintain facilities to keep pace with normal depreciation and growth.

Workload Prioritization

- ◊ Continue to meet the effluent standards set by the Regional Water Quality Control Board.
- ◊ Continue to meet deadlines established by the Regional Water Quality Control Board in the permit for the Plant regarding facility upgrades.

Line-Item Detail

41101 Salaries \$ 710,463

Staffing for the sewer treatment plant consists of the following full-time positions:

- 1 Treatment Plant Manager
- 1 Treatment Plant Operations Supervisor
- 1 Environmental Analyst
- 1 Environmental Assistant
- 6 Treatment Plant Operators

41104 Part-time Salaries \$ 20,000

Part-time Intern for WPCP Operations (temporary non-benefited)

\$ 20,000
\$ 20,000

41102 Overtime \$ 24,000

41102x Plant Upgrade Overtime Support \$ 15,000

41221 Safety Clothing \$ 15,040

Includes laundry service for uniforms, safety shoes/boots, gloves, etc.

41230 Legal Services \$ 25,000

Legal services for 2015/16 and thereafter

41231 Equipment Maint. \$269,080

Repairs as needed to treatment plant equipment - i.e., pumps, seals, packing, motors, machine work, instrumentation, electric parts, gas, oil, tires and repairs as needed to all plant vehicles, hose replacement, etc.

41232 Maint.-Structures, Improvements, Grounds \$ 30,000

Maintenance and repairs to grounds and facilities including janitorial services

Janitorial services.	\$ 10,000
Bio-Assay structure refurbishment	20,000
TOTAL	<u>\$ 30,000</u>

41233 Memberships \$ 5,000

41234 Office Expense \$ 5,000

Basic stationery, supplies, fax paper, copying paper, computer paper, books, maps and periodicals, etc.

41235 Professional Services \$ 10,000

Engineering Services	\$ 10,000
Attorney Services (moved to 41230)	-
	<u>\$ 10,000</u>

DRAFT
ATTACHMENT A

41236 Equipment Rental \$ 1,000

41801 WPCP - Sludge Removal **\$85,000**
Sludge hauling to ERMUD and Landfill

41802 WPCP - Chemicals **\$688,000**
Chemicals for Plant Operations

41803 WPCP - Permit Fees **\$50,000**
NPDES renewal with anti-degradation study (SB709), Bay Protection, Aquatic Habitat, Air Quality, County Fuel Tank Fees, and Air Toxic Fees.

41804 WPCP - Laboratory Operations **\$85,000**
A-Laboratory supplies \$70,000
B-Accelerated Chronic Toxicity Testing \$15,000
\$85,000

41242 Travel and Training \$ 7,000
Training of State Certified Operators in new procedures related to upgrades.

41243 Utilities **\$ 575,000**
Represents the cost of electricity, gas and water for the treatment plant.

41246 Compliance Inspection Program **\$ 25,000**
Public outreach materials, Sampling and analysis, laboratory supplies and safety equipment.

41422 Administrative Charges (Costs Transferred in from Other Departments) **\$222,978**

The Treatment Plant Department benefits from administrative support provided by other Departments. Costs for these services are charged back via this line item.

<u>Position</u>	<u>Salary</u>	<u>Benefits</u>	<u>%</u>	<u>Amount</u>
Assistant City Manager	\$ 171,622	\$ 55,104	10	22,673
Finance Director	\$ 149,436	\$ 68,688	10	21,812
Accounting Specialist	\$ 73,589	\$ 29,114	10	10,270
Accounting Specialist	\$ 67,734	\$ 21,246	10	8,898
Accounting Tech	\$ 20,572	\$ 3,479	15	3,608
HR Specialist	\$ 74,116	\$ 29,545	10	10,366
Information Systems Administrator	\$ 85,076	\$ 32,040	10	11,712
PW Director/City Engineer	\$ 161,914	\$ 62,626	50	107,270
Administrative Secretary	\$ 62,766	\$ 42,710	25	26,369
Total Costs Charged				\$222,978

41423 Benefit Charges \$434,824

This line item represents the Sewer Treatment Plant departmental share of employee benefit costs and insurance. These costs are charged in total to a clearing account and redistributed back to department cost centers based on a cost distribution formula. Costs included for this budget are:

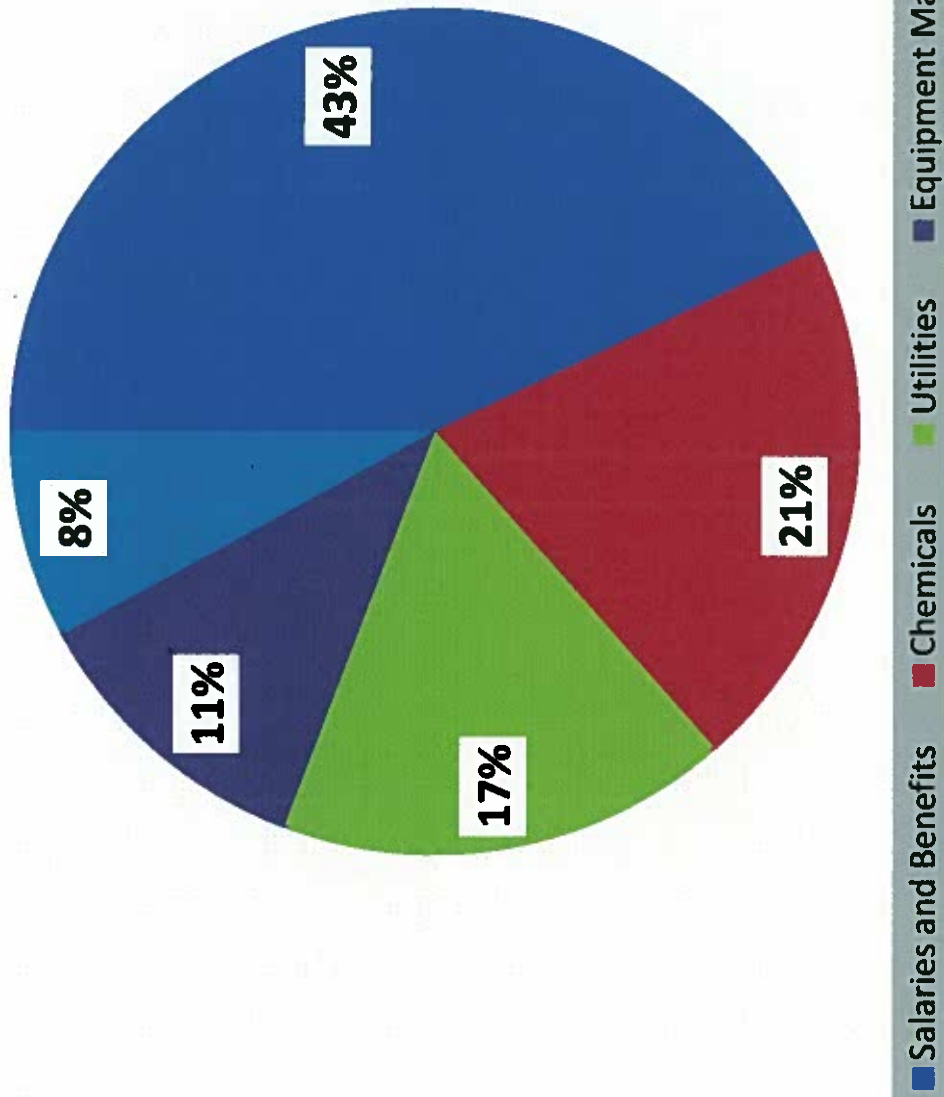
PERS Retirement	\$ 110,469
Social Security	\$ 735
Medical Insurance-Active	156,701
Medical Insurance-Retirees	46,848
Medical Redirect	8,100
Vacation Buy-back	6,345
Life Insurance/A.D.D.	1,030
Unemployment Insurance	795
Long Term Disability Insurance	2,014
Medicare / Social Security	11,188
Dental Insurance	15,669
Liability Insurance	25,064
Vision Insurance	2,540
Safety Equipment	2,000
Employee Assistance Program	480
Workers Comp. Insurance	44,846
TOTAL	<u>\$ 434,824</u>

41424 ISF Charges for Communication & Technology \$ 28,565

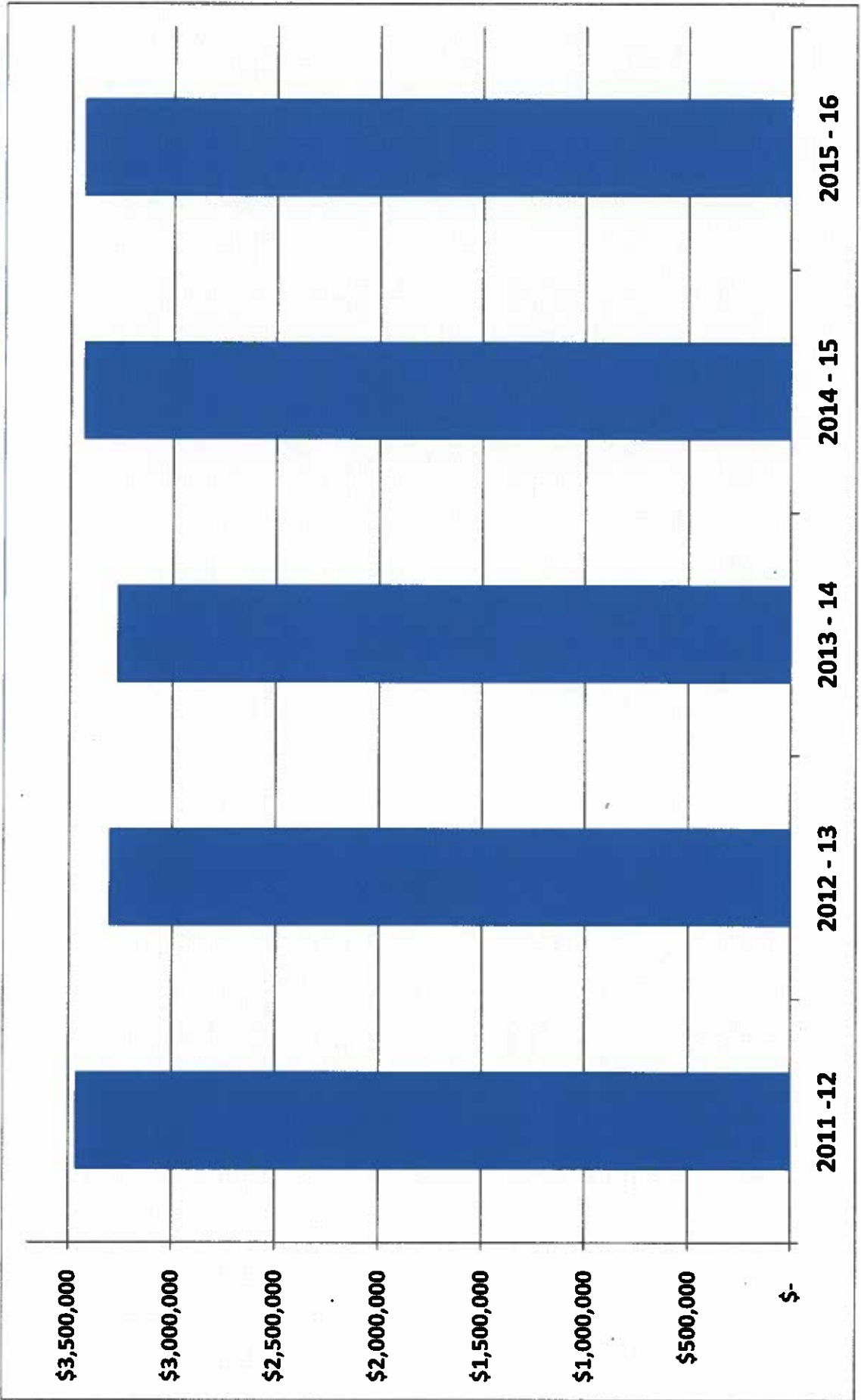
This line item represents the departmental share of communication and technology services provided by the Information Services Department. These costs are charged in total to a clearing account (#0121) and redistributed back to department cost centers based on a cost distribution formula.

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ATTACHMENT A

Draft FY 2015 - 16 Operational Budget for: Pinole - Hercules Water Pollution Control Plant



Historic Costs FY 2011 - 12 through FY 2015 - 16



Department/Division: 650 WPCP / Equipment & Improvements		Fund 503 Sewer Enterprise			
Account and Title:	2011/12 Actual Expended	2012/13 Actual Expended	2013/14 Actual Expended	2014/15 Revised Budget	2015/16 City Manager Recommended
SERVICES AND SUPPLIES					
41235 Professional Services	19,536	556,407	1,000,000	1,500,000	200,000
Total Services & Supplies	19,536	556,407	1,000,000	1,500,000	200,000
FIXED ASSETS					
41310 Improvements	0	0	0	0	7,300,000
41312 Equipment	0	5,799	0	103,000	105,000
Total Fixed Assets	0	5,799	0	103,000	7,405,000
EXPENDITURE TRANSFERS					
6406x Depreciation	0	0	0	580,000	580,000
Total Expenditure Transfers			0	580,000	580,000
TOTAL BUDGET	19,536	562,206	1,000,000	2,183,000	8,185,000
				Year Over Year Change	6,002,000

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ATTACHMENT D

650 - SEWER - SHARED IMPROVEMENTS AND EQUIPMENT

Mission Statement

The mission of the sewer maintenance treatment plant is to maintain and replace outdated or worn equipment, and to make periodic upgrades to the plant and sewer system to ensure safe and efficient processing while complying with all state and federal standards. The City of Hercules shares the cost of these expenditures 50/50 with the City of Pinole.

Line-item Detail

41235 Professional Services	\$ 200,000
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Construction Management of Plant Upgrades

41310 Improvements	\$7,300,000
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See Capital Improvement

41312 Equipment	\$ 105,000
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Equipment Replacement:

CAT Gen Switch Gear	\$	25,000
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RAS Pumps 5-8		60,000
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General Equipment Replacement		20,000
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	\$	<u>105,000</u>
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6406x Depreciation	\$580,000
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DRAFT

ATTACHMENT D