

**PINOLE / HERCULES
Wastewater Subcommittee**

**Minutes prepared by: Anita Tucci-Smith
March 12, 2015
8:30 A.M.**

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

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Tim Banuelos, Pinole Councilmember serving as Chair, called the meeting to order at 8:38 A.M. and led the Pledge of Allegiance.

2. ROLL CALL

Subcommittee Members Present:

Tim Banuelos, Councilmember, City of Pinole
Sherry McCoy, Mayor, City of Hercules
Dan Romero, Vice Mayor, City of Hercules

Subcommittee Members Absent:

Debbie Long, Councilmember, City of Pinole

Staff Present:

Belinda Espinosa, City Manager, Pinole
Hector de la Rosa, Assistant City Manager, Pinole
Dean Allison, Public Works Director/City Engineer, Pinole
Ron Tobey, Plant Operations Manager
David Biggs, City Manager, Hercules
Mike Roberts, Public Works Director/City Engineer, Hercules

Members of the Public:

Graham Sharp, Vice President, HDR Engineering, Inc.
James Tillman, Wastewater Advocate, Pinole
Mike Warner, Carrollo Engineers

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

There was no one to speak to items not on the agenda.

4. APPROVAL OF MINUTES OF FEBRUARY 12, 2015 MEETING

Action: Motion by Hercules Councilmember Romero, seconded by Hercules Mayor McCoy to approve the minutes of the February 12, 2015 meeting, as submitted, carried by the following vote:

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

5. **PROJECT UPDATE:** Receive An Update on the Status of the Loan Applications, Plans, and Specifications, Permits, and Project Schedule

Hector de la Rosa, Assistant City Manager, Pinole, highlighted the status of the City of Pinole's loan with the State Revolving Loan Fund, as updated at the last Subcommittee meeting, and explained that the requested information had been submitted; once reviewed and signed it would be the first step to requesting reimbursement for the design work, expected in Pinole's case as \$1 million. The information was currently being reviewed by both Pinole and Hercules City Attorneys and would be returned to staff and then to the State for approval, expected in one to two weeks. Before approval of the loan, the project would have to go out to bid, bids would be received, and then sent to the State with compliance documents. Once finalized by the State, the loan would essentially be guaranteed.

David Biggs, City Manager, Hercules, noted that the City of Hercules had also submitted the required documents to the State.

Jim Tillman, Pinole, asked about the structure of the loan application, by population or number of ratepayers. He suggested the cost to the ratepayers was unfair and asked for the number of users in the City.

Mr. de la Rosa clarified that the question related to how the rates had been derived, which had been based on the number of users within the jurisdiction that sent flows to the plant, along with a factor of the load that each ratepayer provided. As such, the users determined the rates. He noted that if the population were to grow in an area where the flow was being sent to West County, there would be no impact to the City, although if the flow was in the City the rates would go down since the cost would be spread out to more people.

Mike Roberts, Public Works Director/City Engineer, Hercules, reported that staff had met with HDR related to the completion of the 90 percent plans. He reported that more time and staff resources had been committed to the upgrade project and HDR had spent 62.5 percent of the projected budget, and expected to be at 85 percent of the budget with the completion of the 90 percent plans expected by the end of the month. The expenditure rate was on track and the 90 percent design was moving forward, on budget, and within the revised timeline.

With regards to permits, **Mr. Roberts** stated that only two permits were required in addition to the Regional Water Quality Control Board (RWQCB) Discharge Permit. The first permit was from the Contra Costa County Flood Control District

(CCCFCD) for work that needed to take place along Pinole Creek. There were also requirements from the Bay Conservation and Development Commission (BCDC) to install interpretive signs, change out some benches Americans with Disabilities Act (ADA) suitable, and relocate the path in some locations. The County was familiar with the site, was supportive of the project, staff had met with the County in late February, and it had been agreed subject to attorney review that there would be an indemnification clause in the plans and specs for the contractor's activities, which would list the CCCFCD as insured. The contractor, and not the City, would need to get the permit from the CCCFCD.

Mr. Roberts reported that HDR would complete 90 percent plans in March, and in April Carrollo Engineers would perform the constructability review. HDR would complete the 100 percent plans in May, and in June and July the City Engineers would review the 100 percent plans and make recommendation to the City Councils, which would then proceed to advertisement. A Project Labor Agreement (PLA) was currently in discussions.

Dean Allison, Public Works Director/City Engineer, Pinole, noted the recommendation by the Subcommittee to look for ways to shorten the schedule but suggested that shortening the timeline on the 90 percent review might not be preferable. He liked the possibility of a special meeting. When asked what would occur if the State did not like the bid, he explained that normally if a bid was awarded the bids would be good for a specified period of time, although that would not work in this case given that the State would take a minimum two months and likely longer to review the bids. In that case the bid would have to be good for 120 to 150 days, which the timeline should reflect.

Mr. de la Rosa clarified that the financial review now occurring was based on \$24 million, and the State could decide to give less unless the rates were increased. He responded to questions related to the State's timeline for application review, the number of applications in the queue, and verified with the State at this time that it had completed the technical review, finalized the environmental, and had not completed the credit review. As directed by the Board, he had requested an estimated timeline of when that review would be completed and would follow up and confirm how many applications the City's representative was reviewing.

6. **COMMUNICATIONS WITH THE REGIONAL WATER QUALITY CONTROL BOARD**

Mr. Allison explained that the letter which had been discussed at the last meeting had been submitted to the RWQCB on February 13, 2015, had been received by the State, did not seem to be a problem, and was expected to be approved.

The letter had referenced the modification to the timeline with completion of the

100 percent plans by June 1, 2015, with start of construction by January 1, 2016, and with project completion by May 1, 2017, then bringing the plant on line one month later, which was the ultimate concern of the RWQCB. The RWQCB was to send a follow-up letter for the official deadlines.

Jim Tillman, Pinole, expressed concern with the timeline related to the PLA, Financial Agreement, and HDR in getting the work done as well as the review by Carrollo Engineers, plan check, and specifications. He asked if the latest delays had been factored into the cost of the upgrade of the plant.

In response, **Mr. Allison** stated that when 90 percent plans were received there would be a cost estimate from HDR. The cost estimate would have enough granularity to show the impact of costs, which would be inflated to the mid-point of construction. He stated that the specifications were critical and they would use specifications tested by Carrollo Engineers.

Mike Warner, Carrollo Engineers, advised that a number of new law changes would be incorporated into the subject plans and specifications. Carrollo would evaluate the area where the plant was located; look at the San Francisco Bay Area Urban City Average to consider wages and materials; and the Engineering News Record to identify what was happening by region; the same thing a contractor would do when putting forward a bid.

7. **ADDITIONAL COMMENTS AND REQUESTS FROM THE SUBCOMMITTEE**

Hercules Councilmember Romero noted that the City of Hercules had rejected the PLA that had been approved by the City of Pinole. His negative vote related to questions about core workers. Recognizing the critical timeline, he suggested that the Wastewater Subcommittee should set up some time to talk about deal points, with the discussion to then go to the City Councils to resolve the issues. He felt that the City of Hercules had been backed into a corner, he did not like the heavy handedness of the unions, did not think they were being open, and suggested that by working together the cities might be able to resolve the issues.

Pinole Councilmember Banuelos agreed that a couple of special meetings or a joint meeting might be required. He asked staff for comment.

Mr. Biggs suggested a review of the typical deal points in a PLA at the Subcommittee level bifurcated into two sections; the high level and the detail, and if there was agreement with the Subcommittee, the City Councils could be engaged, and after the Councils had approved broad deal points, there might need to be another Subcommittee meeting to work with staff on a day-by-day basis to negotiate the agreement. He recommended a special meeting of the Subcommittee, which after discussion was designated for March 26 at 9:15 A.M.

8. **ADJOURNMENT**

The meeting adjourned at 9:46 A.M. to the special meeting scheduled for Thursday, March 26, 2015 at 9:15 A.M. in the City of Pinole.