

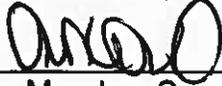


## AGENDA

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

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

POSTED: May 28, 2015



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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

**DRAFT**

**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.

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**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.

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## **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<br>Actual<br>Expended | 2012/13<br>Actual<br>Expended | 2013/14<br>Actual<br>Expended | 2014/15<br>Revised<br>Budget | 2015/16<br>City Manager<br>Recommended |
|--|-------------------------------|-------------------------------|-------------------------------|------------------------------|--|
| <b>SALARIES</b>                            |                               |                               |                               |                              |  |
| 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                                      |
| <b>Total Salaries</b>                      | <b>867,720</b>                | <b>998,789</b>                | <b>916,443</b>                | <b>760,499</b>               | <b>769,463</b>                         |
| <b>SERVICES AND SUPPLIES</b>               |                               |                               |                               |                              |  |
| 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                                |
| <b>Total Services &amp; Supplies</b>       | <b>2,055,273</b>              | <b>1,733,253</b>              | <b>1,702,626</b>              | <b>1,938,420</b>             | <b>1,875,120</b>                       |
| <b>EXPENDITURE TRANSFERS</b>               |                               |                               |                               |                              |  |
| 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                                 |
| <b>Total Expenditure Transfers</b>         | <b>542,056</b>                | <b>558,513</b>                | <b>611,122</b>                | <b>632,828</b>               | <b>686,367</b>                         |
| <b>TOTAL BUDGET</b>                        | <b>3,465,049</b>              | <b>3,290,555</b>              | <b>3,230,191</b>              | <b>3,331,747</b>             | <b>3,330,950</b>                       |
|  |                               |                               | <b>Year Over Year Change</b>  |                              | <b>(797)</b>                           |

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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> |

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**ATTACHMENT A**

**41236 Equipment Rental**      \$ 1,000

**41801 WPCP - Sludge Removal**      **\$85,000**  
Sludge hauling to EBMUD 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           |
| <b>Total Costs Charged</b>        |               |                 |          | <b>\$222,978</b> |

**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:

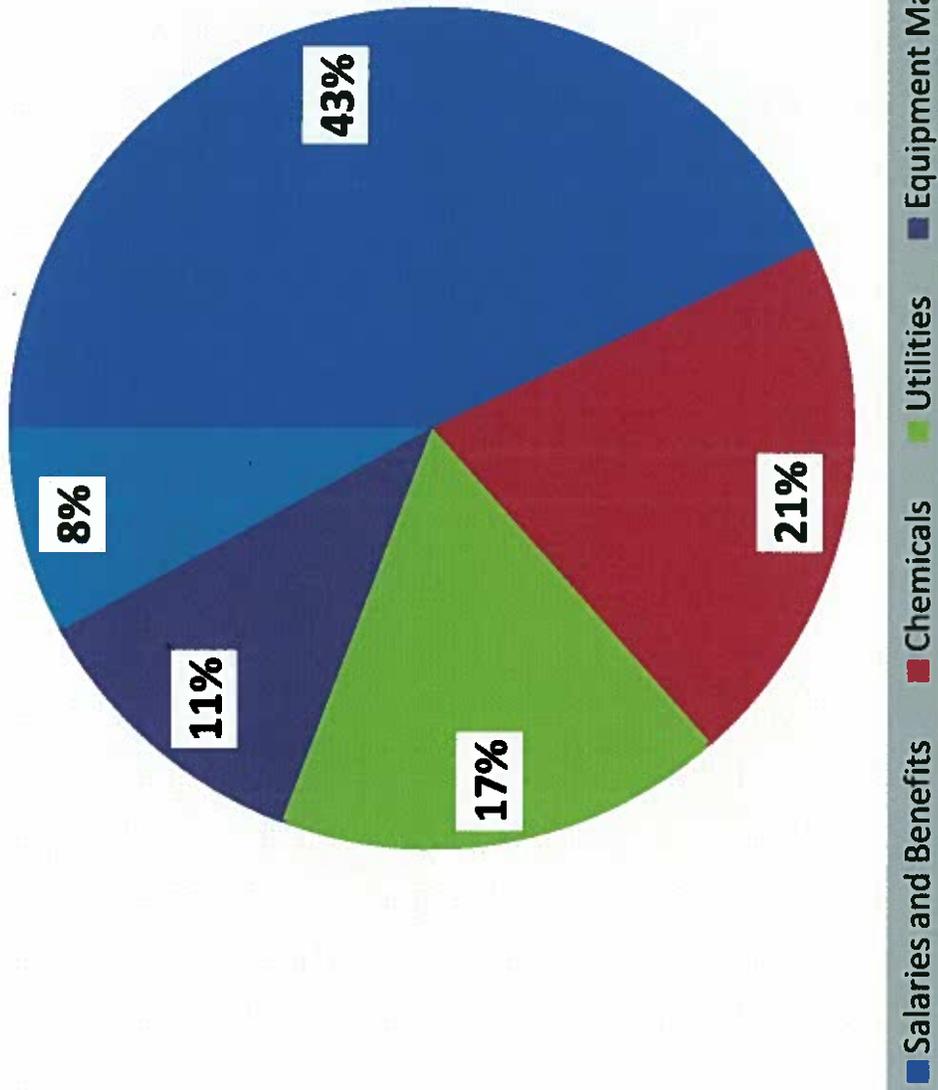
|                                |                   |
|--------------------------------|-------------------|
| PERS Retirement                | \$ 110,469        |
| Social Security                | \$ 735            |
| Medical Insurance-Active       | 156,701           |
| Medical Insurance-Retirees     | 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**

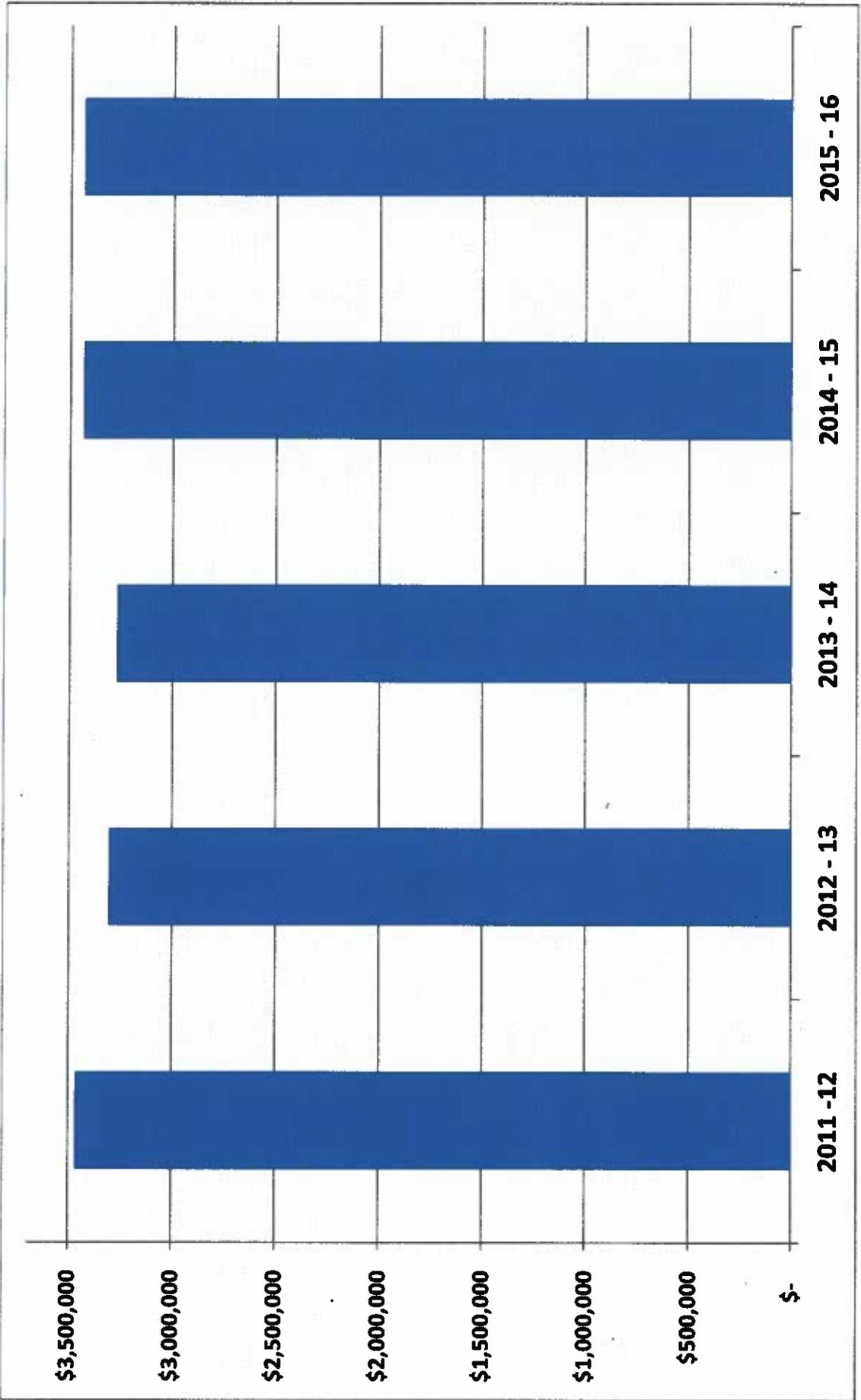
This line item represents the departmental share of communication and technology services provided by the Information Services Department. These costs are charged in total to a clearing account (#0121) and redistributed back to department cost centers based on a cost distribution formula.

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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



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

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**ATTACHMENT D**

