

**PINOLE / HERCULES
Wastewater Subcommittee**

**Draft Minutes prepared by: Anita Tucci-Smith
September 18, 2014
8:30 A.M.**

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

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Sherry McCoy, Vice Mayor of Hercules, 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, Vice Mayor, City of Hercules
Dan Romero, Councilmember, City of Hercules
Tim Banuelos, Mayor, City of Pinole
Roy Swearingen, Councilmember Alternate to the Alternate, City of Pinole

Subcommittee Members Absent:
None

Staff Present:

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

Member(s) of the Public:

Andre Gharagozian, Process and Operations, Carollo Engineers
Michael Warriner, Construction Manager, Carollo Engineers
Mark Wing, Resident Project Representative, Carollo Engineers
Richard Bloom

3. APPROVAL OF MINUTES – MAY 27, 2014

Hercules Councilmember Romero requested responses to the questions that had been identified on Pages 3 and 4 of the minutes of the May 27, 2014 meeting.

In response, **Pinole Public Works Director/City Engineer Dean Allison** spoke to the question related to profit margin in the engineering contract and stated that the industry standard for engineering consultants was a markup factor of three on labor costs.

Mr. Allison referred to the second question which had to do with the outreach for the residents who would be impacted by the project, and stated Carollo Engineers had advised there would be a project website, potential robo calls, door hangers, and a need to notify residents along Tennant Avenue when major efforts were ongoing. He sought a commitment from Carollo in that regard. There had also been concerns with Carollo's commitment of personnel to the project given that Carollo had been selected because of its personnel and the Wastewater Subcommittee did not want that personnel to be reassigned to other projects. Language had been included in the contract where any reassignment would require City approval. As to the financial responsibility on Carollo's part, he reported that the Pinole City Attorney had prepared a specific contract to ensure that Carollo Engineers would be responsible for any financial impact to the City.

With respect to the other issues identified in the minutes of the last meeting, **Mr. Allison** advised that he would return with responses at the next meeting.

In response to **Pinole Councilmember Swearingen** who questioned the 300 percent overhead cost, **Mr. Allison** clarified that while a construction contractor would have a lower markup, the industry standard for consulting engineers ranged from 2.8:1 to 3.2:1, and while alarming it was the industry standard and included the expenses naturally part of that scope.

Hercules Councilmember Romero clarified that his concern related to a profit margin on top of the marked up rate. Referring to Page 4 of the prior minutes, he verified with Mr. Allison that the contractor would be responsible for the staging area and the entire site at the point of return to the cities.

Action: Motion by Pinole Mayor Banuelos, seconded by Hercules Councilmember Romero to approve the minutes of the May 27, 2014 meeting as submitted, carried by the following vote:

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

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

There were no comments from the public.

5. **PROJECT UPDATE: Receive an update on the status of project schedule, Engineer's Estimate of cost, permit application with Bay Conservation and Development Commission (BCDC), and application with the State Revolving Loan Fund Committee**

Mr. Allison presented a PowerPoint to advise that much had occurred since the last meeting in May when the Wastewater Subcommittee had recommended the hiring of Carollo Engineers as Construction Manager, which had been approved by the City of Pinole in June. On June 30, 2014, there had been a meeting with the State Revolving Loan Fund in Sacramento; in July discussions had been initiated with the BCDC; and in August and September the Constructability Review had been started and completed.

Mr. Allison presented an overview of the City's Wastewater Treatment Plant and identified a number of new improvements. He reported that to accommodate those improvements and leave the Pinole Corporation Yard whole with parking spaces and structures, the fencing needed to be expanded to accommodate the footprint of the plant in the long term. Also, in order to build the plant more room was needed for the contractor and materials. As a result of the Constructability Review transitioning from what was to be built to how it was to be built, and while the City of Pinole owned the property, it had been found through BCDC that there was a deed-restricted area for Bay access and BCDC permission would be required, was not expected to be a problem, but would take some time. A meeting with BCDC had been scheduled next week to address the issue. With respect to BCDC, a permanent and temporary encroachment into a dedicated area would be required, had not been forecast, and would delay the BCDC permit, but whether it would delay the overall project was unknown.

Mr. Allison spoke to the project schedule and explained that the 65 percent design and Constructability Review had been completed but had been delayed two months, longer than expected. He identified some of the issues involved in that delay, one of which was that HDR, Inc. had taken longer to complete the design, the City had to redesign the contact basin during the process, and there had been delays in the award of the Construction Management contract. In addition, the State Revolving Loan Fund wanted to consult with the California Department of Fish and Wildlife with respect to water quality issues which meant the involvement of the U.S. Fish and Wildlife Service, which would also delay the loan application. A further issue was adding a task since all firms in construction management had suggested both 65 percent and 90 percent review of the plans, which had added another two months to the schedule, with another month added for the advertising award process, creating a current two-month delay and an estimated five-month delay to the overall completion of the project.

As a result, **Mr. Allison** reported that some deadlines would not be met and there would have to be discussions with the State Water Board. He suggested it would take six months (with a March 3, 2015 deadline) to get loan application approval, the permit from the BCDC, and the permit from Contra Costa County.

Speaking to the project budget, **Mr. Allison** reported that construction costs had

increased although there had been some savings in engineering.

Mr. Allison presented the latest in cost estimates; identified new line items such as the need to replace restrooms at Bay Front Park estimated at \$300,000 and a steel building in the corporation yard at a cost of \$500,000 that had always been in the contract but had not been identified in the preliminary engineering; park mitigation given damage to the park for a storage area; and the potential that BCDC would require the shoreline to be open to the public with potentially requirements to provide trail improvements, fencing and signage to be able to have temporary and permanent encroachment to the shoreline. The cost to repair damage to Tennant Avenue as part of the project would also have to be captured. The total budget had been estimated to be \$2.3 million greater than estimated in March 2013, although within the total amount requested from the State Revolving Loan Fund.

Mr. Allison responded to comments, clarified the current budget, and noted that while some of the delays could not be avoided, such as the regulatory delays, the delays related to HDR involved primarily the contact basins that were not originally to have been modified although new regulations had come out. He noted that he had not been comfortable with HDR's original design for the contact basins. He suggested that from here on out there would be few design issues that could create delays. He added, when asked, that an extension from the Water Board would have to be requested now. He also clarified the items that had added to the total project cost, and clarified that staff had been advised that a 90 percent review would have to be more formalized which would also cost more than originally anticipated.

Pinole Councilmember Swearingen commented that a 90 percent review was a given and should have been built into the costs. He was hopeful that the Water Board would positively consider an extension.

Pinole Councilmember Banuelos suggested that the 90 percent review should have been the most intense review level given that review would be setting the bid level. With respect to the need for a County permit, he spoke to his experience with the length of time required for County permits and urged an appropriate level of time for County review to avoid further delays.

As a clarification, **Mr. Allison** compared the 65 percent review to look at construction methods, change the plans or attack construction differently versus the 90 percent review which would offer a final look at the project but offer little opportunity to modify the plans.

Hercules Councilmember Romero stated that the problem with the catch basins should have been caught earlier given the peer review process. He asked if the extra cost of the project would be covered given the total amount requested through the State Revolving Loan Fund.

Hector de la Rosa, Assistant City Manager, Pinole, advised that the City of Pinole had requested \$24 million and expected the same had been requested by the City of Hercules, which was intended to cover any overflow cost.

Andre Gharagozian, Process and Operations, Carollo Engineers reported, when asked by Hercules Councilmember Romero, that Carollo had performed the Peer Review of the HDR analysis on the effluent line and effluent pumping impacts to the Rodeo Sanitation District. The result of their analysis was that with the increase in flow and changes associated with the project very minor, if any, improvements would be needed at the Rodeo end to accommodate the increase in flow. He added it was close enough to warrant the improvements now and gathering operating data to see how the system would respond, although he stated it should be fine.

Hercules Councilmember Romero spoke to the bathrooms and the steel building to be replaced and expressed concern that the City of Hercules was being asked to replace an old facility with a new facility. He recommended negotiations between the two cities to address that concern. He also had a concern for the cost to repair Tennant Avenue and asked for a breakdown of the costs involved.

Pinole Councilmember Banuelos explained that those costs would be a result of repairs to the Wastewater Treatment Plant and the City of Pinole would get no “freebies” and was assuming some unmitigated circumstances to address that work. He suggested that \$300,000 for the bathrooms appeared to be high and he asked for a clarification of that estimate.

Mr. Allison clarified that there was no infrastructure involved and the estimate had been for aboveground replacements only.

Hercules Vice Mayor McCoy expressed concern that in just over a year the timeframe had slipped and costs had increased. She suggested it would be prudent to make sure that the State loan was sufficient to cover the known and other potential cost increases. She was concerned with the delays and wanted to be more mindful of what needed to be done, particularly since staff had already gone back to the Water Board once to ask for an extension and she suggested the Board might at some point question the credibility of both Pinole and Hercules. She supported a tighter schedule moving forward and asked if the current schedule could be tightened. She sought some discussion between Pinole and Hercules staff as to the additional line items, particularly those that appeared to offer little benefit to the City of Hercules.

Pinole Councilmember Swearingen concurred with the concerns related to delay and increased cost, although he clarified that there had been savings with

the project when the outfall line had not been required by the Water Board.

With respect to requiring Water Board approval, **Mr. Allison** clarified that Water Board staff had previously granted the kinds of extensions that they could although the next extension would involve the delivery date of the entire project which required approval from the Water Board itself.

Speaking to the Department of Fish and Wildlife in terms of the Environmental Impact Report (EIR), **Hercules Vice Mayor McCoy** asked if more EIR work would need to be done for the loans to be approved, to which **Mr. Allison** noted that the State was concerned that while the proposed plant upgrades would improve the quality of water the impacts to the fish in the Bay had not been evaluated. He had been surprised that a positive could be received negatively. Staff had been in contact with those who might be able to assist in facilitating that issue.

In response to Hercules Councilmember Romero, **Mr. Allison** reported that the park would be open during plant construction and a temporary restroom would probably have to be provided.

6. CONSTRUCTABILITY REVIEW: Receive a presentation from Carollo Engineers on the Constructability Review

Andre Gharagozian, Process and Operations, Carollo Engineers described the different levels of review that would have been performed on the project by the time it was complete; the Peer Review which had been completed, the Constructability Review on the 65 percent design, and a Constructability Review (also called the Biddability Review) on the 90 percent drawings. He identified the 132 comments received on the Constructability Review performed on the 65 percent design from July 3 to August 11, 2014, described the particulars of that analysis, noted the meetings that had been held, stated that the 65 percent documents had been well put together, and it had been determined that the technologies and sizing of the improvements were on target.

Michael Warriner, Construction Manager, Carollo Engineers, stated with respect to construction sequence, scheduling, and staging, that Carollo had analyzed other jobs they had done for other sites with similar facilities and structures and the time it had taken to build those structures to prepare a more detailed plan for how long it would take the construction, and had then considered the timeframe of deadlines for construction and what needed to happen to reduce that timeframe, and to reduce some of the costs.

Mr. Warriner stated that some of the construction would have to be re-sequenced to make it work better. He referenced the added activities in the construction; stated the contractor would have to build temporary park trails

alongside the existing trails to allow public access at all times; temporary equipment would have to be brought in to allow phased work to continue on schedule; major equipment submittals would also need to be expedited in order to maintain the schedule; and park restoration activities would be the last construction activity.

Highlighting the Constructability Review, **Mr. Warriner** stated the additional easement would allow easier access to upgrade areas for construction equipment, reduce the bid price, and an increased staging area would provide storage.

Mr. Warriner stated the next steps would be to proceed with the 90 percent design, incorporating the comments as appropriate, marrying Carollo's front end documents with the City's specific requirements and HDR's design to have the tightest possible set of construction documents. The buildings to be demolished should be tested for lead and asbestos and if identified ahead of time the contractor would account for it in their bid, but if not identified it would be an extra change order at the end. Discussions with BCDC would continue and the 90 percent plans would be reviewed in the future.

Hercules Councilmember Romero asked about the chlorine disinfection, now at three times the originally estimated cost, to which **Mr. Allison** explained that had not come out of the Constructability Review, it was an operational issue that had been found through the preliminary design where the contact basin was too small and did not provide the plant manager the comfort of having adequate time in the contact basin to kill the bacteria. The HDR proposed design did not expand the contact basins whatsoever and the new design would require building contact basins three times as large as the existing contact basins.

Ron Tobey, Operations Manager, Pinole, noted several variables involved in that issue in that when originally designed the contact basin had tested for a certain organism and staff had been comfortable with HDR's design in meeting the limits. The State now required the testing of a new organism. While not an initial problem, that had since changed. He affirmed that the contact basin was actually the chlorine disinfection.

Hercules Councilmember Romero suggested there was no need to remove the bathroom and he suggested that bathroom could be retained, saving \$300,000.

Mr. Allison stated that element of the design could be returned at the next meeting for further discussion.

Pinole Mayor Banuelos verified that the contract included a cost for demolition and the removal of hazardous materials. He also verified that the park restoration activities were outside the schedule.

Pinole Councilmember Swearingen verified that the street repair would also be

outside the project schedule. As to the asbestos hazardous materials potential, he suggested that the last major upgrade had been in 1982 and there should therefore be no hazmat problem with asbestos given that problems where asbestos had not been encapsulated should have ended in 1978.

Hercules Vice Mayor McCoy verified that the lead and asbestos had already been factored in. She asked for a larger version of the chart of Highlights of Constructability Review and Construction Sequencing and Schedule, and that it be updated periodically. She also asked for updated information on the flood walls around the plant and why \$1.5 million might have to be factored in.

7. FISCAL AGREEMENT: Receive a presentation on the Fiscal Agreement

Hercules Vice Mayor McCoy stated that the Fiscal Agreement was not yet finalized and suggested it would be better to discuss it after it had been finalized, potentially by the next meeting. The Wastewater Subcommittee concurred.

8. ADDITIONAL COMMENTS AND REQUESTS FROM THE SUBCOMMITTEE

Hercules Councilmember Romero commented with respect to the minutes that there were some points that had not been reflected in the last meeting minutes. He also requested that the minutes reflect the vote and the responses from staff.

9. ADJOURNMENT

The meeting was adjourned at approximately 10:30 A.M. to a regular meeting on October 16, 2014 at 8:30 A.M. in the City of Pinole.