



**PINOLE/HERCULES WASTEWATER
SUBCOMMITTEE
AGENDA**



**JUNE 6, 2019 8:30 A.M.
PINOLE CITY HALL, COUNCIL CHAMBER
2131 PEAR STREET
PINOLE, CA 94564**

- 1. CALL TO ORDER-PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. INTRODUCTIONS**
- 4. CITIZENS TO BE HEARD-FOR ITEMS NOT ON THE AGENDA**
- 5. APPROVAL OF MINUTES FROM MARCH 7, 2019**
- 6. OPERATOR'S REPORT**
 - a. BY RON TOBEY (VERBAL)**
- 7. NEW CONNECTIONS**
 - a. PINOLE (VERBAL)**
 - b. HERCULES (VERBAL)**
- 8. CAPITAL PROJECT - PH WPCP UPGRADE**
 - a. LOAN STATUS (VERBAL)** **BY ANDREA MILLER**
 - b. CONSTRUCTION STATUS (POWERPOINT)** **BY MIKE WARRINER**
- 9. CITY OF PINOLE FY 19/20 PROPOSED BUDGET FOR UNIT 500-641**
BY ANDREA MILLER
- 10. ADJOURN TO THE NEXT REGULAR SUBCOMMITTEE MEETING IN PINOLE ON
SEPTEMBER 5, 2019 AT 8:30 AM.**

**PINOLE / HERCULES
Wastewater Subcommittee**

**Draft Minutes prepared by: Anita L. Tucci-Smith
March 7, 2019
8:36 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

Pinole Mayor Peter Murray, serving as Chair, called the meeting to order.

2. ROLL CALL

Subcommittee Members Present:

Peter Murray, Mayor, City of Pinole
Roy Swearingen, Mayor Pro Tem, City of Pinole
Dan Romero, Mayor, City of Hercules
Gerard Boulanger, Councilmember, City of Hercules

Subcommittee Members Absent:

None

Staff Present:

Michelle Fitzner, City Manager, Pinole
Hector de la Rosa, Assistant City Manager, Pinole
Tamara Miller, Development Services Director/City Engineer, Pinole
Mike Roberts, Acting City Manager/City Engineer, Hercules

Members of the Public:

Mike Warriner, Carollo Engineers

3. INTRODUCTIONS

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

There were no citizens to be heard.

5. APPROVAL OF MINUTES FROM DECEMBER 6, 2018

Action: Motion by Hercules Mayor Romero, seconded by Pinole Mayor Pro Tem Swearingen, to approve the minutes of the December 6, 2018 meeting, as submitted, carried by the following vote:

Ayes: Boulanger, Romero, Swearingen, Murray
Noes: None
Abstain: None
Absent: None

6. OPERATOR'S REPORT

Tamara Miller, Development Services Director/City Engineer, Pinole, reported that Ron Tobey was not available and asked that the Operator's Report be deferred to the next meeting; however, when asked she advised the plant had been a challenge to operate due to the weather when rain water in the wastewater resulted in a higher volume at the plant. She acknowledged the new facilities with phasing had been designed to facilitate winter work and staff had learned what facilities were in place to help and what was needed to be adjusted to get the wastewater through the plant at the same time. The shallow outfall had been used several times and staff had attempted to treat a handful of rocks from the construction project which had caused challenges with the pumping equipment during the last quarter.

Mayor Romero, City of Hercules, requested an e-mail report from staff given the heavy rain and the need to know how many gallons had gone through the system. **Ms. Miller** confirmed a written report would be provided.

Mayor Murray, City of Pinole, understood there had been similar issues with wastewater in the Russian River due to recent flooding.

7. NEW CONNECTIONS

a. PINOLE

Ms. Miller reported for the City of Pinole that no connections had been made in the last quarter. A report had been included in the Subcommittee's documents which had shown a running total for the fiscal year with staff having previously reported one Accessory Dwelling Unit (ADU) with no additional facilities for Pinole for this quarter.

b. HERCULES

Mike Roberts, Acting City Manager/City Engineer, Hercules reported the City of Hercules had 49 residential connections for the quarter from the Muir Pointe Subdivision.

8. CAPITAL PROJECT – PH WPCP UPGRADE

a. LOAN STATUS

Michelle Fitzner, City Manager, Pinole reported that invoices were being processed and there had been no challenges in the last quarter for reimbursements but there had been issues in the past with the State issuing checks versus wire transfers. She understood pursuant to Finance Department staff that reimbursements were being made timely and payments had been issued pursuant to the construction agreement.

b. CONSTRUCTION STATUS

Mike Warriner, Carollo Engineers, provided a PowerPoint presentation on the status of the Water Pollution Control Plant Upgrade Project and reported they were near the last phases of construction. Primary Clarifier 3 had been placed into service in February; the Return Activated Sludge and Waste Activated Sludge (RAS/WAS) piping at the mixed liquor box was being installed and would be complete this month upon completion of the last sections of piping for the flow between the clarifiers and aeration basins; walls were being constructed for Second Clarifier 1 to be complete within the next two weeks; the new aeration basins were in service and existing basins were being upgraded; and the new secondary electrical panels and switchboard center were being installed adjacent to the RAS/WAS pump station and being wired. One of the last duct banks to the new panels and switchboard currently being installed would be completed in April, with all duct banks anticipated to be in place by May.

Aerial views of the treatment plant from May 2016 prior to the start of construction to present were displayed including views of the new plant facilities currently in operation. Plant startup activities for this quarter were highlighted with anticipated work to be completed by June 2019 for the Secondary Clarifier 1, blower building modifications, chemical storage area, and chlorine contact basin.

The billings for work through December 2018 totaled \$37,550,263 with a graph showing the work to meet the project schedule, how slow the work may progress while still meeting the project schedule, and the work completed to date, all based on a June 2019 completion, although an extension would be requested. The baseline overview of the scheduled work activities and activities underway to date were all highlighted. The current construction contract status including change orders to date, and executed change orders which totaled 4.5 percent of the work completed to date were also highlighted. A total of 82 potential change orders remained to be negotiated which had been broken down into different categories with an estimated value of \$841,000, although the costs for the 82 items had not yet been verified and some involved credits to the contractor.

The projection of the construction contract contingency at the end of the project including the change orders to date and estimated cost of potential change orders totaled \$2,541,952. Some claims were still being negotiated with the contractor. The worst case scenario could result in the project exceeding the contingency.

Mr. Warriner walked through two disputes related to electrical conduits and wire to flow meters, and electrical conduits and wire to the electrical building. The contractor had provided no further documentation of its position and both claims had been rejected; however, the contractor had recently submitted correspondence requesting a meeting for a final opportunity to negotiate a settlement to be scheduled in the next 30 days. Additional disputed work currently under negotiation was also outlined.

Mr. Warriner emphasized the relationship on the site was good but acknowledged the project was taking longer than planned, the contractor was spending more than expected to complete the work, and was now looking at ways to make up losses. Given the delays, on-site progress had slowed, and while the substantial completion date was currently April 5, 2019 with a final completion date of June 4, 2019, Carollo had received a \$504,000 contract extension to continue managing the work through the June completion date.

Kiewit Corporation had informed the City it would require an additional three months for project completion, resulting in a new substantial completion date of July 4, 2019 and a final completion date of September 4, 2019. There would be costs incurred as a result of a contract extension including construction management and inspection for the extended duration, negotiation for contractor costs associated with the extended completion, and design support for the extended duration.

Hercules Mayor Romero recognized the project had gone well but it was unfortunate that there could be additional costs near the end. As to the potential change order for structural and electrical design, he questioned whether the contractor would be credited if it was found the design engineer work had been inaccurate.

Mr. Warriner clarified the design changes had been differentiated between design errors, omissions, and general design changes associated with changes in the field. There had been some changes in the past, one of which was for the connection of the two generators which powered the facility. In that case, given the two generators must speak to each other, some programming software had to be written to make the two pieces of equipment work with each other, which the design contractor had not foreseen. While not necessarily a design error, it had been considered a design change in the field. Other design changes involved what had been shown in the drawings could not be constructed,

determined to be a design error, and the design contractor had been asked to make corrections.

There had been other areas where there were design omissions due to field conditions or some other unknown.

Hercules Mayor Romero asked the number of change orders that were directly reflective of an error or omission and wanted that number soon since the project was nearing completion. He emphasized it should not be the burden of residents to pay for those errors due to construction changes. He also asked for a clarification of the projected construction completion date which had been further extended from the original estimated date and when a reduction of the work force on-site would occur.

Mr. Roberts clarified that staff was tracking what they believed to be design errors, and as the project evolved and developed those design errors would be identified with the Wastewater Subcommittee or the City Council to determine the action to take to recover any costs.

Mr. Warriner explained that it would be difficult to recover costs from a contractor if the work was completed on time. If work was completed late, there was a process to recover costs from a contractor. On the design side, the change orders were being tracked and considered as a whole as they neared the end of the job. The substantial completion date for all facilities in operation also meant that all testing should be done, with July 4, 2019 as the estimated substantial completion date. He confirmed some personnel reductions had been made and would continue to be made as the project neared completion. He also clarified as his contract was extended it would be based on current rates.

Hercules Mayor Romero noted the City of Pinole had vetted and retained Kiewit as the contractor who had hired the subcontractors and he found it suspicious and odd there were issues with some of the subcontractors that had been hired by Kiewit.

Hercules Councilmember Boulanger clarified with Mr. Warriner the 82 potential change orders and when nearing completion the number of change orders would be reduced. He also clarified the process to negotiate the change orders with the contractor, with final costs to be presented to staff for further consideration. Because of the two disputes and the other disputed work under negotiation, he confirmed there could be a risk of exceeding the 7 percent contingency.

In further response to comments, **Mr. Warriner** confirmed the clause in the contract for liquidated damages if the contractor exceeded the projected schedule, which had been discussed with the City Attorneys for Hercules and Pinole. He reiterated the substantial completion date of April 5, 2019, with the

contractor given authority to work to that date with no time extensions by that date unless time was warranted and agreed upon before that date.

If the work was not complete on April 5, a notice would be issued to the contractor on behalf of the cities finding the contractor had exceeded the time and liquidated damages could be enforced.

Pinole Mayor Murray sought greater scrutiny of the change orders as they moved forward to ensure the cities were protected from unnecessary costs. He emphasized that Kiewit should be providing some support as well and should have provided some feedback, and **Mr. Warriner** confirmed he had conversations with the Kiewit management team about its subcontractors and their performance. He too had expressed concern with the numbers being put forward.

Pinole Mayor Murray wanted to know what had caused the extension, a better breakdown of the potential additional costs that could be incurred due to the schedule extension, and why the city should bear the costs for additional services required beyond the current completion date. Also, while he understood there were situations where the software for generators could not be synced, if there were additional costs incurred for labor for the two generators, in his opinion that should not be the cities' responsibility.

Pinole Mayor Pro Tem Swearingen understood the two generators under discussion were not the same, which should have been known at the time. He also clarified the schedule and understood there had been twenty rain days this calendar year, with eleven rain days remaining. The July 4, 2019 date had taken into account the rain days and the contractor had been given 161 days for the PG&E delay, and had already used those days. He added there had been no substitution requests for any of the listed subcontractors. Replacement of non-listed subcontractors did not require notification to the city, and all of the listed subcontractors, as part of the required bid for the project, remained employed on the job. He also clarified with Mr. Warriner that 84 percent of the construction value included retention; the contractor was behind on the billings, billings shown were through December 31, 2018 and the billings for January 2019 had recently been approved.

Mr. Roberts recognized that given the issues there was a need for the Subcommittee to meet more frequently.

Mr. Warriner further commented on the number of bypass processes that would be implemented during construction at all times to keep the plant operational. He did not anticipate any issues other than work delays due to the weather.

c. REVIEW OF FISCAL AGREEMENT FOR CONTINGENCY by TAMARA

MILLER

Tamara Miller, Development Services Director/City Engineer, Pinole, explained that more contingency was anticipated for the project.

The Subcommittee had been provided a copy of a page from the Fiscal Agreement between the cities of Hercules and Pinole, where they had jointly funded the project and had contributed to the contingency. She read into the record the parameters of the Agreement related to contingency and described an amendment to the Agreement with Carollo Engineers for a little over \$500,000 to extend the time of the Agreement, which had dipped into the contingency. Additional funds were anticipated and would need to be added to the project. Another Subcommittee meeting would be required to discuss the actual amount of contingency needed. There was an option to consider it in a segmented way, bringing in money a bit at a time, or a lump sum option deposited into the contingency could be considered. The Subcommittee could also meet more frequently to consider change orders as they were approved.

Hercules Mayor Romero pointed out the Subcommittee and the City Councils had no authority over the change orders, which process had been working and while they foresaw increases the value was currently unknown. He saw no issue with the Hercules City Council appropriating the funds once the values were known. He suggested the Subcommittee should not meet to discuss that issue, particularly since some of the change orders were becoming litigious.

Ms. Fitzer confirmed there could be some potential litigation or claim to get some of the money back. She reiterated staff would be evaluating the potential exposures and would return with a recommendation to the Subcommittee or the two City Councils to increase the contingency amount, either by a certain percentage to cover that dollar value or by a dollar value. When asked, she did not recommend that the State be approached for the overage but that it come out of Pinole's fund balance from the Sewer Enterprise Fund.

Hector de la Rosa, Assistant City Manager, Pinole, advised that he had reached out to the State to inquire what process would have to be followed to determine if the agreement could be amended and the timeline for such a process.

Hercules Mayor Romero otherwise requested Hercules and Pinole City Managers and Public Works Department Directors discuss moving the meetings back to the City of Hercules in June.

Mr. Roberts reported that staff was working on receiving transmissions from both cities and would be working with staff.

9. ADJOURN TO THE NEXT REGULAR SUBCOMMITTEE MEETING

The meeting adjourned at 10:06 A.M. to a regular quarterly meeting date scheduled for Thursday, June 6, 2019 at 8:30 A.M. in Pinole.

Update for
Wastewater Subcommittee
June 6, 2019

Pinole-Hercules Water Pollution Control Plant Upgrade Project

WATER
OUR FOCUS
OUR BUSINESS
OUR PASSION

carollo
Engineers...Working Wonders With Water®

The new Chlorine Contact Basin was put into service in May



Blower building upgrades continue with the startup of new blowers and demolition of old ones



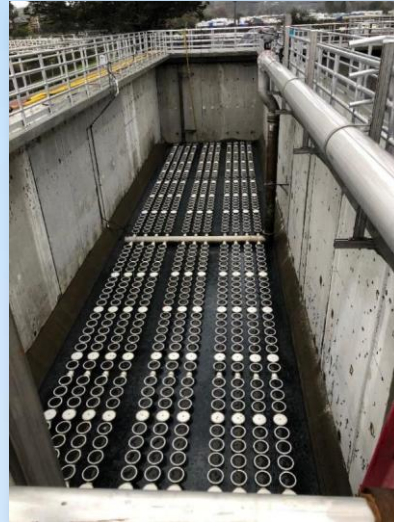
Blower.jpg/3

Replacement of equipment in Primary Clarifier 2 has been completed and Primary Clarifier 1 replacement is underway.

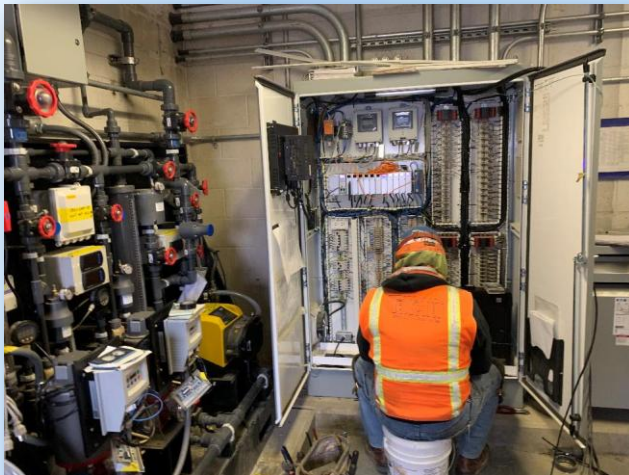


Blower.jpg/4

Upgrades continue at the existing aeration basins.



Electrical upgrades continue throughout the plant and will be the last portion of the work to be completed.



Completed areas are being graded to begin repaving.



File name: ppt/7

The treatment plant site prior to start of construction



File name: ppt/8

The treatment plant site in May 2019



File name: ppt19

New Plant Facilities now in operation



File name: ppt19

New Secondary Clarifier 2, Primary Clarifier 3, chlorine contact and chemical basin in February 2019



File name: ppt11

New Secondary Clarifier 2, Primary Clarifier 3, chlorine contact and chemical basin in May 2019



File name: ppt12

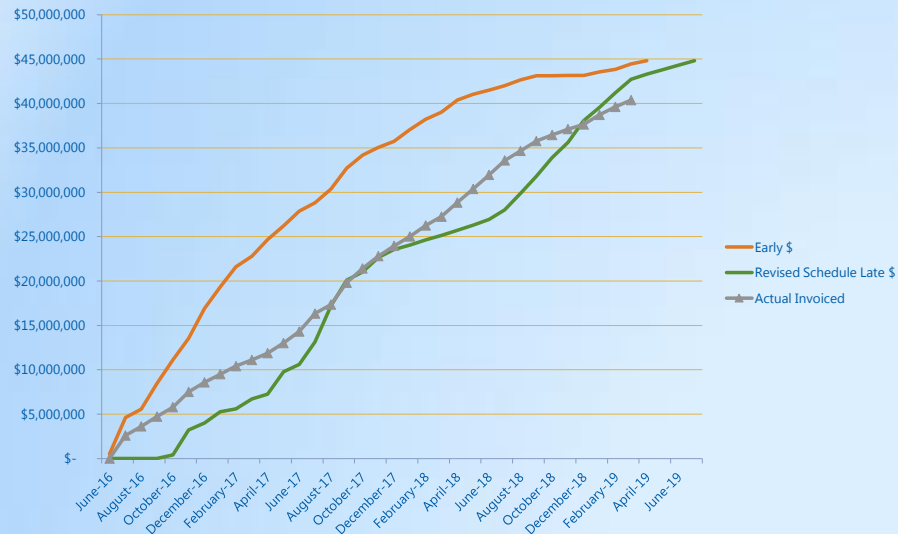
Plant north end focus in May 2019



Planned startup activities for this quarter

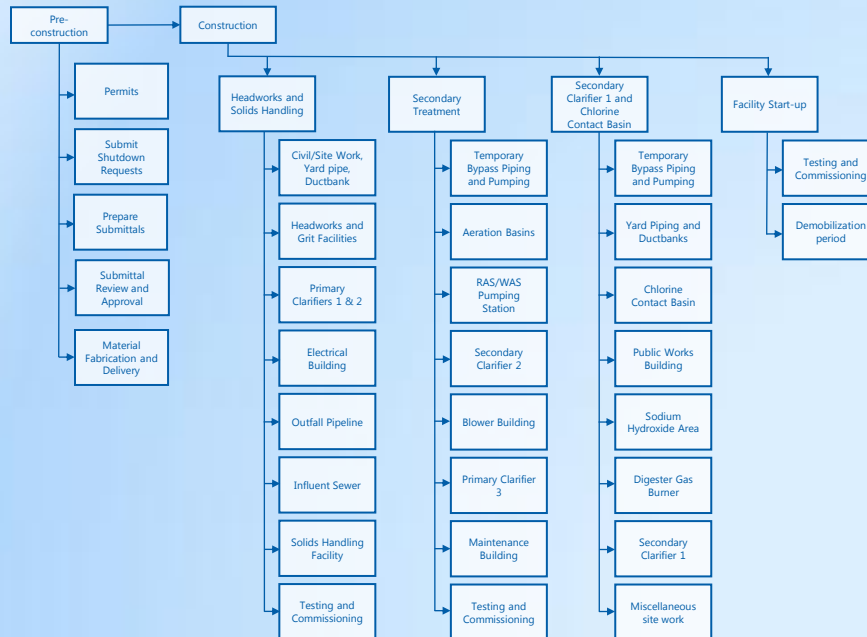


Progress/payments on work to date

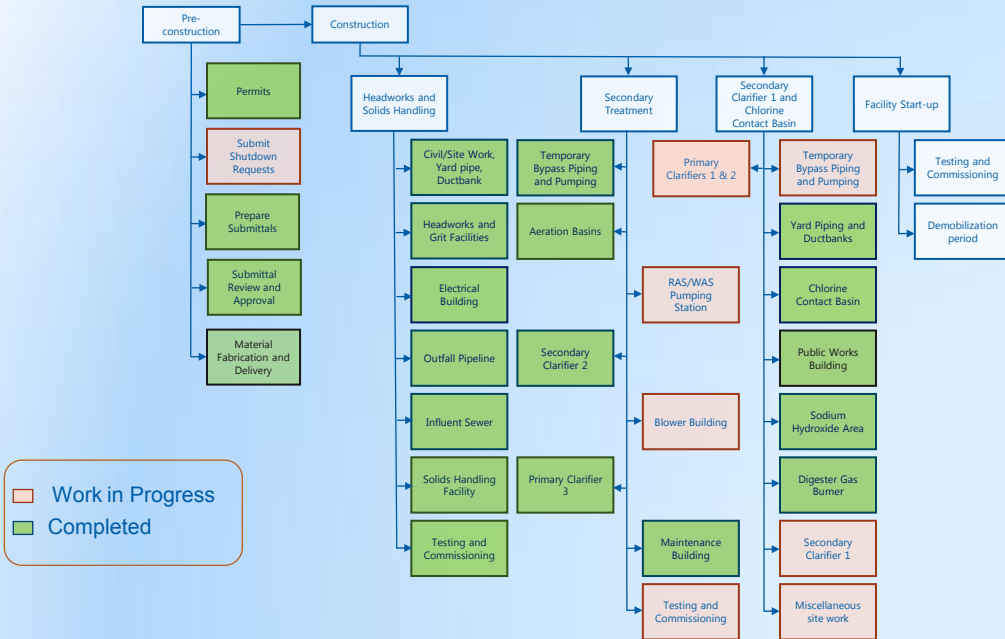


Billings for Work through March 2019 totals \$40,296,694

Baseline Overview of Schedule Work Activities



Activities underway to date



Current Construction Contract Status

Original construction contract value	\$43,143,000
Change orders to date (1 through 84)	\$1,773,258
Total current construction contract value (90% work complete to date)	\$44,916,258

Executed change orders total 4.5 percent of work completed to date

Executed Change Orders

Number	Subject	Cost
1 – 65	TOTAL Prior Change Orders 1 through 65	\$ 1,700,952
77	Concrete core drilling at the bottom of the aeration basins	\$ 5,328.00
78	Add downspouts at solids handling building	\$ 9,009.00
79	Procure pumping equipment to transfer aeration basin process water	\$ 8,475.00
80	Power to steel overhead roll-up doors at solids handling building	\$11,024.00
81	Conduit and wire to polymer storage heaters	\$ 7,177.00
82	Repair of cracks at existing aeration basins	\$ 7,863.00
83	Relocation of existing flow meters within the RAS Pump Station	\$17,640.00
84	Add Plant drain flowmeter instrument and wiring	\$ 5,850.00
Total This Period		\$ 72,306.00
TOTAL Change Orders to Date		\$ 1,773,258

File name: ppt13

We currently have 67 potential change orders to be negotiated

TYPE	Rough estimate
19 PCOs for existing utilities not shown on drawings	\$230,000
19 PCOs for structural design changes (additions and credits)	\$102,000
12 PCOs for additional demolition due to field conditions	\$37,000
2 PCOs for electrical design changes (additions and credits)	\$20,000
8 PCOs for miscellaneous design changes	\$52,000
7 PCOs for process design changes	\$29,000
TOTAL POTENTIAL COST	\$470,000

Costs and merit have not been verified. Additional costs may be incurred for work not yet completed.

File name: ppt120

Projection of Construction Contract Contingency At End of Project

Project Contingency (7% of original construction bid)	\$ 3,020,010
Change orders to date	\$ 1,773,258
Estimated PCOs currently in negotiation	\$ 470,000
Remainder	\$776,752
Carollo Amendments	\$853,900
Total	(\$77,148)

File name: ppt/21

Four issues were reported in the last update

- Two issues have been resolved.
- Two formal claims remain unresolved but negotiations continue.
- The critical path has shifted to the remaining electrical work
- We have some outstanding equipment issues which may impact final completion that are moving to resolution.

File name: ppt/22

Contract Substantial Completion date

April 5, 2019 – Last anticipated Substantial Completion date

July 17, 2019 – Current expected Substantial Completion date

Delays are caused by several issues which are still being defined.

File name: ppt/23

QUESTIONS?

File name: ppt/24

Mission

The mission of the Water Pollution Control Plant (WPCP) is to treat the wastewater for the City of Pinole and the City of Hercules.

Program Description

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.

Key Objectives

- Operate the facility in compliance with standards set by the Regional Water Quality Control Board
- Support the construction activities of the WPCP Upgrade
- Support the ongoing training needs of the WPCP Staff
- INI improvements

Success Indicators

- Permit Compliance
- Certified Staff
- Preventive Maintenance of Assets

Position Summary

Position	2015-16	2016-17	2017-18	2018-19	2019-20
Treatment Plant Manager	1.00	1.00	1.00	1.00	1.00
Water Pollution Control Plant Supervisor	1.00	1.00	0.00	0.00	0.00
Water Pollution Control Plant Operation Supervisor	0.00	0.00	1.00	1.00	1.00
Environmental Analyst	1.00	1.00	1.00	1.00	1.00
Environmental Assistant	1.00	1.00	1.00	1.00	1.00
Operator	5.00	5.00	5.00	5.00	5.00
Maintenance Mechanic	1.00	1.00	1.00	1.00	1.00
Water Pollution Control Plant Intern	0.46	0.46	0.46	0.46	0.46
Total	10.46	10.46	10.46	10.46	10.46

SEWER ENTERPRISE FUND - 500
SEWER TREATMENT PLANT - 641

EXPENDITURE SUMMARY

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2018-19	FY 2019-20	\$ Chg	% Chg
	Actual	Actual	Actual	Budget	Proposed		
Personnel			Thru Mar-19				
Salaries & Wages - 401	802,694	680,241	479,097	833,765	840,382	6,617	1%
Overtime - 402	32,744	30,347	35,897	36,500	36,500	-	0%
Employee Benefits - 410	539,611	700,580	294,916	491,063	502,962	11,899	2%
Medical Retirees - 411	30,387	1,820,363	43,610	-	-	-	0%
Total Salary & Benefits	1,405,436	3,231,531	853,520	1,361,328	1,379,844	18,516	1%
Services and Supplies							
Professional & Administrative Services - 42	195,149	161,664	114,007	401,130	399,520	(1,610)	0%
Other Operating Expenses - 43	569,450	584,877	478,740	600,000	600,000	-	0%
Materials & Supplies - 44	811,868	826,981	643,203	952,588	1,045,513	92,925	9%
Total Services and Supplies	1,576,467	1,573,522	1,235,951	1,953,718	2,045,033	91,315	4%
Capital Outlay							
Asset Acquisition/Improvement - 47		-	8,225	443,851	443,851	-	0%
Total Capital Outlay	-	-	8,225	443,851	443,851	-	0%
Indirect Cost Allocations							
Administrative Debits - 46122	2,153	251,111	197,426	305,877	341,658	35,781	10%
IS Charges - 46124	25,009	25,075	-	32,709	39,486	6,777	17%
Legal Charges - 46126	-	767	-	15,000	15,000	-	0%
General Liability Insurance - 46201	26,393	26,860	-	28,685	41,087	12,402	30%
Total Indirect Cost Allocations	53,554	303,812	197,426	382,271	437,231	54,960	13%
Depreciation							
Depreciation Expense - 47401	632,447	810,256	141,259	-	-	-	0%
Total Depreciation	632,447	810,256	141,259	-	-	-	0%
Total	3,667,905	5,919,122	2,436,382	4,141,168	4,305,959	164,791	4%

MAJOR NON-PERSONNEL EXPENSE DETAILS

		FY 2018-19	FY 2019-20
42101 Professional Services		\$ 53,500	\$ 53,500
Engineering contract services	\$ 10,000		
PCTV quarterly subcommittee meeting	3,500		
Solids handling alternatives feasibility study	20,000		
Railroad Ave. bridge right of way study	20,000		
42107 Equipment Maintenance		\$ 263,080	\$ 263,080
Equipment parts and supplies	\$ 131,580		
Equipment service	131,500		
42108 Maintenance Structure/Imp		\$ 42,000	\$ 30,000
Janitorial services	\$ 10,000		
Various structure refurbishment	20,000		
42109 Compliance Inspections		\$ 25,000	\$ 25,000
Laboratory supplies and safety equipment	\$ 10,000		
Public outreach materials	5,000		
Sampling analysis	10,000		
42201 Office Expense		\$ 5,000	\$ 5,000
Miscellaneous office supplies	\$ 5,000		
4230X Travel and Training		\$ 7,000	\$ 7,000
42301 State Certified operators training	\$ 6,000		
42302 Mileage, Air	1,000		
42401 Memberships		\$ 4,550	\$ 14,940
Bay Area Clean Water Assoc.(BACWA)	\$ 10,390		
Joint CWEA/WEF membership	2,550		
Technical publications	2,000		
42511 Equipment Rental		\$ 1,000	\$ 1,000
	\$ 1,000		
Total Professional/Administrative Services			\$ 399,520
4310X Utilities		\$ 600,000	\$ 600,000
PG&E	\$ 590,000		
EBMUD	10,000		
Total Other Operating Expenses			\$ 600,000

44301 Fuel	\$	10,000	\$	10,000
44302 Sludge Removal	\$	90,000	\$	108,000
Digester Cleaning		\$ 108,000		
44303 Chemicals	\$	688,000	\$	750,000
Chemicals for Plant Operations		\$ 750,000		
44304 Permit Fees	\$	64,588	\$	77,513
NPDES permit fee renewal		\$ 64,588		
BAAQMD		12,925		
44305 Laboratory Operations	\$	85,000	\$	85,000
Laboratory supplies		\$ 70,000		
Accelerated Chronic Toxicity Testing		15,000		
44410 Safety Clothing	\$	15,000	\$	15,000
Laundry service for uniforms, safety shoes/boots, gloves, etc.		\$ 15,000		
Total Materials and Supplies				\$ 1,045,513
47101 Equipment	\$	340,000	\$	340,000
Depreciation- Pinole only		\$ 340,000		