



FINANCE COMMITTEE ACTION MINUTES

Special Meeting
November 15, 2022

The Finance Committee of the City of Palo Alto met on this date in the Community Meeting Room and by virtual teleconference at 5:30 P.M.

Present In-Person: Burt, Filseth, Kou

Present Virtually:

Absent: DuBois (Chair)

Agenda Items

1. Approval of a Construction Contract With Anderson Pacific Engineering Construction (APEC) in the Total Amount of \$161,846,500; Approval of Three Amendments to Existing Agreements with: 1) Stanford University, 2) East Palo Alto Sanitary District, and 3) Mountain View and Los Altos; Approval of Amendment #2 to Contract Number C19171565 with Brown & Caldwell to Add Services, to Increase Compensation by \$1,484,689 for a New Maximum Compensation Not-to-Exceed \$5,908,791, and to Extend the Contract Term through March 31, 2028; Approval of Amendment #2 to Contract Number C21176592C with Carollo Engineers to Add Construction Management Services, to Increase Compensation by \$8,237,021; approval of a resolution to increase Clean Water State Revolving Fund financing to \$193,000,000; approval of a budget appropriation increasing revenue and expenses; and approval of an exception to Debt Policy 1-65 for the Secondary Treatment Upgrades Project (WQ-19001) at the Regional Water Quality Control Plant.

MOTION: Council Member Filseth moved, seconded by Mayor Burt to recommend the City Council:

1. Approve and authorize the City Manager or their designee to execute the construction contract (Contract) with Anderson Pacific Engineering Construction, Inc. (APEC), in the amount of \$161,846,500 for the

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Secondary Treatment Upgrades (STU) project, funded in Wastewater Treatment Enterprise Fund Capital Improvement Program (CIP) project WQ-19001, at the Regional Water Quality Control Plant;

2. Authorize the City Manager or their designee to execute one or more change orders to the contract with APEC for related, additional but unforeseen work that may develop during the project, the total value of which shall not exceed \$16,184,650 or 10% of the contract amount, for a total not-to-exceed amount of \$178,031,150;
3. Approve Amendment No. 8 to the agreement between Palo Alto and Stanford University (Attachment A); Addendum No. 1 to the Agreement between Palo Alto and the East Palo Alto Sanitary District (Attachment B); and Addendum No. 11 to the agreement among Palo Alto, Mountain View, and Los Altos (Attachment C);
4. Approve and authorize the City Manager or their designee to execute Amendment No. 2 to Contract No. C19171565 with Brown and Caldwell (BC) (Attachment D) to increase the contract amount by \$1,484,689 to provide design engineering services beyond the original scope of the contract for the design of the STU Project (CIP WQ-19001), and to extend the term through March 31, 2028. The revised total contract amount is not to exceed \$5,908,791 including \$5,371,628 for basic services and \$537,163 for additional services;
5. Approve and authorize the City Manager or their designee to execute Amendment No. 2 to Contract No. C21176592C with Carollo Engineers (Attachment E) to increase the contract amount by \$8,237,021 to provide construction management and inspection services during construction for the STU Project (CIP WQ-19001). The revised total contract amount is not to exceed \$8,841,268 including \$8,037,516 for basic services and \$803,752 for additional services;
6. Approve a resolution amending Resolution 9945 (Attachment F) to increase the reasonably expected maximum principal amount of funding to \$193,000,000 for design and construction of the Secondary Treatment Upgrades (CIP WQ-19001) and authorizing reimbursement of such funding from the Clean Water State Revolving Fund (SRF);
7. Approve an amendment to the FY 2023 Budget Appropriation for the Wastewater Treatment Fund (requires a 2/3 majority vote) by:
 - a. Increasing revenue from Other Agencies estimate from a State Revolving Fund Loan by \$44,200,400

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- b. Increasing the Secondary Treatment Upgrades capital project (WQ-19001) appropriation by \$44,200,400; and
- 8. Authorize an exception to City Policy and Procedures Debt Policy 1-65 Guideline V.A.6 to allow the Wastewater Treatment Enterprise Fund to use a debt limit exceeding 15 percent of annual Wastewater Treatment Enterprise Fund operating expenses.

MOTION PASSED: 3-0

- 2. Staff and the Utility Advisory Commission Recommend that the Finance Committee Recommend the City Council Adopt a Resolution Amending the EHRA (Electric Hydro Rate Adjuster) Rate Schedule, Increasing the Current EHRA Rate to \$0.026/kwWh Effective January 1, 2023

NO ACTION TAKEN: Item continued to the November 29, 2022 Finance Committee Meeting

Future Meetings and Agendas

Adjournment: The meeting was adjourned at 6:38 P.M.