



**MILPITAS CITY COUNCIL MEETING AGENDA
TUESDAY, MARCH 1, 2011**

6:00 P.M. (CLOSED SESSION) • 7:00 P.M. (PUBLIC BUSINESS)

SUMMARY OF CONTENTS

- I. CALL TO ORDER/ROLL CALL by the Mayor (6:00 p.m.)**
- II. ADJOURN TO CLOSED SESSION OF CITY COUNCIL**
 - 1) CONFERENCE WITH LABOR NEGOTIATOR - COLLECTIVE BARGAINING**
Pursuant to CA Government Code §54957.6 City Negotiator: Carmen Valdez
Employee Groups: Milpitas Supervisors Association (MSA), Milpitas Employees Association (MEA)
Under Negotiation: Wages, Hours, Benefits, and Working Conditions
 - 2) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Pursuant to CA government Code §54956.9, City of Milpitas as Plaintiff
- III. CLOSED SESSION ANNOUNCEMENT:** Report on action taken in Closed Session if required, pursuant to CA Govt. Code §54957.1, including the vote on abstention of each member present
- IV. PLEDGE OF ALLEGIANCE**
- V. INVOCATION** (Councilmember Giordano)
- VI. APPROVAL OF COUNCIL MEETING MINUTES** – February 8 and 15, 2011
- VII. SCHEDULE OF MEETINGS** – Council Calendar for March 2011
- VIII. PRESENTATION** – Proclaim Saturday, March 12, 2011 as Arbor Day
- IX. PUBLIC FORUM**

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an unagendized item, no response is required from City staff or the Council and no action can be taken; however, the Council may instruct the City Manager to agendize the item for a future meeting.

- X. ANNOUNCEMENTS**
- XI. ANNOUNCEMENT OF CONFLICT OF INTEREST**
- XII. APPROVAL OF AGENDA**
- XIII. CONSENT CALENDAR** (Items with asterisk*)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

XIV. PUBLIC HEARING

- 1. Hold a Public Hearing to Hear Appeal of Modifications to Conditions of Approval for Club Bahia at 78 Dempsey Road (Staff Contact: Tiffany Brown, 586-3283)**

XV. UNFINISHED BUSINESS

- 2. Receive Report on Water and Sewer Operating Costs and the Community Meeting for Proposed Water and Sewer Rate Increases (Staff Contact: Kathleen Phalen, 586-3345)**

XVI. REPORTS OF MAYOR AND VICE MAYOR

- 3. Review Budget Control Alternatives Discussed at the February 8, 2011, City Council Meeting, and Direct the City Manager on Those Items to be Incorporated into the Budget Planning Process (Contact: Mayor Esteves, 586-3029; and Staff Contact: Tom Williams, 586- 3050)**
- 4. Consider Mayor's Recommendation for Council Liaison Appointment to Milpitas Chamber of Commerce (Contact: Mayor Esteves, 586-3029)**
- 5. Review of Current Policy of Council Exception to Service on One City of Milpitas Commission (Contact: Vice Mayor McHugh, 586-3023)**
- * 6. Consider Mayor's Recommendation for Appointments to the Milpitas Recycling and Source Reduction Advisory Commission (Contact: Mayor Esteves, 586-3029)**

XVII. NEW BUSINESS

- * 7. Receive the January and February 2011 Odor Control Report (Staff Contact: Kathleen Phalen, 586-3345)**
- 8. Direct Staff to Enter Discussions with Ola's Exotic Coffee Inc To Expand Ola's Exotic Coffee Inc (Staff Contact: Diana Barnhart, 586-3059)**
- * 9. Sal Cracolice Facility Use Update (Staff Contacts: Bonnie Greiner, 586-3227. and James Lindsay, 586-3273)**

XVIII. ORDINANCE

- * 10. Waive the Second Reading and Adopt Ordinance No. 281 to Create a Housing Advisory Commission (Staff Contact: Diana Barnhart, 586-3059)**

XIX. RESOLUTIONS

- * 11. Adopt a Resolution Approving a New Hillside Home at 814 Calaveras Ridge Drive (Staff Contact: Tiffany Brown, 586-3283)**
- * 12. Approve a New Capital Improvement Project for Escuela Parkway Pedestrian and Bicycle Enhancement, Project No. 4258, and Adopt a Resolution Authorizing the Filing of a Grant Application for this Project (Staff Contact: Steve Chan, 586-3324)**

XX. BIDS AND CONTRACTS

- * 13. Authorize the City Manager to Execute Consultant Services Agreement with RMC Water and Environment for Support on the Bay Area Rapid Transit Project (BART), Project No. GT1063, and Various City Capital Projects (Staff Contact: Greg Armendariz, 586-3317)**

- * 14. **Receive Report from Public Works Director on Emergency Contract Work Order for Replacement of Variable Frequency Drives and Repair/Rebuild of Pump Motor Assemblies for the Ayer Pump Station, Project No. 7102, and Approve a Budget Appropriation (Staff Contact: Greg Armendariz, 586-3317)**

XXI. ADJOURNMENT

NEXT CITY COUNCIL MEETING:

**TUESDAY, MARCH 15, 2011
6:00 P.M BUDGET WORKSHOP
7:00 P.M. REGULAR SESSION**

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: mogaz@ci.milpitas.ca.gov / Fax: 408-586-3056 / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council/Redevelopment Agency after initial distribution of the agenda packet are available for public inspection at the City Clerk's Office/Information Desk at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, and at the Milpitas Library during normal business hours.

APPLY TO BECOME A CITY COMMISSIONER!

Current vacancies exist for the:

Arts Commission/Public Art Committee (alternate)

Community Advisory Commission (alternates)

Emergency Preparedness Commission (large industry rep.)

Mobile Home Park Rental Review Board

Parks, Recreation & Cultural Resources Commission (alternate)

Applications are available online at www.ci.milpitas.ca.gov or at the City Hall Information Desk.

Contact the City Clerk's office (586-3003) for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 586-3001 or send an email to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the Council Chambers for all meetings. TDD phone number (408) 586-3013.

AGENDA REPORTS

XIV. PUBLIC HEARING

1. Hold a Public Hearing to Hear Appeal of Modifications to Conditions of Approval for Club Bahia at 78 Dempsey Road (Staff Contact: Tiffany Brown, 586-3283)

Background: In 1992, a Conditional Use Permit was approved for the operation of a restaurant with ancillary live entertainment and beer and wine sales at 78 Dempsey Road within the Fiesta Plaza Shopping Center. The Fiesta Plaza Shopping Center is zoned Neighborhood Commercial. In 2008, Club Bahia took over operation of the restaurant and received an amendment (UA08-0010) to the Use Permit allowing the sale of all types of alcoholic beverages. In granting this amendment, the Planning Commission limited alcohol service to 1:00 AM and live entertainment to 2:00 AM. In January 2011, the Planning Commission held a properly noticed hearing and further limited the alcohol sales to 10:00PM and live entertainment to 12:00AM after considering information provided by City staff that the business was operating as a nightclub in the evening and early morning hours. Nightclubs are not permitted in the Neighborhood Commercial zoning district and the patrons of the business were creating a public nuisance by their behavior outside resulting in a significant number of calls for Police services.

Appeal: On January 20, 2011, Edward Gomez representing Club Bahia filed an appeal with the City Clerk's Office requesting the City Council overturn the changes to the Use Permit conditions made by the Planning Commission and allow the business to serve alcohol to 12:30 AM and have live entertainment until 2:00 AM.

Fiscal Impact: None.

Attachments:

- A. Council Resolution
- B. Club Bahia Appeal
- C. Staff Report from 1/12/2011 Planning Commission's Meeting
- D. Signed Planning Commission's Resolution & Conditions of Approval
- E. Planning Commission's 1/12/2011 Approved Meeting Minutes

Recommendations:

- 1. Open the public hearing
- 2. Move to close the public hearing after hearing public testimony
- 3. Adopt a resolution upholding the Planning Commission's actions to modify the conditions of approval.

XV. UNFINISHED BUSINESS

2. Receive Report on Water and Sewer Operating Costs and the Community Meeting for Proposed Water and Sewer Rate Increases (Staff Contact: Kathleen Phalen, 586-3345)

Background: On February 15, 2011, the City Council introduced Ordinances No. 120.46 and No. 208.47, which if adopted, will establish new water and sewer rates, and asked staff to present at the following Council meeting additional information on the City's operating expenses for these utilities. Staff will provide the requested information, including water and sewer operating cost comparisons to several neighboring cities that own and operate similar water distribution and sewer collection systems.

Staff is preparing for a community meeting on the proposed water and sewer rate increase scheduled to be at the Senior Center on March 26, approximately one week after property owners receive notice of the proposed increase. Staff will provide an outline of the information to be provided at the Council meeting for Council's comment.

Fiscal Impact: None.

Recommendation: Receive a report on Water and Sewer Operating Costs and the community meeting for the Proposed Water and Sewer Rate Increase.

XVI. REPORTS OF MAYOR AND VICE MAYOR

3. Review Budget Control Alternatives Discussed at the February 8, 2011, City Council Meeting, and Direct the City Manager on Those Items to be Incorporated into the Budget Planning Process (Contact: Mayor Esteves, 586-3029; and Staff Contact: Tom Williams, 586- 3050)

Background: On February 8, 2011, the City Council discussed and considered several budget control items in an effort to reduce the City's \$12 million structural deficit. At the request of the Mayor, these alternatives are being placed back on the agenda for formal consideration and direction by the City Council for inclusion into the budget planning process. Following is a list of budget alternatives discussed by City Council:

City Council Suggested Ideas		
	<u>General Fund Annual Savings</u>	<u>Feasible</u>
1. Extend step increases (e.g. from 5 steps to 10 steps)	\$140,000	Yes
2. Do not give COLA to those employees who have not reached top steps	\$279,000	No
3. Allow employee groups to match the cost of outsourcing	\$1,200,000	Yes
4. Renegotiate MOU provision to eliminate supplemental pay and discretionary benefits.	\$3,000,000	Yes
5. Partner with school for DARE (\$398,000) & Literacy Program (\$10,000) if school pays 50%	\$204,000	Yes
6. Suspend Public Art program (funded by RDA)	\$100,000	Yes
7. Suspend Non-core services		
-DARE	\$398,000	Yes
-Literacy	\$10,000	Yes
-Chamber Subsidy	\$32,100	Yes
8. Use Chamber Subsidy to fund Literacy Program, if at current level	\$10,000	Yes
9. Use Council training budget to fund Literacy Program, if at current level	\$10,000	Yes
10. Increase TOT rate by 2% to fund DARE and crossing guard. 2% TOT will generate.	\$1,168,000	Yes
11. Other alternatives for DARE – use civilians to teach program instead of Police officers	\$200,000	Yes
12. Change Vesting schedule for retiree medical benefits, e.g. 10 years – 19 years 50% vested	Unknown, need Actuarial study	Yes

20 years 100% vested

13. Not provide retiree medical benefits if the retiree has another job. Retirees have to self report	Unknown at this time	No
14. Cap sick leave hours, use it or lose it and no cash out	\$260,000	Yes
15. 10% reduction of City council's salary, phone allowance and car allowance	\$8,000	Yes
16. Reduction of Sports Center operating hours	TBD	Yes
17. Compare salaries & benefits with private industries	Unknown at this time	Yes
18. Re-organization additional contracting out of services	TBD	Yes
19. No "carryover" and no cash out of vacation & sick leave 30 days max, use it or lose it	\$800,000	Yes
20. Cap employee medical premium at current rate until employees pay 50%	\$365,000	Yes
21. Eliminate retiree medical benefits after age 65	\$183,000	Yes
22. Eliminate retiree dependent medical contribution	\$433,000	Yes
22. 2-Tiered CalPERS formula 2% @ 55 safety, 2% @ 60 non safety	\$1,235,000	Yes
23. 2-Tiered CalPERS formula Highest 3 years	\$230,000	Yes

Supplemental Pay Breakdown

<u>Description</u>	<u>% of Base Pay</u>	<u>Annual Cost</u>
Bilingual	2.5%	\$102,000
CA Certificates	4%	\$45,000
Canine	5%	\$21,000
Career Development	6%	\$155,000
Confidential	2%	\$12,000
Confidential	5%	\$6,000
Education (P.O.S.T.)	5%	\$97,000
Education (Advanced P.O.S.T.)	7.5%	\$617,000
Haz. Mat.	6%	\$64,000
Holiday-in-lieu	6%	\$1,189,000
Longevity	0.5% to 15.1%	\$1,089,000
Motorcycle	5%	\$55,000
Shift Differential	2.5%	\$6,000
Shift Differential	3.75%	\$4,000
Shift Differential	5%	\$50,000
Special Assignment	10%	\$26,000
Special Assignment	5%	\$3,000
Special Assignment	6%	\$12,000
Special Cert./Licenses	4%	\$107,000
SWAT	5%	\$66,000

Work out of class	10%	\$13,000
Work out of class	15%	\$10,000
Total		\$3,749,000

Fiscal Impact: \$6 million to \$9 million annual savings.

Recommendation: Direct staff to incorporate desired budget alternatives into the budget plan for Fiscal Year 2011-12.

4. Consider Mayor’s Recommendation for Council Liaison Appointment to Milpitas Chamber of Commerce (Contact: Mayor Esteves, 586-3029)

Background: Mayor Esteves would like to appoint one member of the City Council to serve as Council liaison to the Milpitas Chamber of Commerce. He will provide a recommendation at the City Council meeting.

Recommendation: Hear recommendation of Mayor Esteves, and move to approve his recommended appointment as Council liaison to Milpitas Chamber of Commerce.

5. Review of Current Policy of Council Exception to Service on One City of Milpitas Commission (Contact: Vice Mayor McHugh, 586-3023)

Background: Vice Mayor McHugh would like to discuss with the City Council the existing policy which permits residents to serve on only one Board or Commission at a time, unless an exception is made by the City Council. This policy is identified in the City Council handbook.

Recommendation: Hear report of Vice Mayor McHugh.

*** 6. Consider Mayor’s Recommendation for Appointments to the Milpitas Recycling and Source Reduction Advisory Commission (Contact: Mayor Esteves, 586-3029)**

Background: Mayor Esteves recommends the following citizens be appointed to the Milpitas Recycling and Source Reduction Advisory Commission:

Appoint Christopher Salian (current Alternate No. 1) as a regular member to a term that expires in October 2011.

Appoint Kashmir Gill (current Alternate No. 2) as Alternate No. 1 to a term that expires in October 2011.

Newly appoint Madan Arora as Alternate No. 2 to a term that expires in October 2012.

Recommendation: Consider the recommendations from Mayor Esteves, and move to approve his recommended appointments to the Milpitas Recycling and Source Reduction Advisory Commission.

XVII. NEW BUSINESS

*** 7. Receive the January and February 2011 Odor Control Report (Staff Contact: Kathleen Phalen, 586-3345)**

Background: On January 18, 2011, the City Council received a report on odor sources, controls, and the public odor complaint process. At that meeting, the Council noted that odors have reached unacceptable levels and directed staff to provide an odor report update at the first meeting of each month. The report is included in the Council packet.

From January 1 through February 23, 2011, the Bay Area Air Quality Management District (BAAQMD) hotline received 64 odor complaints from Milpitas. The report in the Council

packet describes the dates and descriptors for these complaints. Staff has been in contact with the stakeholders including Allied Waste and the San Jose/Santa Clara Water Pollution Control Plant to receive their assessments of the causes and corrective actions, and with the BAAQMD and the San Jose Local Enforcement Agency (LEA) to request their assistance with investigation. Both agencies are aware of the high level of odor complaints and are investigating the cause. LEA has jurisdiction over composting operations, while BAAQMD has jurisdiction over all other air quality impacts. Staff will continue monitoring the BAAQMD complaints and coordinating with the sources and regulatory agencies to ensure that all stakeholders are aware of the unacceptable odor impacts and are taking necessary action to control the sources.

Fiscal Impact: None. There is no fiscal impact from the recommended actions.

Recommendation: Receive the January and February 2011 Odor Control Report.

8. Direct Staff to Enter Discussions with Ola's Exotic Coffee Inc To Expand Ola's Exotic Coffee Inc (Staff Contact: Diana Barnhart, 586-3059)

Background: In March 2005, the City Council approved a staff request to enter discussions with Ola's Exotic Coffee Inc. on expansion incentives. At the time, then-Assemblyman Torrico introduced bills in the State Assembly to provide financial incentives and tax credits for manufacturing businesses and minutes of the City Council meeting indicate that those incentives were to be pursued. Unfortunately, the legislation died in Committee and was not reintroduced. There is no record of further discussions with Ola's Exotic Coffees for financial assistance.

Recently, Mr. Ola Hassan approached the City with a financial assistance request for \$120,000 to purchase coffee roasting and manufacturing equipment to establish a manufacturing site in Milpitas. Ola's Exotic Coffee has contracts with Wal-Mart and Sam's Club and is also negotiating with Amazon Grocery to supply coffee for online purchase. Currently, all the coffee is manufactured in San Jose and a larger facility is required for the increased orders. Mr. Hassan has not secured a location as of the writing of this staff report.

Cost of the manufacturing equipment to expand the business into Milpitas is estimated at \$120,000. While there are no state subsidies for this type of purchase, the California Industrial Development Bond Small Business Program may be available to provide financing for the equipment purchase. With Council's direction, staff will work with Ola's Exotic Coffee to try and secure this financial assistance.

Fiscal Impact: There is no fiscal impact associated with this request.

Recommendation: Direct staff to enter discussions with Ola's Exotic Coffee Inc to expand the coffee roasting and manufacturing business in Milpitas.

*** 9. Sal Cracolice Facility Use Update (Staff Contacts: Bonnie Greiner, 586-3227. and James Lindsay, 586-3273)**

Background: The Council's Rules Committee requested an update on the current and future uses of the Sal Cracolice facility be reviewed by the City Council. Since the opening of the new Barbara Lee Senior Center, the Sal Cracolice facility has primarily been utilized for special interest contract classes and facility rentals. From August 2010 to present, the facility has been rented nine times for private rentals, seven staff training classes, 15 Milpitas Community Band rehearsals, and offered 42 Recreation classes.

For Spring 2011 session, February 1 through May 27, 2011, Milpitas Parks & Recreation Services has 75 classes scheduled, which include the following: Youth Classes such as dance, keyboards, Rainbow Singers, drawing, painting, public speaking, SAT preparation, Bollywood aerobics, essay writing. Also specialty classes such as game design, film making, and creative

writing, and children's yoga. Based on this information, these classes would bring approximately \$54,028.00 in revenue.

For Summer 2011 session, June 6 through August 31, 2011, there are 64 classes planned which include the following: dance, writing, Sat preparation, Public Speaking, drawing, painting, Math, Specialty classes such as, film making, game design and animation, and cake decorating. Based on this information, these classes would bring approximately \$23,275.00 in revenue.

Last fall, staff conducted three community outreach meetings to solicit input on possible future uses of the buildings. Over 40 ideas were noted, the majority of which fell into the following three categories:

- Educational programs for youth and adults
- Recreational and special interest classes
- Sports center or gym

Fiscal Impact: None.

Recommendation: Receive the update report on Sal Cracolice facility use.

XVIII. ORDINANCE

- * 10. **Waive the Second Reading and Adopt Ordinance No. 281 to Create a Housing Advisory Commission (Staff Contact: Diana Barnhart, 586-3059)**

Background: On February 15, 2011, the City Council introduced Ordinance No. 281, which would create a Housing Advisory Commission. No changes have been made to the ordinance since its first reading.

Fiscal Impact: None.

Recommendations:

1. Waive the second reading of Ordinance No. 281.
2. Adopt Ordinance No. 281 to create a Housing Advisory Commission.

XIX. RESOLUTIONS

- * 11. **Adopt a Resolution Approving a New Hillside Home at 814 Calaveras Ridge Drive (Staff Contact: Tiffany Brown, 586-3283)**

Background: On February 9, 2011, the Planning Commission reviewed and recommended approval of a new 5,801 square foot home (SD10-0013) located at 814 E Calaveras Ridge within the Calaveras Ridge Estates Planned Unit Development (PUD). This lot is one of three remaining vacant lots within the PUD. The home is single story, and does not exceed the 17 foot height limit. The home is consistent with the General Plan, Zoning Ordinance, Hillside Combining District, and the PUD for the Calaveras Ridge Estates.

Fiscal Impact: None.

Recommendation: Adopt a resolution approving a new hillside home at 814 Calaveras Ridge Drive with conditions.

- * 12. **Approve a New Capital Improvement Project for Escuela Parkway Pedestrian and Bicycle Enhancement, Project No. 4258, and Adopt a Resolution Authorizing the Filing of a Grant Application for this Project (Staff Contact: Steve Chan, 586-3324)**

Background: Staff is submitting a Vehicle Emissions Reduction Based at Schools (VERBS) program grant proposal to the Santa Clara Valley Transportation Authority (VTA) for the Escuela Parkway Pedestrian and Bicycle Enhancement Project.

The project scope includes installation of 10-foot wide sidewalk and tree wells on the east side of Escuela Parkway between Washington Drive and Russell lane and a bus pullout on the eastside of Escuela Parkway in front of Milpitas High School. The estimated cost for these improvements is \$710,000. The City is requesting \$501,000 with a City local-match of \$65,000, plus \$144,000 for City administration and additional improvements, for a total of \$209,000 City funds required to design and construct the improvements. A resolution authorizing the filing of an application committing for the future appropriation of \$209,000 is required to further consideration of the project application.

Fiscal Impact: A budget of appropriation of \$209,000 from the street fund will be requested when the grant gets approved.

Recommendation: Approve a new capital improvement project, Escuela Parkway Pedestrian and Bicycle Enhancement, Project No. 4258, and adopt a resolution authorizing the filing of a grant application for this project.

XX. BIDS AND CONTRACTS

- * 13. **Authorize the City Manager to Execute Consultant Services Agreement with RMC Water and Environment for Support on the Bay Area Rapid Transit Project (BART), Project No. GT1063, and Various City Capital Projects (Staff Contact: Greg Armendariz, 586-3317)**

Background: On August 3, 2010, the City entered into a Master Agreement with the Santa Clara Valley Transportation Authority (VTA) for reimbursement of City work on the Silicon Valley Berryessa Extension project. VTA is preparing to issue requests for bid for a design-build contract this spring and contract award this fall, so the quantity and complexity of the City work exceeds available staff capacity. Since the Master Agreement also allows reimbursement of consultant costs for design review services, staff recommends awarding a consultant services agreement to RMC Water and Environmental to augment staff resources. As the City's water and sewer master plan consultant, RMC is well qualified to provide utility installation and relocation design review and general project support. The Consultant would be available to work on either the BART project directly or work on other capital improvement projects, thereby freeing staff to work on the BART project. The amount for this work shall not exceed \$154,468.00, which is considered reasonable for the work involved.

Fiscal Impact: None. Time spent by the Consultant or city staff on the BART project is reimbursable under the VTA Master Agreement. There is sufficient funding in the various City capital project budgets to allow the Consultant to backfill for staff.

Recommendation: Authorize the City Manager to execute the agreement with RMC Water and Environment in an amount not-to-exceed \$154,468 for engineering support associated with the BART extension, Project No. GT-1063, and various city capital projects.

- * 14. **Receive Report from Public Works Director on Emergency Contract Work Order for Replacement of Variable Frequency Drives and Repair/Rebuild of Pump Motor Assemblies for the Ayer Pump Station, Project No. 7102, and Approve a Budget Appropriation (Staff Contact: Greg Armendariz, 586-3317)**

Background: The Ayer pump station was built almost 20 years ago and it serves the residential population east of Highway 680 and provides water for Fire Emergencies to zone 2 of the water system. Recently a Variable Frequency Drive (VFD) that controls the pump assembly for one of the three pumps failed and is no longer working. Additionally, a recently completed series of

pump and motor tests at the station revealed that the second existing pump and motor assembly is out of specifications due to excessive wear which now is causing vibration. This leaves the water pump station with only one reliable operating pump assembly. Lastly, due to their age, there is a lack of available parts, and the VFD are getting more difficult to service and repair.

In order to maintain the reliability and serviceability of the Ayer pump station, and to protect the Public Health and Safety, the Public Works Director ordered immediate replacement of the three existing VFDs and repair or replace the three motor pump assemblies. Work scope and price quotes for these emergency repairs are estimated not to exceed \$650,000. The emergency work is estimated to take 8 to 12 weeks, depending on timely delivery of the pumps, motors and VFD assemblies.

This emergency contract work was ordered pursuant to Resolution No. 7779 approved by the Council and Public Code Sections 20168 and 22050 (b)(1), authorizing the Public Works Director to order emergency contract work and to let contracts without soliciting bids.

Fiscal Impact: Approve a budget appropriation from the Water Fund in the amount of \$650,000.

Recommendation: Receive report from the Public Works Director on the emergency contract work order for the replacement of variable frequency drives and repair/rebuild of pump motor assemblies for the Ayer Pump Station, Project No. 7102, and approve a budget appropriation.

XXI. ADJOURNMENT

**NEXT CITY COUNCIL MEETING:
TUESDAY, MARCH 15, 2011
6:00 P.M BUDGET WORKSHOP
7:00 P.M. REGULAR SESSION**