



**DATE:** April 15, 2025  
**TO:** Mayor and City Council  
**FROM:** Director of Public Works and City Attorney  
**SUBJECT:**

Adopt a Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Professional Services Agreement with Jones Hall, A Professional Law Corporation, and Increase the Contract Amount by \$111,000 for a Total Not-to-Exceed Amount of \$185,000, for Bond Counsel and Disclosure Counsel Services Related to the Water Resource Recovery Facility (WRRF) Improvements - Phase II Project

**RECOMMENDATION**

That City Council adopts a resolution (Attachment II) authorizing the City Manager to Execute Amendment No. 2 to the Professional Services Agreement with Jones Hall, a Professional Law Corporation, and Increase the Contract Amount by \$111,000 for a Total Not-to-Exceed Amount of \$185,000, for Bond Counsel and Disclosure Counsel Services Related to the Water Resource Recovery Facility (WRRF) Improvements - Phase II Project.

**SUMMARY**

On March 13, 2024, the City of Hayward and Jones Hall, a Professional Law Corporation, entered into an agreement for legal services related to the preparation and legal services related to the Water Infrastructure Finance and Innovation Act (WIFIA) loan and municipal bonds. Amendment No. 1 to the agreement with Jones Hall was executed on October 15, 2024, which set the not-to-exceed agreement amount to \$74,000. Staff now requires support in closing the WIFIA loan and the 2025 Wastewater Revenue Bonds and recommends that City Council authorize the City Manager to increase the agreement not to exceed amount to \$185,000.

**BACKGROUND AND DISCUSSION**

The City of Hayward’s Department of Public Works & Utilities is pursuing a major capital improvement project to improve the Water Resources Recovery Facility, formerly known as the Water Pollution Control Facility, (WRRF Phase II Improvement Project, the “Project”) to meet the nutrient reduction mandate for treated effluent identified in the 3<sup>rd</sup> Nutrients Watershed Permit adopted by the California Regional Water Quality Control Board in July

2024. The total cost of the Project is estimated at \$498 million, including capital costs, contingencies, and financing costs.

As part of the funding strategy, the City intends to finance the Project through the U.S. Environmental Protection Agency's Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) loan program (the "WIFIA Loan"), publicly-sold revenue bonds, a newly received grant from the Water Resources Development Act (WRDA), and sewer fund reserves. In April 2024, City Council authorized applying for the WIFIA Loan program. In May 2024, City Council adopted an Ordinance adding Article 22, Chapter 8 to the Hayward Municipal Code regarding Water and Wastewater Enterprise Revenue Bond Law. In February 2025, City Council authorized the issuance and sale of the 2025 Wastewater Revenue Bonds (2025 Bonds.) The City subsequently sold \$124,885,000 in 2025 Bonds at a true interest cost of 3.96%. The 2025 Bonds are expected to provide approximately 26% of the total funding needed for the Project.

Pursuing WIFIA Loan and municipal bonds requires specialized legal assistance from bond counsel and disclosure counsel to ensure compliance of all procedures, federal tax laws and regulations. Services provided to the City by Jones Hall include, but are not limited to, comprehensive finance planning, establishment of revenue bond law for the City, WIFIA Loan financing assistance, preparation of the Official Statement and federal tax law advisement. Jones Hall also assists the City in the creation of a revenue pledge structure that will accommodate State Revolving Fund financing and Revenue Bonds.

As City's bond counsel, related to the WRRF Improvements - Phase II Project and 2025 Bond, Jones Hall also provides the following services: preparation of all legal proceedings for authorization, issuance, and delivery of bonds by the City; preparation of documents required for closing of the issue; supervision of the closing; issuance of final approving opinion; and review of disclosure documents related to the sale of Revenue Bonds.

Staff now requires support in closing the WIFIA Loan and the 2025 Bonds. Staff recommends that City Council authorize the City Manager to amend the existing PSA with Jones Hall to increase the contract by a negotiated amount of \$111,000 for a not-to-exceed \$185,000 for these services.

## **ECONOMIC IMPACT**

There is no direct economic impact associated with approving this item.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Invest in Infrastructure. Specifically, this item relates to the implementation of the following project:

Project N22: Design Water Pollution Control Facility Phase II upgrade

## FISCAL IMPACT

This agenda item will not impact the City's General Fund. The funding for this item will be allocated from the following projects in the Sewer Improvement Fund 612 as follows:

<b>Project</b>	<b>Amount</b>
WRRF Phase II Improvements Project No. 07760	\$148,000
WRRF New Administration Building & Lab Project No. 07786	\$37,000
<b>Total</b>	<b>\$185,000</b>

## SUSTAINABILITY FEATURES

There are no sustainability features associated directly with this item. However, the WRRF Improvements – Phase II Project will maintain and improve the health of the San Francisco Bay, which is a vital resource for the region and the State. The Phase II Project will also satisfy the early actor requirements specific in the Water Board's 2nd Watershed Permit to reduce nitrogen loads to the Bay.

## PUBLIC CONTACT

There is no public contact required for this item.

## NEXT STEPS

If Council approves, the City Manager will execute Amendment No. 2 to the Professional Services Agreement with Jones Hall, a Professional Law Corporation, and Increase the Contract Amount by \$111,000 for a Total Not-to-Exceed Amount of \$185,000, for Bond Counsel and Disclosure Counsel Services Related to the Water Resource Recovery Facility (WRRF) Improvements - Phase II Project.

*Prepared by:* Elli Lo, Senior Management Analyst  
Vadim Sidelnikov, Assistant City Attorney

*Recommended by:* Alex Ameri, Director of Public Works  
Michael Lawson, City Attorney

Approved by:



Dr. Ana M. Alvarez, City Manager