

**MINUTES OF SILICON VALLEY CLEAN WATER
SPECIAL MEETING – JANUARY 18, 2018
8:00 a.m.**

ITEM 1

CALL TO ORDER

Commission Chair, Mr. Seybert called the meeting to order at 8:04 a.m.

ITEM 2

ROLL CALL - Commissioners Duly Appointed by Each Agency

Council Member John Seybert, Redwood City – Chair
Council Member Warren Lieberman, PhD., Belmont– Vice Chair
Mayor Robert Grassilli, San Carlos – Secretary
Board Member George B. Otte, P.E., West Bay Sanitary District

Commissioner Otte was absent for Roll Call and arrived soon after due to unforeseen circumstances.

Staff, Consultants and Visitors Present

Christine C. Fitzgerald, SVCW Legal Counsel
Daniel T. Child, SVCW Manager
Teresa Herrera, SVCW Assistant Manager/Chief Engineering Officer
Matt Anderson, SVCW Chief Financial Officer/Administration Manager
Monte Hamamoto, SVCW Chief Operating Officer
Ilana Schmidt, SVCW Executive Assistant/Commission Secretary Pro-Tem
Bill Bryan, SVCW Senior Engineer
Bruce Burnworth, SVCW Senior Engineer
Eric Hansen, SVCW Senior Engineer
Cindy Hui, SVCW Accounting Supervisor
Jennifer Flick, SVCW Human Resources Director
Derek Rampone, City of Redwood City
Molly Flowerday, City of Redwood City
E.J. Shalaby, DNS Strategic Partners, LLC
Bill Tanner, Tanner Pacific, Inc.
Mark Minkowski, Kennedy/Jenks

ITEM 3

PLEDGE OF ALLEGIANCE

Matt Anderson, SVCW's Chief Financial Officer / Administration Manager, led those attending the meeting in the recital of the Pledge of Allegiance.

ITEM 4
PUBLIC COMMENT

There was no Public Comment.

ITEM 5A
SAFETY MOMENT

Mr. Child discussed smoke alarm safety and maintenance tips to ensure reliability in an emergency.

ITEM 5B
MANAGER'S REPORT

SVCW Events: Mr. Child presented invitations to SVCW's Annual Employee Recognition Brunch being held on January 31, 2018, at 10:00 a.m.

Form 700: Mr. Child reminded the Commissioners to submit their Form 700's which are due on April 2, 2018. The Executive Assistant to the Manager will have hard-copies at the next Commission Meeting for those who don't plan to file electronically.

Bay Area Regional Conference for Reclaimed Water: Mr. Child invited Commissioners to attend the conference on Friday, March 9th from 8:00 a.m. to 5:00 p.m. He will send an email with additional details following the meeting.

ITEM 5C
FINANCIAL REPORTS

There were no questions on the Financial Reports.

ITEM 5F
RESCU PROGRAM DESIGN-BUILD STATUS UPDATE

Ms. Herrera provided an update on the Front of Plant and Gravity Pipeline Projects. Currently, the Gravity Pipeline project is in the design phase. There are a lot of geotechnical investigations needed at the plant, the airport property shaft, the San Carlos pump station site and at Bair Island. They are also working on hydraulic modeling and developing tunnel boring machine specifications to determine what is needed so the Agency can best procure the needed machine. Also in the design phase is the Front of Plant Project with a lot of effort going toward the receiving lift station which is needed to pump the incoming wastewater from the bottom of the tunnel up to the surface equipment. They're also doing hydraulic modeling for the entire facility's needs and geotechnical

investigations to determine how to get needed piles in place as early as this coming summer for the headworks and influent connector pipe construction.

Ms. Herrera pointed out discussion regarding the single point of interception between the two teams, the retrieval shaft and receiving lift station that are one and the same in the original RFP. It is called a figure 8 design, with the receiving lift station incorporating surge tanks, as well as serving as the retrieval shaft for removal of the TBM from the tunnel. This interface between the two contractors is still in discussions with both firms to evaluate a possible cost savings by redesigning that structure and possibly eliminating the need for both contractors to be in the same structure. The reason for this is to minimize the risk between the two contractors and would establish only one point of connection for the projects.

Lastly, Ms. Herrera passed out a two-page document with detailed information on the Front of Plant Project and intends to provide these updates monthly at the Commission Meetings. The report includes a visual dashboard highlighting key points on project activity, cost summary, schedule information, and safety. Also, Ms. Herrera is working on a program level update and plans to have a handout at the next Commission Meeting. It will be a four to five-page document primarily for staff use, both SVCW and member agency staff. An important part of it will be the expenditure section which looks at both what has been expended for the program to date as well as a quarterly forecast for anticipated program level expenses.

Commissioner Grassilli requested this report go to the Finance and Public Works Department as it will be very beneficial.

Ms. Herrera will have it uploaded to SVCW's website under the RESCU Program as well as email it to both the Technical Committee and Finance Committee members.

Commissioner Lieberman asked what RESCU stands for. Ms. Herrera replied the Regional Environmental Sewer Conveyance Updates.

ITEM 6

MATTERS OF COMMISSION MEMBER'S INTEREST

Commission Chair Mr. Seybert asked Legal Counsel, Ms. Fitzgerald, if the Consent Calendar could be approved with the majority present. Ms. Fitzgerald confirmed the Consent Calendar items could be approved and Commissioner Seybert proceeded.

ITEM 7

CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR

Motion/Second: Mr. Grassilli / Mr. Lieberman

The Motion carried by Unanimous Roll Call Vote.

Commissioner Seybert asked Ms. Fitzgerald if any decision was being made in Closed Session requiring all members be present. Ms. Fitzgerald replied that only direction may be given and with that, Commissioner Seybert requested the Agenda be reordered to have Closed Session held before the Business Items while Commissioner Otte was in route to the meeting.

ITEM 9

CLOSED SESSION

Closed Session was called to order at 8:15 a.m.

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: 930 Governor's Bay, Redwood City, CA (APN: 095-380-210)

SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hamner, Jewell & Associates);

SVCW Manager, Daniel T. Child

Negotiating Parties: Young/Leung

Under Negotiation: Price and terms

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: 928 Governor's Bay, Redwood City, CA (APN: 095-380-220)

SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hamner, Jewell & Associates);

SVCW Manager, Daniel T. Child

Negotiating Parties: Lau/Chang

Under Negotiation: Price and terms

C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: Lots B, F and Governor's Bays Drive of Redwood Shores Owners

Association in Governor's Bay, Redwood City, CA

SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hamner, Jewell & Associates);

SVCW Manager, Daniel T. Child

Negotiating Parties: Greenbriar Partners, A California general partnership

Under Negotiation: Price and terms

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: 999 Skyway Road, San Carlos, CA (APN: 046-081-780)

SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hamner, Jewell & Associates);

SVCW Manager, Daniel T. Child

Negotiating Parties: Hudson Skyway Landing, LLC, a Delaware Limited Liability Company

Under Negotiation: Price and terms

ITEM 10

RECONVENE FROM CLOSED SESSION

Open Session reconvened at 8:34 a.m. Ms. Fitzgerald reported that discussion was held on the above items and instructions were given to Staff and Counsel by the Commission. There was no action taken.

Commissioner Seybert announced the meeting would stand in recess until Commissioner Otte's arrival.

The meeting was called back to order at 8:37 a.m. with all Commissioners present for Roll Call.

ITEM 8A

CONSIDERATION OF RESOLUTION AUTHORIZING ISSUANCE AND SALE OF 2018 WASTEWATER REVENUE BONDS TO PROVIDE FINANCING FOR THE SVCW CAPITAL IMPROVEMENT PROGRAM

Mr. Anderson passed out talking points and displayed a visual summary. To date, approximately \$250 Million Dollars have been spent on the CIP, with nearly a third of the entire CIP Program completed. Recently, the RESCU Program entered into two Design-Build contracts and those have accelerated the pace of the expenditures. The money needed to fund the CIP program over the next eighteen months is estimated to be \$180 million. The funding will come from the upcoming bond proceed transactions as well as cash from the City of Belmont who has opted to not participate in this bond issuance. Lastly, West Bay has opted to fund \$35 million through the bond sale and will provide the balance of their share for this issuance through other means to be determined by the West Bay Board. The bond proceeds will firstly be used to pay off SVCW's Line of Credit (LOC) that has been drawn on, about \$11 Million Dollars as of January 2018, in the absence of proceeds. Mr. Anderson emphasized the importance of paying this to minimize the incurrence of additional interest fees and that it is a condition of the LOC agreement.

Anticipated spending of this round of funding includes the RESCU Program Projects as well as Treatment Plant projects.

Both SVCW and Member Entity staff have spent the last two months preparing for this bond issuance. The bond issuance will be brought to San Carlos' and the Redwood City's City Council Meetings for adoption in the coming days. This bond sale is a "competitive sale," which means several banks and institutions will be asked to submit a bid proposal for purchase of the bonds on February 8, 2018. Finally, the Closing documents will be signed by February 16th with the money scheduled for receipt by February 22, 2018.

Mr. Anderson thanked everyone for their support and proceeded with recommending the Commission adopt the set forth Resolution and related financial documents for the bond issuance.

Commissioner Seybert asked Mr. Anderson how well he thinks we will do with the competitive price in the market. Mr. Anderson replied that the financial advisors believe SVCW will do very well. In December a lot of municipalities were issuing bonds because of the recently approved federal tax reforms, which no longer allows for advance refunding of bonds. Those agencies were accelerating their issues to avoid this restriction and created a large amount of supply in the last few weeks of the year. Now in February, the supply is leaner and demand seems to be good. Therefore, the expected pricing is very good.

Commissioner Lieberman asked if the cash from the City of Belmont will be expected on February 22nd. Mr. Anderson said discussions have been held with Belmont's Finance Director, Thomas Fil, and a scheduled payment plan has been made. Belmont will make advanced quarterly payments based on a quarterly schedule provided by Mr. Anderson. Mr. Anderson and Ms. Herrera are still refining the quarterly expected expenditures report and will work with Mr. Fil to provide him with a workable format.

Mr. Child added that in discussions on how to best meet the needs of Belmont and insure SVCW has funds when needed, Mr. Fil agreed to pre-fund on a quarterly basis the amount anticipated to be spent in the upcoming quarter.

Motion/Second: Mr. Otte / Mr. Lieberman

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE ISSUANCE AND SALE OF 2018 WASTEWATER REVENUE BONDS TO PROVIDE ADDITIONAL FINANCING FOR WASTEWATER TREATMENT PROJECT AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS

The Resolution carried by Unanimous Roll Call Vote.

ITEM 11
ADJOURN

There being no further business, the meeting adjourned at 8:45 a.m.



Robert Grassilli, Secretary

By: Daniel T. Child, Manager