

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Thursday, November 8, 2018
8:00 a.m.**

Pelican Conference Room
Silicon Valley Clean Water
1400 Radio Road, 2nd Floor
Redwood City, CA 94065

COMMISSIONERS

COUNCIL MEMBER JOHN SEYBERT, REDWOOD CITY – CHAIR
COUNCIL MEMBER WARREN LIEBERMAN, PhD., BELMONT – VICE CHAIR
BOARD MEMBER GEORGE S. OTTE, P.E., WEST BAY SANITARY DISTRICT – MEMBER
MAYOR ROBERT GRASSILLI, SAN CARLOS – SECRETARY

MANAGER: TERESA A. HERRERA

ATTORNEY FOR THE AUTHORITY: CHRISTINE C. FITZGERALD

CONTROLLER: KIMBRA MCCARTHY

TREASURER: MATT ANDERSON

AMERICANS WITH DISABILITIES ACT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact SVCW (650) 591-7121. Notification in advance of the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Any member of the public may address and ask questions of the Chair under this item relating to any matter within the Commission's jurisdiction that does not appear as a separate item on the Agenda. An opportunity will be provided for members of the public to address the Chair and ask questions about any item that is listed on the agenda at the time the Commission considers the item and before action is taken. If you address the Commission on a non-agenda item, please be aware that the Ralph M. Brown Act (Gov. C. § 54950 et seq.) prohibits the Commission from acting on or discussing such matters at this meeting. Any such item may be referred to staff for a decision with regard to placing it on a future agenda for discussion, action or a report.

5. SAFETY MOMENT and REPORTS

A. Safety Moment

B. Manager's Report (verbal)

C. Financial Reports

1. Investment Report

September 30, 2018

2. Quarterly Financial Status Update

Presentation

D. Engineering Projects Status Update

October 2018

E. Commission Requested Staff-Level Action Items

F. RESCU Program Design-Build Project Status Update

6. MATTERS OF COMMISSION MEMBER'S INTEREST

A. 2019 Commission Meeting Dates

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR

8. BUSINESS ITEMS

A. CONSIDERATION OF RESOLUTION ADOPTING FINDINGS THAT THE PUMP STATION IMPROVEMENTS PROJECT (CIP #9501) IS A "SUBSTANTIALLY COMPLEX" PROJECT PURSUANT TO PUBLIC CONTRACT CODE SECTION 7201(B)(4) AND APPROVE THE RETENTION OF 10% OF ALL PROGRESS PAYMENTS MADE DURING STAGE 2 OF EACH PROJECT

Proposed Actions:

- Open Public Hearing and Receive Testimony

- Close Public Hearing

i. Move adoption of RESOLUTION FINDING THAT THE PUMP STATION IMPROVEMENTS PROJECT (CIP #9501) IS "SUBSTANTIALLY COMPLEX" AND APPROVING RETENTION OF 10% OF EACH PROGRESS PAYMENT FOR STAGE 2 OF THE PROJECT

B. CONSIDERATION OF RESOLUTION ADOPTING RECOMMENDED CHANGES TO THE CAPITAL IMPROVEMENT PROGRAM (CIP) COSTS, UPDATED FOR ANTICIPATED ESCALATION DUE TO MARKET CONDITIONS AND INFLATION AND CHANGES TO PROJECTS

Proposed Actions: Move adoption of RESOLUTION APPROVING AND ADOPTING THE 2018 UPDATE OF THE SILICON VALLEY CLEAN WATER CAPITAL IMPROVEMENT PROGRAM PLAN AND CORRESPONDING CEQA CONCLUSIONS

- C. CONSIDERATION OF RESOLUTION APPROVING STAGE 2B AMENDMENT TO THE GRAVITY PIPE (GP) DESIGN-BUILD AGREEMENT WITH BARNARD BESSAC JOINT VENTURE (BBJV), APPROVE KENNEDY/JENKS TASK ORDER FOR OWNER'S ENGINEERING ADVISOR SERVICES AND TANNER PACIFIC TASK ORDER FOR CONSTRUCTION QUALITY ASSURANCE SERVICES ASSOCIATED WITH STAGE 2 OF THE GRAVITY PIPELINE PROJECT (CIP #6008).

Proposed Actions:

- i. Move adoption of RESOLUTION APPROVING STAGE 2B AMENDMENT TO THE DESIGN-BUILD AGREEMENT FOR GRAVITY PIPELINE PROJECT (CIP #6008); AUTHORIZING EXECUTION OF STAGE 2B AMENDMENT AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS AND ALLOWANCES UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID AMENDMENT – BARNARD-BESSAC JOINT VENTURE - \$206.7 MILLION
- ii. Move approval of TASK ORDER SCOPE AND BUDGET FOR OWNER'S ADVISOR SERVICES FOR THE GRAVITY PIPELINE PROJECT STAGE 2 (CIP #6008) IN AN AMOUNT NOT TO EXCEED \$4,000,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – KENNEDY/JENKS CONSULTANTS
- iii. Move approval of TASK ORDER SCOPE AND BUDGET FOR CONSTRUCTION QUALITY ASSURANCE SERVICES FOR THE GRAVITY PIPELINE PROJECT STAGE 2 (CIP #6008) IN AN AMOUNT NOT TO EXCEED \$7,500,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – TANNER PACIFIC INC.

9. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 (One Potential Case)

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code §54956.9(d)(1)

Case Name: *Silicon Valley Clean Water and David A. Hall, Petitioners v. Board of Administration, California Public Employees' Retirement System, Respondents* (San Mateo County Superior Court Case No. 18 CIV 01336)

C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code §54956.9 (12 potential cases): CalPERS' Determination to Exclude Performance Pay from Retirement Benefit Calculations and Opportunity to Appeal Determination

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: San Carlos Airport Property, various locations

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

SVCW Manager, Teresa A. Herrera; Bruce Burnworth (*MPF Consulting, Inc.*)

Negotiating Parties: County of San Mateo

Under Negotiation: Price and terms

E. 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 (Hamner, Jewell & Associates);

SVCW Manager, Teresa A. Herrera

Negotiating Parties: Young/Leung

Under Negotiation: Price and terms

F. 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 (Hamner, Jewell & Associates);

SVCW Manager, Teresa A. Herrera

Negotiating Parties: Lau/Chang

Under Negotiation: Price and terms

G. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: Lots B, F and (Portion) Governor's Bay Drive, Redwood City, CA

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

SVCW Manager, Teresa A. Herrera

Negotiating Parties: Greenbriar Partners, a California General Partnership

Under Negotiation: Price and terms

10. RECONVENE IN OPEN SESSION – Announce action taken in Closed Session, if any.

11. ADJOURN

CONSENT CALENDAR

NOTICE TO PUBLIC

All matters listed under CONSENT CALENDAR are considered to be routine. There may be discussion on items on the CONSENT CALENDAR. All items will be enacted by one motion with a roll call vote unless members of the Commission, staff, or public request specific items be removed from the CONSENT CALENDAR for separate action.

7. A. APPROVAL OF MINUTES – October 11, 2018, Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED OCTOBER 5, 2018, AND OCTOBER 19, 2018 AND NECESSARY PAYMENTS THROUGH OCTOBER 2018
- C. CONSIDERATION OF RESOLUTION APPROVING SVCW'S STANDARD CONTRACT DOCUMENTS, VERSION NOVEMBER 2018

Proposed Action: Move adoption of RESOLUTION APPROVING SVCW'S STANDARD LONG-FORM CONSTRUCTION CONTRACT DOCUMENTS, SHORT-FORM CONSTRUCTION CONTRACT DOCUMENTS AND PROCUREMENT CONTRACT DOCUMENTS - VERSIONS NOVEMBER 2018

- D. CONSIDERATION OF RESOLUTION APPROVING MASTER SERVICES AGREEMENT WITH NEXINITE LLC FOR INFORMATION TECHNOLOGY COORDINATION SERVICES

Proposed Action: Move adoption of RESOLUTION APPROVING MASTER SERVICES AGREEMENT FOR INFORMATION TECHNOLOGY COORDINATION SERVICES WITH NEXINITE LLC

- E. CONSIDERATION OF RESOLUTION APPROVING AGREEMENT WITH PG&E FOR GENERATING FACILITY INTERCONNECTIONS ELECTRIC RULE NO. 21 (CIP #9807) AND SUBMIT A FINANCIAL SECURITY POSTING FOR THE INTERCONNECTION COSTS

Proposed Action:

- i. Move adoption of RESOLUTION APPROVING AGREEMENT WITH PG&E FOR GENERATING FACILITY INTERCONNECTIONS ELECTRIC RULE NO. 21 FACILITY FOR NEW 12KV SWITCHGEAR PROJECT (CIP #9807), AUTHORIZING EXECUTION OF AGREEMENT AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT – PACIFIC GAS & ELECTRIC – \$192,881
- ii. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER APPROVING AND AUTHORIZING THE POSTING OF A SECURITY INSTRUMENT THROUGH THE ISSUANCE OF A LETTER OF CREDIT TO PG&E IN THE

AMOUNT OF \$192,881 FOR GENERATING FACILITY INTERCONNECTIONS ELECTRIC
RULE NO. 21 FACILITY FOR NEW 12KV SWITCHGEAR PROJECT (CIP #9807) – PACIFIC
GAS & ELECTRIC

AGENDA ITEM 5A

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SAFETY MOMENT



Knowing when to wear safety eyewear involves using common sense to assess hazards in the workplace, at home and during recreation.

Eye Injury Can Happen Anywhere and Anytime

According to Workplace Eye Injury, almost half (44%) of eye injuries occur at home, and 40% occur during sports. Work-related accidents account for 15% of all eye injuries.

Eye Hazards Always Exist

A hazard is any impending danger or risk. Sometimes foreseeable, at times not, eye hazards always exist, though some are more common than others.

The 5 Most Common Types of Eye Injuries are:

1. **Scratches:** Most commonly, an eye becomes scratched when a foreign body enters it and the individual then rubs the eye in an attempt to remove the irritation. Eyes can also become scratched when they are hit by a foreign body. A scratched eye can become severe very quickly, with a fungal infection, for example, so seeing a doctor if there is no improvement in a day or two is crucial.
2. **Chemical Burn:** This type of injury often happens when a chemical is splashed into the eye or transferred from an individual's hands. Finding out the type of chemical, acid or alkali, is crucial since acid can be washed out more easily than alkali. If eyes become red or blurry or do not improve after 24 hours, visit a doctor.
3. **Flash Burn:** Burns to the eyes come from sources such as sunlight, welding, tanning booths, and sunlamps. Protecting eyes against sunburn, and taking precaution in welding and other situations is essential to preventing flash burns.
4. **Foreign Object:** An object in the eye can be anything from an eyelash and dust to wood splinters and food. Time and eye flushing can remove these objects. If the eye is scratched by the object and does not improve in a couple of days, see your doctor.
5. **Impacts:** These types of injuries often happen in sports, and the result is usually a swollen, black and blue eye. It's important to check for additional injuries, such as a broken eye socket or internal damage. When a blow to the eye occurs, see your doctor right away.

Knowing When to Wear Safety Eyewear is Critical

Your overall risk is related to the probability of exposure and the severity of the outcome. You only have one set of eyes, and the goal is to protect yourself. You have to be cognizant at all times of what the appropriate equipment is.

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AGENDA ITEM 5C

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SILICON VALLEY CLEAN WATER

JOINT POWERS AUTHORITY ~ A PUBLIC ENTITY



1400 RADIO ROAD
REDWOOD CITY, CALIFORNIA 94065
650.591.7121 | FAX: 650.591.7122
WWW.SVCW.ORG

CITY OF SAN CARLOS | CITY OF REDWOOD CITY | CITY OF BELMONT | WEST BAY SANITARY DISTRICT

SILICON VALLEY CLEAN WATER INVESTMENT LISTING September 30, 2018

Broker/Dealer Investment Name	Composite Credit	Maturity	Coupon Rate	Yield to Maturity	Par Value	Market Value	Cost	Estimated Annual \$ Yield Earnings
Annual OPS and CAP Budget Reserve								
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	02/01/2020	5.000%	2.95	22,257	22,511	23,481	664
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2019	2.375%	2.69	60,000	59,767	61,111	1,607
FEDERAL HOME LOAN BKS CONS BDS	AA+	02/18/2021	1.375%	2.85	30,000	28,983	30,263	827
FEDERAL HOME LOAN BKS CONS BDS	AA+	07/01/2019	4.375%	2.64	50,000	50,617	51,283	1,337
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/13/2019	4.500%	2.65	100,000	101,701	103,311	2,692
FEDERAL NATL MTG ASSN	AA+	06/22/2020	1.500%	2.79	30,000	29,365	30,253	820
FEDERAL NATL MTG ASSN	AA+	11/30/2020	1.500%	2.84	100,000	97,221	99,795	2,763
FEDERAL NATL MTG ASSN	AA+	02/26/2021	1.375%	2.87	100,000	96,574	99,723	2,767
FEDERAL NATL MTG ASSN	AA+	11/27/2018	1.625%	2.23	60,000	59,945	60,229	1,334
FEDERAL NATL MTG ASSN GTD REMIC	NR	09/25/2019	2.171%	2.46	132,834	131,934	134,578	3,251
FEDERAL NATL MTG ASSN	AA+	09/25/2020	1.750%	3.02	100,000	97,720	100,475	2,947
FEDERAL HOME LN MTG CORP MULTICLASS	NR	11/25/2019	1.869%	2.98	112,283	111,142	112,125	3,315
FEDERAL HOME LN MTG CORP	AA+	05/30/2019	1.750%	2.50	30,000	29,850	30,254	746
FEDERAL HOME LN MTG CORP	AA+	10/02/2019	1.250%	2.63	30,000	29,587	30,117	778
FEDERAL HOME LN MTG CORP MULTICLASS	N.A.	04/15/2020	4.000%	3.65	1,706	1,707	1,758	62
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	12/01/2019	5.500%	2.89	11,137	11,221	11,777	324
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	03/01/2020	5.500%	4.52	295	295	305	13
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	04/01/2020	5.000%	3.00	11,047	11,381	11,662	341
SMALL BUSINESS ADMIN GTD LN POOL	N.A.	02/25/2019	4.825%	1.18	8,282	8,241	8,594	97
U S BANCORP MTNS BK ENT FR	A+	11/15/2018	1.950%	-	50,000	49,970	50,026	-
UNIVERSITY CALIF REVS FOR PREV GEN	AA	07/01/2019	1.796%	2.61	50,000	49,666	49,856	1,296
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	10/26/2018	1.010%	2.42	80,000	79,929	80,000	1,933
MONTGOMERY CNTY MD CTFB PARTN COPS	N.A.	11/01/2019	1.200%	2.98	100,000	98,135	100,029	2,927
RICHMOND VA GO PUB IMPT BDS C	AA	07/15/2021	2.599%	3.07	100,000	98,594	103,510	3,026
PORT MORROW ORE TRANSMISSION F REV	AA	09/01/2021	2.737%	3.24	100,000	98,550	103,258	3,197
WACO TEX INDPT SCH DIST REF BDS	N.A.	02/15/2020	4.000%	2.91	110,000	111,353	114,357	3,237
FEDERAL HOME LN MTG CORP	AA+	12/30/2019	1.500%	2.84	80,000	78,778	80,000	2,240
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	07/19/2021	2.030%	3.01	60,000	58,332	60,000	1,753
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	01/24/2022	2.050%	3.07	40,000	38,670	40,000	1,188
FEDERAL HOME LN MTG CORP MEDIUM	AA+	07/27/2020	1.625%	2.90	80,000	78,304	80,000	2,272
FEDERAL HOME LN MTG CORP	AA+	05/15/2020	1.600%	2.88	150,000	147,237	150,000	4,233
FEDERAL HOME LN MTG CORP	AA+	05/01/2020	1.375%	2.78	70,000	68,475	69,740	1,905
FEDERAL NATL MTG ASSN	AA+	10/07/2021	1.375%	2.91	70,000	66,904	69,293	1,946
FEDERAL HOME LN MTG CORP	AA+	01/13/2022	2.375%	2.92	35,000	34,396	35,870	1,005
FEDERAL HOME LOAN BKS CONS BDS	AA+	07/29/2020	1.830%	2.87	140,000	137,542	140,769	3,943
FEDERAL HOME LOAN BKS CONS BDS	AA+	06/12/2020	1.750%	2.79	140,000	137,495	140,648	3,832
FEDERAL NATL MTG ASSN	AA+	05/06/2021	1.250%	2.85	90,000	86,376	89,171	2,465
FEDERAL NATL MTG ASSN	AA+	08/17/2021	1.250%	2.89	90,000	86,008	88,940	2,486
FEDERAL NATL MTG ASSN	AA+	09/28/2020	1.750%	2.97	30,000	29,381	30,000	872
ALTRIA GROUP INC SR NT	A-	08/09/2022	2.850%	3.47	30,000	29,338	30,230	1,018
US TREASURY NOTE	NR	03/15/2020	1.625%	2.75	50,000	49,208	49,813	1,351
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/11/2020	1.620%	2.94	140,000	136,822	138,371	4,020
FEDERAL HOME LN MTG CORP	AA+	03/26/2021	2.700%	3.01	50,000	49,527	49,938	1,488
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/15/2020	2.500%	2.92	100,000	99,395	99,925	2,902
FEDERAL NATL MTG ASSN	AA+	03/26/2021	2.700%	3.05	100,000	99,362	100,000	3,033
FEDERAL NATL MTG ASSN	AA+	10/19/2022	3.000%	3.25	50,000	49,518	50,000	1,609
US TREASURY NOTE	NR	07/31/2020	2.000%	2.80	20,000	19,716	19,797	553
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/19/2022	3.170%	3.23	80,000	79,894	80,000	2,580
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/27/2021	3.000%	3.07	100,000	99,997	100,000	3,066
CASH & EQUIVALENTS	-	-	-	1.90	-	186,963	186,963	3,552
Annual OPS and CAP Budget Reserve Total						\$ 3,513,594	\$ 3,581,596	\$ 97,617

Capital Improvement Program Reserve

DESCRIPTION LINE 1	Bloomberg Composite	Maturity	Coupon Rate	Yield-to- Maturity	Units	Market Value	Carrying Value	Estimated Annual \$ Yield Earnings
APPLE INC SR FLT NT	AA+	02/07/2020	2.591%	2.50	100,000	100,298	99,821	2,511
BERGEN CNTY N J TAXABLE GO BDS 2008	N.A.	11/01/2019	6.000%	5.85	100,000	100,289	102,183	5,870
CALIFORNIA ST GO BDS TAXABLE	AA-	10/01/2019	6.200%	3.34	100,000	103,293	106,099	3,450
CHEVRON CORPORATION SR NT	AA-	03/03/2019	4.950%	2.59	100,000	100,862	101,483	2,609
CISCO SYS INC SR GLBL NT	A+	01/15/2020	4.450%	2.83	125,000	127,504	129,705	3,603
COLGATE PALMOLIVE CO MTNS FR	AA-	11/01/2018	1.500%	2.80	100,000	99,931	100,081	2,802
EXXON MOBIL CORP SR FLT NT	AA+	03/15/2019	2.484%	2.42	100,000	100,064	99,935	2,422
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	02/01/2019	5.000%	3.68	4,942	4,970	5,211	183
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2019	2.375%	2.69	340,000	338,681	343,278	9,104
FEDERAL HOME LOAN BKS CONS BDS	AA+	02/18/2021	1.375%	2.85	100,000	96,609	100,876	2,755
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	04/06/2020	5.300%	3.06	450,000	466,673	481,995	14,285
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/03/2019	5.320%	2.92	50,000	51,245	51,857	1,495
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/11/2020	2.875%	2.86	60,000	60,029	61,683	1,714
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/24/2019	1.520%	2.70	250,000	248,208	250,000	6,699
FEDERAL HOME LOAN BKS CONS BDS	AA+	08/15/2019	5.125%	2.61	60,000	61,286	62,144	1,597
FEDERAL HOME LOAN BKS CONS BDS	AA+	06/12/2020	4.625%	2.95	200,000	205,970	211,110	6,070
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/14/2018	3.750%	2.26	250,000	250,768	253,048	5,662
FEDERAL HOME LOAN BKS CONS BDS	AA+	07/01/2019	4.375%	2.64	25,000	25,309	25,641	669
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2019	4.125%	2.72	125,000	127,046	130,679	3,454

Broker/Dealer Investment Name	Composite		Coupon	Yield to	Par Value	Market Value	Estimated	
	Credit	Maturity	Rate	Maturity			Cost	Annual \$ Yield Earnings
FEDERAL HOME LOAN BKS CONS BDS	AA+	03/13/2020	4.125%	2.78	700,000	713,230	725,659	19,806
FEDERAL NATL MTG ASSN	AA+	01/21/2020	1.625%	2.72	100,000	98,590	101,010	2,684
FEDERAL NATL MTG ASSN	AA+	06/22/2020	1.500%	2.79	50,000	48,941	50,422	1,367
FEDERAL NATL MTG ASSN	AA+	11/30/2020	1.500%	2.84	170,000	165,276	169,637	4,697
FEDERAL NATL MTG ASSN	AA+	12/28/2020	1.875%	2.84	325,000	318,188	330,129	9,024
FEDERAL NATL MTG ASSN	AA+	02/26/2021	1.375%	2.87	240,000	231,778	239,718	6,640
FEDERAL NATL MTG ASSN	AA+	11/27/2018	1.625%	2.23	150,000	149,862	150,573	3,334
FEDERAL HOME LN MTG CORP MULTICLASS	NR	06/25/2020	3.531%	3.07	100,000	100,701	106,188	3,093
FEDERAL HOME LN MTG CORP	AA+	03/27/2019	3.750%	2.40	500,000	503,290	505,728	12,079
FEDERAL HOME LN MTG CORP	AA+	05/30/2019	1.750%	2.50	50,000	49,751	50,423	1,243
FEDERAL HOME LN MTG CORP	AA+	10/02/2019	1.250%	2.63	50,000	49,311	50,195	1,297
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	04/01/2019	2.680%	2.87	458,953	458,338	478,028	13,154
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	04/01/2019	5.000%	2.59	5,401	5,564	5,693	144
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	07/01/2019	4.821%	3.83	200,371	202,561	222,287	7,758
MICROSOFT CORP NT	AAA	06/01/2019	4.200%	2.71	100,000	100,964	102,344	2,733
MONONA WIS TAXABLE PROM NTS 2015B	N.A.	06/01/2020	3.250%	3.22	100,000	100,131	100,618	3,219
NEW YORK N Y GOBDS 2011 C TAXABLE	N.A.	10/01/2018	3.480%	3.42	100,000	100,000	100,759	3,422
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	10/26/2018	1.010%	2.42	100,000	99,911	100,000	2,417
MONTGOMERY CNTY MD CTF5 PARTN COPS	N.A.	11/01/2019	1.200%	2.98	100,000	98,135	100,029	2,927
RICHMOND VA GO PUB IMPT BDS C	AA	07/15/2021	2.599%	3.07	100,000	98,594	103,510	3,026
BANK NEW YORK MTN BK ENT FR	A+	11/27/2020	2.450%	3.15	100,000	98,521	102,146	3,105
GILEAD SCIENCES INC SR NT	A-	09/01/2020	2.550%	3.10	100,000	98,995	102,154	3,066
WISCONSIN ST GEN FD ANNUAL APP REV	AA-	05/01/2021	1.616%	3.23	100,000	95,908	100,096	3,096
PORT MORROW ORE TRANSMISSION F REV	AA	09/01/2021	2.737%	3.24	225,000	221,738	232,331	7,193
WACO TEX INDPT SCH DIST REF BDS	N.A.	02/15/2020	4.000%	2.91	165,000	167,030	171,536	4,856
FEDERAL NATL MTG ASSN	AA+	05/26/2021	1.800%	3.03	260,000	251,716	260,000	7,614
FEDERAL HOME LN MTG CORP	AA+	12/30/2019	1.500%	2.84	260,000	256,030	260,000	7,279
FEDERAL HOME LN MTG CORP	AA+	12/30/2020	1.750%	2.92	340,000	331,690	340,000	9,682
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	07/19/2021	2.030%	3.01	80,000	77,776	80,000	2,338
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	01/24/2022	2.050%	3.07	120,000	116,010	120,000	3,565
FEDERAL HOME LN MTG CORP MEDIUM	AA+	07/27/2020	1.625%	2.90	80,000	78,304	80,000	2,272
FEDERAL HOME LN MTG CORP	AA+	05/15/2020	1.600%	2.88	220,000	215,948	220,000	6,208
FEDERAL HOME LN MTG CORP	AA+	10/26/2021	2.000%	2.98	220,000	212,522	220,000	6,325
FEDERAL HOME LOAN BKS CONS BDS	AA+	04/27/2022	2.300%	3.07	220,000	215,246	219,505	6,599
FEDERAL HOME LN MTG CORP	AA+	05/01/2020	1.375%	2.78	290,000	283,684	288,884	7,892
FEDERAL NATL MTG ASSN	AA+	10/07/2021	1.375%	2.91	140,000	133,808	138,586	3,891
FEDERAL HOME LN MTG CORP	AA+	01/13/2022	2.375%	2.92	310,000	304,646	316,073	8,905
FEDERAL NATL MTG ASSN	AA+	01/05/2022	2.000%	2.92	610,000	592,670	608,332	17,318
FEDERAL HOME LOAN BKS CONS BDS	AA+	06/12/2020	1.750%	2.79	170,000	166,959	170,787	4,653
FEDERAL NATL MTG ASSN	AA+	05/06/2021	1.250%	2.85	170,000	163,154	168,435	4,656
FEDERAL NATL MTG ASSN	AA+	08/17/2021	1.250%	2.89	170,000	162,459	167,997	4,695
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	07/19/2022	1.900%	3.12	165,000	158,756	165,634	4,955
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	08/03/2022	1.900%	3.12	165,000	158,687	165,348	4,943
FEDERAL NATL MTG ASSN	AA+	04/05/2022	1.875%	2.94	170,000	164,077	170,568	4,816
FEDERAL HOME LOAN BKS CONS BDS	AA+	08/15/2022	1.850%	3.08	130,000	124,775	130,836	3,847
FEDERAL NATL MTG ASSN	AA+	09/28/2020	1.750%	2.97	120,000	117,524	120,000	3,488
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	04/04/2022	2.100%	3.09	220,000	212,956	220,000	6,570
FEDERAL HOME LN MTG CORP	AA+	10/12/2021	2.000%	3.01	120,000	116,261	120,000	3,501
BANK AMER CORP FR	A-	05/13/2021	5.000%	3.35	75,000	77,938	80,486	2,612
CONSTELLATION BRANDS INC SR GLBL NT	BBB-	11/06/2020	2.250%	3.35	25,000	24,428	24,942	817
HOME DEPOT INC SR GLBL NT	A	04/01/2021	2.000%	3.04	80,000	77,988	79,838	2,368
LORILLARD TOB CO SR NT	BBB	05/01/2020	6.875%	3.33	25,000	26,351	27,166	877
MORGAN STANLEY SR NT	A-	01/27/2020	2.650%	3.03	80,000	79,487	80,571	2,406
ORACLE CORP SR GLBL	A+	05/15/2022	2.500%	3.28	80,000	77,864	80,078	2,551
PHILIP MORRIS INTL INC SR NT	A	03/26/2020	4.500%	3.08	25,000	25,510	25,918	786
STARBUCKS CORP SR GLBL	BBB+	02/04/2021	2.100%	3.17	80,000	78,084	79,979	2,478
3M CO FR	A+	06/26/2022	2.000%	3.16	100,000	95,958	99,001	3,031
FEDERAL HOME LN MTG CORP	AA+	12/29/2021	2.250%	3.01	120,000	117,010	120,000	3,525
FEDERAL HOME LOAN BKS CONS BDS	AA+	10/26/2022	2.280%	3.03	100,000	96,894	99,600	2,932
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/11/2020	1.620%	2.94	400,000	390,920	395,347	11,485
FEDERAL HOME LOAN BKS CONS BDS	AA+	11/29/2021	1.875%	2.91	300,000	290,754	295,904	8,470
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/15/2021	2.200%	2.99	300,000	293,409	298,050	8,779
FEDERAL NATL MTG ASSN	AA+	11/26/2019	1.750%	2.67	300,000	296,856	298,966	7,932
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	05/17/2021	1.970%	3.02	100,000	97,326	98,338	2,939
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/15/2020	2.500%	2.94	160,000	159,032	159,880	4,674
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	11/22/2021	2.740%	3.13	100,000	98,792	99,975	3,087
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/01/2021	2.750%	3.11	60,000	59,540	59,970	1,851
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/01/2020	2.450%	2.95	90,000	89,231	89,978	2,632
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	03/07/2022	2.850%	3.15	100,000	99,109	100,000	3,120
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/20/2021	2.840%	3.00	100,000	99,177	100,000	2,974
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	03/29/2021	2.710%	3.04	80,000	79,554	80,000	2,422
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/29/2022	3.000%	3.24	100,000	99,551	100,000	3,223
FEDERAL HOME LN MTG CORP	AA+	12/14/2022	2.000%	3.08	25,000	24,687	24,634	760
FEDERAL HOME LN MTG CORP	AA+	11/24/2021	2.650%	3.00	100,000	98,819	99,750	2,969
FEDERAL HOME LN MTG CORP	AA+	02/24/2023	3.000%	3.23	80,000	79,090	79,984	2,552
FEDERAL HOME LOAN BKS CONS BDS	NR	03/29/2022	2.250%	2.06	200,000	200,000	200,000	4,118
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2022	2.130%	3.11	129,630	124,293	125,993	3,866
FEDERAL NATL MTG ASSN	AA+	03/26/2021	2.700%	3.05	100,000	99,362	100,000	3,033
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	08/16/2021	1.680%	3.00	100,000	96,646	97,005	2,898
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	04/18/2022	2.830%	3.19	150,000	148,643	150,000	4,743
FEDERAL HOME LN MTG CORP	AA+	03/15/2023	3.000%	3.22	150,000	148,037	149,850	4,771
FEDERAL HOME LOAN BKS CONS BDS	AA+	03/27/2023	3.000%	3.24	150,000	148,545	150,000	4,808
FEDERAL HOME LOAN BKS CONS BDS	AA+	07/27/2022	1.700%	3.04	150,000	143,102	143,580	4,347
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/14/2021	2.810%	3.09	100,000	99,306	100,000	3,073
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/20/2022	3.090%	3.28	200,000	198,338	199,850	6,513
FEDERAL HOME LOAN BKS CONS BDS	AA+	06/28/2022	3.060%	3.23	100,000	99,491	100,000	3,210
FEDERAL HOME LOAN BKS CONS BDS	AA+	05/02/2023	3.150%	3.25	200,000	198,036	199,650	6,426
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/19/2022	3.170%	3.23	160,000	159,787	160,000	5,160
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/27/2021	3.000%	3.07	120,000	119,996	120,000	3,680
FEDERAL HOME LN MTG CORP	AA+	06/28/2023	3.250%	3.34	160,000	159,650	159,920	5,329
FEDERAL NATL MTG ASSN	AA+	11/27/2020	1.500%	2.98	100,000	96,972	97,054	2,892
CASH & EQUIVALENTS	-	-	-	1.90	-	357,175	357,175	6,786
Capital Improvement Program Reserve Total					\$	17,390,734	\$ 17,757,456	\$ 508,255

Broker/Dealer Investment Name	Composite Credit	Maturity	Coupon Rate	Yield to Maturity	Par Value	Market Value	Cost	Estimated Annual \$ Yield Earnings
Stage 2 Capacity Reserve								
DESCRIPTION LINE 1	Bloomberg Composite	Maturity	Coupon Rate	Yield-to- Maturity	Units	Market Value	Carrying Value	Estimated Annual \$ Yield Earnings
CISCO SYS INC SR GLBL NT	A+	01/15/2020	4.450%	2.83	75,000	76,502	77,823	2,162
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	02/01/2019	5.000%	3.68	4,942	4,970	5,211	183
FEDERAL HOME LN MTG CORP PARTN GOLD	N.A.	11/01/2020	4.500%	3.06	9,983	10,107	10,407	309
FEDERAL HOME LOAN BKS CONS BDS	AA+	12/13/2019	2.375%	2.69	100,000	99,612	101,852	2,678
FEDERAL HOME LOAN BKS CONS BDS	AA+	02/18/2021	1.375%	2.85	100,000	96,609	100,876	2,755
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/11/2020	2.875%	2.86	60,000	60,029	61,683	1,714
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/24/2019	1.520%	2.70	200,000	198,566	200,000	5,359
FEDERAL HOME LOAN BKS CONS BDS	AA+	08/15/2019	5.125%	2.61	50,000	51,072	51,787	1,331
FEDERAL HOME LOAN BKS CONS BDS	AA+	07/01/2019	4.375%	2.64	100,000	101,234	102,565	2,675
FEDERAL HOME LOAN BKS CONS BDS	AA+	03/13/2020	4.125%	2.78	125,000	127,363	129,521	3,537
FEDERAL NATL MTG ASSN	AA+	01/21/2020	1.625%	2.72	100,000	98,590	101,010	2,684
FEDERAL NATL MTG ASSN	AA+	06/22/2020	1.500%	2.79	100,000	97,882	100,844	2,735
FEDERAL NATL MTG ASSN	AA+	11/30/2020	1.500%	2.84	100,000	97,221	100,746	2,763
FEDERAL NATL MTG ASSN	AA+	12/28/2020	1.875%	2.84	175,000	171,332	177,762	4,859
FEDERAL NATL MTG ASSN	AA+	02/26/2021	1.375%	2.87	180,000	173,833	180,129	4,980
FEDERAL NATL MTG ASSN	AA+	01/14/2019	3.275%	2.37	100,000	100,278	100,860	2,372
FEDERAL HOME LN MTG CORP	AA+	03/27/2019	3.750%	2.40	250,000	251,645	252,850	6,039
FEDERAL HOME LN MTG CORP	AA+	05/30/2019	1.750%	2.50	100,000	99,501	100,846	2,487
FEDERAL HOME LN MTG CORP	AA+	08/01/2019	1.250%	2.58	100,000	98,907	100,442	2,548
FEDERAL HOME LN MTG CORP	AA+	10/02/2019	1.250%	2.63	100,000	98,622	100,389	2,594
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	12/01/2020	4.000%	3.07	36,839	37,598	38,601	1,154
FEDERAL NATL MTG ASSN GTD PASSTHRU	N.A.	07/01/2019	4.821%	3.83	167,592	169,423	185,922	6,489
JPMORGAN CHASE & CO SR NT	A	03/01/2021	2.550%	3.34	50,000	49,103	50,681	1,641
LANCASTER CNTY NEB SCH DIST NO SCH	AA+	01/15/2021	4.550%	3.40	50,000	51,454	52,994	1,748
NORFOLK VA GO CAP IMPT BDS 2010 B	AA	03/01/2019	4.650%	2.88	100,000	100,911	101,330	2,908
U S BANCORP MTNS BK ENT FR	A+	11/15/2018	1.950%	-	100,000	99,939	100,051	-
UNIVERSITY CALIF REVS FOR PREV GEN	AA	07/01/2019	1.796%	2.61	50,000	49,666	49,856	1,296
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	10/26/2018	1.010%	2.42	200,000	199,822	200,000	4,834
MONTGOMERY CNTY MD CTFS PARTN COPS	N.A.	11/01/2019	1.200%	2.98	100,000	98,135	100,029	2,927
BANK NEW YORK MTN BK ENT FR	A+	11/27/2020	2.450%	3.15	150,000	147,782	153,219	4,658
GILEAD SCIENCES INC SR NT	A-	09/01/2020	2.550%	3.10	150,000	148,493	153,231	4,599
WISCONSIN ST GEN FD ANNUAL APP REV	AA-	05/01/2021	1.616%	3.23	100,000	95,908	100,096	3,096
FEDERAL HOME LN MTG CORP	AA+	08/25/2021	1.500%	2.97	90,000	86,975	90,000	2,586
METRO WASTEWTR RECLAMATION DIS REV	AA+	04/01/2019	4.718%	2.48	100,000	100,965	103,608	2,502
WACO TEX INDPT SCH DIST REF BDS	N.A.	02/15/2020	4.000%	2.91	55,000	55,677	57,179	1,619
FEDERAL HOME LN MTG CORP	AA+	03/30/2021	1.500%	2.93	60,000	57,991	60,000	1,700
FEDERAL HOME LN MTG CORP	AA+	09/30/2021	1.250%	3.59	100,000	97,069	99,900	3,485
FEDERAL NATL MTG ASSN	AA+	09/30/2019	1.250%	2.81	60,000	59,216	59,985	1,662
FEDERAL NATL MTG ASSN	AA+	05/26/2021	1.800%	3.03	60,000	58,088	60,000	1,757
FEDERAL HOME LN MTG CORP	AA+	12/30/2020	1.750%	2.92	100,000	97,556	100,000	2,848
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	07/19/2021	2.030%	3.01	80,000	77,776	80,000	2,338
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	01/24/2022	2.050%	3.07	60,000	58,005	60,000	1,782
FEDERAL HOME LN MTG CORP MEDIUM	AA+	07/27/2020	1.625%	2.90	40,000	39,152	40,000	1,136
FEDERAL HOME LN MTG CORP	AA+	10/26/2021	2.000%	2.98	150,000	144,902	150,000	4,312
FEDERAL HOME LOAN BKS CONS BDS	AA+	04/27/2022	2.300%	3.07	150,000	146,759	149,663	4,500
FEDERAL HOME LN MTG CORP	AA+	05/01/2020	1.375%	2.78	260,000	254,337	258,975	7,076
FEDERAL NATL MTG ASSN	AA+	10/07/2021	1.375%	2.91	80,000	76,462	79,192	2,224
FEDERAL HOME LN MTG CORP	AA+	01/13/2022	2.375%	2.92	120,000	117,928	122,351	3,447
FEDERAL NATL MTG ASSN	AA+	01/05/2022	2.000%	2.92	220,000	213,750	219,512	6,246
FEDERAL HOME LOAN BKS CONS BDS	AA+	06/12/2020	1.750%	2.79	260,000	255,349	261,204	7,117
FEDERAL NATL MTG ASSN	AA+	05/06/2021	1.250%	2.85	260,000	249,530	257,606	7,122
FEDERAL NATL MTG ASSN	AA+	08/17/2021	1.250%	2.89	260,000	248,466	256,937	7,181
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	07/19/2022	1.900%	3.12	290,000	279,026	291,114	8,708
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	08/03/2022	1.900%	3.12	290,000	278,905	290,612	8,688
FEDERAL NATL MTG ASSN	AA+	04/05/2022	1.875%	2.94	300,000	289,548	301,002	8,498
FEDERAL HOME LOAN BKS CONS BDS	AA+	08/15/2022	1.850%	3.08	85,000	81,584	85,547	2,515
FEDERAL NATL MTG ASSN	AA+	09/28/2020	1.750%	2.97	180,000	176,287	180,000	5,232
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	04/04/2022	2.100%	3.09	280,000	271,034	280,000	8,361
FEDERAL HOME LN MTG CORP	AA+	10/12/2021	2.000%	3.01	180,000	174,391	180,000	5,251
HOME DEPOT INC SR GLBL NT	A	04/01/2021	2.000%	3.04	60,000	58,491	59,879	1,776
ORACLE CORP SR GLBL	A+	05/15/2022	2.500%	3.28	120,000	116,796	120,118	3,826
PHILIP MORRIS INTL INC SR NT	A	03/26/2020	4.500%	3.08	55,000	56,122	57,020	1,729
STARBUCKS CORP SR GLBL	BBB+	02/04/2021	2.100%	3.17	60,000	58,563	59,984	1,858
FEDERAL HOME LN MTG CORP	AA+	12/29/2021	2.250%	3.01	80,000	78,006	80,000	2,350
FEDERAL HOME LOAN BKS CONS BDS	AA+	11/29/2021	1.875%	2.91	120,000	116,302	118,362	3,388
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	11/22/2021	2.740%	3.13	100,000	98,792	99,975	3,087
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	03/07/2022	2.850%	3.15	80,000	79,287	80,000	2,496
FEDERAL HOME LN MTG CORP	AA+	02/24/2023	3.000%	3.23	60,000	59,318	59,988	1,914
FEDERAL NATL MTG ASSN	AA+	03/26/2021	2.700%	3.05	140,000	139,107	140,000	4,246
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	04/18/2022	2.830%	3.19	150,000	148,643	150,000	4,743
FEDERAL HOME LN MTG CORP	AA+	03/15/2023	3.000%	3.22	150,000	148,037	149,850	4,771
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/14/2021	2.810%	3.09	100,000	99,306	100,000	3,073
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	06/20/2022	3.090%	3.28	100,000	99,169	99,925	3,257
FEDERAL HOME LOAN BKS CONS BDS	AA+	06/28/2022	3.060%	3.23	100,000	99,491	100,000	3,210
FEDERAL HOME LOAN BKS CONS BDS	AA+	05/02/2023	3.150%	3.25	150,000	148,527	149,738	4,820
FEDERAL FARM CR BKS CONS SYSTEMWIDE	AA+	09/19/2022	3.170%	3.23	200,000	199,734	200,000	6,449
FEDERAL HOME LOAN BKS CONS BDS	AA+	09/27/2021	3.000%	3.07	160,000	159,995	160,000	4,906
FEDERAL HOME LOAN BKS CONS BDS	AA+	08/10/2023	1.500%	3.94	200,000	191,804	192,000	7,551
CASH & EQUIVALENTS	-	-	-	1.90	-	1,390,459	1,390,459	26,419
Stage 2 Capacity Reserve Total						\$ 10,954,782	\$ 11,185,295	\$ 307,872
Subtotal, Bank of the West						\$ 31,859,110	\$ 32,524,347	\$ 913,745
California Local Agency Investment Fund	LAIF	-	2.063			\$ 704,714	\$ 704,714	14,538
TOTAL UNRESTRICTED INVESTMENTS						\$ 32,563,824	\$ 33,229,061	\$ 928,283
Bank of New York (Trustee)								
2009 Reserve Account - Federal National Mortgage Assn 3136G3Q73	Aaa	7/26/2019	1.150%	1.16		4,723,548	4,780,000	54,793
2009 Reserve Account - BMW BK North Amer Salt Lake 05580ACK8	Aa	7/24/2019	2.000%	2.01		149,077	150,000	2,996
2009 Reserve Account - Morgan Stanley Treas Sec X9USDMORS			0.000%	1.95		161,047	161,047	3,140
2009 Reserve Account - Morgan Stanley Treas Sec X9USDMORS	-		0.000%	1.95		62,656	62,656	1,222
2009 Revenue FD Account - Morgan Stanley Treas Sec Portfolio X9USDMORS	-		0.000%	1.95		3,810	3,810	74
2009 Revenue FD Account - Morgan Stanley Treas Sec INST X9USDMORS	-		0.000%	1.93		13	13	0

Broker/Dealer	Composite		Coupon	Yield to			Estimated	
Investment Name	Credit	Maturity	Rate	Maturity	Par Value	Market Value	Cost	Annual \$ Yield Earnings
2014 Revenue Account - Goldman FS Money MKT INST 474 X9USDGLD4	-	-	0.000%	2.26		11	11	0
2014 Revenue Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	2.26		414	414	9
2014 Revenue Account - Cash	-	-	0.000%	-		10	10	-
2014 Interest Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	2.27		13	13	0
2014 Principal Account - Goldman Sachs Fin Sq Instl X9USDGLD4	-	-	0.000%	2.23		7	7	0
2014 COI Account - Cash	-	-	0.000%	-		2	2	-
2015 Project Account - Cash	-	-	0.000%	-		2	2	-
2015 Revenue Account - JP Morgan Prime MMKT Instl X9USDJPMP	-	-	0.000%	2.18		163	163	4
2015 Revenue Account - Cash	-	-	0.000%	-		4	4	-
2009 Escrow - United States Treasury 912828B33	Aaa	1/31/2019	1.500%	1.50		601,360	610,349	9,020
2009 Escrow - Tunisia Government Aid Bonds 066716AG6	Aaa	7/16/2019	1.686%	1.70		40,050,235	40,944,692	680,854
2009 Escrow - Cash	-	-	0.000%	-		3,857	3,857	-
Subtotal, Bank of New York (Trustee)						\$ 45,756,230	\$ 46,717,051	\$ 752,114
Less Amounts held in Escrow for 2009 Bond Defeasance						\$ (40,655,452)	\$ (41,558,898)	\$ (689,874)
Net Total, Bank of New York (Trustee)						\$ 5,100,778	\$ 5,158,153	\$ 62,240
Zions Bank (Trustee)								
US Treasury N/B 912828U99	Aaa	12/31/2018	1.250%	2.04	3,370,000	3,361,821	3,363,516	68,581
US Treasury Notes 912828B33	Aaa	1/31/2019	1.500%	2.06	1,500,000	11,568,483	11,578,522	238,311
US Treasury Notes 912828B33	Aaa	1/31/2019	1.500%	2.07	1,500,000	1,495,925	14,997,175	30,966
US Treasury Notes 912828C24	Aaa	2/28/2019	1.500%	2.09	15,500,000	15,444,293	15,462,279	322,786
US Treasury Notes 912828P95	Aaa	3/15/2019	1.000%	2.11	10,300,000	10,234,822	10,248,621	215,955
US Treasury Notes 912828ST8	Aaa	4/30/2019	1.250%	2.12	16,430,000	16,316,403	16,347,907	345,908
US Treasury Notes 912828SX9	Aaa	5/31/2019	1.125%	2.14	13,550,000	13,426,668	13,460,225	287,331
Dexia Credit Local SA NY Comm Paper 25214PEO2	P-1	3/9/2019	0.000%	2.20	3,900,000	3,897,446	3,898,119	85,744
Toyota Motor Credit Corp Comm Paper 89233HM35	P-1	3/8/2019	0.000%	2.32	3,900,000	3,883,998	3,884,439	90,109
Toyota Motor Credit Corp Comm Paper 89233HM43	P-1	3/8/2019	0.000%	2.33	2,400,000	2,389,990	2,390,229	55,687
Toronto Dominion Bank NY Cert Depos 89113XZJ6	P-1	3/9/2019	2.500%	2.50	6,300,000	6,293,122	6,300,000	157,328
CAMP Pool	NR			2.11		29,571,223	19,148,346	623,953
Total, Zions Bank (Trustee)						\$ 117,884,192	\$ 121,079,378	\$ 2,522,657
Uninvested Operating Cash						5,091,206	5,091,206	-
TOTAL CASH & INVESTMENTS, UNRESTRICTED AND WITH TRUSTEE						\$ 160,640,000	\$ 164,557,798	\$ 3,513,179
						Weighted Average Yield to Maturity % 2.19%		

Summary by Investment Type:	Market Value
US Treasuries	72,144,864
Agencies	30,203,163
Commercial Paper / Corporate Bonds	12,602,354
Municipal Bonds / Notes	2,094,131
Money Market / Certificates of Deposit	42,890,775
Local Agency Investment Fund	704,714
TOTAL	160,640,000

Summary by Purpose / Restriction Level	Market Value
Working Capital	5,795,920
Operations & Capital Budget Reserve	3,513,594
Capital Improvement Program Reserve	17,390,734
Stage 2 Capacity Reserve	10,954,782
Debt Reserve	5,100,609
Debt Proceeds	117,884,362
TOTAL	160,640,000

Summary by Liquidity:	Market Value
0-1 years	135,517,122
1 years	8,658,584
2 years	6,642,038
3-5 years	9,822,257
TOTAL	160,640,000

SVCW has sufficient liquid resources available to meet expenditure requirements per SVCW's investment policy.
All SVCW investments are in compliance with SVCW's Investment Policy.


M. Anderson 9/30/2018

AGENDA ITEM 5D

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**ENGINEERING REPORT: OCTOBER 2018
CAPITAL IMPROVEMENT PROGRAM IMPLEMENTATION**

Gravity Pipeline (6008) and Front of Plant Projects (9502): Deliver these two RESCU projects using a Progressive Design Build delivery method.

On October 5, 2017 the Commission awarded a contract to Barnard/Bessac Joint Venture (BBJV) for the Stage 1 Progressive Design Build contract on the Gravity Pipeline project. On November 9, 2017 the Commission awarded a contract to Shea/Parsons Joint Venture for the Stage 1 Progressive Design Build contract on the Front of Plant project.

The JV teams, SVCW staff and consultants meet weekly to coordinate and discuss proposed designs, develop O/M options, and coordinate efforts between the construction teams. While the designs have been developed, early construction packages have been authorized by the Commission to begin preparation work and order large equipment.

The JV teams are in the process of finalizing the designs, and SVCW and the JV teams are negotiating the costs for Stage 2 amendments which will provide for the completion of the design and construction of the project.

Planned Commission Actions: Approve Stage 2 Design Build Amendments – November and December 2018

Capital Improvement Program 2018 Update: Update CIP budgets from 2017 update reflecting escalation, project definitions, and regulatory updates.

The CIP has been updated on an annual or biennial basis since its inception depending on information available as the program has developed. The last update was in October 2017 and reflected July 2017 dollars. Given that two of the three large RESCU program projects are about to move into construction, the CIP needs to be updated to reflect escalation to 2018 dollars. Further, it will be recommended to update the CIP to mid-point of construction for the larger of the projects soon to move into construction.

Planned Commission Actions: Approve 2018 CIP Update – November 2018

Pump Stations Rehabilitation and Replacement (9501): Rehabilitate or Replace three pump stations and connect them to new Gravity Pipeline.

The RESCU Program includes rehabilitation or replacement of the Belmont, Redwood City, and Menlo Park Pump Stations, as well as the construction of the Belmont Force Main to connect the Belmont system to the Gravity Pipeline. Preliminary design work has been completed by Brown and Caldwell. SVCW has decided to deliver these projects as a combined Progressive Design Build Project, with Brown and Caldwell acting as Owner's Advisor. SVCW received Statements of Qualifications from four

qualified Design Builders and has shortlisted two of them. Requests for Proposal have been sent to each Design Build Entity and proposals are due December 10, 2018.

Planned Commission Actions: Declare Project to be Substantially Complex –
November 2018
Award Project – February 2019

Emergency Repair of the 12kV Vault (9808): Respond to emergency condition of existing 12 kV service.

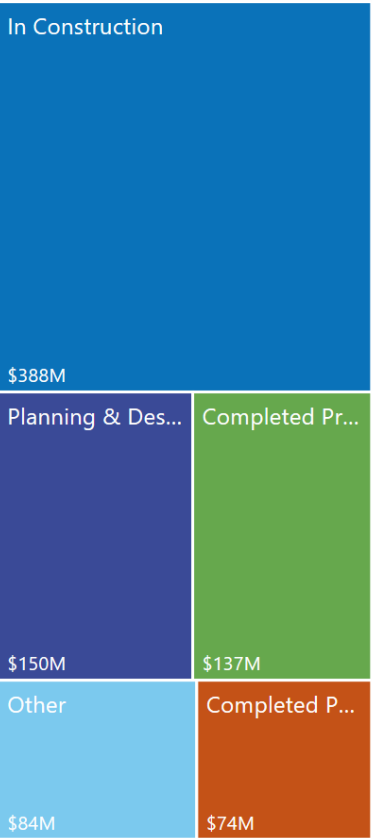
On September 14, 2017 the Commission approved the emergency expenditure of funds for the repair of essential facilities. On November 9, 2017 The Commission approved a total budget amount of \$2,347,412 which includes the initial emergency authorization of \$300,000 to perform work on a time and material basis to resolve the failing 12kV electrical vault. Beecher Engineering, Power Engineering and DW Nicholson designed a permanent repair to reroute route the 12 kV conduits that supply power to the Solids Handling Building (SHB) and ultimately to all plant equipment and processes.

A new concrete vault was placed on the main building side of the tunnel and is incorporated into the tunnel structure. A new conduit run was constructed along the building to the new vault at the tunnel. Power Engineering completed excavation under the SHB by the transformers and constructed a new duct bank structure under the transformers to connect the 12kV power lines to the new vault at the tunnel. The underground tunnel is pile supported and will offer the most stable pathway between the buildings to ensure the new conduits and vault will not subside in the future.

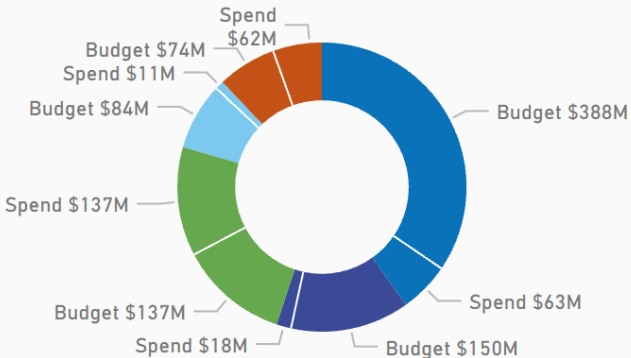
Planned Commission Actions: Accept Project and File Notice of Completion –
December 2018

CIP Spend Analysis

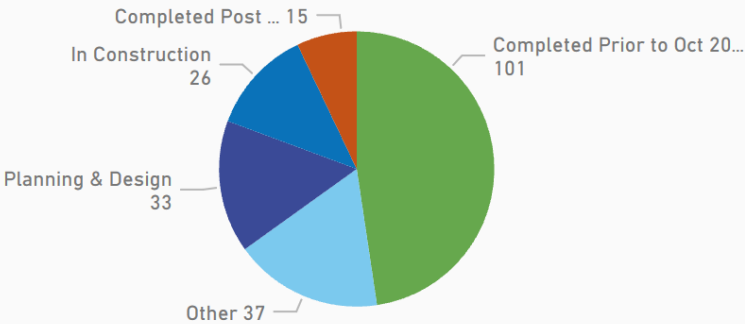
Project Phase	Project Count	2017 CIP Budget	Actual Spend	Remaining	% Unspent
Completed Prior to Oct 2017 CIP Update	101	\$137,234,509	\$137,268,932	N/A	N/A
Completed Post Oct 2017 CIP Update	15	\$74,047,541	\$61,671,631	\$12,375,910	16.71%
In Construction	26	\$388,376,587	\$63,257,951	\$325,118,635	83.71%
Planning & Design	33	\$149,657,501	\$18,449,654	\$131,207,846	87.67%
Other	37	\$84,349,902	\$10,962,504	\$73,387,398	87.00%
Total	212	\$833,666,040	\$291,610,672	\$542,089,789	65.02%



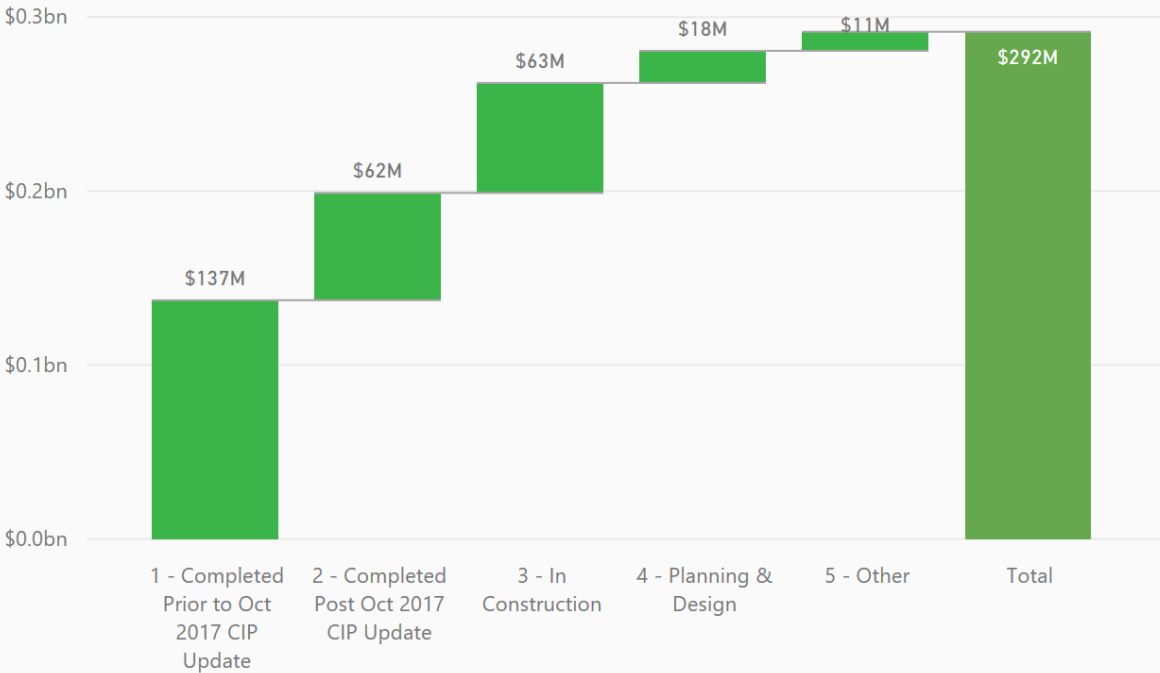
Budget and Spend by Project Phase



Project Count by Project Phase



Actual Spend by Project Phase



This report is a snapshot of CIP spending and displays the cost of projects as they evolve from un-initiated to completed. Within each phase, actual expenditures is compared to the 2017 CIP Budget Plan to arrive at dollars remaining.

"Planning/Design" budget values are not fully encumbered and therefore not meant for comparison to actual expenditures. Only upon completion of the planning and design phase will project budget and actual expenditures be recategorized to "In Construction" and a good measure of budget adherence.

"In Construction" dollar values reflect encumbrances (Budget) and expenditures (Actual Spent to date); comparing these numbers describes budget adherence.

"Other" phase includes projects that are administrative in nature (e.g. SRF loan expenses, Insurance, etc) and/or projects that have not been initiated.

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AGENDA ITEM 5E

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Silicon Valley Clean Water
Commissioners' Requested Action Items
Updated: 10/29/2018

NOVEMBER 8, 2018
AGENDA ITEM 5E

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
10/11/2018	1	No new items at this meeting						
8/23/2018	1	Item 8B error in bid summary sheet; note in minutes	10/11/2018			✓	10/3/2018	
7/12/2018	1	Provide interim financials for end of FY17-18	8/23/2018			✓	8/11/2018	Interim financials provided; audited financials to be presented to Commission in October/November 2018
	2	Reschedule December meeting to late November or early December	8/23/2018			✓	7/15/2018	December Commission meeting scheduled for December 6
	3	Prepare Commission member on-boarding package	first quarter 2019		✓			Ready for new Commissioners to bring up to date/provide background information on SVCW policies and strategy
6/28/2018	1	No new items at this meeting						
6/14/2018	1	8B - Front of Plant project, report back if allowance is used	N/A		✓			Allowance was provided for up to 40 additional piles
	2	8C - Line of Credit; report back if proportion of use changes from JPA apportionment	N/A		✓			Currently use is proportional to JPA apportionment; should use of the LOC proportionally change, report this to Commission.
	3	8E - JPA Amendment; re-initiate "clean up" to JPA	N/A		✓			Make required and requested changes to the JPA a priority. Letter distributed to member agencies requesting input. Input received and Manager to schedule a meeting time with member agency staff to review.
5/10/2018	1	No new items at this meeting						
4/12/2018	1	Prepare letter in Support of AB1912	N/A			✓	4/17/2018	Prepare for John Seybert signature. Include all Commission names and who they're representing.
	2	FY18-19 Operating Budget	1-2 weeks			✓	5/2/2018	Send e-version, along with Benchmarking Chart of SVCW costs compared to other Bay Area WWTP costs, to Commissioners (Benchmarking Only), Member Agency Finance Directors and Tech Committee members.
3/8/2018	1	Prepare memo for LRFP indicating how many dollars SVCW's procurement process and management strategies are saving	N/A		✓			In response to the fact that SVCW staff is implementing significant projects with relatively little overhead costs.
	2	Recycled Water Workshop in Stanford	April			✓	4/12,2018	Reported highlights from the Recycled Water Workshop held at Stanford on March 9

Silicon Valley Clean Water
Commissioners' Requested Action Items
Updated: 10/29/2018

NOVEMBER 8, 2018
AGENDA ITEM 5E

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
	3	Operating Budget Benchmarking	April			✓	4/12/2018	Benchmark SVCW's operating budget increase with other agencies in the Bay Area; reported out at April meeting.
1/18/2018	1	RESCU Program and Project Updates	N/A	✓				When available, upload monthly dashboard summary reports onto website and email to Tech Cmte members.
	2	Gravity Pipeline Acquisitions	N/A		✓			Report out on acquisition results when available.
12/14/2017	1	Change Design-Build Policy to reflect a sunset date of December 31, 2024 to current amount of \$300k Manager-authorization level for construction change orders unless extended by the Commission at a later date	12/14/2017			✓		Changes made to Approved Resolution
11/9/2017	1	Prepare and install signage for Front of Plant area describing what's occurring for public	12/1/2017			✓		Sign designed and installed.
10/5/2017	1	When SVCW can begin exporting power to grid, make public for positive public relations standpoint	N/A		✓			The anticipated timeframe for SVCW to begin exporting power is late summer 2019. Public notice will be prepared and distributed.
	2	Project delay costs	N/A	✓			Ongoing	Inform Commission of any potential delays that could add time and costs to projects they have authorized.
> One Year	1	MOU Negotiations	10/11/2018			✓	10/11/2018	The Union members approved the Tentative Agreement on September 26. The Commission approved the negotiated MOU at the October meeting.
	2	Greendale property construction progress	11/8/2018		✓			One item of work remains to complete; the Engineering Director is handling coordination with the contractor. A summary of costs was presented to the Commission at the October 2018 meeting.
	4	Connection Fees	NA		✓			Additional plant capacity evaluation is underway to ensure proper flow numbers are used in the calculations. Will be incorporated into upcoming JPA changes.

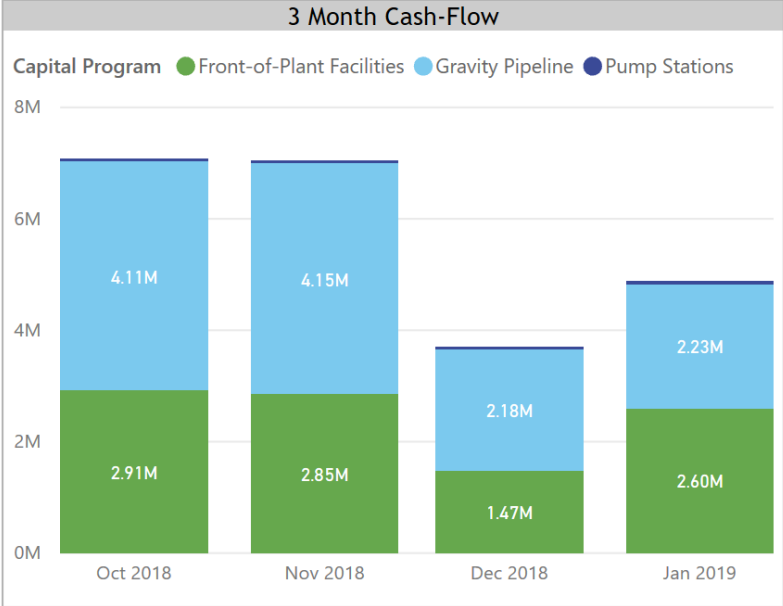
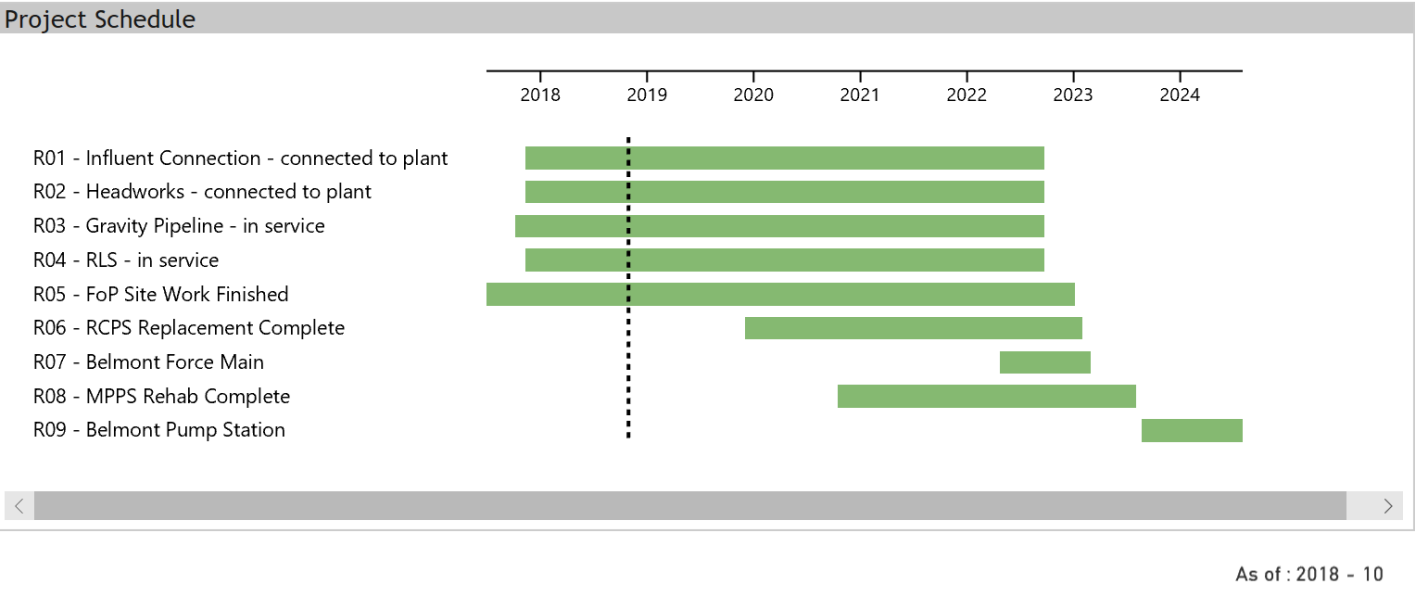
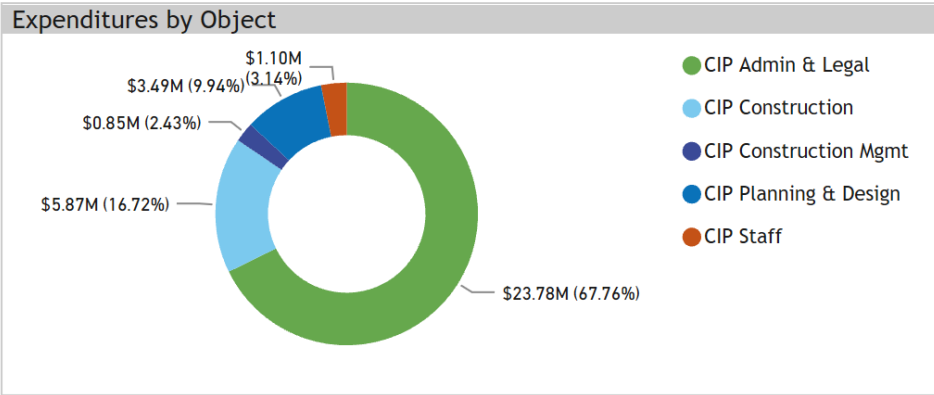
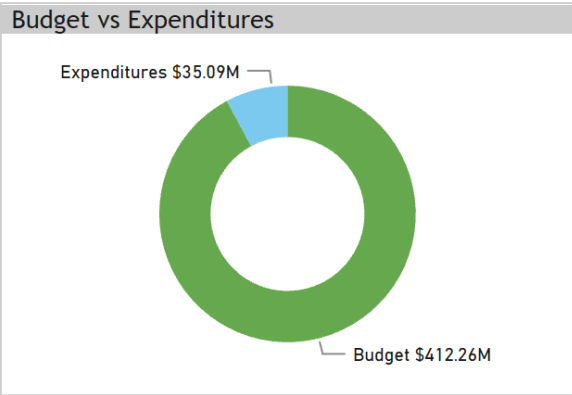
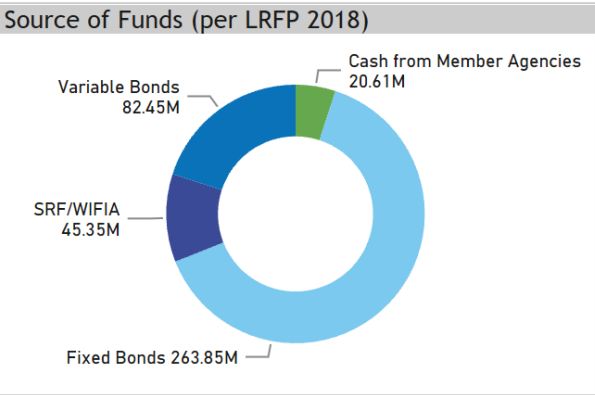
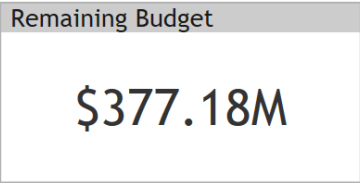
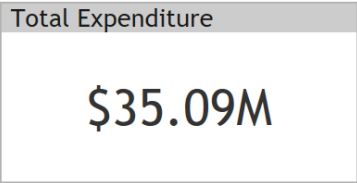
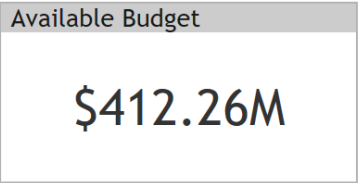
AGENDA ITEM 5F

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Overview



RESCU Program describes eleven projects which constitute full replacement and rehabilitation of SVCW's conveyance system. RESCU includes the Gravity Pipeline, Front of Plant, Pump Stations, and Belmont Force Main projects. The Front of Plant includes six of the eleven projects. The Conveyance System Improvements Environmental Impact Report completed and adopted by the SVCW Commission in April 2017 covers work to be done under all the RESCU Program projects.



Front of Plant Progressive DB Project



The Front of Plant (FoP) Project consists of the design, construction, permitting, start-up, commissioning, and final acceptance for the Receiving Lift Station (RLS), Surge and Flow Splitter (SFS), Headworks Facility, Odor Control Facilities, Influent Connector Pipe, Chemical Offload Facilities, Civil site work, Emergency Overflow pipe to storage basin and related process support systems. Work is being implemented under a Progressive Design-Build procurement process in stages.

Available Budget

\$123.55M

Total Expenditure

\$19.34M

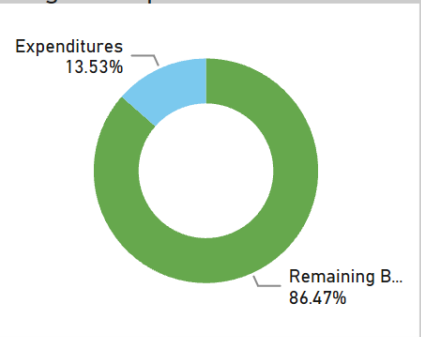
Remaining Budget

\$104.21M

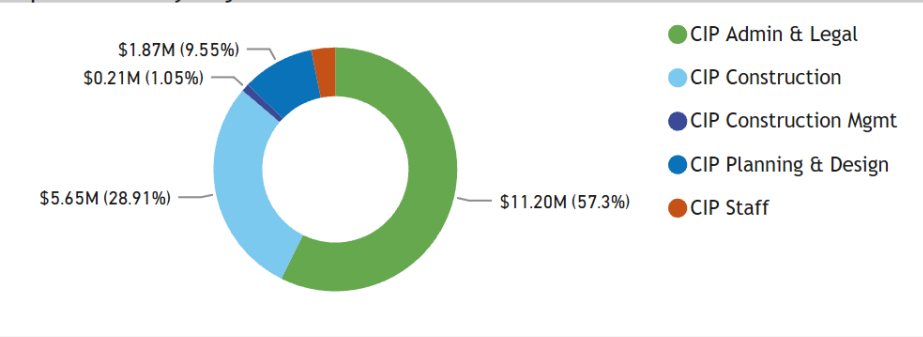
Milestone Schedule

	Start	Finish
Notice to Proceed - Stage 1 Services		11/28/2017
Submission of Basis of Design Report (BODR)		5/23/2018
Submission of 30 Percent (%) Design Documents		7/26/2018
Submission of 60 Percent (%) Design Documents		10/15/2018
Stage 2A - Piles		6/14/2018
Stage 2B - RLS Shaft Preparation		7/12/2018
Stage 2C - RLS Shaft Construction		8/23/2018
Stage 2D - Balance of Stage 2 Work	12/6/2018	
Stage 1 Services Complete	12/13/2018	

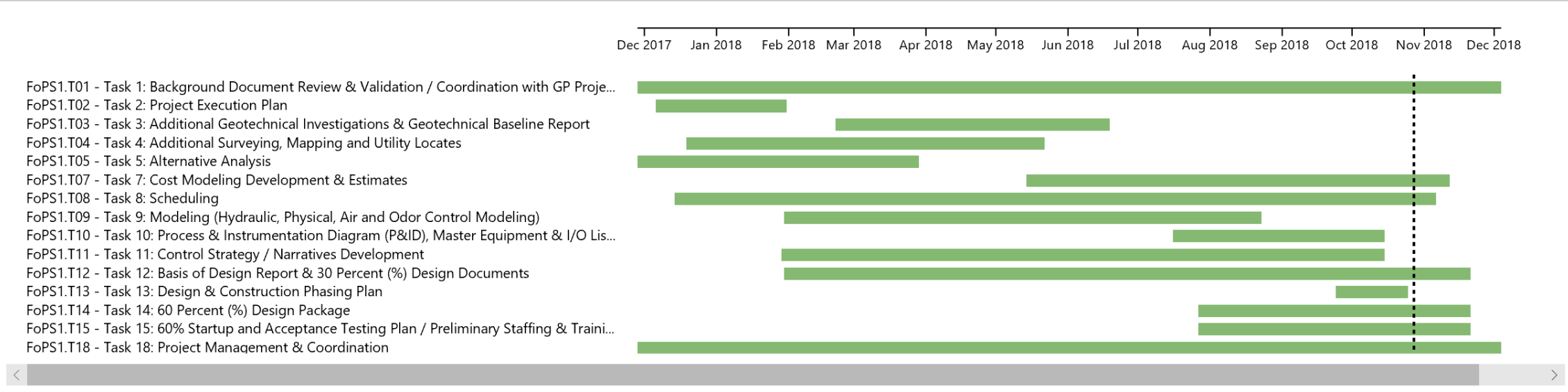
Budget vs Expenditures



Expenditures by Object



Schedule



Major Accomplishments this Period

Design	<ul style="list-style-type: none"> - Finalized the BODR - SPJV held a review meeting with SVCW to review the final results from the physical modeling of the RLS - SPJV submitted the 60% Design Package - SVCW held multiple design review workshops to review the 60% Design Package - Continued design of instrumentation and controls for RLS control strategies.
Procurement of Trade Packages	<ul style="list-style-type: none"> - Held a cost estimate framework meeting for the 60% design package to kickoff the independent cost estimate reviewers - SPJV evaluated trade bid packages and confirmed compliance with SRF and WIFIA compliance
Construction	<ul style="list-style-type: none"> - Held a preconstruction meeting with SPJV and their subcontractors for the early release packages - Began pile installation

Upcoming Key Activities

Finalize Cost Review Milestone
Continue detailing RLS and Headworks facilities
Submit 60% Design Package
Complete pile installation
Complete the installation of the RLS and SFS Support of Excavation Walls

3 - Month Look Ahead

	Start	End	November	December	January
Installation of RLS and SFS Support of Excavation Wall	November 12, 2018	January 17, 2019	X	X	X
Pile Installation	October 15, 2018	November 16, 2018	X		
Stage 2 Negotiations	November 14, 2018	November 26, 2018	X		
Submit/Review/Finalize 60% Design Package	September 24, 2018	November 8, 2018	X		

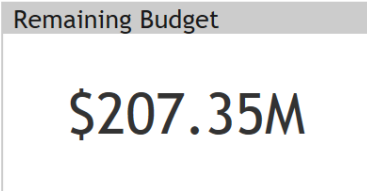
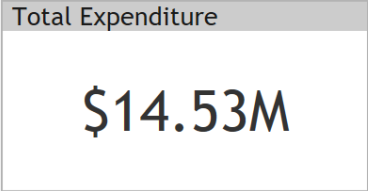
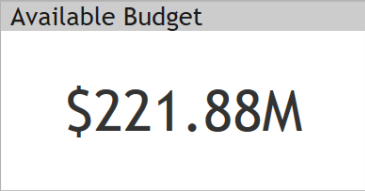
Safety Spot Light

Category	Value
Lost Time	0
Near Misses	0
Recorded Losses	0

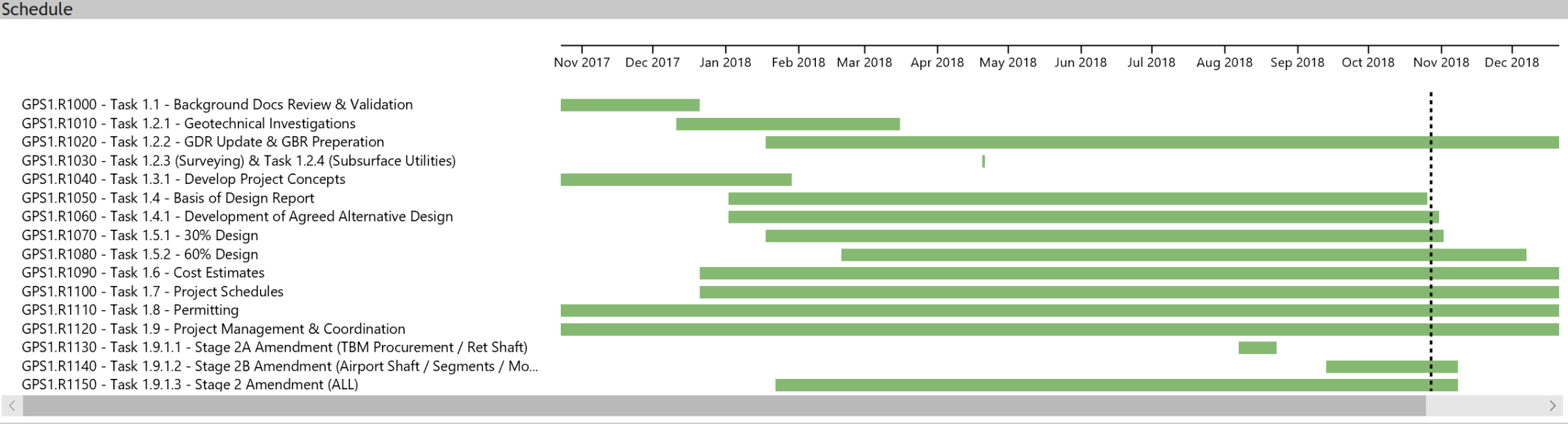
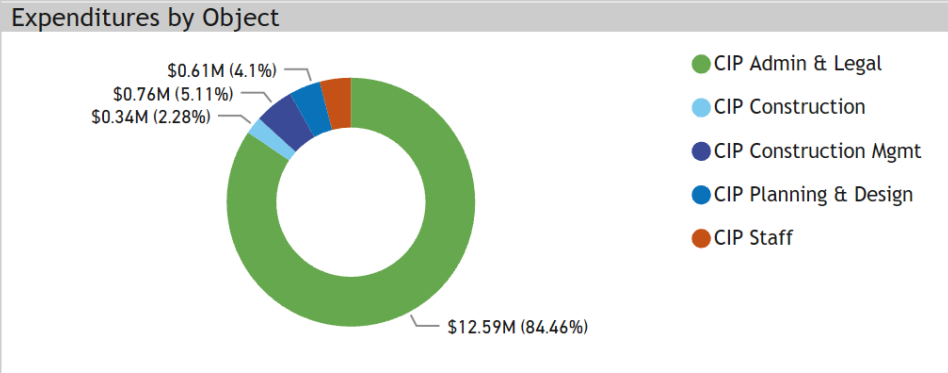
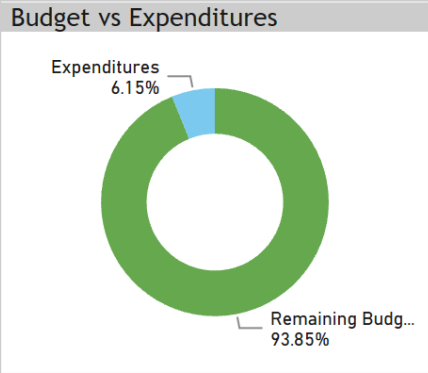
Gravity Pipeline Progressive DB Project



The Gravity Pipeline (GP) Project consists of the design, construction, permitting, start-up, commissioning, and closeout of approximately 17,600 feet of wastewater gravity FRP pipe inside a concrete-segment tunnel. The work includes three shafts and will interface directly with the Front of Plant (FoP) Project at the Receiving Lift Station (RLS). Work is being implemented under a Progressive Design-Build procurement process.



Milestone Schedule		
	Start	Finish
Notice to Proceed - Stage 1 Services		10/13/2017
Basis of Design Report (BODR)	10/26/2018	
30 Percent (%) Design Documents	11/2/2018	
60 Percent (%) Design Documents	12/5/2018	
Stage 2A Approval - TBM Purchase, Airport Clear and Grub, Crane purchase		8/23/2018
Stage 2B Approval - Balance of Stage 2 Work	9/17/2018	11/8/2018
Stage 1 Services Complete	10/13/2017	12/21/2018



Major Accomplishments this Period

Design	<ul style="list-style-type: none"> - Completed Project GBR - Continued sediment transport modeling - Continued air flow and H2S concentration modeling. Coordinating with FoP DB team - Progressed Airport Access Shaft design to 100% -Continued design of Bair Island and San Carlos shafts to 30% -Continued cost savings initiatives to lower Project cost -Evaluated muck conveyance options due to unforeseen limitations by FAA on crane height.
Procurement of Trade Packages	<ul style="list-style-type: none"> - Continued selection process for SOE Subcontractors - Ongoing discussions with FRP pipe manufacturers - Finalized TBM manufacturer pricing - Outreach in conformance with SRF and WIFIA funding requirements
Construction	<ul style="list-style-type: none"> - Continued TBM Launch Site preparation

Upcoming Key Activities

Airflow and grit transport design
Airport Access shaft coordination with San Carlos Airport
Inner Bair Island retrieval shaft design
Cost Reduction efforts to keep GP under budget
Stage 2B Amendment Negotiation and Approval

3 - Month Look Ahead

	Start	End	November	December	January
Airport Access Shaft Construction	November 8, 2018	August 5, 2019	X	X	X
Airport Access Shaft Site Preparation	September 17, 2018	November 8, 2018	X		
Bair Island Shaft Design (60% Design)	August 8, 2018	November 2, 2018	X		
Hydraulic Design (60% Design)	August 15, 2018	November 5, 2018	X		
San Carlos Shaft Design (60% Design)	August 15, 2018	November 7, 2018	X		
TBM Procurement	January 22, 2018	August 23, 2019	X	X	X
Tunnel Design (60% Design)	April 26, 2018	November 5, 2018	X		

Safety Spot Light

Category	Value
Lost Time	0
Near Misses	0
Recorded Losses	0

Pump Stations



All SVCW pump stations require replacement or rehabilitation. Menlo Park PS will be rehabilitated. Redwood City PS will be replaced. Belmont PS will be rehabilitated. San Carlos PS is no longer needed due to the new gravity pipeline; flows from San Carlos and Belmont will enter into the gravity pipeline via a drop structure at the current San Carlos pump station site. Flows from the MPPS and RCPS will flow through the new 48-inch force main to a drop structure at Inner Bair Island.

Available Budget

\$66.83M

Total Expenditure

\$1.23M

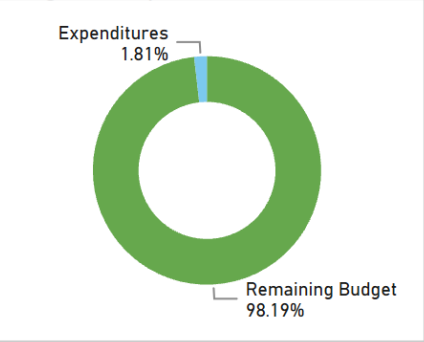
Remaining Budget

\$65.60M

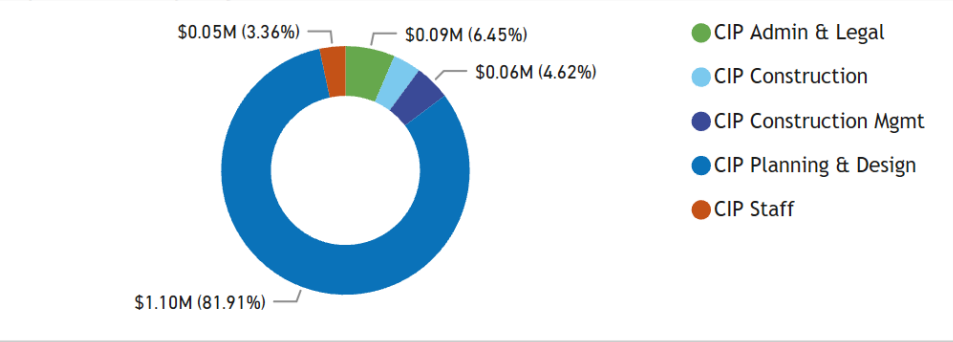
Milestone Schedule

	Start	Finish
PSI Project Procurement process approved by commission	7/13/2018	7/13/2018
Issue RFQ	7/16/2018	7/16/2018
D/B Selection Process - short list established	7/16/2018	9/28/2018
RFP issued	10/1/2018	
D/B Selection Process - proposals submitted	12/10/2018	
D/B interviews completed and D/B firm selected	1/11/2019	

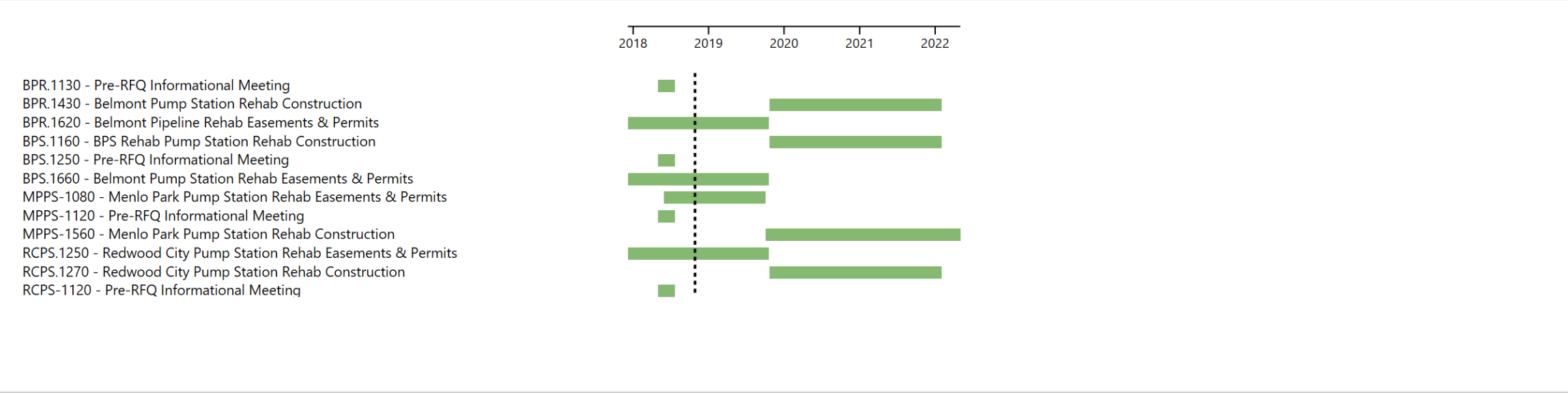
Budget vs Expenditures



Expenditures by Object



Schedule



Major Accomplishments this Period

Design RFP issued - Initial interviews completed - Two DB firms short listed - DB agreement questions received - Confidential meetings with DBs scheduled

Upcoming Key Activities

Review Agreement questions from short listed D/Bs
Confidential meetings with D/Bs completed
D/Bs submit proposals
D/Bs submit cost proposals

3 - Month Look Ahead

	Start	End	November	December	January
Issue RFP and Receive Proposals	October 1, 2018	December 10, 2018	X	X	X
Select Design Builder	December 10, 2018	January 11, 2019		X	X

Safety Spot Light

Category	Value
Lost Time	0
Near Misses	0
Recorded Losses	0

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AGENDA ITEM 6A

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SILICON VALLEY CLEAN WATER
Memorandum

The following are the regularly scheduled Commission Meeting dates for calendar year 2019. Regular Commission Meetings are held on the second Thursday of each month at 8:00 a.m. Please review the dates below and be prepared to discuss any needed changes at the Commission meeting of November 8, 2018.

January 10, 2019
February 14, 2019
March 14, 2019
April 11, 2019
May 9, 2019
June 13, 2019
July 11, 2019
August 8, 2019
September 12, 2019
October 10, 2019
November 14, 2019
December 12, 2019

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AGENDA ITEM 7A

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**MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – October 11, 2018
8:00 a.m.**

ITEM 1

CALL TO ORDER

The meeting was called to order at 8:00 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

Staff, Consultants and Visitors Present

Teresa A. Herrera, SVCW Manager
Christine C. Fitzgerald, SVCW Legal Counsel
Jennifer Flick, SVCW Human Resources Director
Matt Anderson, SVCW Chief Financial Officer/Administrative Manager
Monte Hamamoto, SVCW Chief Operating Officer
Kim Hackett, SVCW Authority Engineer
Arvind Akela, SVCW Engineering Director
Eric Hansen, SVCW Senior Engineer
Kara Tremblay, SVCW Associate Engineer
Jessica Mangual, SVCW Administrative Clerk
EJ Shalaby, DNS Strategic Partners
Derek Rampone, City of Redwood City
Molly Flowerday, City of Redwood City
Bill Tanner, Tanner Pacific, Inc.
Mark Minkowski, Kennedy/Jenks
Aren Hansen, Brown & Caldwell

ITEM 3

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by those in attendance.

ITEM 4

PUBLIC COMMENT

There was no Public Comment

ITEM 5A THROUGH 5F

SAFETY MOMENT AND REPORTS

The safety moment noted the seriousness of insect bites and their prevention.

The Manager's goals for FY18-19 was emailed to the Commission; quarterly updates will be provided on progress. There were no questions from the Commission.

Meeting minutes will be written as action minutes beginning with the August 2018 meeting. Recordings will be kept permanently.

A memo was distributed to the Commission relating to California AB1912 recently signed into law. It may be an item to address in upcoming JPA amendments. Commissioner Lieberman noted that Belmont is familiar with the law and offered that Belmont's Counsel is available to discuss it with SVCW Counsel.

Commission on-boarding document is being prepared and will be ready for new Commissioners' use early in 2019.

ITEM 6

MATTERS OF COMMISSION MEMBER'S INTEREST

There were no comments.

ITEM 7

CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR ITEMS 7A THROUGH 7E

Motion/Second: Mr. Lieberman / Mr. Otte

The Motion carried by Unanimous Roll Call Vote.

Chairman Seybert indicated that he wanted to change the Order of Business and go into Closed Session. Chairman Seybert then asked for a Motion to Change the Order of Agenda Items 9 and 10 for Agenda Item 8 and proceed into Closed Session.

Motion/Second: Mr. Grassilli / Mr. Otte

The Motion carried unanimously by voice vote.

ITEM 9

CLOSED SESSION

Closed Session was called to order at 8:09 a.m.

ITEM 10

RECONVENE FROM CLOSED SESSION

Open Session reconvened at 8:49 a.m.

Ms. Fitzgerald reported that as to Item 9A, no reportable action was taken and direction was given to counsel and as to 9B, the Commission voted unanimously to approve the MOU Agreement with Local Union 39.

ITEM 8A

CONSIDERATION OF RESOLUTION APPROVING ENERGY STORAGE AGREEMENTS WITH ADVANCED MICROGRID SOLUTIONS FOR ENERGY STORAGE PROJECT AT WWTP

A staff presentation was provided regarding the Energy Storage Agreements.

The Public Hearing was open. There were no public speakers and a motion to close the public hearing was made.

Motion/Second: Mr. Grassilli / Mr. Lieberman

The Motion carried by Unanimous Roll Call Vote.

- i. Move adoption of RESOLUTION MAKING NECESSARY FINDINGS AND APPROVING ENGINEERING, PROCUREMENT, AND CONSTRUCTION SERVICES AGREEMENT FOR ENERGY STORAGE PROJECT (CIP #9810), AUTHORIZING EXECUTION OF AGREEMENT AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT – ADVANCED MICROGRID SOLUTIONS, Inc. – \$1,600,000
- ii. Move adoption of RESOLUTION APPROVING ENERGY MANAGEMENT SERVICES AGREEMENT FOR ENERGY STORAGE PROJECT (CIP #9810) AND AUTHORIZING EXECUTION OF AGREEMENT – ADVANCED MICROGRID SOLUTIONS, Inc.

Motion/Second: Mr. Grassilli / Mr. Lieberman

The Motion carried by Unanimous Roll Call Vote.

ITEM 8B

CONSIDERATION OF RESOLUTIONS APPROVING SALARY ADJUSTMENTS FOR CONFIDENTIAL GENERAL, UNREPRESENTED GENERAL, PROFESSIONAL AND MANAGEMENT EMPLOYEES AND TITLE CHANGES FOR CFO/ADMINISTRATIVE MANAGER TO ASSISTANT MANAGER/CFO AND ASSISTANT MANAGER/CHIEF ENGINEERING OFFICER TO AUTHORITY ENGINEER

- i. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION PROVISIONS FOR MANAGEMENT EMPLOYEES OF

SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 18-42 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith

- ii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION PROVISIONS FOR CONFIDENTIAL GENERAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING RESOLUTION NO. SVCW 18-43 AND ANY AND ALL OTHER RESOLUTIONS OR PROVISIONS THEREOF IN CONFLICT HERewith
- iii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR UNREPRESENTED GENERAL EMPLOYEE POSITIONS OF ENGINEERING INTERN, LABORATORY ASSISTANT AND GENERAL INTERN AND RESCINDING RESOLUTION NO. SVCW 18-44 AND ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith
- iv. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION PROVISIONS FOR PROFESSIONAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING RESOLUTION NO. SVCW 18-45 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith
- v. RESOLUTION AMENDING SECTION 6 OF RESOLUTION NO. SVCW 77-6, THE SVCW PERSONNEL RESOLUTION, RELATING TO CLASSIFICATION OF POSITIONS AND RESCINDING PARAGRAPH 1 OF RESOLUTION NO. SVCW 18-46 AND ANY AND ALL OTHER RESOLUTIONS OR PROVISIONS THEREOF IN CONFLICT HERewith
- vi. RESOLUTION APPROVING AND ADOPTING CONSOLIDATED PAY SCHEDULE FOR ALL REPRESENTED AND UNREPRESENTED EMPLOYEES OF SILICON VALLEY CLEAN WATER FOR FISCAL YEAR 2018-2019

Motion/Second: Mr. Grassilli / Mr. Otte

The Motion carried by Unanimous Roll Call Vote.

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 8:57 a.m.

Minutes prepared by Teresa A. Herrera

Robert Grassilli, Secretary

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AGENDA ITEM 7B

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SVCW WARRANT REGISTER

SVCW Warrant Register dated October 2018, was scanned and a copy was emailed to Commissioners and Legal Counsel on October 29, 2018.

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AGENDA ITEM 7C

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APPROVE UPDATED SVCW STANDARD CONTRACT DOCUMENTS

ISSUE

Approval of Silicon Valley Clean Water (SVCW) Standard Contract Documents, Version November 2018.

BACKGROUND

Construction projects are carried out by completing a set of specifications and plans (collectively, "Contract Documents") that spell out, via words and drawings, specifically what is involved in the construction project and what work the construction contractor agrees to perform. There is an industry-standard for the method in which Contract Documents are organized. They are comprised of three main sections: Standard Contract Specifications, Technical Specifications, and Drawings.

SVCW has utilized Standard Contract Specifications for many years. They are updated approximately annually by a consultant for SVCW who keeps apprised of pertinent changes in law, regulations, and insurance industry recommendations. They are reviewed by SVCW's insurance provider and Legal Counsel, as necessary. The last update to SVCW's standard contract specifications was made in April 2017.

The Standard Contract Specifications primarily contain standard contractual requirements, with the majority of the language constant from project to project. Technical Specifications and Drawings are unique to each project and vary accordingly. It is common for a public agency to own and prepare the Standard Contract Specifications, while the Technical Specifications and Drawings are prepared by the Design Engineer-of-Record.

In August 2008 and approximately once per year since, the Commission has approved the Standard Contract Specifications allowing SVCW construction projects to be let out to bid and subsequent action by the Commission approving the specific Contract Documents when the project construction contract is awarded.

There are two forms of contract specifications used by SVCW for construction: "Long-Form" and "Short-Form". Long-form Standard Contract Specifications are used for projects that are publicly advertised for bidding and over \$100,000 in anticipated contract value. The Short-Form version is used for projects having an anticipated construction value under \$100,000.

In addition to construction contracts, SVCW uses standard form specifications for procurement of equipment (Procurement Contract). Procurement covers items such as direct purchase of pumps, valves, and other equipment and involves no construction or installation. This occurs when construction or installation would be done by SVCW staff or via a separate construction contract with a general contractor.

Updates to all of SVCW's Standard Specifications have just been completed and are ready for Commission approval.

DISCUSSION

Updated modifications to the Standard Long-Form and Short-Form Construction Contract Specifications have been prepared and staff recommends the Commission approve the revised Standard Contract Specifications effective November 2018.

Notable changes in the Long Form specifications include: 1) Addition of language allowing counterpart signatures on executed contracts in Section 00500, Agreement, 2) Modified language regarding excavation practices per the Safe Dig Act of 2016 in Section 00700, General Conditions, and 3) Modifications to Operations and Maintenance Interaction during constructing including system outage request procedures, O&M Manual requirements, and Start-up and Testing procedures which modifies Section 01010, Summary of Work, Section 01660, Starting, Testing, Adjusting, and Balancing of Systems, and Section Operation and Maintenance Data.

Changes in the Short Form specifications include: 1) Addition of language allowing counterpart signatures on executed contracts in Section 00500, Agreement, 2) Modified language regarding excavation practices per the Safe Dig Act of 2016 in Section 01000, General Requirements, and 3) Modifications to system outage request procedures in Section 01000, General Requirements.

Updates to the Procurement contract include two items: 1) Adjustment of California Sales tax calculations for current Redwood City sales tax rates and 2) Modifications to Section 01660, Starting, Testing, Adjusting, and Balancing of Systems from the Long Form Specifications.

Staff recommends that the Commission approve the revised Standard Long-Form, Short-Form, and Procurement Contract Documents effective November 2018.

FINANCIAL IMPACTS

There are no direct financial impacts from this action. Construction projects and equipment procurements that use the Standard Contract Specifications will be individually analyzed for financial impacts.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING SVCW'S STANDARD LONG-FORM CONSTRUCTION CONTRACT DOCUMENTS, SHORT-FORM CONSTRUCTION CONTRACT DOCUMENTS AND PROCUREMENT CONTRACT DOCUMENTS - VERSIONS NOVEMBER 2018.

AGENDA ITEM 7D

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**MASTER SERVICES AGREEMENT
NEXINITE LLC**

ISSUE

Approval of Master Services Agreement with Nexinite LLC for Information Technology Coordination Services.

BACKGROUND

SVCW's Information Services Division has built and maintained an Information Technology (IT) system that enables SVCW staff to perform business functions in a secure and efficient manner. IT solutions include plant operations, asset management, equipment preventive and predictive maintenance, laboratory records and analyses, and a newly-implemented financial software package with financial data analysis and reporting tools. While each individual IT software solution provides significant efficiencies in respective divisions, SVCW lacks dynamic reporting between the software packages' datasets.

The SVCW management team has discussed having the ability to integrate datasets from these distinct software packages. This would better enable SVCW to analyze comprehensive data when making proactive decisions. As an example, due to data not being readily available SVCW only occasionally calculates certain productivity and efficiency measures like chemicals used per 10,000 gallons of water treated, labor spent on routine work orders / tasks, or the cost of a wet weather event.

Today, these calculations and others like them require significant manual intervention and manipulation of data in Excel. While SVCW has staff who are powerful Excel users able to build sophisticated models, these models are inevitably delicate, time-consuming to build, and frequently break as data changes. Excel-based reports also lack scalability, meaning as incremental reports are needed they require equally incremental effort. A better reporting platform would offer tremendous economies of scale. Finally, SVCW would benefit from a reporting tool that enables descriptive analytics beyond simply "What Happened?" Today's powerful tools can span both financial and operational data sources to offer diagnostic analytics ("Why did it happen?"), predictive analytics ("What could happen?"), and prescriptive analytics ("How can we drive business outcomes?").

DISCUSSION

Over the last several years, the cost of data storage has reduced significantly, opening opportunities for small and medium-sized organizations to leverage "big data" collection and analytics that identify and achieve efficiencies in operations. The firm of Nexinite LLC specializes in Information Technology assessment and strategy development for public organizations. As a subconsultant on the RESCU Owners Advisor/Quality Assurance

team, Nexinite solutions have facilitated efficient communication and collaboration amongst multiple layers of consultant/contractor teams. They have also provided analysis and reporting services to track and manage the RESCU program budgets, schedules, and cashflow requirements, which range in cost from tens to hundreds of millions of dollars.

SVCW's Manager and CFO reached out to Nexinite to discuss linking disparate datasets into a "data warehouse" and introducing a comprehensive reporting tool. With these solutions SVCW staff would have the platform and skills to create reports and analysis from data that is collected across all departments.

Nexinite recommends Microsoft Power BI, a Business Intelligence solution to enable currently-siloed software packages with their respective datasets to be accumulated in a data warehouse from which data could be extracted for various business reasons. BI has been implemented broadly by other public and private entities and is now a standard of business operations and optimization today. The scope of work has not yet been defined but will revolve around using Microsoft-based network solutions, specifically Azure. Most SVCW's software solutions are already standard SQL databases based, so datasets are easily referenced.

Prior to working with Nexinite on a BI solution, a Master Services Agreement is needed. When definitive scopes of work and budgets are negotiated, authorization for such will be brought to the Commission for approval.

FINANCIAL IMPACT

There is no direct financial impact associated with the new Master Services Agreement.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING MASTER SERVICES AGREEMENT FOR INFORMATION TECHNOLOGY COORDINATION SERVICES WITH NEXINITE LLC

AGENDA ITEM 7E

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**NEW 12KV SWITCHGEAR PROJECT (CIP #9807)
AGREEMENT WITH PG&E FOR GENERATING FACILITY INTERCONNECTIONS
ELECTRIC RULE NO. 21**

ISSUE

Approve Agreement with Pacific Gas and Electric Company (PG&E) for Generating Facility Interconnections Electric Rule No. 21 (CIP #9807) and Submit a Financial Security Posting for the Interconnection Costs.

BACKGROUND

Electrical utility power for the SVCW treatment plant is currently provided by Pacific Gas and Electric Company (PG&E) through a 12kV switchgear located near the plant entrance. PG&E power service enters the plant's main 12kV switchgear where it is metered and then distributed to all plant electrical loads. This switchgear is being upgraded with a new 12kV switchgear to accommodate new electric load being added due to the Front-of-Plant project, to raise the main plant power out of the flood zone, and allow export-import of power generated by the cogeneration system and battery system under construction.

Since its inception, SVCW has sought ways to produce electricity and to reduce energy use at the treatment plant and remote pump stations. Currently, the plant uses the biogas from the anaerobic digesters to power cogeneration engines which, in turn, supply electricity to run the treatment processes. Due to the existing PG&E service agreement and California Public Utility Commission's (CPUC) Rule 21, SVCW cannot fully utilize its cogeneration engines' capacity. This limitation is due to a "non-export" provision in the current PG&E agreement. Under CPUC Rule 21, SVCW could initiate a change in its agreement with PG&E to allow exporting excess, onsite-produced power to the grid.

The new equipment being constructed now is provisioned with the necessary CPUC Rule 21 protection requirements. This will, in turn, allow power to be exported to the PG&E grid without impacting existing plant operation. Additionally, the new switchgear can be constructed and energized with little impact to the construction and start-up for the new Front of Plant facilities. The Energy Storage (Battery) project also requires a Rule 21 agreement with PG&E to allow its operation. The Commission approved the Engineering, Procurement and Construction services and Energy Management Services agreements at the October 2018 meeting.

Staff held discussions with PG&E to connect onsite generation facilities (battery systems and cogeneration engines) to the utility's power grid to export or sell power back to PG&E or another utility and submitted the application to do so. In March 2018, SVCW signed an agreement with PG&E to conduct a System Impact Study (SIS) to evaluate the feasibility and impacts of connecting the existing cogeneration system and new energy storage system to allow export-import of power. PG&E submitted its SIS report to SVCW on October 24th.

DISCUSSION

The SIS report notes the feasibility for implementing a Rule 21 power export/import facility and outlines for PG&E and SVCW the required equipment for implementation. To

implement Rule 21 requirements, PG&E needs to install a pad-mounted SCADA system at the point of interconnection. This facility will be located at the SVCW 12kV site and will allow PG&E to remotely monitor and control the power generation export or import. An agreement for PG&E to complete the work has been negotiated and includes scope of work and budget for all facilities needed. The cost is split into two components; a \$192,881 cost to SVCW for an onsite interconnection monitoring system and a \$275,000 cost to PG&E for upgrades to their Belmont substation site.

PG&E requires SVCW to post a financial security instrument to guarantee our intent and ability to pay for the capital work needed to interconnect our project to its facilities. There are three options to fulfill this financial security posting requirement – Letter of Credit, Escrow Account or Guaranty. SVCW staff recommends Letter of Credit as the most cost-effective option.

The agreement will allow PG&E to install the necessary equipment and system to implement Rule 21 so SVCW-generated power can flow in either direction. This feature will allow SVCW to fully utilize the capacity of its cogeneration and operate the energy storage (battery) system.

FINANCIAL IMPACT

Work under this project will be funded from a project in the 2017 CIP Update, New 12kV Primary Switchgear project (CIP #9807), which has an allocated capital budget of \$10.6 million. As of the September 2018, \$2,583,535 has been expended on design, construction and administrative tasks.

RECOMMENDATION

- i. Move adoption of RESOLUTION APPROVING AGREEMENT WITH PG&E FOR GENERATING FACILITY INTERCONNECTIONS ELECTRIC RULE NO. 21 FACILITY FOR NEW 12KV SWITCHGEAR PROJECT (CIP #9807), AUTHORIZING EXECUTION OF AGREEMENT AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT – PACIFIC, GAS & ELECTRIC – \$192,881
- ii. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER APPROVING AND AUTHORIZING THE POSTING OF A SECURITY INSTRUMENT THROUGH THE ISSUANCE OF A LETTER OF CREDIT TO PG&E IN THE AMOUNT OF \$192,881 FOR GENERATING FACILITY INTERCONNECTIONS ELECTRIC RULE NO. 21 FACILITY FOR NEW 12KV SWITCHGEAR PROJECT (CIP #9807) – PACIFIC GAS & ELECTRIC

AGENDA ITEM 8A

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**PUMP STATION IMPROVEMENTS PROJECT (CIP #9501)
APPROVAL FOR RETENTION INCREASE TO 10% OF THE CONTRACT AMOUNT**

ISSUE

Adopt findings that the Pump Station Improvements Project (CIP #9501) is a "substantially complex" project pursuant to Public Contract Code Section 7201(b)(4) and approve the retention of 10% of all progress payments made during Stage 2 of each project.

BACKGROUND

Public Contract Code Section 7201(b)(1) (Section references are to that Code) requires that retention proceeds withheld from any payment from a public agency to a contractor may not exceed five percent (5%). However, Public Contract Code Section 7201(b)(4) allows that retention proceeds "may exceed 5 percent on specific projects where the governing body of the public entity ... has approved a finding during a properly noticed and normally scheduled public hearing and prior to bid, on a project by project basis... that the project is substantially complex and therefore requires a higher retention amount than 5 percent and the awarding entity includes in the contract documents details explaining the basis for the finding and the actual retention amount."¹

Section 7201(b)(4) provides that, "Any finding by a public entity that a project is substantially complex shall include a description of the specific project and why it is a unique project that is not regularly, customarily, or routinely performed by the agency or licensed contractors." Section 7201 remains in effect until January 1, 2023 unless a later enacted statute extends this date.

DISCUSSION

Due to the special and complex nature of work required for the Pump Station Improvements Project, staff recommends that the Project be determined "substantially complex". The type of work envisioned for the project is not regularly, customarily or routinely performed by SVCW. The complex aspects of the Project include, but are not limited to:

- a. Rehabilitation of existing pump stations while maintaining operation of said pump stations;
- b. Complex planning and scheduling to coordinate the pump station construction with the Front of Plant and Gravity Pipeline Projects;
- c. Complex modeling of hydraulics to assure pump performance in existing wet wells;
- d. Challenging mechanical and control system to allow for wet weather flow from West Bay to be "double pumped" at Redwood City.

¹Section 7201 requires that the finding be made during a public *hearing*. Therefore, and in accordance with the public hearing notice requirements (Gov't. Code §6066), SVCW staff caused a notice of this hearing to be published in the San Mateo County Times newspaper once a week for the two weeks preceding this hearing.

- e. Extremely tight space for construction at all pump station sites and challenging geology for necessary deep excavations at Redwood City pump station.

Staff recommends that the retention amount be set at ten percent (10%) for the Stage 2 services' portion of the Progressive Design Build contract based on the above findings. Stage 2 is the construction portion of the progressive design build work (Stage 1 is the design portion of progressive design build). Further, Section 9203(a) states that, at any time after 50 percent of the work has been completed, and if satisfactory progress is being made, any remaining progress payments may be made in full for actual work completed. It is SVCW's practice that, after 50% of the work is completed satisfactorily, the retention percentage may be reduced but not eliminated. Staff may recommend the Commission approve a reduction of the retention after 50% completion of a project if satisfactory progress and quality of work are made by the Progressive Design Build firm.

FINANCIAL IMPACTS

There is no anticipated financial impact to SVCW resulting from this item.

RECOMMENDATION

- Open Public Hearing and Receive Testimony
- Close Public Hearing
- i. Move adoption of RESOLUTION FINDING THAT THE PUMP STATION IMPROVEMENTS PROJECT (CIP #9501) IS "SUBSTANTIALLY COMPLEX" AND APPROVING RETENTION OF 10% OF EACH PROGRESS PAYMENT FOR STAGE 2 OF THE PROJECT

AGENDA ITEM 8B

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**CAPITAL IMPROVEMENT PROGRAM COSTS
2018 UPDATE**

ISSUE

Adopt recommended changes to the Capital Improvement Program (CIP) costs, updated for anticipated escalation due to market conditions and inflation and changes to projects.

BACKGROUND

SVCW's first Capital Improvement Program (CIP) was adopted by the Commission in May 2008. At the time it was intended to be a "living program" that would be updated as new information became available and as necessary to appropriately plan and implement capital improvements. Since 2008, the Commission approved five CIP updates (2011, 2012, 2013, 2015, and 2017) to incorporate substantial changes in projects and their costs.

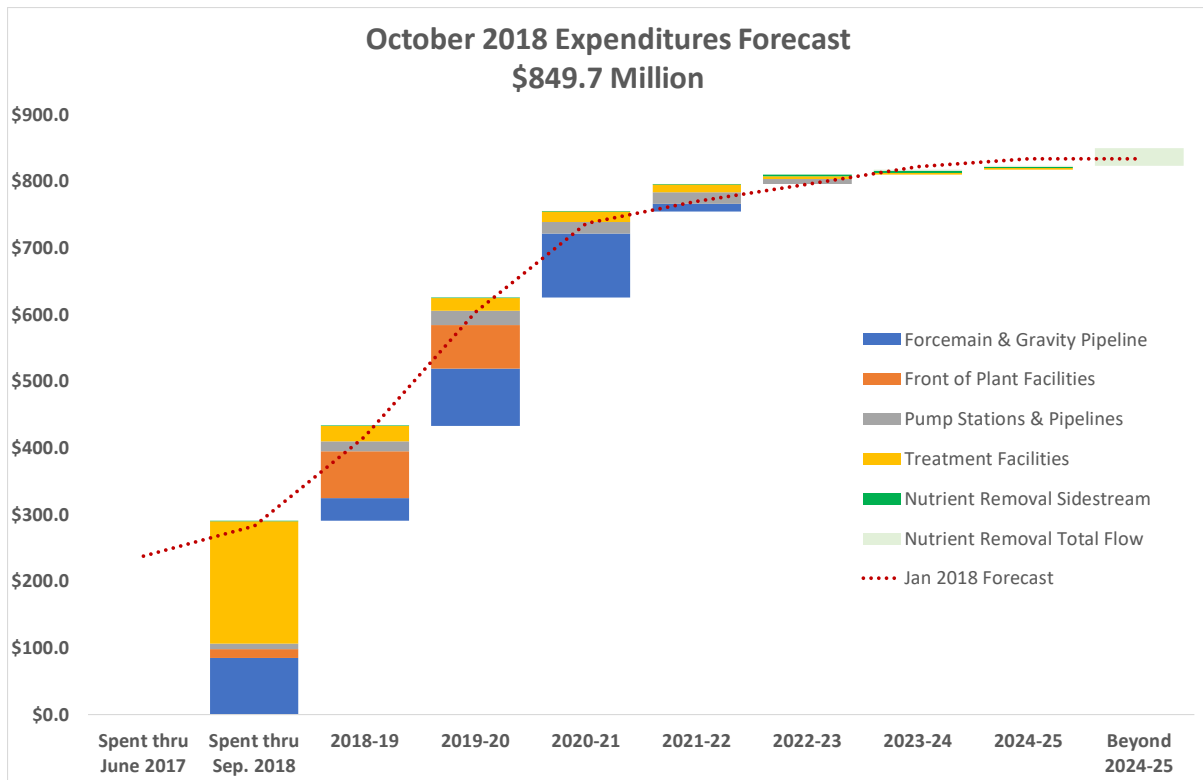
CIP estimates have typically been evaluated every two years. Information used includes the extent to which projects are designed, anticipated construction timing, the construction economic climate, and regulatory and environmental requirements. Updates have added or removed projects and their related estimated costs.

DISCUSSION

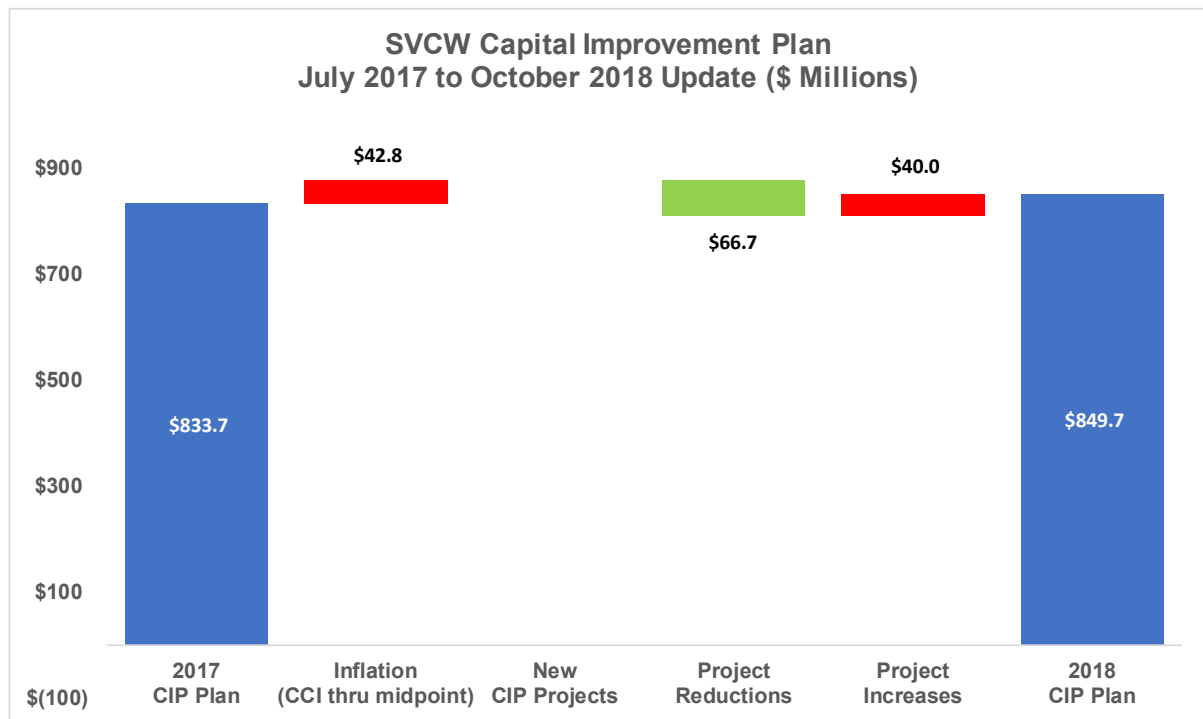
SVCW originally planned the CIP as a standalone ten-year program, which has since evolved into an ongoing plan focused on ensuring SVCW can meet all wastewater requirements of its communities and regulators. With the CIP as a guide, SVCW methodically plans future capital improvements to ensure infrastructure can transport and treat current and future wastewater flows. It also addresses how SVCW will protect existing capital assets to meet its primary function. Thus far, the amount of improvements that have been completed over the past ten years is substantial and has taken SVCW far in its mission to protect its capital facilities assets. The majority of remaining improvements revolve around the RESCU program which will replace and/or rehabilitate all conveyance system facilities.

There are ancillary uses of a long-range CIP. For example, it allows SVCW to project funding requirements and Member Agency sewer rates to pay for capital expenditures. It also helps SVCW comply with environmental documentation required by the California Environmental Quality Act (CEQA). Finally, it is a requirement of SVCW's NPDES permit to have in place capital improvement planning documents to ensure to the Water Resources Control Board that the permitted agency is posed to meet its responsibilities.

Inclusive of actual spending to date, the 2017 CIP was last estimated at \$833.7 million in 2017 dollars. Approximately \$291 million has been spent to date.



The proposed 2018 CIP Update is now estimated at \$849.7 million. The proposed 2018 CIP Update will increase the total CIP program by a net \$16 million, or 1.9%, primarily due to current market escalation and anticipated inflation.



Inflation: In previous CIP updates, inflation was applied to bring costs to the current year of the update. This year's inflationary increase is the first time SVCW will apply future inflation to the midpoint of construction. This improves the predictability of CIP expenditures and was enabled by an increasing certainty of project construction costs and timing. Applying a 3.7% retroactive inflation metric brings unspent CIP values to 2018 dollars and applying a 4.25% increase in later years increases the forecast by \$42.8 million. As in prior CIP updates, SVCW used Construction Cost Index figures from Engineering News Record reports specific to the San Francisco Bay Area.

Project Reductions and Increases: In 2013, the Regional Water Quality Control Board (RWQCB) became concerned with the health of San Francisco Bay and possible negative effects of Bay Area wastewater treatment plant discharges of nutrients (nitrogen and phosphorous). Based on indications from the RWQCB, the 2015 CIP Update included a placeholder cost of \$100 million for nutrient removal. The figure was drawn from a professional engineering firm's 2014 estimate of capital requirements to reach the then-anticipated discharge limits. Since 2014, studies to evaluate the impact of wastewater treatment plants' release of nutrients and negotiations with the RWQCB have been ongoing. In the 2017 CIP Update, the value was reduced to \$66 million with the anticipation that some existing tankage could be repurposed for some of the treatment. Recent discussions with the RWQCB indicates that the issue may be addressable in the short term (2019 to 2024) through focused treatment of side stream flows only. Also, recent plant improvements have resulted in decommissioned infrastructure that can be repurposed for side stream nutrient removal.

It is anticipated that the RWQCB will set interim limits in the 2019 Watershed permit for which SVCW will be required to meet within a 5-year time frame; i.e., 2024. In the 2024 Watershed permit, the RWQCB has indicated higher limits will be set; these limits would need to be met no later than 2029. Because of the uncertainty in the longer-term higher limits, management recommends that this CIP update only reflect what is thought to be needed for the 2019 permit (which can be accomplished via side stream treatment) and that a placeholder be included in the CIP for the possible 2024 permit but that this placeholder not be included in cash flow requirements. The resultant values are \$10 million for side stream treatment and \$30 million placeholder for future nutrient removal. The chart above depicts this as a project deduction of \$66.7 million and a project increase of \$40 million.

FINANCIAL IMPACT

This 2018 CIP update predicts approximately \$556.2 million remains to be spent, reflecting a 1.9% net increase from the 2017 CIP Update while anticipating costs to the mid-point of construction for remaining projects.

SVCW will use its long-term debt strategy to fund the remainder of spending. As Member Agency sewer rates provide the underlying repayment security for this financing, SVCW will continue to annually update its Long Range Financial Plan (LRFP). The revised LRFP will be presented to Member Agencies in January 2019 for incorporation into their respective budgets and rate strategies.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING AND ADOPTING THE 2018 UPDATE OF THE SILICON VALLEY CLEAN WATER CAPITAL IMPROVEMENT PROGRAM PLAN AND CORRESPONDING CEQA CONCLUSIONS

AGENDA ITEM 8C

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**GRAVITY PIPELINE PROJECT (CIP #6008)
STAGE 2B DESIGN-BUILD AMENDMENT,
OWNER'S ENGINEERING ADVISOR SERVICES AND
CONSTRUCTION QUALITY ASSURANCE SERVICES**

ISSUE

Approve Stage 2B Amendment to the Gravity Pipe (GP) Design-Build Agreement with Barnard Bessac Joint Venture (BBJV), approve Kennedy/Jenks Task Order for Owner's Engineering Advisor Services and Tanner Pacific Task Order for Construction Quality Assurance Services associated with Stage 2 of the Gravity Pipeline Project (CIP #6008).

BACKGROUND

SVCW's Regional Environmental Sewer Conveyance Upgrade (RESCU) Program includes conveyance system improvements to transport wastewater from member agencies' collection systems to the SVCW wastewater treatment plant. A major component of the conveyance system is the Gravity Pipeline project to be constructed by tunneling from the north edge of Inner Bair Island to the new Front of Plant facilities at the treatment plant.

In October 2017, the Commission approved the Barnard Bessac Joint Venture (BBJV) Design-Build Agreement which included provisions for both Stage 1 and Stage 2 activities. Stage 1 activities include design services to bring conceptual designs from the 10% level to approximately 60% design level at which point, Stage 2 activities (design completion and construction) could be defined and priced. Along with the Design-Build Agreement the scope of work and budget for Stage 1 (\$7,989,358) was approved. The intent was that Stage 2 would be authorized at a later date when the design was completed sufficiently to scope and budget the Stage 2 activities.

The Design-Build Agreement allows for release of Stage 2 activities in "packages" rather than waiting for the entire project to reach 60% design. This allows the advanced procurement of equipment with long lead times, and for portions of the design to progress faster than other portions. This approach allows the existing 54-inch force main and pump stations to be taken out of service sooner than otherwise would be possible. It also reduces overhead costs, project management staffing and the effects of inflation and market volatility, which is significant in this local high-growth economy.

In August 2018, the Commission approved a Stage 2A Amendment to the Gravity Pipeline Design-Build Agreement authorizing \$23,473,683 for tunnel boring machine (TBM) procurement; launch shaft site preparation and crane purchase. In addition to the original Stage 1 Agreement and the Stage 2A Amendment, there have been nine Stage 1 amendments with a total value of \$1,181,455 that the Commission ratified previously. The total Stage 1 and Stage 2 executed authorization amount is currently \$32,644,496.

Also recommended for approval in this action item are Task Orders for Kennedy/Jenks for Owner's Engineering Advisor Services and Tanner Pacific for Construction Quality Assurance Services associated with Stage 2 of the Gravity Pipeline Project. The

Commission authorized a task order for Owners Advisor Services by Kennedy/Jenks and a task order for Quality Assurance Services by Tanner Pacific, Inc. for the Stage 1 work in October 2017. New scopes of work and budgets for these firms have been prepared to continue Owner's Advisory and Quality Assurance services through Stage 2.

DISCUSSION

Stage 2B Amendment. The scope of work to be authorized by the Stage 2B Amendment is completion of the design and construction of the Gravity Pipeline Project. The main components of the Gravity Pipe Project include:

- A 17,600-foot (3.4 mile) long tunnel constructed using a tunnel boring machine. The tunnel is comprised of concrete segments and has a 13-foot inside diameter and 15-foot outside diameter.
- An 11-foot outside diameter fiberglass reinforced polymer pipe will be installed inside the tunnel. This pipe will connect the newly replaced 48-inch force main (located at the north end of Inner Bair Island) to the new Receiving Lift Station at the WWTP.
- Construction of a TBM launch shaft at the Airport site, a receiving shaft on Inner Bair Island, and a drop shaft at the San Carlos Pump Station site.
- Repurposing portions of the existing San Carlos Pump Station building for use as a vault to connect San Carlos sewage flow to the Gravity Pipeline.

Extensive engineering work has been completed to address soil conditions, corrosion, constructability, vertical and horizontal alignment, tunnel construction, shaft construction, odor generation, and risk. As part of Stage 1, BBJV has prepared 30%, 60% and 100% design reports for various parts of the project. 100% plans are prepared for critical path items needed early to keep the project on schedule. Portions of the project that are smaller and not on the early critical path are at 30% design for Stage 2 pricing. Stage 1 will be completed in December 2018.

Prior to bringing the Stage 2B Amendment recommendation to the Commission for approval, SVCW's project team completed two independent cost estimates (one by SVCW's Owners Engineering Advisor, Kennedy/Jenks, and one by SVCW's Construction Quality Assurance consultant, Tanner Pacific) and found BBJV costs to be reasonable and competitive. The SVCW project team also conducted rigorous design submittal reviews throughout Stage 1. SVCW management has met with the BBJV management to negotiate final terms of the Stage 2B Amendment. The agreement will be a lump sum approach with a definitive price to complete the project.

Budget allowances are being used in the Stage 2B pricing because tunnel construction involves many unknowns; more than the typical WWTP mechanical and electrical construction SVCW is familiar with. For example, the cutterheads of the tunnel boring machine may or may not need to be repaired and unclogged (called an intervention) during this project. The need and number of interventions will be based on the soils encountered as tunneling progresses. Another example is the amount of soil additives that will be used to excavate the tunnel. The specific quantity is unknown currently as it is based on soil conditions. To better manage overall project costs and risks, budget

allowances have been established for selected items, such as interventions and additives. Without these allowances BBJV would need to put costs for the items in their pricing in case they are needed. The allowance approach for specific items not under the control of BBJV is intended to reduce the overall project cost and reduce the risks to both BBJV and SVCW. Specific dollar amounts and pricing approaches agreed in advance for allowances also reduces extensive analysis and disputes during construction. The budget for allowances is included in the overall lump sum amount.

The total authorization requested for the BBJV Stage 2B Amendment described above is \$206.7 million. This fits within SVCW's CIP budget for project #6008.

The construction schedule provides for substantial completion of the Gravity Pipeline (ready for sewage) in April 2022 with Final Completion in May 2022.

Owner's Engineering Advisor Services. Kennedy/Jenks Stage 2 services as Owner's Engineering Advisor will include assisting SVCW staff and Project Manager with oversight and coordination of the Stage 2 work. Services include: design submittals reviews and their processing, checking conformance with design, and technical review of shaft and tunnel activities. Additional tasks are outlined for services related to change order reviews and higher than anticipated levels of oversight and assistance to SVCW. These additional tasks will be used only as-needed. The term of the Kennedy/Jenks Task Order extends through the closeout of the Gravity Pipeline project, anticipated to be 48 months.

Construction Quality Assurance Services. Under their Stage 2 Construction Quality Assurance Services Task Order, Tanner Pacific scope will include assisting SVCW with oversight of construction activities. In a Design-Build environment, Quality Control is the responsibility of Design-Builder (in this case, BBJV). Quality Assurance on the part of SVCW includes "spot-checking" approximately 10% of the quality control being performed by BBJV. Tanner Pacific provides construction management services to SVCW on all its CIP projects and will now provide quality assurance services to this project. The term of the Tanner Pacific Task Order is 48 months, which is assumed to last through closeout of the Gravity Pipeline project.

As a means of minimizing project costs and given the variableness of the need that SVCW will have for assistance for Owner's Engineering Advisor and Construction Quality Assurance services each of the two task orders is structured with a base amount and additional services tasks. The additional services will be authorized by the Manager on an as needed basis. The recommended Task Order amounts represent the total of the base and additional services and are \$2 to \$4 million; this represents from 1 to 1.9% of the estimated construction cost for Kennedy/Jenks Owner's Engineering Advisor services and \$3 to \$7.5 million representing 1.5% to 3.6% of the estimated construction cost for Tanner Pacific Construction Quality Assurance services. As a means of comparison, engineering services during construction is budgeted by SVCW at 3% of the construction amount and construction management services at 15%.

FINANCIAL IMPACTS

The scope represented by this work will be funded from the Gravity Pipeline project (CIP #6008), which has an allocated budget in the 2017 CIP Update of \$232 million. Adjusted for increases in costs of construction the 2018 budget for the Gravity Pipeline Project is \$260 million. To date, approximately \$40 million has been expended and obligated. The combined maximum cost of services for the three actions in this agenda item is \$218 million.

The total not-to-exceed budgets for the BBJV Stage 2B Amendment and Owner Engineering Advisors' Stage 2 Task Orders are:

BBJV (Stage 2B Amendment)	\$206.7M
Kennedy/Jenks (Stage 2 Owner's Advisor TO)	\$2 to 4M
Tanner Pacific (Stage 2 Quality Assurance TO)	<u>\$3 to 7.5M</u>
Total	\$211.7 to \$218.2M

RECOMMENDATION

- i. Move adoption of RESOLUTION APPROVING STAGE 2B AMENDMENT TO THE DESIGN-BUILD AGREEMENT FOR GRAVITY PIPELINE PROJECT (CIP #6008); AUTHORIZING EXECUTION OF STAGE 2B AMENDMENT AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS AND ALLOWANCES UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID AMENDMENT – BARNARD-BESSAC JOINT VENTURE - \$206.7 MILLION
- ii. Move approval of TASK ORDER SCOPE AND BUDGET FOR OWNER'S ADVISOR SERVICES FOR THE GRAVITY PIPELINE PROJECT STAGE 2 (CIP #6008) IN AN AMOUNT NOT TO EXCEED \$4,000,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – KENNEDY/JENKS CONSULTANTS
- iii. Move approval of TASK ORDER SCOPE AND BUDGET FOR CONSTRUCTION QUALITY ASSURANCE SERVICES FOR THE GRAVITY PIPELINE PROJECT STAGE 2 (CIP #6008) IN AN AMOUNT NOT TO EXCEED \$7,500,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – TANNER PACIFIC INC.