

**COMMISSION OF SILICON VALLEY CLEAN WATER  
JOINT POWERS AUTHORITY  
REGULAR MEETING – Thursday, June 14, 2018  
8:00 a.m.**

Place: Pelican Conference Room  
Silicon Valley Clean Water  
1400 Radio Road, 2<sup>nd</sup> Floor  
Redwood City, California

**COMMISSIONERS**

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

**ACTING MANAGER:** TERESA HERRERA

**ATTORNEY FOR THE AUTHORITY:** CHRISTINE C. FITZGERALD

**CONTROLLER/TREASURER:** KIMBRA MCCARTHY

**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 April 30, 2018
- D. Engineering Projects Status Update May 2018
- E. Commission Requested Staff-Level Action Items
- F. RESCU Program Design-Build Project Status Update May 2018

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR

8. BUSINESS ITEMS

A. CONSIDERATION OF RESOLUTION AWARDDING CONSTRUCTION CONTRACT FOR CHLORINE CONTACT TANK PASS 1 SURFACE REHABILITATION PROJECT

Proposed Action: Move adoption of RESOLUTION APPROVING CONSTRUCTION CONTRACT DOCUMENTS FOR CHLORINE CONTACT TANK (CCT) PASS 1 SURFACE REHABILITATION PROJECT (CIP #9107); ACCEPTING BID OF LOWEST RESPONSIBLE BIDDER, REJECTING ALL OTHER BIDS; AND AUTHORIZING EXECUTION OF AGREEMENT, DIRECTING RETURN OF SECURITY DEPOSITS AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT – F.D. THOMAS, INC. (\$389,359)

B. CONSIDERATION OF RESOLUTION AWARDDING STAGE 2A AMENDMENT TO PROGRESSIVE DESIGN-BUILD AGREEMENT FOR FRONT OF PLANT PROJECT

Proposed Action: Move adoption of RESOLUTION APPROVING STAGE 2A DESIGN BUILD AGREEMENT AMENDMENT FOR FRONT OF PLANT PROJECT (CIP #6013, 6014, 9160); AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID STAGE 2A AMENDMENT – SHEA/PARSONS JOINT VENTURE - (\$2,193,575)

C. CONSIDERATION OF RESOLUTION AUTHORIZING THE BORROWING OF NOT TO EXCEED \$65,000,000 FROM WELLS FARGO UNDER A REVOLVING LINE OF CREDIT, AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS

Proposed Action: Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE AMENDMENT OF A CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS; AND RESCINDING RESOLUTION NO. 18-35

D. CONSIDERATION OF RESOLUTION AUTHORIZING PROCUREMENT OF OCIP INSURANCE COVERAGE FOR PROGRESSIVE DESIGN BUILD PROJECTS

Proposed Action: Move adoption of RESOLUTION AUTHORIZING THE SVCW MANAGER TO PROCURE INSURANCE COVERAGE FOR SILICON VALLEY CLEAN WATER'S OWNER CONTROLLED INSURANCE PROGRAM FOR PROGRESSIVE DESIGN BUILD PROJECTS AND AUTHORIZING MANAGER TO APPROVE CHANGES IN COVERAGES UP TO TEN PERCENT OF THE PREMIUM AMOUNTS

E. CONSIDERATION OF RESOLUTION AMENDING SECTIONS OF THE JOINT POWERS AGREEMENT RELATED TO THE AUTHORITY'S TREASURER AND CONTROLLER ROLES.

Proposed Action: Move adoption of RESOLUTION PROPOSING AMENDMENTS TO SECTIONS 1.16, 1.36, 3.2, 3.3, 6.5, 6.6, AND 6.7 OF JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING SOUTH BAYSIDE SYSTEM AUTHORITY, NOW KNOWN AS SILICON VALLEY CLEAN WATER, RELATING TO THE DESIGNATIONS AND ASSIGNMENTS OF TREASURER AND CONTROLLER OF THE AUTHORITY

F. CONSIDERATION OF RESOLUTIONS ESTABLISHING CLASSIFICATIONS, RATES OF PAY AND RELATED COMPENSATION FOR CONFIDENTIAL GENERAL, PROFESSIONAL, UNREPRESENTED GENERAL, AND MANAGEMENT EMPLOYEES AND APPROVE CONSOLIDATED PAY SCHEDULE

Proposed Actions:

Move adoption of:

- i. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR MANAGEMENT EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-63 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith

- ii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR CONFIDENTIAL GENERAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-65 AND RESCINDING 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 17-36 AND ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH
  - iv. RESOLUTION ESTABLISHING RATES OF PAY FOR PROFESSIONAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-64 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 17-66 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
- G. CONSIDERATION OF RESOLUTION APPOINTING SVCW ACTING MANAGER
- Proposed Actions:
- i. CHAIR TO ORALLY REPORT OUT RECOMMENDATION THAT ACTING MANAGER'S MONTHLY SALARY AMOUNT BE SET AT \$29,584.00, WHICH IS THE CURRENT SALARY RATE FOR THE MANAGER POSITION.
  - ii. Move approval of RESOLUTION APPOINTING TERESA HERRERA AS ACTING MANAGER OF SILICON VALLEY CLEAN WATER AND ESTABLISHING COMPENSATION

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 (Two Potential Cases)

B. LABOR NEGOTIATIONS (Govt. Code Section 54957.6(a))

AGENCY NEGOTIATORS: Teresa Herrera, SVCW Acting Manager

Matt Anderson, Chief Financial Officer/Admin. Manager

Jennifer Flick, SVCW Human Resources Director

Monte Hamamoto, SVCE Chief Operating Officer

Darrell Murray, IEDA

EMPLOYEE ORGANIZATION: IUOE LOCAL 39

C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: San Carlos Airport, San Carlos, CA (APN(s): 095-220-140, 046-082-010, 046-081-790, 046-081-580, 095-030-230)

SVCW Negotiators: Lillian Jewell, Kevin Thorne (Hamner, Jewell & Associates); SVCW Manager Teresa Herrera, Bruce Burnworth

Negotiating Parties: County of San Mateo, Real Property Division

Under Negotiation: Price and terms

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property Description: Maple Street, Redwood City, CA

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

Under Negotiation: Price and terms

E. PUBLIC EMPLOYEE APPOINTMENT

Government Code Section 54957

Title: Manager

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 –
  - (i) May 10, 2018 Regular Meeting
  - (ii) May 22, 2018 Special Meeting

- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED MAY 18, 2018. MAY 31, 2018 AND JUNE 1, 2018 AND NECESSARY PAYMENTS THROUGH JUNE 1, 2018

- C. CONSIDERATION OF MOTION COMPLETING DUE DILIGENCE AND WITHDRAWING SVCW INTEREST IN SAN MATEO WASTEWATER TREATMENT PLANT OPERATIONS AND MAINTENANCE

Proposed Action: Move to WITHDRAW SVCW INTEREST IN OPERATIONS AND MAINTENANCE OF CITY OF SAN MATEO WASTEWATER TREATMENT PLANT

- D. CONSIDERATION OF MOTION TO RATIFY APPROVAL OF NAVIGATORS SETTLEMENT

Proposed Action: Move to RATIFY SETTLEMENT AGREEMENT WITH NAVIGATORS INSURANCE COMPANY FOR GAS CONDITIONING SYSTEM

- E. CONSIDERATION OF RESOLUTION TO MODIFY FACILITIES USE AGREEMENT WITH TANNER PACIFIC, INC.

Proposed Action: Move adoption of RESOLUTION APPROVING AMENDMENT NO. 1 TO FACILITIES USE AGREEMENT WITH TANNER PACIFIC, INC. (1406 RADIO ROAD)

- F. CONSIDERATION OF MOTION APPROVING PURCHASE OF “WAS” BY PHOENIX WATER RECYCLING

Proposed Action: Move approval of PURCHASE OF 10,000 GALLONS OF WASTE ACTIVATED SLUDGE (WAS) FROM THE SVCW FACILITY BY PHOENIX WATER RECYCLING



## **SAFETY MOMENT**

With summer fast approaching, it's important to be safe in the sun. Kaiser Permanente's Healthwise Handbook recommends the following if you are going to be in the sun for more than 15 minutes:

- Use a sunscreen with the SPF factor of 15 or greater
- Apply the sunscreen at least 30 minutes before going in the sun
- Apply sunscreen to ALL skin that will be exposed to the sun
- Reapply every 2 to 3 hours
- Wear light-colored, loose-fitting, long-sleeved clothes and a broad brimmed hat
- Drink plenty of water
- Avoid the sun between 10 am and 3 pm when burning rays are strongest
- Seek medical treatment if you experience red, hot, dry skin, confusion, dizziness, nausea, headache or a fever of 102 or higher

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

**Gravity Pipeline (6008) and Front of Plant Projects (6013, 6014, 9160):** 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, O/M options and coordinating efforts between the construction teams.

The JV teams are in the process of preparing packages for early construction approval from SVCW. A package for the Front of Plant will be brought to the Commission in June. A package for the Gravity Pipeline will be brought to the Commission in July.

**Planned Commission Actions:** Approve Stage 2A DB Contract Amendments – June 2018 for FoP and July 2018 for both projects

**CCT Concrete and Steel Protective Coatings Project (9017):** Repair cracks in concrete walls and ceiling of CCT replace coatings on steel piping inside tank.

A condition assessment of the interior of the Chlorine Contact Tank highlighted many cracks in the concrete ceiling and walls and failed coatings on valves and steel piping within the tank. The work to rehabilitate the tank will take place during the dry weather over successive years. The second phase of this project is planned for the summer of 2018. Design is being completed by Kennedy/Jenks and V&A Engineering.

**Planned Commission Actions:** Award Construction Contract – June 2018

**Underground Fuel Tank Replacement Project (9041):** Abandon and replace a 15,000 gallon diesel fuel tank.

State Law requires that the single-walled underground fuel tank on the WWTP site property be abandoned and no longer used by 2025. SVCW is planning on replacing it with an above ground tank, which will be easier to maintain, and will be subject to less regulation and inspection. Design work for the project to abandon the old tank and install a new tank will be performed by CDM Smith. A predesign task order will be presented to the Commission for approval in July.

**Planned Commission Actions:** Approve Predesign Task Order – July 2018



**Pump Stations Rehabilitation and Replacement (7004, 7005, 7008, 7011):** 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 is currently preparing a Request for Qualifications (RFQ) to solicit Design-Build teams.

**Planned Commission Actions:** Approve Issuance of RFQ – July 2018  
Approve Project Management Assistance Task Order – July 2018

**Energy Storage Project (9180):** Contract with system provider to build and operate a battery electrical storage system for the treatment plant

In April 2017 the Commission authorized staff to negotiate a contract with a system provider to design, build, and operate a battery storage system for the plant's electrical loads. SVCW has had discussions with AMS to provide these services, including the application for a SGIP grant from PG&E. SVCW staff will be bringing the contract to Commission for approval.

**Planned Commission Actions:** Approve Contract - August 2018

**Wastewater Treatment Plant Improvements Phase 2 (9169, 9173, 9186, 9189, 9197, 9220, 9224):** Rehabilitation and/or replacement of seven treatment plant mechanical processes.

SVCW received and evaluated two Design-Build (DB) firms in accordance with criteria outlined in the Request for Qualifications. Both firms were deemed qualified and received Requests for Proposals (RFP). The RFP's were issued on December 7, 2017 and were submitted on February 9, 2018. Staff interviewed both DB firms in March 2018 with the intent to make a recommendation at the April Commission meeting.

**Planned Commission Actions:** Accept Project and File Notice of Completion - TBD

**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 later 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 12kV failing 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.

Temporary electrical power is currently supplying electricity to three main Plant transformers. 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 – TBD

Report By:   KH

**SVCW Capital Improvement Program**  
**Actual Expenditure vs. Plan**  
**Through April 30, 2018**

Project Phase	Project Count	2017 CIP Update	Actual Spent thru April 2018	\$ Unspent/ Remaining	% Unspent/ Remaining
Completed Prior to Oct 2017 CIP Update	101	\$ 137,234,509	\$ 137,267,621	N/A	N/A
Completed Post Oct 2017 CIP Update	3	22,629,960	23,413,068	(783,108)	-3.5%
In Construction	27	75,587,626	51,916,955	23,670,671	31.3%
Planning & Design	42	513,864,043	47,635,297	466,228,746	90.7%
Other	37	84,349,902	5,443,727	78,906,175	93.5%
<b>TOTAL</b>	<b>210</b>	<b>\$ 833,666,040</b>	<b>\$ 265,676,669</b>	<b>\$ 567,989,371</b>	<b>68.1%</b>

**SVCW Capital Improvement Program  
CIP Project Status - COMPLETED Prior to October 2017**

30-Apr-18

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Complete	6001	48-inch Force Main Reliability Improvement	Replace the entire length of 48-inch diameter section of force main from RCPS to SCPS. This project incorporated CIP #6005 which was deleted in the CIP Update.	\$ 2,539,400	\$ 43,060,000	\$ 40,000,000	\$ 41,204,050	\$ 41,204,050
Complete	7010	Pump Stations Preliminary Design and CEQA	Prepare preliminary design (up to 30% design) for all pump station work including support for CEQA and SRF loan application	-	3,000,000	3,128,769	\$ 3,083,722	3,088,098
Complete	7013	Pump Stations Secondary Communications	Provide secondary communications for remote monitoring and control	-	-	51,900	\$ 33,289	33,289
Complete	8001	Central Data Acquisition Unit PLC System Upgrade	Central Data Acquisition Unit PLC System Upgrade; Replacement for Automation Program.	127,700	32,592	32,592	\$ 25,220	25,220
Complete	8004	Install SCADA Servers	Purchase and install and program independent servers for SCADA use only.	170,200	163,002	91,040	\$ 91,040	91,040
Complete	8005	Install MCC PLC	Installation of MCC PLC in support of the Automation Program	214,900	209,226	209,225	\$ 202,370	202,370
Complete	8017	Activated Sludge Process Automation (Aeration and Secondary Clarifiers).	Combine automation projects for processes related to Activated Sludge; this project is complete. Automates the activated sludge process.	4,411,400	8,428,965	7,637,390	\$ 7,636,947	7,636,947
Complete	8022	SCADA Process Graphics on Information Management System	Enable SCADA view and data across IMS Network to allow data views from remote locations (offsite)	103,500	107,041	62,936	\$ 62,936	62,936
Complete	8026	Septic System (Grease Receiving) Auto Controls and Level Measurement	Automatic controls tied into SCADA system for monitoring grease receiving station operation. Expenditures charged to CIP #9021	47,600	19,019	-	\$ 8,003	31,291
Complete	9006	Purchase Integrated Tool Vehicle	Eliminate need for rental. Purchase vehicle to facilitate access to decks with large equipment	104,000	79,502	81,992	\$ 81,992	81,992
Complete	9011	Portable Trash Pump	Replaces need to rent portable pump in response to flooding, overflows, and routine dewatering. Trailer-mounted, diesel driven 6" pump. Project complete.	-	-	37,859	\$ 37,859	37,859
Complete	9012	Digester #3 Rehabilitation and Upgrade	Repair digester for use as a primary digester. Clean digester, repair dome and skirt, slip-line bottom mix line.	1,811,400	3,415,426	4,024,258	\$ 4,024,258	4,024,258
Complete	9013	Waste Gas Burner Rehabilitation	Rehabilitate existing burners, including pilot and air flow monitoring equipment. Air permit required. Complete before re-roofing SHB	999,800	649,231	726,141	\$ 725,594	725,594
Complete	9016	High Pressure Air Piping and Instrument Air	Replace galvanized piping throughout the Plant used for compressed air delivery.	273,000	474,200	468,552	\$ 468,552	468,552
Complete	9018	Recycled Water For In-Plant Use	Utilize recycled water for sprinkler system in new administration building as well as other in-plant uses.	807,300	556,934	585,790	\$ 585,790	585,790
Complete	9019	Bisulfite Injector System Improvements	Alternate dechlorination injection system for reliability improvement.	225,900	16,740	16,740	\$ 6,231	6,231
Complete	9021	Grease Receiving Station Reliability Improvements and Odor Control	Convert station to two pits, allowing for expanded volume storage. Improvements to controls, pumping, mixing.	320,200	1,698,002	1,730,417	\$ 1,730,417	1,730,417
Complete	9022	Existing Freight Elevator Modernization	Bring passenger and freight elevators up to modern standards; replaces controls. Passenger elevator deleted from this project and included with Administration/Plant Control Building project.	496,700	1,080,137	1,092,137	\$ 1,092,137	1,092,137
Complete	9028	Laboratory Building Roof Rehabilitation	Rehabilitate laboratory building roof.	23,400	80,000	106,978	\$ 106,978	106,978
Complete	9029	Solids Handling Building Control Room HVAC/Scrubber	Air scrubbing to protect sensitive equipment, includes new breaker in (E) MCC, disconnect switch, conduit & wire for air handling unit.	473,400	349,334	390,681	\$ 390,764	390,764
Complete	9030	Secondary Clarifier Collector Drive Rehabilitation	Project complete. Work done in conjunction with	251,200	435,000	471,182	\$ 471,182	471,182
Complete	9035	Effluent Pipe Access Hatch	Install an access hatch to the effluent pipe to facilitate inspection, cleaning, and repairs.	215,300	215,300	123,508	\$ 123,508	123,508
Complete	9036	Primary Sludge Piping Rehabilitation	Combined with Bilge Pit and Pumping project (221)	136,300	541,152	559,131	\$ 559,131	559,131
Complete	9040	Digester #2 Cleaning	Clean D2; 1 digester every 5 years	269,100	162,630	162,630	\$ 162,630	162,630
Complete	9075	IMS System Equipment Replacement	Purchase replacement and additional servers for overall Plant computer information management system.	572,800	572,800	67,517	\$ 52,474	52,474
Complete	9095	Digester #2 Cover Repair	Scheduled repair and recoat of D2; expect to replace 15-20 years out	788,200	3,000,000	3,303,733	\$ 3,303,733	3,303,733
Complete	9099	Solids Handling Building HVAC Air Scrubber-Implementation	Implement odor and corrosion control for entire SHB	1,673,100	1,911,100	2,152,400	\$ 2,340,918	2,340,918
Complete	9101	Fresh Water Lagoon Cleaning	Clean fresh water lagoon to provide necessary volume for stormwater runoff.	1,123,200	711,618	795,845	\$ 795,845	795,845
Complete	9104	Septage Receiving Area Odor Control	2nd grease pump, in-line grinder and local control panel. Odor control pulls negative pressure in pit to eliminate foul odors. Delete and combine with 9021.	1,115,400	71,602	71,602	\$ 71,602	71,602
Complete	9106	Laboratory Information Management System (LIMS)	Plan and proceed with implementation of LIMS for laboratory data and process information.	490,100	156,939	116,083	\$ 152,667	152,667
Complete	9125	Plant Service Road Resurfacing- Phase 1	Phase 1 of overall Plant resurfacing project; repairs or expansion of paved areas in anticipation of upcoming construction activities. Project complete. Transfer funds from 9131 to cover overage.	182,200	448,890	734,796	\$ 734,796	734,796
Complete	9154	Cogeneration Engine Replacement	Upgrade cogeneration engine to enable full utilization of biogas produced.	7,227,900	10,005,000	13,500,000	\$ 17,554,800	17,554,800
Complete	9155	Natural Gas to Plant	Pipe natural gas from front entrance to enable its use as fuel blending for the cogeneration engines and in administration building.	181,500	401,042	419,640	\$ 419,640	419,640

**SVCW Capital Improvement Program  
CIP Project Status - COMPLETED Prior to October 2017**

30-Apr-18

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Complete	9156	Administration and Plant Control Building Replacement	Build a new administration and control building at existing location.	11,408,900	20,000,000	21,247,355	\$ 21,236,430	21,236,430
Complete	9157	Solids Handling Building Roof Replacement	Replace the roof on SHB; leaks occurring.	226,200	70,203	70,203	\$ 70,203	70,203
Complete	9179	Pretreatment Program Sample Room	Provide a wet lab receiving area for source control to prepare samples prior to analysis and also storage of equipment.	-	389,000	575,000	\$ 633,142	633,142
Complete	9180	Maintenance Shop Reconfiguration	Reconfigure maintenance spaces that have been displaced by other projects.	-	1,372,800	228,038	\$ 280,541	280,541
Complete	9183	Stage 1 Screening at Plant Influent	Construct a screening facility at influent end of plant. Originally to be funded partially via CIP and partially from Operating budget in approximately 25/75 split.	-	858,000	4,844,000	\$ 4,216,719	4,224,826
Complete	9202	DMF Valve Replacement	Replace old valves in the DMF gallery. Valves are high in the air and scaffolding will be required for access.	-	915,749	962,654	\$ 997,139	997,139
Complete	9208	Solids Handling Building Demolition and Improvements - Phase II	Ready the SHB for new Cogeneration and dewatering equipment, and seismic bracing and column repairs. Do project in conjunction with CIP #9099.	-	1,900,000	2,759,901	\$ 2,772,117	2,772,117
Complete	9216	3W System Improvements	Make improvements to Plant Water system to assure adequate flow to all processes	-	171,600	314,600	\$ 314,747	312,088
Complete	9127	PEC & PST 1 & 2 Protective Coatings	Do SSC #3 with CIP #9014; also replace SSC drive.	-	-	946,092	\$ 946,092	946,092
Complete	8032	Final Effluent Pumping Control System (FEP) Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and best practices dictate decoupling controls from other distinct process systems for reliability. Add new SCADA View at existing FEP Platform. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	179,025	179,025	\$ 179,025	179,025
Complete	8033	Dechlorination Control System Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and best practices dictate decoupling controls from other distinct process systems for reliability. Move new Dechlor Control Panel and the SCADA View above flood line to the newly provided platform at RAS/WAS gallery. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	179,026	179,026	\$ 179,026	179,026
Complete	8034	Tertiary Filter Feed Pump Control System Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and, best practices dictate decoupling controls from other distinct process systems for reliability. Add new SCADA View to the existing platform. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	224,130	224,130	\$ 224,130	224,130
Complete	8035	Chlorination Control System Upgrade	Combine w/CIP #8017; Existing PLC-5 equipment is aging and not up to latest Automation Standards and best practices dictate decoupling controls from other distinct process systems for reliability. Includes programming needed to decouple existing scheme and enhance new controls. Construction completed as a CCO to ASA and CCO funds deleted from this project.	-	185,478	185,479	\$ 185,479	185,479
Complete	9007	Industrial Roll-up Doors for Warehouse	Combine with CIP #9132. Project complete	21,700	19,664	19,664	\$ 19,664	19,664
Complete	9015	Hypochlorite Dosing System Rehabilitation Automation	Replaces pipe, valves, pumps, manifold to allow chlorination for disinfection & odor control; work done in house. Current project replaces the two tanks with double-walled tanks.	372,900	1,350,000	\$ 820,044	\$ 616,146	616,146
Complete	9077	Engine Generator #4 Complete Rebuild	Rebuild top end (valve job and associated parts; needed every 20,000 hrs) and lower end (cam shaft, main and rod bearings, rods, pistons and liners and ancillary parts and pieces; needed every 40,000 hrs).	561,000	246,213	246,212	\$ 246,212	246,212
Complete	9098	Shipping and Receiving Trailer	Combine with CIP #9132. Project complete	34,700	-	-	\$ -	-
Complete	9119	RAS Discharge Line 36" Butterfly Valve Replacement	Project Completed w/CIP #8017; Replace existing 36-inch butterfly valve with a knife gate valve to resolve ragging problem.	143,200	-	-	\$ -	-
Complete	9132	Storage and Purchasing Warehouse	Construct a new warehouse for secure storage of supplies, material, and equipment. Construct offices for Purchasing department staff. Replace existing warehouse siding and skylights. Install two new roll-up doors and one double door.	430,700	994,655	1,001,862	\$ 1,001,862	1,001,862
Complete	9150	Odor & Corrosion Control Program - General Support	Work completed to date satisfactory for moving forward. Provides support and funding for general requirements of projects contained within the Odor & Corrosion Control Program.	-	100,000	75,450	\$ 75,450	75,450
Complete	9201	Diminutor procurement and installation	Purchase and install 2 diminutors for each MPPS and SCPS. Purchase 1 spare for emergency installation. Budget allocated out of 9152	-	334,814	374,323	\$ 374,442	374,442

**SVCW Capital Improvement Program  
CIP Project Status - COMPLETED Prior to October 2017**

30-Apr-18

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Complete	9203	Central Chillers Replacement	Existing Chillers 1 and 2 are undersized and have reached the end of their useful lives and provide no redundancy. Chiller #1 has stopped functioning and is no longer serviceable. This project replaces the two chillers with three new chillers, providing one for redundancy and greatly enhancing reliability. Budget allocated out of 9152	-	996,448	1,109,003	\$ 1,109,003	1,109,003
Complete	9204	MPPS Concrete Repair	Severe corrosion and spalling concrete have been witnessed at the Menlo Park Pump Station, compromising the integrity of the structure and posing a safety hazard to SBSA Utility Workers. This project will also remove the chemical storage tanks, piping, and pumps that are no longer used. Budget allocated out of 9152	-	68,155	68,155	\$ 68,155	68,155
Complete	9211	Secondary Clarifier 6" Water Line Replacement	Replace the 6-inch water line situated on the eastern wall of the secondary clarifiers under the Activated Sludge Automation project. Project pulled from CIP #9152.	-	70,000	59,496	\$ 59,496	59,496
Complete	9213	Area Lighting	Replacement of Plant area lighting to LED lights by in-house staff and broken out from CIP #9152.	-	56,000	55,547	\$ 68,415	68,415
Complete	9801	12 kV Primary Switchgear Replacement	Replace primary switchgear due to existing one's obsolescence. Project includes full enclosure and SCADA connection, cabling to T1&T2. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,152,470	\$ 3,188,875	3,188,875
Complete	9802	Motor Control Center P-1,2,3, &4 Replacement	Replace all main Motor Control Center Panels P1 through P4 which have reached the end of their useful lives. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,130,760	\$ 3,160,662	3,160,662
Complete	9803	Electrical System Redundancy	Replace Power Distribution Panels PD1 and PD2 due to obsolescence. Includes tie-breakers for flexibility between T1 and T2. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,134,080	\$ 3,163,940	3,163,940
Complete	9804	Standby Power Upgrade	Install new standby bus for P1 through P5. Including new ATS's and cabling to P-6 and 2 new standby generators rated at 1MW each. Join CIP #s 9801 through 9804 into a larger Power Reliability Improvements project.	-	-	3,412,623	\$ 3,506,324	3,506,324
<b>TOTALS - COMPLETED PROJECTS PRIOR TO OCTOBER 2017</b>				<b>\$45,503,536</b>	<b>\$125,414,488</b>	<b>\$139,296,849</b>	<b>\$137,234,509</b>	<b>\$137,267,621</b>

**SVCW Capital Improvement Program**  
**CIP Project Status - COMPLETED Post October 2017**

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Complete	8007	Primary Sedimentation Control System	Install basic PLC and Communication equipment, conduit and primary sensing devices for primary sedimentation tanks. Do as part of SPA project	3,245,100	2,899,640	\$ 5,592,029	\$ 6,506,023	6,782,674
Complete	8018	Gravity Thickener Process Automation	Install basic PLC and Communication equipment, conduit and primary sensing devices in thickener area. Part of SPA project.	2,105,800	4,285,314	\$ 6,425,219	\$ 8,082,704	8,332,399
Complete	8021	Anaerobic Digestion Process Automation	Automate digester process. Part of SPA project.	2,589,600	8,882,096	\$ 9,701,615	\$ 8,041,234	8,297,995
<b>TOTALS - COMPLETED PROJECTS POST OCTOBER 2017</b>				<b>\$7,940,500</b>	<b>\$16,067,050</b>	<b>\$21,718,863</b>	<b>\$22,629,960</b>	<b>\$23,413,068</b>

**SVCW Capital Improvement Program  
CIP Project Status - IN CONSTRUCTION**

30-Apr-18

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Constr	6003	Influent Force Main Emergency Repair	As-needed repairs if leaks in the influent force main occur.	\$ 2,145,000	\$ 3,645,000	\$ 3,840,157	\$ 2,751,562	2,882,920
Constr	6012	Effluent Pipeline and Outfall Reliability Improvement	Improve reliability of Effluent Pipeline and Outfall, which have historically experienced leaks	-	12,450,438	\$ 10,063,562	\$ 10,844,371	11,212,328
Constr	7012	Pump Stations Processor Upgrade & T-1 Transition for Primary Communications	Install new PLC processors for existing Pump Station Controls	-	-	\$ 298,151	\$ 89,782	(0)
Constr	8023	SCADA/Auto Response to Plant Alarm Conditions	Planning and programming effort to maintain reliability while reducing labor demand. Requires Automation Program and Communications Upgrade to be completed.	1,446,700	1,255,286	\$ 744,749	\$ 709,762	226,449
Constr	8025	No. 3 Water Control System	Install basic PLC and Communication equipment, conduit and primary sensing devices for #3 water system.	111,700	225,000	\$ 231,430	\$ 242,371	45,878
Constr	8036	Automation System Integration - SRF Funded	Use funding for global automation tasks funded by SRF loan program	-	416,545	\$ 445,294	\$ 137,436	137,436
Constr	8038	Process Return Flow Meter and Sampler Installation	Install flow meters and samplers on small side streams to be able to monitor and track these flows. Project is being installed in-house.	-	357,500	\$ 382,370	\$ 187,096	188,536
Constr	9014	Process Tanks Concrete and Steel Protective Coatings Replacement	Replace coating in PEC and PST 1&2 (1st phase). Add FFR Wet Pit to project scope. Do with CIP #9127.	-	-	\$ 5,293,542	\$ 5,382,378	3,977,302
Constr	9034	Electrical Conductor Replacement - MCC Room to Wetside/Dryside Loads	Multiple year project to replace old and corroded electrical cabling throughout the Plant.	4,903,500	2,400,000	\$ 2,791,033	\$ 2,935,934	308,844
Constr	9067	Dewatering Process Control System Upgrade	Work being completed under CIP #8021, SPA project. Adds new SCADA View at existing location, programming for cutover of new controls. Delete budget from this project.	108,400	-	\$ -	\$ -	-
Constr	9080	Primary Sedimentation Tanks Collector System Replacement	Replace or rebuild collector drive system, including chains and filghts; one tank every 2 years.	1,929,100	1,929,100	\$ 4,309,732	\$ 4,334,681	3,996,516
Constr	9096	Plant Architectural Painting	Plant-wide painting including pumps, piping, equipment and structures. Painting necessary to prevent corrosion & for longevity of Plant's assets.	1,564,900	1,564,900	\$ 1,813,307	\$ 1,842,673	388,692
Constr	9118	SCADA Integration with Integrated Business Management System	Information Management System and SCADA to be tied together for asset management and maintenance scheduling.	481,000	2,168,560	\$ 2,458,093	\$ 2,483,273	2,026,758
Constr	9128	PST 3 & 4 Protective Coatings	Complete with 9080 - PST Collector System Replacement	714,150	714,150	\$ 2,869,160	\$ 2,881,273	3,113,650
Constr	9131	Plant Service Road Resurfacing-Phase 2	Plant site grading and paving.	1,089,000	821,310	\$ 1,066,488	\$ 1,112,712	309,083
Constr	9152	Small Capital Equipment Replacement	Ongoing replacement of equipment for maintenance needs throughout plant	3,714,000	1,954,500	\$ 2,238,071	\$ (25,374)	1,233,502
Constr	9164	Dewatering and Solids Handling Improvements - Phase I	Recommendations from the Biosolids Master Plan for dewatering improvements.	-	3,897,253	\$ 5,565,212	\$ 6,379,530	6,381,768
Constr	9177	Implement Security Plan Enhancements	Implement enhancements outlined in Security Document; conjoin with capital improvements as they are being implemented.	-	1,920,000	\$ 1,165,990	\$ 1,179,163	526,952
Constr	9188	DMF Underdrain Access Hatches	There is no access point to the DMF underdrains. This project will provide such access.	-	105,600	\$ 116,871	\$ 123,559	2,307
Constr	9214	Alternate Bisulfite Injection Point	Provide an alternate bisulfite injection point in order to reduce the chance of permit violation	-	423,660	\$ 457,631	\$ 356,998	10,519
Constr	9222	Dual Media Filters 6A and 6B	Construct two new Dual Media Filters and associated valves and piping. Work is being performed as a CCO by ERS.	-	3,452,571	\$ 2,053,201	\$ 2,077,557	937,715
Constr	9226	DMF Platforms	Construct platforms for access to maintain valves in the DMF Gallery. Currently the valves are not accessible. Do work as a CCO to DMF 6A & 6B construction project (CIP #9222)	-	-	\$ 155,490	\$ -	-
Constr	9228	Diesel Pump Upgrade	Relocate and replace diesel pumps and generator day tanks.	-	-	\$ 879,178	\$ 527,319	551,961
Constr	9231	BioforceTech Dryer System	Work with BioforceTech for half-scale biosolids drying Facility. SVCW to provide suitable site and utilities; Bioforce Tech to construct and operate. Tipping fee will be established based on this relationship.	-	-	\$ 2,048,637	\$ 1,610,621	1,094,719
Constr	9238	Front of Plant Site Civil	Ground improvement, grading, yard piping, and paving of Front of Plant Site. Includes storm water pump station and frontage wall.	-	-	\$ -	\$ 17,644,259	4,383,055
Constr	9806	Wetside Redundant Power Improvements	Addition of two standby power generators to PDP2 switchgear. In order to save monies, PDP2 was constructed to be completely ready for new generators and was originally proposed to allow existing generators to backfeed through existing primary transformers T1 and T2. Concerns raised during the Rule 21 process caused this plan to be superceded with standalone generators.	-	-	\$ 2,941,000	\$ 7,431,279	7,499,618
Constr	9808	In-Plant Power (12kV) Rehabilitation	Repair of 12 kV settling between Control Building and Solids Handling Building.	-	-	\$ -	\$ 2,347,412	480,448
<b>TOTALS - PROJECTS IN CONSTRUCTION</b>				<b>\$ 18,207,450</b>	<b>\$ 39,701,373</b>	<b>\$ 54,228,348</b>	<b>\$ 75,587,626</b>	<b>\$ 51,916,955</b>



**SVCW Capital Improvement Program  
CIP Project Status - PLANNING & DESIGN**

4/30/2018

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Planning	6004	Flow Equalization Facility	Build wet weather and diurnal storage facilities on plant property	\$8,981,300	\$28,600,000	\$ 18,171,592	\$ 18,532,957	\$ 670,427.54
Planning	6006	Conveyance System CEQA	Project Development, CEQA, and Planning for the Conveyance System Project Elements	-	839,000	\$ 5,100,580	\$ 4,358,551	\$ 4,514,597.18
Planning	6008	Tunnel and Gravity Pipeline	Installation of gravity pipeline, using tunneling construction methods for conveying wastewater to the plant.	-	63,190,000	\$ 220,007,111	\$ 232,245,223	\$ 16,279,371.14
Planning	6010	Force Main Conveyance System Program - General Support	Provides support and funding for general requirements of projects contained within the Conveyance System Program.	-	200,000	\$ 208,810	\$ 207,798	\$ 215,412.75
Planning	6013	Receiving Lift Station	Construct new pump station to lift flow out of the gravity pipeline and into headworks of the plant.	-	-	\$ 50,573,002	\$ 53,475,420	\$ 2,893,196.97
Planning	6014	Influent Connector Pipe	Install new pipeline that connects headworks process to current plant influent.	-	-	\$ 9,081,206	\$ 9,572,657	\$ 1,941,727.92
Planning	6016	MPPS FM Junction Box at RWCPs	Repair connection of 33" to 48"	-	-	\$ -	\$ 353,132	\$ -
Planning	7004	Menlo Park Pump Station Rehabilitation	Replace Menlo Park Pump Station to accommodate future Conveyance System needs	5,454,200	10,900,000	\$ 23,847,974	\$ 25,229,637	\$ 451,270.93
Planning	7005	Redwood City Pump Station Rehabilitation	Replace Redwood City Pump Station to accommodate Conveyance System needs	23,400,000	25,140,000	\$ 30,216,325	\$ 31,759,810	\$ 4,061,182.08
Planning	7008	Belmont Pump Station Rehabilitation	The existing pump station is at the end of its useful life. This project will replace the pump station equipment at the same location with details to be identified upon completion of the Conveyance System Program planning under Alternative 4BE. In the interim, until new pump station is constructed or deemed unnecessary, this project will fund necessary maintenance.	14,872,000	-	\$ 10,106,624	\$ 10,694,645	\$ 52,718.03
Planning	7009	Pump Stations Program - General Support	Provide general support to the Program Manager and in support of the overall pump station program.	-	400,000	\$ 426,505	\$ 441,939	\$ 162,103.64
Planning	7011	Belmont Force Main	Construct Pipeline between Belmont Pump Station and San Carlos Pump Station location.	-	22,022,000	\$ 3,308,933	\$ 3,482,030	\$ 350,313.56
Planning	7014	San Carlos PS Demo and Odor Control	San Carlos Improvements. Includes odor control and demo.	-	-	\$ -	\$ 5,791,371	\$ -
Planning	9017	Plant #1 Water System Pipe Repair and Supply Upgrade	Rehabilitate potable water system: replace air gap tank or install backflow preventer, hydropneumatic tank, and pumps.	148,400	365,474	\$ 456,925	\$ 514,689	\$ 483,915.48
Planning	9033	Future Plant Electrical System Panel Replacement	Complete replacement and addition of additional panels and subpanels	5,748,600	5,570,322	\$ 6,357,363	\$ 5,544,394	\$ 4,224,589.00
Planning	9097	Plant Deck Re-coating	Add painted walkway and H2O rated hatch covers for pedestrian/cart access under the Plant Control building. Some hatches replaced under other CIP projects.	179,400	179,400	\$ 209,376	\$ 221,442	\$ 2,684.50
Planning	9102	Storm Drain System Improvements and Maintenance Wash Rack	Replace the last existing stormwater pump with a submersible pump and install 400' of buried 6" C900 PVC pipe and control valves to deliver storm water to the influent junction box or storm lagoon. Construct new wash rack to facilitate ability to clean equipment for maintenance overhauls. Includes upgraded electrical and control system. These two items occur in the same Plant area; stormwater PS work complete; wash rack not complete.	482,100	482,100	\$ 211,947	\$ 108,287	\$ 108,286.79
Planning	9105	Document Management System	Phase 2 of the IMMS; use for CIP information management.	1,995,500	1,995,500	\$ 2,318,059	\$ 2,434,291	\$ 994,721.03
Planning	9107	CCT Concrete and Steel Protective Coating Replacement	Recoat walls and Ceiling of CCT	4,807,400	4,901,400	\$ 5,719,970	\$ 6,045,772	\$ 580,575.24
Planning	9120	RAS Pump Suction Pipe Replacement	Slip-line the in-slab pipe. The high content of solids in sludge piping wears the pipe out over time; the RAS piping is thin due to the continued abrasion of the sludge transported through it.	511,800	311,800	\$ 362,864	\$ 381,987	\$ 100,618.52
Planning	9144	Solids Handling Program - General Support	Project provides support and funding for general requirements of projects contained within the Solids Handling Program through the life of the CIP.	-	100,000	\$ 141,165	\$ 243,247	\$ 256,162.52
Planning	9145	Plant Energy System Program - General Support	Provides support and funding for general requirements of projects contained within the Plant Energy System Program.	-	75,000	\$ 87,192	\$ 88,541	\$ 64,081.72
Planning	9160	WWTP Headworks and Screening Facility	Project provides for a new headworks and screening facility at the WWTP. Pump station redesign efforts will take headworks needs into account.	-	16,422,000	\$ 43,011,190	\$ 45,458,834	\$ 2,668,964.44
Planning	9169	Dewatering and Solids Handling Improvements - Phase II	Implement the dewatering improvements recommended by the Biosolids Master Plan, including replacing the existing centrifuge with a third rotary press. Timing is dependent upon several projects currently being considered (Food Waste, Bioforce Tech, future Plant loadings) and when Operations require redundancy.	-	1,123,200	\$ 1,443,215	\$ 1,514,596	\$ 449,189.98

**SVCW Capital Improvement Program  
CIP Project Status - PLANNING & DESIGN**

4/30/2018

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Planning	9175	Security Program for New Conveyance System Pump Stations	Conduct an evaluation of the security and monitoring needs (required and optional) to be designed into the new conveyance system pump stations. The goal is to have a list of design criteria to give to the pump station design firm to ensure consistency of security equipment and controls. This project will investigate remote monitoring alternatives desired for operational needs. The project includes SVCW making decisions on security equipment, software and integration into the plant data system assuming this project will be conducted before the Plant Security Assessment and Plan project.	-	200,000	\$ 15,113	\$ 15,995	\$ -
Planning	9176	Plant Vulnerability Assessment and Security Plan	Conduct a Site Vulnerability Security Assessment and prepare a Security Plan. This is to identify the security needs at the plant based on potential for vandalism and the planned elimination of night time staffing. This plan will incorporate the decisions made in the Pump Station Security Program (CIP #9175) for software, I/C, and overall network controls. Additional hardware and equipment specific to the plant will be evaluated.	-	250,000	\$ 66,986	\$ 70,897	\$ -
Planning	9189	DMF Pump and Discharge Piping Replacement	Replace motors and drives on DMF Pumps.	-	858,000	\$ 1,793,236	\$ 1,897,048	\$ 120,807.35
Planning	9215	Digester #1 Rehabilitation	Repair of coatings and structural elements in Digester #1. Project includes replacement of the two mix nozzles, two wall penetrations and the upper and lower vertical mix pipe manifold as previously included in CIP #9170. Also include interior coating of 24-inch horizontal mix piping as previously included in CIP #9171.	-	2,000,000	\$ 2,161,884	\$ 2,286,199	\$ 147,569.43
Planning	9223	Final Effluent Pump Replacement	Increase the capacity of the final effluent pumps to be able to discharge 80 mgd	-	2,301,714	\$ 2,484,794	\$ 2,624,144	\$ 97,693.05
Planning	9224	FEP Connection to Chlorine Mix Box	Provide pipeline to connect effluent pumps to the chlorine mix box to improve plant hydraulics and chlorine contact time	-	200,000	\$ 216,219	\$ 228,750	\$ 14,030.08
Planning	9232	Long Term Strategic Recycled Water Planning	SVCW would begin collaboration with outside stakeholders for long-term planning of recycled water expansion as a drought proof water supply, explore IPR/DPR treatment requirements etc. Budget is for staff time to attend meetings and begin long-term planning, plus work with consultants on conceptual studies. No construction dollars are included. Large scale expansion of recycled water treatment may offset dollars spend on future nutrient removal compliance	-	-	\$ 532,137	\$ 49,552	\$ 267,313.52
Planning	9236	CEC-SAF-MBR	Build a pilot facility using CEC grant monies and in-kind services using a new treatment process developed at Stanford University. The process is called Staged Anaerobic Fluidized-Bed Membrane Bioreactor (SAF-MBR). This process could facilitate nutrient removal, recycled water production and, possibly, replace SVCW's secondary treatment processes. Up to \$500,000 was approved by the Commission for funding this project; monies will be allocated from CIP #9232, Long Term Strategic Recycled Water Planning.			\$ 500,000	\$ 510,307	\$ (104,620.12)
Planning	9237	Radio Road Wetlands Restoration	Restore the area behind the dog park to make a suitable habitat for birds	-	-	\$ -	\$ 3,531,324	\$ -
Planning	9810	Energy Storage	Install 1MW/2MWh energy storage system that uses Lithium-Ion battery.	-	-	\$ -	\$ 2,041,228	\$ -
Planning	9811	Solar PV System	Install solar photovoltaics to harness solar energy in conjunction with energy storage. The solar panels will augment the energy portfolio of SVCW energy systems.	-	-	\$ -	\$ 7,945,478	\$ -
Design	9168	Thickening Improvements - Phase I	Rehabilitate Thickeners 2 and 3	-	2,808,000	\$ 1,448,690	\$ 1,830,026	\$ 1,538,442.41
Design	9186	Replacement of Aeration Blowers	The 2010 FFR preliminary design report evaluated the existing blowers and indicated an additional 10 years life remain if the units are maintained well and ventilation is added to the room. Project added in 2012 Update; use project as a placeholder for future replacement and for change to mixers inside the ABs.	-	4,290,000	\$ 4,750,568	\$ 5,006,736	\$ 2,119,455.49
Design	9206	Site Waste Piping and Pump Replacement	Replace discharge piping and header and add one new pump due to significant number of leaks in the system.	-	99,528	\$ 109,901	\$ 115,781	\$ 9,171.67
Design	9220	Aeration Basin Venturi Removal	Remove a bottleneck to allow peak flow of 80 mgd	-	1,150,857	\$ 1,243,488	\$ 1,314,967	\$ 19,053.47
Design	9229	Food Waste: Receiving Station and Digester Improvements	Plan, Design and Construct Receiving Station for Accepting Food Waste from SBWMA. Project would include new receiving station and interconnection to Digesters	-	-	\$ 14,330,203	\$ 15,100,390	\$ 1,284,692.59
Design	9807	New 12kV Switchgear	Install a new 12 kV feed to the plant that will serve the new loads from Receiving Lift Station. This new new switchgear will also be tied to existing cogen system to allow export/import of power to PG&E after Rule 21 modifications. New solar and energy storage will be also tied to this new switchgear.	-	-	\$ -	\$ 10,593,971	\$ 595,122.08
	9811	Solar PV System						\$ 455.27

**TOTALS - PROJECTS IN PLANNING & DESIGN**

**\$66,580,700**

**\$196,975,295**

**\$461,021,145**

**\$513,864,043**

**\$ 47,635,297.25**

**SVCW Capital Improvement Program  
CIP Project Status - REMAINING**

30-Apr-18

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Project On Hold	9071	Plant Gallery Floor and Wall Crack Sealing	Seal gallery floors to prevent infiltration of GW. Unplug in-slab drain pipes.	250,000	484,832	561,364	586,566	129,652
Project On Hold	9113	Evaluation of Plant Underslab Piping	TV or otherwise investigate various piping embedded in concrete throughout the Plant	371,800	371,800	434,129	459,472	-
Project On Hold	9192	Drying Beds Northern Expansion	Expands the drying bed to the north with a new 3-acre bed.	-	1,656,000	37,337	32,825	134,957
Project On Hold	9400	Nutrient Removal	Placeholder for facilities required to remove nutrients (nitrogen and phosphorous) to meet future regulations.	-	-	103,636,229	67,347,122	649,490
Project Not Started	8045	System Integrate: Pump Station Security into WWTP Controls	This project is for the system integration of the pump stations' security systems into the WWTP control system. The project budget assumes 1) that all the security costs associated with specific pump station design and installation of equipment will be included in specific pump station rehabilitation projects and 2) the costs for security control equipment at the WWTP is included in new CIP #9177.	-	150,000	175,146	185,370	-
Project Not Started	9041	Underground Fuel Tank Replacement	Future Underground Storage Tank regulations may require removal of this tank. Remove 15,000 gallon underground fuel (diesel) tank and replace with a tank that meets regulatory requirements when necessary. Electrical costs include conduit and wiring for new underground tank leak detection equipment necessitated by moving the tank.	458,000	458,000	534,779	565,998	-
Project Not Started	9084	Seismic Upgrade - DMF 42" Effluent Piping	Install lateral bracing on the DMF 42" effluent piping. (Seismic Improvement Program No. P14).	167,300	167,300	195,346	206,670	12,259
Project Not Started	9093	Headworks Odor Control	Cover grating and open areas, treat odorous air.	929,500	929,500	1,085,321	-	-
Project Not Started	9094	Thickener Overflow Line Butterfly Valve Replacement	The butterfly valve is worn and no longer working as it is intended.	28,300	28,300	-	-	-
Project Not Started	9171	Interior Coating of Horizontal Influent 24" Mix Pipes for Digester 3	The Horizontal 24" Mix Pipe Lines were inspected in 2009 and minimal reduction in pipe thickness was noted and the pipes were placed back into service. It was noted that the coating was peeling off in places so this project will inspect the pipes next time the digesters are taken down for maintenance and replace interior coating and corroded piping as needed. Digester 2 piping replaced under CIP #9095. D1 piping to be included with CIP #9215, Digester 1 Rehabilitation. D3 piping remains to be replaced.	-	100,000	116,764	123,580	-
Project Not Started	9172	Thickening Improvements - Phase II	Gravity Belt Thickeners were installed under CIP #8018, Thickening Automation in 2014-2015. If and when flows and loadings increase, Phase II will install one or more GBTs. This is a project placeholder and not currently funded.	-	2,808,000	-	(67)	17,818
Project Not Started	9173	Dewatering and Solids Handling Improvements - Phase III	Implement the dewatering improvements recommended by the Biosolids Master Plan, including installation of a fourth rotary press.	-	1,123,200	1,311,493	1,388,054	30
Project Not Started	9174	Digester Supernatant Piping Upgrades	The existing supernatant piping only allows for supernatant to Digester 3 from Digesters 1 and 2 and there is no passive overflow system at any of the Digesters. This project will investigate the future need for additional supernatant piping and alternative destinations for receiving supernatant flow. The project cost assume \$50,000 for the evaluation and a placeholder of \$250,000 for implementation.	-	300,000	350,292	370,741	-
Project Not Started	9185	Water Cannons at Aeration Basins	Provide 3W piping and appurtenances required to supply high volume, high pressure water for aeration basin wash-down.	-	107,250	118,783	-	-
Project Not Started	9187	Secondary Clarifier Weir Washers	Install weir washers on secondary clarifier weirs to facilitate routine daily washing and in support of eventual single shift operations and maintenance.	-	248,820	275,576	291,663	-
Project Not Started	9196	Electronic O&M Manuals	Develop Electronic O&M manuals to replace existing paper manuals. Extent of e-manuals will be determined to coincide with full plant automation requirements.	-	1,000,000	1,036,600	1,097,113	-
Project Not Started	9197	In-Plant Recycled Water System Expansion	Expand the recycled water pipeline installed under CIP 9018 to supply cooling water to the new emergency generators in the SHB and the new chillers in the Thickener gallery.	-	231,660	256,570	271,441	16,379
Project Not Started	9212	Security Arm Gates	Install security lift arm gates to block access to cars from areas of the plant past the parking lot.	-	80,000	86,488	91,536	-
Project Not Started	9225	DCP2 Processor Upgrade	DCP2 Control Logix Upgrade (Dual Chassis) for central data collection and Critical Alert Alarm (CAA) system monitoring and management. The current system is beyond it's useful life and has no redundancy.	-	-	107,599	113,880	-
Project Not Started	9233	Strategic Technology Testing Assistance	Set aside a small project budget to assist with future possible pilot studies. Do not fund project at this time.	-	-	-	-	-

**SVCW Capital Improvement Program  
CIP Project Status - REMAINING**

30-Apr-18

Project Phase	Project No.	Project Name	Project Description/Status	2008 CIP (Original, 2007 \$s)	2013 CIP Update (2010 \$s)	Amended 2015 CIP Update (2015 \$s)	2017 CIP Update (2017 \$s)	Actual Spent thru April 2018
Project Not Started	9235	Digester Gas Storage	Construct storage for digester gas gas equalization in support of optimizing the cogeneration engine operation/electricity output. Gas production expected to rise with introduction of co-digestion materials (food waste and FOG)	-	-	1,451,240	1,535,958	-
Project Merged	6005	Influent Force Main - Rehabilitation or Parallel	Project redefined into pipeline segments; retire this CIP #. Repair and Replacement work on the SBSA Force Main as joints fail (start to leak). The force main has approximately 4,000 single "O" ring bell and spigot joints while the entire pipe rests in bay mud and moves constantly.	125,053,500	2,786,934	3,031,955	3,031,955	3,031,955
Project Merged	8014	Primary Sludge Piping System Valve Automation	Install valve actuators and new valves as needed to facilitate automation of the primary sludge system. Delete project and merge with 8007.	281,700	-	-	-	-
Project Merged	8024	Thickening Pump #1-6 Remote on / off / speed controls	Combined with Thickener Automation (CIP 8018) via SPA project. Includes effort for motor replacement.	360,600	10,978	26,869	28,437	0
Project Merged	8030	Automation: Instrumentation & SCADA Program - General Support	Provides support and funding for general requirements of projects contained within the Energy and Automation Program. Do not fund project in 2015 Update	-	670,509	433,801	432,477	459,548
Project Merged	8037	Automation System Integration - Bond Funded	Pulls out global automation programming tasks being completed by B&V into SRF or Bond funded categories.	-	620,260	9,384	-	-
Project Merged	9103	Landscape Impoundment Improvements	Project is slated to provide improvements to the impoundment. Work in addition to what was originally intended may be done for future Plant process needs.	269,100	269,100	\$ 256,951	270,525	44,989
Project Merged	9108	Scum Flowmeter	Combined with Thickener Automation (CIP 8018).	29,200	-	-	-	-
Project Merged	9124	Biosolids Master Plan	Master plan for handling, hauling and disposal/reuse of biosolids.	6,373,600	694,523	0	0	(0)
Project Merged	9165	Seismic Upgrade of Digester Mix Room and Boiler Room Piping	Do work under SPA project, CIP # 8021.	-	111,500	-	-	-
Project Merged	9205	1406 Radio Road Property Improvements	Provide for general improvements at the newly purchased property at 1406 Radio Road	-	1,135,000	121,550	121,500	121,500
Admin	9078	10-Yr CIP Program Annual Updates	Update the 10-Year CIP and costs annually or as needed to ensure that projects are scheduled and funds are available each year	180,000	300,000	348,705	153,092	262,824
Admin	9130	Capital Improvement Engineering	Funds staff required to coordinate and implement the Capital Improvement Program.	7,000,000	7,000,000	13,349,767	-	648,208
Admin	9158	CIP Financial Assistance	State Water Resources Control Board SRF construction loan assistance. Funding received for Admin Building and WWTP Improvements and planning loan for Conveyance System. Future applications will be submitted for Conveyance System and Future Treatment Plant projects. Budget includes ongoing compliance with loan requirements.	-	1,000,000	1,165,569	510,307	104,033
Admin	9159	OCIP Funding	Repository for funding the OCIP and payment to Aon for management of the program for first five years. New OCIP program being evaluated in 2015.	-	6,000,000	6,217,403	5,103,069	(189,915)
Admin	9184	LOC Funding - Phase I	Fees for setting up and managing LOC with Bank of the West. Process complete.	-	105,431	11,124	0	(0)
Admin	9209	LOC Funding - Phase II	Initial Set-up and Annual fee for LOC with Wells Fargo as of 2015.	-	120,000	129,731	30,618	-
<b>TOTALS - REMAINING PROJECTS</b>				<b>\$141,752,600</b>	<b>\$31,068,897</b>	<b>\$136,873,865</b>	<b>\$84,349,902</b>	<b>\$5,443,727</b>

Note - \$0 values where project did not yet exist in the identified CIP, was deleted, or was merged with another project

# AGENDA ITEM 5E

## JUNE 14, 2018

### Commissioners' Requested Action Items

Updated: 06/02/2018

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
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
	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		✓			While this is a good opportunity for positive public relations, it will take many months and maybe years to reach the point that SVCW is routinely exporting power. Updates will be provided to the Commission until the program is implemented.
	2	Project delay costs	N/A	✓			Ongoing	Inform Commission of any potential delays that could add time and costs to projects they have authorized.
9/14/2017	1	Add Consent Item re: payment to Mobile Modular	10/5/2017			✓	10/5/2017	Payment to Mobile Modular in the amount of \$68k was included in an Action at the November Commission meeting.

**AGENDA ITEM 5E**  
**JUNE 14, 2018**

### Commissioners' Requested Action Items

Updated: 06/02/2018

[illegible]

## AGENDA ITEM 5E

### JUNE 14, 2018

#### Commissioners' Requested Action Items

Updated: 06/02/2018

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
> One Year	1	MOU Negotiations	NA		✓			MOU negotiations have begun and the Commission will be updated at each meeting. Ability to conclude negotiations prior to contract expiration will require a lot of effort on the part of both SVCW and Local 39. Time is very short. Special Commission Meetings may be needed to conclude the negotiations and approve the new MOU by June 30, 2018
	2	Greendale property construction progress	7/1/2018		✓			Work is progressing and expected to be complete by June 30, 2018. Additional costs are being tabulated on a direct time and materials basis with no mark up by contractor.
	3	JPA re-write: prepare RFP and concurrently reach out to Legal Counsels of each member agency.	NA		✓			This item has been pushed off some due to other more imminent demands. Staff and SVCW Legal Counsel are developing the list of significant issues for presentation to JPA legal specialists to allow evaluation and development of proposals for the update of the JPA. It is expected to take two or more years to complete the update of the JPA once a firm is hired.
	4	Connection Fees	7/1/2018		✓			Additional plant capacity evaluation is underway to ensure proper flow numbers are used in the calculations. Postponed to July 2018 or later Commission Meeting.

## 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.

Available Budget

**\$412.26M**

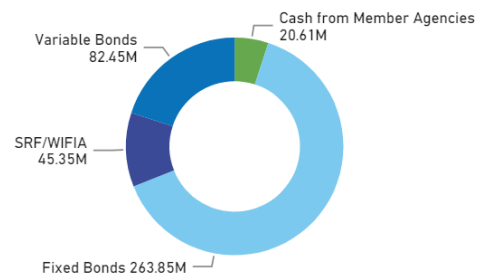
Total Expenditure

**\$15.66M**

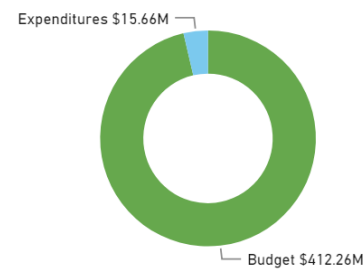
Remaining Budget

**\$396.6M**

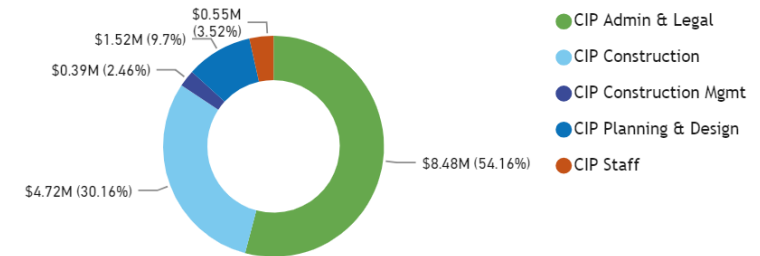
Source of Funds (per LRFP 2018)



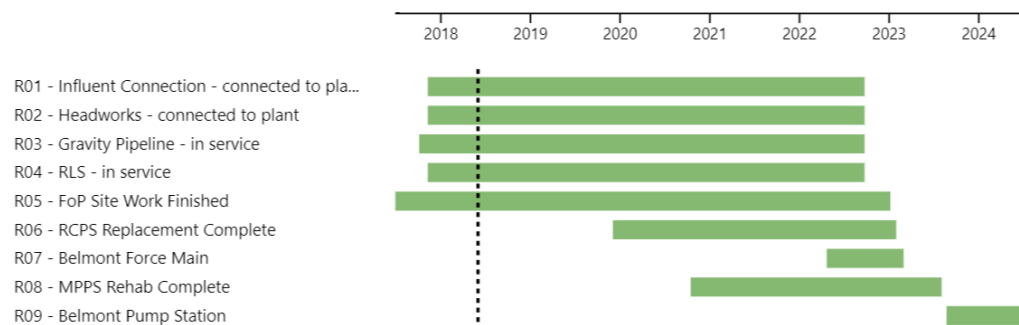
Budget vs Expenditures



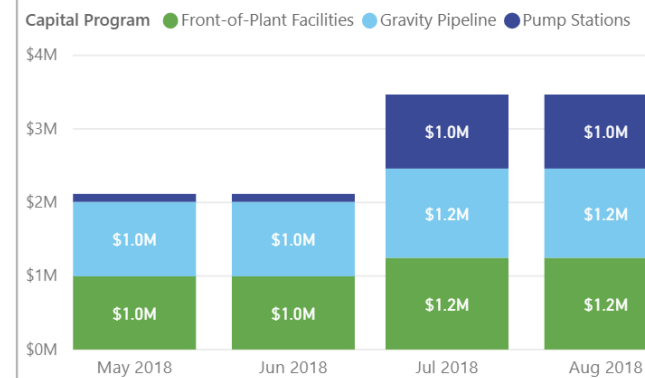
Expenditures by Object



Construction Schedule



3 Month Cash-Flow



Agenda Item 5F



## Front of Plant Progressive DB Project

The Front of Plant (FoP) Project consists of the design, construction, permitting, start-up, commissioning, and closeout for Receiving Lift Station (RLS), 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

**\$9.23M**

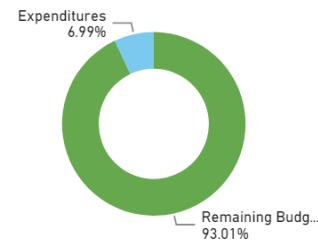
Remaining Budget

**\$114.27M**

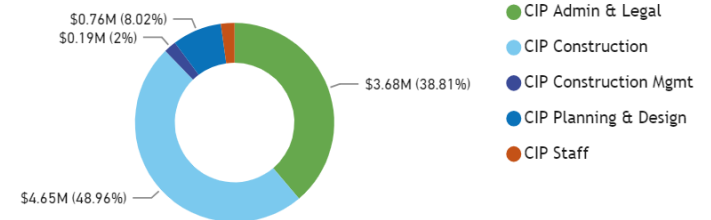
### Milestone Schedule

	Start	Finish
Notice to Proceed - Stage 1 Services	11/28/2017	
Basis of Design Report (BODR)		6/26/2018
30 Percent (%) Design Documents		8/24/2018
60 Percent (%) Design Documents		10/23/2018
Stage 2A - Piles		6/14/2018
Stage 2B - RLS Excavation		7/12/2018
Stage 2C - Balance of Stage 2 Work		12/28/2018
Stage 1 Services Complete		12/31/2018

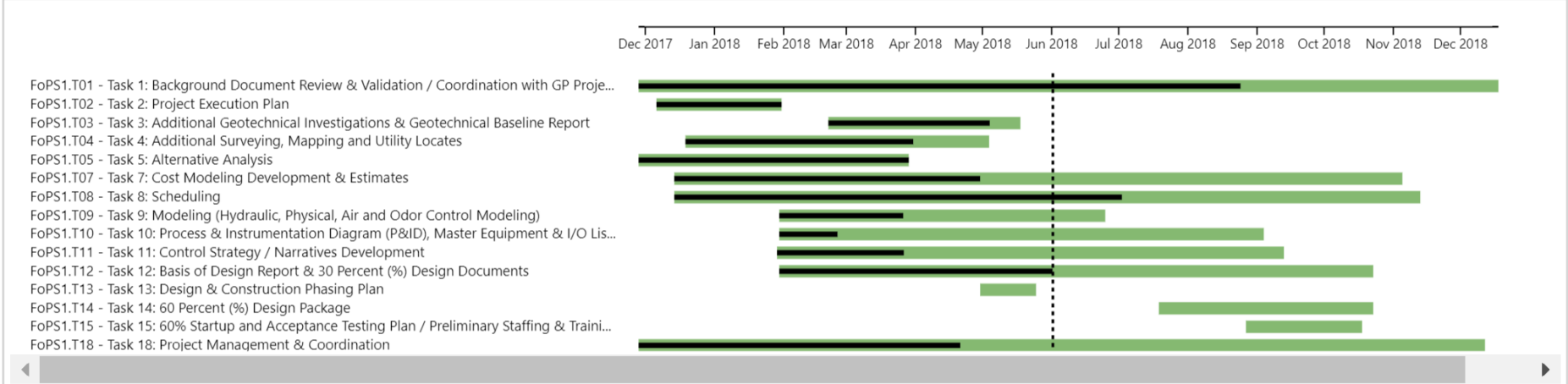
### Budget vs Expenditures



### Expenditures by Object



### Schedule



## Front of Plant Progressive DB Project



### Major Accomplishments this Period

▼	
Design	<ul style="list-style-type: none"> <li>- Established Headworks building design and associated process controls</li> <li>- Finalized RLS shaft base design criteria</li> <li>- Continued development of RLS, including pump layouts, pipe sizing, and valving</li> <li>- Continued computational fluid dynamics modeling for RLS</li> <li>- Continued discussions related to surge protection as input to the CFD model</li> <li>- Coordinate with GP DB team for adit and interface between gravity pipe and RLS manifold, including surge tower</li> <li>- Finalized the Headworks building footprint and pile design</li> </ul>
Procurement of Trade Packages	<ul style="list-style-type: none"> <li>- Received proposals from SOE subcontractors; evaluate proposals in conjunction with GP team</li> <li>- Work towards a June 2018 package release for concrete pile subcontractors</li> </ul>
Construction	- None

### Upcoming Key Activities

Complete Flow Science CFD Analysis
Conduct physical modeling of RLS
Finalize piles design and specifications
Continue detailing RLS and Headworks facilities
Finalize BODR comments
Coordinate selection of SOE Subs w/GP Team

### 3 - Month Look Ahead

	Start	End	June	July	August
Physical RLS Hydraulic Model Testing/Results	April 30, 2018	June 25, 2018	X		
Air & Odor Control Modeling	April 2, 2018	June 7, 2018	X		
Submit/Review/Finalize Basis of Design Report Package	May 11, 2018	June 19, 2018	X		
BODR Cost Estimate	June 12, 2018	July 18, 2018	X	X	
Submit 30% Design Package to SVCW for Review	July 11, 2018	July 11, 2018		X	
Submit/Review/Finalize SOE Design Package	February 26, 2018	July 24, 2018	X	X	
Prepare/Negotiate/Finalize Stage 2 Early Release Package	May 18, 2018	July 17, 2018	X	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 four 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.

Available Budget

**\$221.88M**

Total Expenditure

**\$5.68M**

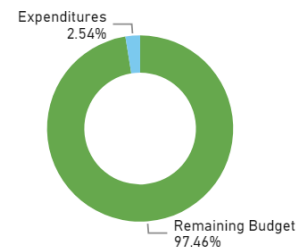
Remaining Budget

**\$216.10M**

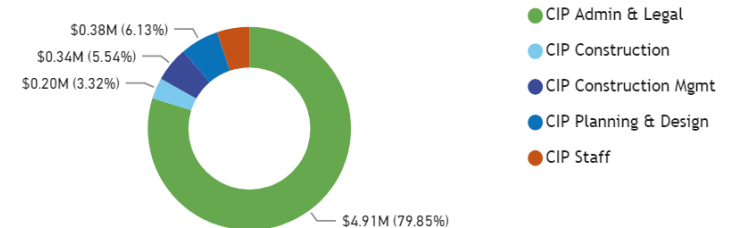
### Milestone Schedule

	Start	Finish
Notice to Proceed - Stage 1 Services	10/13/2017	
Basis of Design Report (BODR)		6/19/2018
30 Percent (%) Design Documents		9/5/2018
60 Percent (%) Design Documents		11/21/2018
Stage 2A Approval - Retrieval Shaft, TBM Purchase, Airport Clear and Grub		7/12/2018
Stage 2B Approval - Concrete Segments and Airport Shaft SOE		10/11/2018
Stage 2C Approval - Balance of Stage 2 Work		12/13/2018
Stage 1 Services Complete		12/13/2018

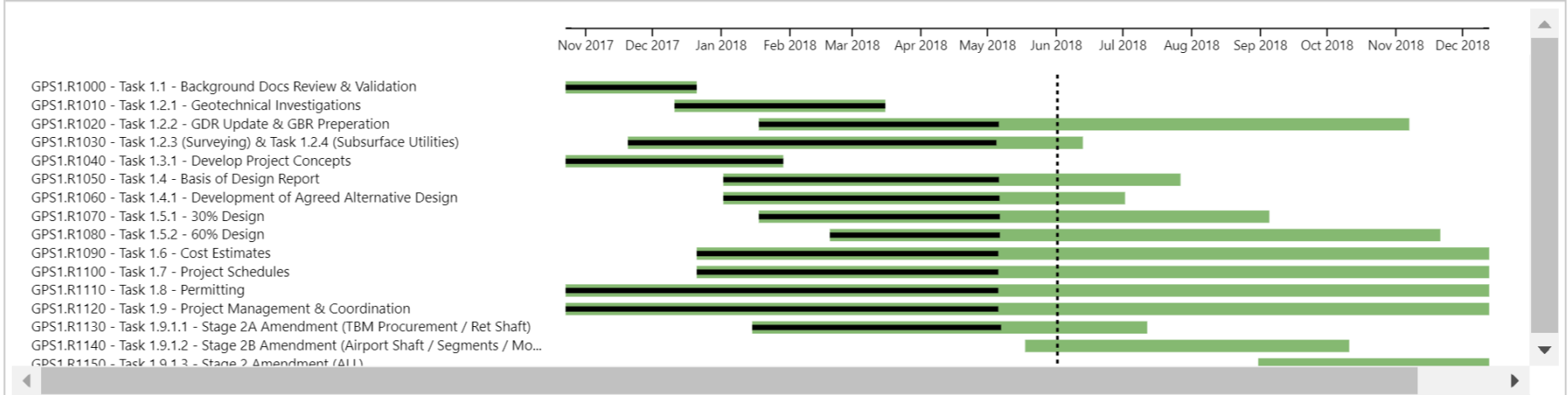
### Budget vs Expenditures



### Expenditures by Object



### Schedule



## Gravity Pipeline Progressive DB Project



### Major Accomplishments this Period

Design	<ul style="list-style-type: none"> <li>- Completed GBR for the TBM manufacturer, continuing efforts on complete GBR</li> <li>- Continued sediment transport modeling</li> <li>- Continued air flow and H2S concentration modeling. Coordinating with FoP DB team</li> <li>- Progressed Retrieval Shaft design to 100% in coordination with FoP</li> <li>- Progressed Airport Access Shaft design to 60%-</li> <li>- Survey work continued</li> </ul>
Procurement of Trade Packages	<ul style="list-style-type: none"> <li>- Received pricing from SOE Subcontractors, reviewed in coordination with FoP DB team</li> <li>- Ongoing discussions with FRP pipe manufacturers</li> <li>- Received pricing from TBM manufacturers, in review</li> <li>- Continued selection process for conveyor system</li> <li>- Outreach in conformance with SRF and WIFIA funding requirements</li> </ul>
Construction	- None

### Upcoming Key Activities

Coordinate selection of SOE Subs w/FoP Team
Geotechnical Baseline Report
Airflow and grit transport modeling
Airport Access shaft P.G.&E coordination
Inner Bair Island retrieval shaft design
Stage 2 Amendment Pricing

### 3 - Month Look Ahead

	Start	End	June	July	August
Geotechnical Baseline Report	January 10, 2018	November 7, 2018	X	X	X
Site Survey/Potholing Work	April 23, 2018	June 13, 2018	X		
San Carlos Shaft Design (30% Design)	June 19, 2018	July 26, 2018	X	X	
Tunnel Design (30% Design)	May 29, 2018	July 19, 2018	X	X	
Hydraulic Design (30% Design)	May 7, 2018	July 19, 2018	X	X	
Airport Access Shaft Design (60% Design)	April 9, 2018	June 20, 2018	X		
Bair Island Shaft Design (60% Design)	June 7, 2018	July 26, 2018	X	X	
TBM Procurement (Stage 2A Proposal)	January 22, 2018	July 12, 2018	X	X	
Retrieval Shaft Design (Stage 2A Proposal)	January 15, 2018	July 12, 2018	X	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

\$590.43K

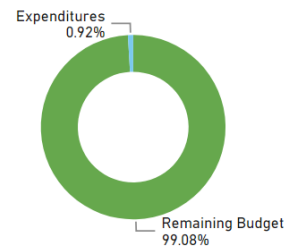
### Remaining Budget

\$66.21M

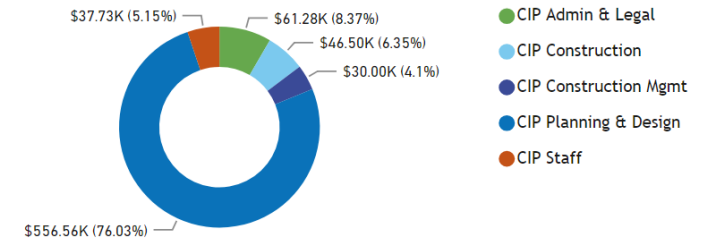
### Milestone Schedule

	Start	Finish
Recommend Procurement Process to Commission		6/14/2018
Issue Request for Qualifications		7/13/2018

### Budget vs Expenditures

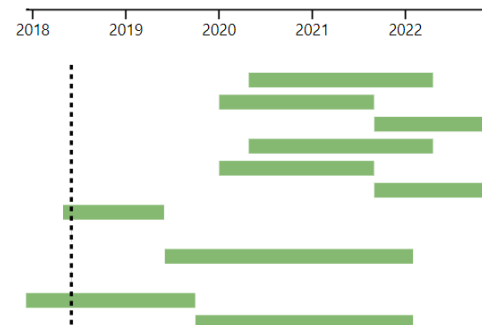


### Expenditures by Object



### Schedule

BPR.1270 - Belmont Pipeline Easements & Permits  
 BPR.1280 - Belmont Pipeline Design  
 BPR.1290 - Belmont Pipeline Construction  
 BPS.1250 - Belmont Pump Station Rehab Easements & Permits  
 BPS.1260 - Belmont Pump Station Rehab Design  
 BPS.1270 - Belmont Pump Station Rehab Construction  
 MPPS-1080 - Menlo Park Pump Station Rehab Easements & Permits  
 MPPS-1120 - Pre-RFQ Informational Meeting  
 MPPS-1560 - Menlo Park Pump Station Rehab Construction  
 RCPS-1120 - Pre-RFQ Informational Meeting  
 RCPS.1250 - Redwood City Pump Station Rehab Easements & Permits  
 RCPS.1270 - Redwood City Pump Station Rehab Construction



## Pump Stations



### Major Accomplishments this Period

▼	
Design	<ul style="list-style-type: none"> <li>- Significant interaction with SVCW O&amp;M team and design team</li> <li>- Preliminary decisions on MPPS: no bar screens, no valving to FEF, add trash rack, use chopper pumps; all decisions to be verified</li> <li>- Preliminary decisions on RCPS: bar screens</li> <li>- Pending decision: RCPS a submersible PS or a wet well/dry well PS?</li> </ul>

### Upcoming Key Activities

Menlo Park PS prepare Basis of Design
Redwood City PS prepare Basis of Design
Belmont PS and Connector Pipe Basis of Design
Package all pump station work into Bridge Documents
Recommendation on project procurement method

### 3 - Month Look Ahead

	Start	End	June	July	August
Schedule Development in Progress					

Work in Progress

### Safety Spot Light

Category	Value

**MINUTES OF SILICON VALLEY CLEAN WATER  
REGULAR MEETING – MAY 10, 2018  
8:00 a.m.**

**ITEM 1**

**CALL TO ORDER**

Commission Chair Seybert called the meeting 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 Otte, P.E., West Bay Sanitary District

**Staff, Consultants and Visitors Present**

Christine C. Fitzgerald, SVCW Legal Counsel  
Teresa Herrera, SVCW Assistant Manager / Chief Engineering Officer  
Jennifer Flick, SVCW HR Manager  
Matt Anderson, SVCW Chief Financial Officer / Administration Manager  
Monte Hamamoto, SVCW Chief Operating Officer  
Kim Hackett, SVCW Engineering Director  
Arvind Akela, SVCW Senior Engineer  
Eric Hansen, SVCW Senior Engineer  
Robert Huffstutler, SVCW Operations Director  
Cindy Hui, SVCW Accounting Supervisor  
Krista Politzer, SVCW Financial Analyst  
Steven Machida, City of San Carlos  
Derek Rampone, City of Redwood City  
Molly Flowerday, City of Redwood City  
Charlie Joyce, Brown & Caldwell  
Bill Tanner, Tanner Pacific, Inc.  
Mark Minkowski, Kennedy/Jenks  
Robert Parr, Fieldman Rolapp  
Lora Carpenter, Fieldman Rolapp  
EJ Shalaby, DNS Strategic Partners, LLC

**ITEM 3**

**PLEDGE OF ALLEGIANCE**

Mr. Grassilli led those attending the meeting in the recital of the Pledge of Allegiance.

Ms. Herrera informed the Commissioners that Item 8B needed to be removed from the Agenda due to the fact that additional discussions with Redwood City need to occur.

Commissioner Seybert indicated that a Motion was needed to remove this item.

#### **ITEM 8B**

CONSIDERATION OF A MOTION TO REMOVE ITEM 8B FROM THE AGENDA DUE TO THE FACT THAT MORE WORK NEEDED TO BE DONE WITH THE CITY OF REDWOOD CITY AND THE ITEM WILL BE PRESENTED FOR APPROVAL AT A FUTURE MEETING.

**Motion/Second: Mr. Lieberman / Mr. Grassilli**

The Motion carried by Unanimous Roll Call Vote

#### **ITEM 4**

PUBLIC COMMENT

There was no Public Comment

#### **ITEM 5A**

SAFETY MOMENT

Ms. Herrera discussed earthquake safety.

#### **ITEM 5B**

MANAGER'S REPORT

SRF Funding: Ms. Herrera reported the good news that SVCW was informed by the State Water Resources Control Board that they have slated \$169 million from the SRF loan program. She attributes this to Mr. Anderson's persistence and routine meetings with State Board staff. Mr. Anderson estimated this would amount to approximately \$2 million annual savings.

SVCW EIR Award: Association of Environmental Professionals bestowed a national award on SVCW's Conveyance System EIR. David J. Powers authored it and submitted the award application; a big thank you goes out to them and to Kim Hackett, SVCW's Engineering Director, who lead the effort.

RESCU Pump Stations Project: Ms. Herrera discussed that last portion of the RESCU Program; rehabilitation/replacement of SVCW's three Pump Stations and the Belmont Force Main. Management and staff have analyzed the projects and possible procurement methods and have concluded that using a Progressive Design-Build process would greatly benefit these projects' implementation. Staff anticipates bringing this recommendation to the Commission in July.



City of San Mateo Due Diligence: Ms. Herrera reported on the evaluation of assisting the City of San Mateo with their treatment plant operations and maintenance for which a Letter of Intent had been entered into by both SVCW and San Mateo. After considerable due diligence, Ms. Herrera recommended discontinuing pursuit of this project due to the high risk that would be incurred by SVCW.

Owner Controlled Insurance Program: Ms. Herrera and Mr. Anderson have been working with an insurance broker, USI, on using an Owner Controlled Insurance Program (OCIP) for our two progressive Design-Build Projects. Proposals are due May 25; once savings are verified, Ms. Herrera will bring a recommendation to the Commission to enter into an OCIP for those projects.

#### **ITEM 5C**

##### **FINANCIAL REPORTS**

There were no comments

#### **ITEM 5D**

##### **ENGINEERING PROJECT STATUS UPDATE**

There were no comments

#### **ITEM 5F**

##### **RESCU PROGRAM STATUS UPDATE**

Commissioner Seybert asked if there was an additional update on the RESCU Program.

Ms. Herrera said there was a written report in the Agenda Packet and no verbal update was planned.

#### **ITEM 6**

##### **MATTERS OF COMMISSION MEMBER'S INTEREST**

Commissioner Grassilli mentioned that \$169 million dollars was a large amount of money and asked if it was the biggest SVCW has received. Mr. Anderson responded that \$35 million has been the largest SVCW had received in the past. Our request was actually for \$400 million and the State Board asked if we were interested in partial funding rather than full funding; we responded absolutely, yes. Mr. Anderson continued by stating that the State Board still needed to confirm this allocation at their June meeting but there is no reason to believe it would not be confirmed. If all goes well, he felt the financing agreement could be complete by December 2018 with money available in 2019.

Commissioner Grassilli asked if this amount of funding would take SVCW through all of

2019. Mr. Anderson replied, at present, SVCW has bond funding through June of 2019 so this money would be available to either supplement that or carry us through another year beyond that.

Commissioner Grassilli wanted to know if it would last another year after that. Mr. Anderson responded that at our current spending pace, it could carry us through 2020.

#### **ITEM 7**

#### **CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR ITEMS 7A THROUGH 7D**

**Motion/Second: Mr. Lieberman / Mr. Otte**

The Motion carried by Unanimous Roll Call Vote

#### **ITEM 8A**

#### **CONSIDERATION OF RESOLUTION APPROVING PURCHASE OF MOBILE OFFICE FACILITIES SERVING AS OFFICES FOR THE RESCU PROGRAM TEAMS**

Currently SVCW leases a 10,000 square foot trailer facility for the RESCU program project team members at a cost of \$127,000 per year. Ms. Herrera noted that the trailers will be occupied for at least 5 years. The trailers are owned by Mobile Modular and they were approached to discuss possible purchase of the trailers. The negotiated price for purchase is \$490,000. Mr. Anderson performed a financial analysis and came up with a simple payback of less than four years.

When the trailers are no longer needed for the RESCU projects, they could be used somewhere else on the Plant site, sold, or a combination of the two. Given the short payback, possibility of resale, and good condition of the trailers, Ms. Herrera noted that it would be advantageous to purchase the trailers rather than continue to lease them.

Commissioner Seybert asked if the \$127,000 annual cost comes out of an Operating Fund or Capital or is this just a swap of capital. Ms. Herrera responded that it is a swap of capital.

Commissioner Lieberman asked for confirmation that these trailers will last three (3) or four (4) years. Ms. Herrera responded that they would last for much longer than that.

Commissioner Otte noted that the "set-up" is already paid for, but there would be a tear-down cost. Ms. Herrera stated that the tear down was part of the Lease Agreement so SVCW would not pay that cost, but ultimately we would have to demobilize the trailers and move them to a different location. Currently, there is a very good market for trailers.

Motions for Items 8a(i) and 8A(ii) taken together:

(i) Move to SUSPEND COMPETITIVE BIDDING FOR PURCHASE OF MOBILE OFFICE FACILITIES FOR THE RESCU PROJECT AT A SIGNIFICANT COST SAVINGS ON THE GROUNDS THAT IT WOULD NOT SERVE THE PUBLIC INTEREST

(ii) Move adoption of RESOLUTION APPROVING PURCHASE OF MOBILE OFFICE FACILITIES FOR THE RESCU PROJECT; ACCEPTING QUOTE FROM MOBILE MODULAR MANAGEMENT IN THE AMOUNT OF \$489,903; AUTHORIZING EXECUTION OF PURCHASE AGREEMENT, AND AUTHORIZING USE OF FUNDS FROM THE GRAVITY PIPELINE (CIP #6008), RECEIVING LIFT STATION (CIP #6013), HEADWORKS (CIP #9160) AND INFLUENT CONNECTOR PIPE (CIP #6014) PROJECTS – (MOBILE MODULAR MANAGEMENT)

**Motion/Second: Mr. Otte / Mr. Lieberman**

The Motion and Resolution carried by Unanimous Roll Call Vote

**ITEM 9**

**CLOSED SESSION**

Closed Session was called to order at 8:10 a.m.

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to Section 54956.9(b) and (d)(2) (one potential case)

**B. PUBLIC EMPLOYEE APPOINTMENT (Govt. Code Section 54957)**

Title: Acting Manager

**C. LABOR NEGOTIATIONS (Govt. Code Section 54957.6(a))**

AGENCY NEGOTIATORS: Teresa Herrera, SVCW Asst. Manager  
Matt Anderson, Chief Financial Officer/Administration Manager  
Jennifer Flick, SVCW Human Resources Director  
Monte Hamamoto, SVCW, Chief Operating Officer  
Darrell Murray, IEDA  
EMPLOYEE ORGANIZATION: IUOE Local 39

**D. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

(Government Code Section 54956.9(d)(4))

**ITEM 10**

**RECONVENE IN OPEN SESSION**

Open Session reconvened at 8:36 a.m. Legal Counsel reported that as to Closed Session Item 9A, instruction was given to Counsel and no action was taken. As to Closed Session Item 9B, the Commission voted unanimously to appoint Ms. Teresa Herrera to Manager on a temporary basis and with a temporary upgrade in pay, retroactive to April 12, 2018. As to

Closed Session Item 9C, instruction was given to Staff and no action was taken. With regard to Closed Session Item 9D, direction was given to Staff.

**ITEM 11**

**ADJOURN**

There being no further business, the meeting adjourned at 8:37 a.m.

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Robert Grassilli, Secretary

By: Teresa A. Herrera, Acting Manager

**JUNE 14, 2018**

**MINUTES OF SILICON VALLEY CLEAN WATER  
SPECIAL MEETING – MAY 22, 2018  
7:00 a.m.**

**ITEM 1**

**CALL TO ORDER**

Commissioner Seybert called the meeting to order at 7:00 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 Otte, P.E., West Bay Sanitary District

**Staff, Consultants and Visitors Present**

Christine C. Fitzgerald, SVCW Legal Counsel  
Teresa A. Herrera, SVCW Acting Manager / Chief Engineering Officer  
Susanne Soloman, Liebert Cassidy Whitmore

**ITEM 3**

**PUBLIC COMMENT**

There was no Public Comment

**ITEM 4**

**CLOSED SESSION**

Closed Session was called to order at 7:03 a.m.

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to Section 54956.9(b) and (d)(2)  
(One Potential Case)

**ITEM 5**

RECONVENE IN OPEN SESSION

Open Session reconvened at 8:08 a.m. Legal Counsel reported that as to Closed Session Item 4A no action was taken and direction was given to Counsel.

**ITEM 6**

ADJOURN

There being no further business, the meeting adjourned at 8:09 a.m.

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Robert Grassilli, Secretary

By: Teresa A. Herrera, Acting Manager

**INTENT TO EXPLORE VIABILITY OF AGREEMENT WITH CITY OF SAN MATEO  
COMPLETION OF DUE DILIGENCE AND WITHDRAWAL OF INTEREST**

**ISSUE**

Approval of Motion to Withdraw Interest in Operation and Maintenance of City of San Mateo Waste Water Treatment Plant

**BACKGROUND**

In March 2018, SVCW and City of San Mateo entered into a Letter of Intent (LOI) to explore the viability of an agreement whereby SVCW would perform full operation and maintenance services of San Mateo's wastewater treatment plant and associated facilities. The Letter of Intent noted completion of due diligence activities by July 1, 2018.

**DISCUSSION**

Due diligence activities began immediately after the LOI was signed on March 26, 2018 and proceeded in good faith on the part of both parties. On May 9, 2018, SVCW management staff met with City of San Mateo management and indicated that due diligence was complete and that SVCW was not interested in pursuing operations and maintenance services for the City. This conclusion was reported under the Manager's Report at the SVCW May 10, 2018 Commission meeting.

Work products resulting from both SVCW's and the City's parts have been transmitted to each entity. A large benefit to SVCW from this process is a report from an outside consultant hired by the City of San Mateo to interview SVCW staff and review SVCW operations. The report indicates that a high level of productivity, professionalism, and effective management exists at SVCW and that the operations at SVCW is done in a cost effective manner.

The City also requested to enter into a Shared Services Agreement with SVCW for response to emergency conditions should one occur at either facility. The Manager and Chief Operations Officer are currently working with the City to define terms of such an agreement and this will be presented to the Commission at a future meeting.

Overall, SVCW and City staff conclude this process on very good terms and the regional relationship has been strengthened for it.

**FINANCIAL IMPACT**

The LOI allowed for SVCW's costs to be reimbursed by the City up to a maximum amount of \$40,000. Accounting of SVCW's costs are still being finalized and the amount will not exceed this maximum.

**RECOMMENDATION**

Move to WITHDRAW SVCW INTEREST IN OPERATIONS AND MAINTENANCE OF CITY OF SAN MATEO WASTEWATER TREATMENT PLANT

**RATIFICATION OF SETTLEMENT AGREEMENT**

**ISSUE**

Ratify Settlement Agreement and Mutual Release between Silicon Valley Clean Water and Navigators Insurance Company related to Cogeneration and Gas Conditioning System Supply.

**BACKGROUND**

In March 2013, SVCW and Environmental Services and Composites, Inc. (ESC) entered into an agreement for supply of a gas conditioning system for the wastewater treatment plant. The equipment was intended to be designed, supplied, and installed under the direction of ESC. Early after startup, SVCW staff noted issues with the system that caused excessive wear on the equipment and need for early replacement of conditioning media. For over a year, SVCW and ESC worked towards solution to the myriad of problems. Finally, SVCW called on ESC's performance bond company, Navigators Insurance Company, to step in and resolve the issues. Discussions between Navigators Insurance Company and SVCW has been ongoing for nearly two years.

**DISCUSSION**

After working to prove cause and responsibility and continually arguing the issues, SVCW's attorney approached Navigators with terms that could lead to a settlement. In early May 2018, Navigators Insurance Company agreed to the settlement and an agreement was drafted.

The agreement calls for a \$50,000 payment from Navigators Insurance Company to SVCW. It also notes a mutual release on the part of both parties to not pursue court action against either party. Finally, the agreement is subject to the Commission's confirmation of SVCW's settlement authority. This Commission, during closed session at its May 10 meeting, unanimously voted to approve the settlement and directed that a settlement agreement be ratified at its next meeting.

**FINANCIAL IMPACT**

The Settlement is in the amount of \$50,000. While this is approximately one half of the charges that are anticipated to be incurred by SVCW, it will ultimately reduce costs of litigation. The check has been received from Navigators Insurance and has been deposited by SVCW.

**RECOMMENDATION**

Move to RATIFY SETTLEMENT AGREEMENT WITH NAVIGATORS INSURANCE COMPANY FOR GAS CONDITIONING SYSTEM

Report By: \_\_\_\_\_



**1406 RADIO ROAD  
AMENDMENT NO. 1 TO FACILITIES USE AGREEMENT**

**ISSUE**

Approve Facilities Use Agreement – Amendment No. 1 for 1406 Radio Road.

**BACKGROUND**

In 2013, Silicon Valley Clean Water (SVCW) purchased the building and land at 1406 Radio Road (also known as the “North Annex Building”). The building was originally a radio station built in the 1930s and, in 2002, was purchased by the Fully Alive Church. The property consists of a main concrete building, a metal warehouse at the back of the property, and approximately 12 acres at the back side of the property.

One of the intended uses for the property was to provide office space for SVCW's construction management (CM) firm. Previous to the property purchase, two large portable trailers along the entrance road to the treatment plant served as CM offices. After SVCW purchased the property, the interior of the main building was converted to use as offices and the warehouse is used by SVCW's Environmental Services Division for material storage.

Since 2016, SVCW's CM firm, Tanner Pacific, Inc. (TPI) has occupied the North Annex Building under the purview of a Facilities Use Agreement. The Agreement provides limitation of liability for injuries, damages, and claims, stipulates insurance coverage required to be provided by TPI, and defines the purpose as construction management office space in connection with the Master Services Agreement (MSA) between TPI and SVCW. The Agreement is in the form of a revocable permit, not a lease and is tied to the term of the Master Services Agreement between SVCW and TPI.

**DISCUSSION**

The Facilities Use Agreement did not stipulate a fee for use of the North Annex Building because the savings from no overhead costs for TPI offset the fee that would have been charged. Currently, TPI is using the facilities for other clients besides SVCW and the Manager has determined that a fee should be charged. A fee of \$1,500 per month has been negotiated with TPI and the Facilities Use Agreement has been updated to reflect this charge. All other terms of the Agreement remain in tact.

**FINACIAL IMPACT**

Even with no fee associated with the Facilities Use Agreement, the cost to SVCW is minimized as any overhead costs are deleted from the charges by TPI to SVCW. The \$1,500 monthly fee will be revenue to SVCW.

**RECOMMENDATION**

Move approval of RESOLUTION APPROVING AMENDMENT NO. 1 TO FACILITIES USE AGREEMENT WITH TANNER PACIFIC, INC. (1406 RADIO ROAD)

Report By: TH

**PURCHASE BY PHOENIX WATER RECYCLING OF WASTE ACTIVATED SLUDGE**

**ISSUE**

Authorize the purchase of 10,000 gallons of Waste Activated Sludge (WAS) from the SVCW Facility by Phoenix Water Recycling

**BACKGROUND**

Phoenix Water Recycling contacted SVCW to obtain 10,000 gallons (approximately 25 lbs. of solids) of Waste Activated Sludge (WAS) to use as seed material for the startup activities associated with the Facebook Water Recycling Facility in Menlo Park, CA.

During the secondary treatment process that takes place in the aeration basins, bacteria that consume the waste material in the water is termed "Activated Sludge". The bacteria reproduce rapidly and one of SVCW's operational tasks is to control the amount of bacteria in the process. To do this, some of the bacteria is returned to the aeration basin (Return Activated Sludge or RAS) and some of the bacteria is wasted (Waste Activated Sludge or WAS). The WAS is part of the solids' stream that is sent first to a thickening process then to the anaerobic digesters (the other solids' stream is Primary Sludge). The digestion process breaks down the WAS and primary sludge and, from there, the digested solids are sent to a dewatering process then to a drying process and ultimately to final disposal. Final disposal of SVCW solids is via hauling from the site for land application/composting or to BioForce Tech located on the treatment plant site.

**DISCUSSION**

Phoenix Water Recycling has agreed to purchase, pick-up and transport 10,000 gallons of WAS from the SVCW facility in Redwood City to the Facebook Water Recycling Facility in Menlo Park, CA. Phoenix Water Recycling has agreed to pay \$500 for the WAS, and all coordination and costs associated with the pick-up and transportation of the WAS will be the responsibility of Phoenix Water Recycling.

Phoenix Water Recycling has also agreed to hold SVCW and its member agencies, City of Redwood City, City of San Carlos, City of Belmont and the West Bay Sanitary District harmless for any claims associated with the WAS material from the point of pick up at SVCW's facility. This will include any claims by third party entities and any spill cleanup activities due to the handling and transportation of the material by Phoenix Water Recycling.

**FINACIAL IMPACT**

SVCW will charge the sum of \$500 for purchase of the WAS. Moreover, by having Phoenix Water Recycling pick-up and haul away the WAS, SVCW's energy costs to handle these solids will be reduced and SVCW's hauling costs will be eliminated.

**RECOMMENDATION**

Move approval of PURCHASE OF 10,000 GALLONS OF WASTE ACTIVATED SLUDGE (WAS) FROM THE SVCW FACILITY BY PHOENIX WATER RECYCLING

Report By:    MH

Silicon Valley Clean Water  
CCT Chlorine Tank (CCT) Pass 1 Surface Rehabilitation Project – CIP #9107  
Bid Results  
Thursday, May 31, 2018

Name of Bidder	Addenda	Bid Proposal	Proposal Guaranty Bond	Cert. of Bidders Exp. & Qualifications	Design of Subcontractors	Site Visit Affidavit	Schedule of Major Equipment & Material Suppliers	Acknowledgement of Insurance Requirements	Noncollusion Affidavit	Affidavit of Safety Compliance	Total Bid Amt.
	#1 & 2	Section 00300	Section 00410	Section 00420	Section 00430	Section 00440	Section 00450	Section 00470	Section 00480	Section 00490	
* F. D. Thomas, Inc.	X X	X	X	X	X	X	X	X	X	X	\$389,359.00
ERS Industrial Services, Inc.	X X	X	X	X	X	X	X	X	X	X	\$491,111.45
* Pending Commission approval. Next Commission meeting is scheduled on Thursday, June 14, 2018.											

**CHLORINE CONTACT TANK (CCT) PASS 1 SURFACE REHABILITATION  
PROJECT (CIP #9107)  
AWARD OF CONSTRUCTION CONTRACT**

**ISSUE**

Award of Construction Contract for the Chlorine Contact Tank (CCT) Pass 1 Surface Rehabilitation Project (CIP #9107)

**BACKGROUND**

The Chlorine Contact Tank (CCT) contains the final process for SVCW's wastewater before it is discharged to San Francisco Bay. After secondary treatment and filtration, hypochlorite (a strong chlorine bleach solution) is added to the flow to disinfect the water. After hypochlorite is added, the water is directed into the CCT where it slows down sufficiently for the disinfection process to occur. The CCT is comprised of three long "passes" (basically, three separate channels); the three passes are connected such that the water follows in a serpentine path. At the end of the CCT, sodium bisulfite is added to the water to neutralize any remaining chlorine prior to release into the Bay. This entire process is termed "Chlorination/De-chlorination" and is the final step in the overall treatment train.

The CCT has been in service since the plant began operation. Based on permit requirement to provide continuous chlorination, SVCW cannot evaluate and repair the CCT in its entirety. SVCW Operations has the ability to isolate passes of the CCT while using the remaining passes to maintain permit compliance. This can only be done during dry weather, and only for a limited amount of time.

In 2015, SVCW hired V&A Consulting Engineers, a firm that specializes in corrosion, to perform an evaluation of Pass 1 of the CCT. The results of the study indicated that while a majority of the original coating of the tank has failed, the concrete has not significantly deteriorated due to corrosion. However, the inspection noted cracks in the walls of the tank that were recommended to be sealed. The investigation also noted that some of the steel piping and valves in Pass 1 are showing signs of deterioration and recommended that these be recoated.

A contract was awarded to Redwood Painting in 2017 to repair all visible cracks identified by V&A in Pass 1. However, because of high humidity caused by unpredictable weather and the limited time available to complete repairs, the contractor was unable to recoat the steel surfaces and repair any suspected cracks remaining under the failed hydrophobic coating. That contract was closed out and the Commission accepted the project on November 9, 2017.

**DISCUSSION**

Since work was unable to be completed last year, the project was rebid for removal of the

Report By: TH

hydrophobic coating, remaining concrete crack repairs and steel recoating. There is need for additional work in Pass 1 that will be performed in 2019 or 2020; this is replacement of a large 60-inch butterfly valve and two bypass valves at the end of the CCT. The valves replacement cannot occur in this contract due to the complexity of the installation work and the short window of time allowed for the CCT Pass 1 to be out of service (summer months only). Finally, other work necessary in the CCT are crack repairs and recoating in Passes 2 and 3 (planned for 2020 and 2021, respectively).

Based on the recommendations of V&A and the design engineer Kennedy Jenks, engineering staff prepared drawings and specifications for the remaining concrete and steel coating repairs of Pass 1. The project was publicly advertised for bidding on May 7, 2018. A mandatory pre-bid meeting and project site inspection was held on May 16, 2018 and May 23, 2018, respectively, and three potential bidders attended both the pre-bid meeting and the project site inspection. Bids were due on May 31, 2018 and two bids were received on the project; the bid results summary sheet is attached. The apparent low bidder is F.D. Thomas, Inc. at \$389,359. The engineer's estimate of probable cost is \$455,000. The bid from F.D. Thomas was reviewed for correctness and compliance with the bid documents and found to be in order. F.D. Thomas has an excellent reputation in the industry and is expected to perform well on this project.

SVCW staff recommends that the Commission accept the low bid and award the construction contract for CIP #9107: Chlorine Contact Tank (CCT) Pass 1 Surface Rehabilitation Project to F.D. Thomas, Inc.

#### FINANCIAL IMPACTS

The funding for this project comes from CIP #9107: Chlorine Contact Tank (CCT) Pass 1 Surface Rehabilitation Project. The allocated budget for this project is \$6,045,772. This project is one of several construction projects that will be associated with this CIP number, as valves are planned to be replaced and Passes 2 and 3 are expected to be repaired between 2019 and 2021.

#### RECOMMENDATION

Move adoption of RESOLUTION APPROVING CONSTRUCTION CONTRACT DOCUMENTS FOR CHLORINE CONTACT TANK (CCT) PASS 1 SURFACE REHABILITATION PROJECT (CIP #9107); ACCEPTING BID OF LOWEST RESPONSIBLE BIDDER, REJECTING ALL OTHER BIDS; AND AUTHORIZING EXECUTION OF AGREEMENT, DIRECTING RETURN OF SECURITY DEPOSITS AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID PROJECT – F. D. Thomas, Inc. (\$389,359)



**FRONT OF PLANT PROJECT (CIP #6013, 6014, AND 9160)  
DESIGN BUILD AGREEMENT – STAGE 2A AMENDMENT**

**ISSUE**

Approval of Amendment 2A to the Front of Plant (FoP) Design-Build Agreement for JFShea/Parsons Joint Venture

**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 Front of Plant projects that include: 1) Receiving Lift Station (RLS) to lift the wastewater from the gravity pipeline to the surface to be 2) screened and de-gritted by the new Headworks (HWKS) before flowing to the treatment plant primary influent channel in 3) the new Influent Pipeline (IPL). The Front of Plant project is composed of the elements listed above in addition to electrical, chemical storage, site civil and odor control facilities.

In November 2017, the Commission approved the Shea/Parsons Joint Venture (SPJV) 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 percent level to approximately the 60 percent design level at which point, Stage 2 activities (design completion and construction) could be defined and budgeted. The November 2017 action by the Commission approved the scope of work and budget for Stage 1, with the anticipation that Stage 2 would be authorized at a later date when the design work was completed sufficiently to scope and budget 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 is a significant benefit to the progressive design-build process in that it allows portions of the design to progress faster than other portions. For example, in the FoP project, it is beneficial to complete the geotechnical design work that will allow the subsurface work to proceed while the designs for structural, mechanical, and electrical facilities continue. For this reason, this agenda item addresses release of a Stage 2A package to authorize pile fabrication and installation for the RLS piping supports, the Headworks Facility and the Influent Pipeline. Completing this underground work early will ultimately save cost and schedule on the future Stage 2 work. It is anticipated that Stage 2 work will be split into three packages as follows:

Stage 2A Amendment – Reinforced Concrete Pile fabrication and installation.

Stage 2B Amendment – RLS shaft construction (expected in July 2018)

Stage 2C Amendment – Completion of FoP project (expected in December 2018)

At the November 2017 meeting, the Commission also authorized a task order for Owners Advisor services by Brown and Caldwell and Quality Assurance services by Tanner

Pacific, Inc. for the Stage 1 work. The funding authorized under those two Stage 1 task orders are still adequate for the Stage 2A Amendment.

### DISCUSSION

Prior to bringing the Stage 2A Amendment recommendation to the Commission for approval, SVCW's project team completed rigorous design submittal reviews and participated in monthly cost reviews of the Stage 2 work. SVCW management has met with the Shea/Parsons JV management to negotiate final terms of the Stage 2A Agreement Amendment. The Stage 2A Amendment includes the following components:

- Stage 2A Scope of Work
- List of Stage 2A Permits, Licenses and Approvals
- Stage 2A Schedule of Values and Lump Sum Cost
- Stage 2A Construction Schedule
- Identification of Key Construction Personnel for SVCW approval
- All Construction Documents, Specifications and Drawings related to Stage 2A
- Stage 2A Insurance and Bonding Requirements
- SRF and WIFIA compliance documents

The Stage 2A Amendment covers work needed for fabrication and installation of 306 reinforced concrete piles. The piles will be the support structure for the Headworks building, pipes connecting the RLS to the Headworks, and for the Influent Pipeline. An allowance for an additional 40 piles is included in the amendment which will only be used if needed and only by SVCW approval. A second allowance is included in the amendment to cover possible extra lengths on the piles; the allowance will only be used if needed and only by SVCW approval.

As agreed to in the November 2017 Commission approval, prior to bringing Stage 2 amendment(s) to the Commission for consideration, two independent cost estimates shall be prepared (one by SVCW's Owners Engineering Advisor and one by SVCW's Construction Quality Assurance consultant). The independent estimates have been prepared and only minor differences were noted. The differences were resolved and used to negotiate a final price for Stage 2A that is competitive in the current marketplace.

The total authorization requested for the SPJV Stage 2A Amendment is \$2,193,575; \$1,835,000 of which is for the 306 piles and \$358,575 of which is for the two allowance items described above.

### FINANCIAL IMPACT

The scope represented by this work will be funded from the following Front of Plant CIP projects.

- CIP #6013 Receiving Lift Station and FoP Site Civil
- CIP #6014 Influent Pipeline
- CIP #9160 WWTP Headworks



These CIP projects have a total allocated budget of \$126 million. To date, approximately \$7.5 million has been expended. The total not-to-exceed amount for this action item is \$2,193,575.

RECOMMENDATION

Move adoption of RESOLUTION APPROVING STAGE 2A DESIGN BUILD AGREEMENT AMENDMENT FOR FRONT OF PLANT PROJECT (CIP #6013, 6014, 9160); AND AUTHORIZING MANAGER TO APPROVE CONTRACT CHANGE ORDERS UP TO TEN PERCENT OF THE CONTRACT PRICE FOR SAID STAGE 2A AMENDMENT – Shea/Parsons Joint Venture (\$2,193,575)

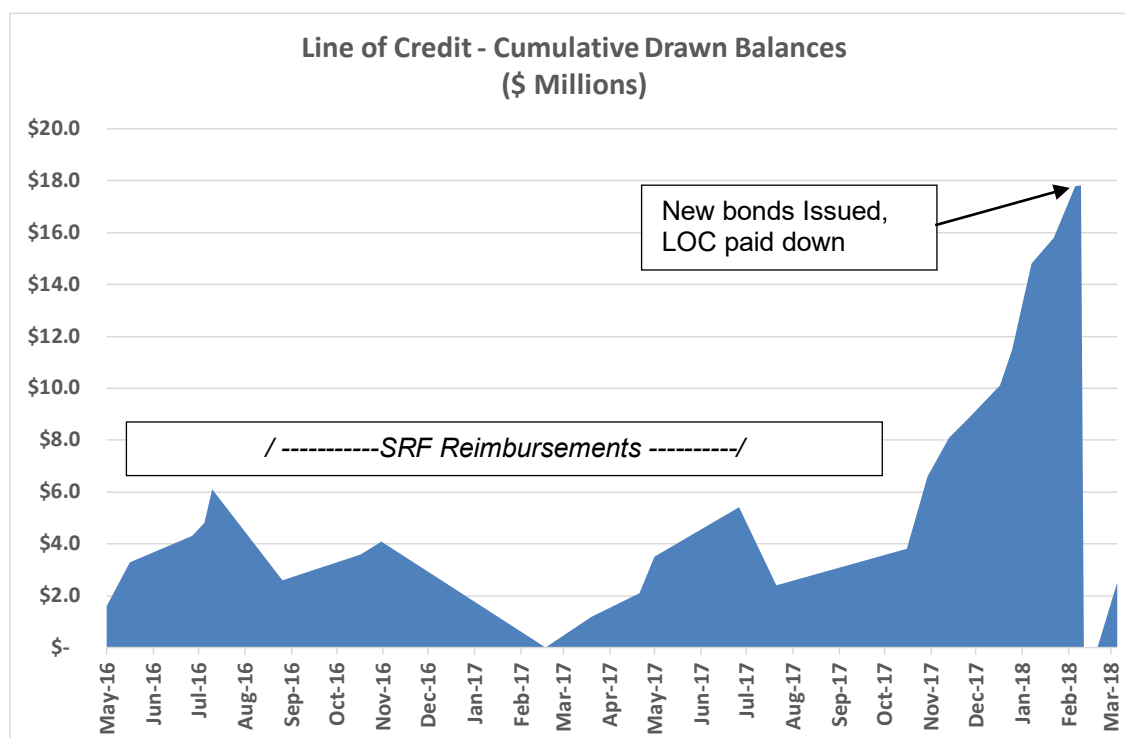
**AUTHORIZATION TO AMEND AND EXTEND EXISTING  
LINE OF CREDIT AGREEMENT****ISSUE**

Authorization to amend and extend an Credit Agreement with Wells Fargo Bank, National Association (Wells Fargo) for a Line of Credit facility (LOC) initially authorize at \$30 million, with an “accordion” feature that would allow the principal amount to flex up to \$65 million at the request of SVCW, but subject to credit approval.

**BACKGROUND**

Since 2012, when SVCW began incurring significant capital expenditures, it has managed its short-term debt needs via a \$30 million LOC. Initially with Bank of the West, SVCW conducted an open and competitive proposal process in 2015. After reviewing submitted proposals, Wells Fargo proposed the lowest cost option. The LOC remains a valuable tool to manage cash flow and reduce overall borrowing costs by providing bridge financing for Capital Improvement Program (CIP) projects and/or offering short-term liquidity to SVCW member agencies that choose to defer participation in revenue bond issuances.

SVCW has used the LOC liquidity to support governmental loan programs like the State Water Resource Control Board’s (SWRCB) State Revolving Funds (SRF) program. The SRF program is structured such that, during construction, SVCW initially funds the project and then is reimbursed by the SWRCB. Reimbursements accumulate as total principal borrowed until construction is complete. During the construction period, reimbursement typically takes 90 to 120 days. The chart below depicts the LOC balance since its inception of use in 2016.



## DISCUSSION

SVCW is entering a peak period of CIP expenditures. The January 2018 Long Range Financial Plan projects monthly expenditures increasing to almost \$20 million. With the goal of financing projects at the lowest possible cost, SVCW continues to pursue loans from the SRF program and from the federal Water Infrastructure Finance Innovation Act (WIFIA) program offered by the Environmental Protection Agency (EPA). Recently, the SWRCB indicated that SVCW is eligible for up to \$169 million in SRF loans.

Recognizing the sizeable increase in future CIP expenditures, the LOC will be even more critical to meeting SVCW's liquidity needs. SVCW's CFO has worked with Wells Fargo representatives to create an LOC that could adequately meet SVCW's needs. To that end, Wells Fargo has agreed to create a flexible feature that allows SVCW to increase the principal amount within an initial range of \$30 million up to a maximum of \$65 million when and if needed. Additionally, terms of the LOC were improved upon as follows:

Description	Current LOC	Proposed LOC
Principal	\$30 million	\$30 to \$65 million
Term	3 years	3 years
Tax exempt Drawn Rate <i>e.g. April 24 LIBOR=1.85%</i>	70% of LIBOR + 70 basis points 2.00%	80% of LIBOR + 47 basis points 1.95%
Tax exempt Undrawn Rate	25 basis points	23 basis points
Taxable Drawn Rate* <i>e.g. April 24 LIBOR=1.85%</i>	N/A	100% of LIBOR + 60 basis points 2.45%
Taxable Undrawn Rate*	N/A	23 basis points

*\* Available in the event of using the LOC for unanticipated operating expenditures*

## FINANCIAL IMPACT

SVCW will incur no more than \$30 thousand in one-time costs to initiate the loan amendment, complete legal review, and close the agreement. Once executed, fees will be paid on undrawn balances and interest will be paid on drawn balances. The combined expense for drawn and undrawn depends on utilization of the LOC. Assuming current rates and three potential liquidity scenarios, the below table illustrates estimated borrowing costs over a one-year period of this LOC:

Description	Scenario 1	Scenario 2	Scenario 3
Use of Funds:			
Undrawn	\$25,000,000	\$10,000,000	\$10,000,000
Drawn	\$ 5,000,000	\$35,000,000	\$55,000,000
Total Principal	\$30,000,000	\$45,000,000	\$65,000,000
Annual Costs:			
Undrawn	\$ 57,500	\$ 23,000	\$ 23,000
Drawn	\$ 97,500	\$ 682,500	\$ 1,072,500
Total Cost	\$ 155,000	\$ 705,500	\$ 1,095,500

These costs would be allocated to member agencies according to the percentage of ownership as defined in the SVCW Joint Exercise of Powers Agreement.

#### RECOMMENDATION

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE AMENDMENT OF A CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS; AND RESCINDING RESOLUTION NO. 18-35

**OWNER CONTROLLED INSURANCE PROGRAM**

**ISSUE**

Authorization to Proceed with Placement of Owner Controlled Insurance Program (OCIP) for Silicon Valley Clean Water's Progressive Design Build Projects.

**BACKGROUND**

In 2008, Silicon Valley Clean Water (SVCW) launched its Capital Improvement Program (CIP) to rebuild, rehabilitate, and update its wastewater conveyance and treatment facilities. The CIP, last updated in October 2017, estimates total program costs at approximately \$834 million from inception to completion. Approximately \$265 million has been spent to date to replace aging pipes, rehabilitate treatment and energy-related facilities, and deliver process improvements.

Of the \$569 million in remaining CIP expenditures, approximately \$275 million is for hard construction costs associated with two elements of the Regional Environmental Sewer Improvement Upgrade (RESCU) program. Delivered via Progressive Design-Build method, these two large projects will include a new gravity pipeline and front-of-the-plant facilities that receive wastewater from the new pipeline. Each requires the use of a contractor and many subcontractors that incur significant insurance costs. In May 2017, SVCW updated the Commission regarding its desire to pursue an OCIP to manage risk and achieve financial and administrative benefits. At that meeting, the Commission authorized the use of an OCIP for the CIP and made the statutorily required certified determinations under Government Code Section 4420 in support of the OCIP program and authorized SVCW to enter into an agreement with Wells Fargo Insurance Services (since acquired by USI) as broker.

**DISCUSSION**

Since May 2017, SVCW and USI have collaborated on insurance-related contract language to be included in the two design-build agreements and for marketing to insurance companies for coverage. Based on significant discussions with USI, the design-builders, industry experts, and SVCW's own self-insurance group, staff recommends placing insurance coverage for the following:

- Worker's Compensation Coverage: Meets statutory benefits related to injury or illness caused by work.
- General Liability (GL): Covers third-party injury or property damage and includes a 10-year completed operations extension.
- Excess Liability: Follows GL coverage for up to an additional \$100 million.

- Contractor's Pollution Liability: Covers onsite cleanups and offsite, if related. Also covers third party claims. Includes a 10-year completed operations coverage.
- Builders Risk: Covers property and work under construction.
- Owners Protective Professional Indemnity (OPPI): Covers design errors and omissions in excess of designers' own coverage.

The marketing efforts to insurance companies were led by USI and were extensive. Outreach involved creation of a detailed submittal for insurers to review and respond to and targeted 20 global insurers with A.M. Best's minimum ratings of A- (Excellent) XII (policy surplus of \$1 billion to \$1.25 billion)

As part of the proposal process, USI conducted a 90-minute conference call which included representatives from 16 different insurance companies and the SVCW team. SVCW's team included management staff and the two design-build firms' managers. Questions revolved around project management, fiscal accountability, project design, means and methods of construction, interaction with the public and worker safety. It was an intensive interview and acted as the basis for insurers to propose coverages, rates, and terms. Many of the insurers had either worked for SVCW in the past and/or with the two design-build teams and the excellent experiences that the insurers have had with all three entities contributed to a high comfort level in terms of risk attributes.

Ultimately, SVCW and USI received proposals from three or more insurance companies per line of insurance. This is considered a very good outcome and these positive results (number of insurance companies proposing) are attributed to the quality reputation that SVCW enjoys in the industry and the low safety indices and claim numbers of the design-build partners. USI used a best value method for each line of insurance to evaluate the proposals and make a recommendation to SVCW on which companies to select to provide insurance. The criteria for selection included breadth of the carriers' coverage form, their ability to manage claims, their track record with managing and overseeing safety, and pricing. The table in the next section lists the recommended carrier for each line of insurance coverage. The premiums are based on the specified limits in the request for proposals.

#### FINANCIAL IMPACT

The 2017 CIP Update estimated OCIP funding costs would be \$5.1 million (CIP #9159). This value excluded Workers' Comp and OPPI which is \$1.4M and \$541k, respectively. For all proposed coverages, total not-to-exceed OCIP premiums are estimated at \$7.5 million, or 2.73% of construction value for the 5-year projects' durations. Direct costs from the design builders and industry standard rates were reviewed for cost comparison. Results of the comparison indicate typical costs to be between 3% and 5% of the

construction cost. While the cost is higher than the anticipated CIP line item budget, staff continues to recommend that SVCW move forward with an OCIP due to the lower overall cost and more robust coverage benefits. The cost delta will be covered under the direct projects for which insurance is being used.

Silicon Valley Owner-Controlled Insurance Program (OCIP) - Proposed Coverage and Estimated Project Premiums							
Coverage	Purpose	Recommended Carrier	Limit	Deductible	Premium Basis	Premium	% of Hard Costs
Workers' Compensation	Contractor employee injury	Liberty Mutual	WC -unlimited Empl. Liab \$2M	\$250,000 per occurrence	Design builder and subcontractor payroll	\$ 1,405,184	0.51%
General Liability	Bodily Injury and property damage to third parties. 10 year construction defect extension	Liberty Mutual	\$2M per occurrence/\$4M general aggregate / \$4M Completed operations aggregate	\$250,000 per occurrence	Design builder and subcontractor payroll	\$ 1,509,487	0.55%
Excess Liability	Catastrophic Bodily Injury or property damage to 3 <sup>rd</sup> parties	AWAC – first \$25M	\$100M excess of primary general liability and employers liability	Nil	Project hard costs	996,130	0.36%
Builders Risk	Physical damage to materials and project under construction	Lloyds of London (leader) quota share placement with multiple carriers	\$275M Hard Costs	\$500,000 underground works	Project hard and soft costs	2,301,011	0.36%
			\$104M Soft Costs	\$100,000 flood each occurrence			
			\$10.5M TBM	5% values at risk/minimum \$250,000 earthquake			
			\$50M Earthquake \$50M Flood	\$50,000 All other Perils			
Contractors Pollution Liability	Bodily injury/property damage/ cleanup costs for pollutants released during work	Ironshore	\$25M per occurrence and aggregate	\$50,000 per occurrence	Project hard costs	175,297	0.06%
Owners Protective Professional Indemnity (OPPI)	Design errors and omissions coverage excess over limits maintained by design/build JVs	Berkley	\$25M per occurrence and aggregate	Nil except \$100,000 for third party claims	Project hard costs. No charge for 15% upswing.	540,892	0.20%
<b>Subtotal - Excluding Worker's Compensation</b>						<b>\$ 5,522,817</b>	<b>2.01%</b>
Brokers' Fees	Contract Development, Placement of Workers' Comp, GL, and	USI				<b>\$ 575,000</b>	<b>0.21%</b>
<b>TOTAL OCIP Costs</b>						<b>\$ 7,503,001</b>	<b>2.73%</b>

Compared to a traditional contractor-provided insurance program, and assuming typical losses of \$500,000 to \$1.5 million, the proposed OCIP program is estimated to save SVCW between \$545k to \$1.625M over the five-year term as illustrated on the next page.

### SVCW Workers' Compensation OCIP Costs at Differing Loss Levels

Losses up to \$250,000 per occurrence	Claim handling charge	Fixed OCIP Costs	Total	Contractors Insurance Recovery	Cost Differential	
\$100,000	\$8,000	\$1,405,084	\$1,513,084	\$3,570,125	\$(2,057,041)	
\$500,000	\$40,000	\$1,405,084	\$1,945,084	\$3,570,125	\$(1,625,041)	Typical Loss Range
\$900,000	\$72,000	\$1,405,084	\$2,377,084	\$3,570,125	\$(1,193,041)	
\$1,300,000	\$104,000	\$1,405,084	\$2,809,084	\$3,570,125	\$(761,041)	
\$1,500,000	\$120,000	\$1,405,084	\$3,025,084	\$3,570,125	\$(545,041)	
\$1,700,000	\$136,000	\$1,405,084	\$3,241,084	\$3,570,125	\$(329,041)	
\$2,500,000	\$200,000	\$1,405,084	\$4,105,084	\$3,570,125	\$534,959	
\$3,000,000	\$240,000	\$1,405,084	\$4,645,084	\$3,570,125	\$1,074,959	
\$3,500,000	\$280,000	\$1,405,084	\$5,185,084	\$3,570,125	\$1,614,959	
\$4,000,000	\$320,000	\$1,405,084	\$5,725,084	\$3,570,125	\$2,154,959	
\$4,500,000	\$360,000	\$1,405,084	\$6,265,084	\$3,570,125	\$2,694,959	
\$4,949,947	\$395,996	\$1,405,084	\$6,751,027	\$3,570,125	\$3,180,902	Maximum Cost

### RECOMMENDATION

Move approval of RESOLUTION AUTHORIZING THE SVCW MANAGER TO PROCURE INSURANCE COVERAGE FOR SILICON VALLEY CLEAN WATER'S OWNER CONTROLLED INSURANCE PROGRAM FOR PROGRESSIVE DESIGN BUILD PROJECTS AND AUTHORIZING MANAGER TO APPROVE CHANGES IN COVERAGES UP TO TEN PERCENT OF THE PREMIUM AMOUNT.



**RESOLUTION PROPOSING AMENDMENTS TO SECTIONS 1.16, 1.36, 3.2, 3.3, 6.5, 6.6, AND 6.7 OF JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING SILICON VALLEY CLEAN WATER, FORMERLY SOUTH BAYSIDE SYSTEM AUTHORITY, RELATING TO THE DESIGNATIONS AND ASSIGNMENTS OF TREASURER AND CONTROLLER ROLES**

ISSUE

Approval of a resolution amending the Silicon Valley Clean Water Joint Powers Agreement (JPA) to re-designate the roles of Treasurer and Controller

BACKGROUND

Since the inception of South Bayside System Authority (now known as Silicon Valley Clean Water, or SVCW) in 1975, SVCW has contracted with the City of Redwood City (RWC) for use of its accounting system and financial services. The City's accounting system is a proprietary software platform developed over thirty years ago and is due for retirement. In anticipation of this imminent retirement and in recognition of SVCW's increasingly complex financial requirements, staff assessed its business and operating needs and recommended SVCW acquire its own Enterprise Resource Planning (ERP) software solution.

The recommended ERP system will meet core financial needs, strengthen internal controls, provide administrative efficiencies, and deepen the analytical capabilities of SVCW. Once implemented, the selected ERP system will support all finance, human resources, and asset management functions. The Commission approved the purchase and implementation of the new ERP in July 2017.

Regarding the use of accounting systems and financial oversight, the JPA currently assigns RWC the specific roles and activities of the Controller-City Auditor and Treasurer, summarized as follows:

- **Section 1.16 - Definition of Controller.** Controller means the Director of Finance of the City of Redwood City holding the consolidated positions of City Auditor and City Treasurer of Redwood City.
- **Section 1.36 - Definition of Treasurer.** Treasurer means the City Treasurer of Redwood City.
- **Section 3.2 - Designation of Controller and Treasurer.** The City Auditor and City Treasurer of Redwood City are designated as the Controller and Treasurer of SVCW. The Treasurer is the depositary and has custody of all of the accounts, funds and money of SVCW. The Controller and the Treasurer assure that there is strict accountability of all funds and reports of all receipts and disbursements.
- **Section 3.3 - Officers in Charge of Property.** The Controller and the Treasurer are both responsible for, handle and have access to all accounts, funds, and money of SVCW and all related records.

- **Section 6.2 - Records and Accounts.** The Controller causes the books of account and other financial records of the Authority to be audited annually by an independent public accountant or certified public accountant.
- **Section 6.5 - Maintenance and Operation Fund.** All monies in the Maintenance and Operation Fund are paid out by the Controller and Treasurer upon approval by the Manager.
- **Section 6.6 - Allocation of Bond Interest and Redemption Expenses.** Similar as Section 6.5, all monies are to be paid out by the Controller and Treasurer.
- **Section 6.7 - Allocation of Capital Reserve Expenses.** All monies are to be paid out by the Controller and Treasurer.

Since SVCW's inception, both the SVCW and RWC finance organizations have evolved to meet the needs of their expanding operations. For example, SVCW began its Capital Improvement Program (CIP) in 2008 which has led to large capital expenditures and issuance of long-term debt. Additionally, both organizations have experienced personnel changes, with new and/or retitled positions being created. For example, SVCW now has a Chief Financial Officer who oversees daily financial activities and financial planning, and RWC has grown its Director of Finance position into an Assistant City Manager of Administrative Services. The JPA did not anticipate such personnel changes.

## DISCUSSION

The segregation of accounting systems and the personnel changes described above suggest that the assignment and designation of the Treasurer and Controller-City Auditor roles be reconsidered. Both SVCW and RWC staff identified several practical goals to help define and assign these roles, including a) strong financial controls must remain, b) financial transparency to the Commission and the public must be ensured, c) administrative efficiencies should be sought, and d) SVCW analytical capabilities should deepen.

This proposal would amend the JPA by continuing to designate the role of Controller-City Auditor to RWC and shifting the role of Treasurer to SVCW. Doing so enables SVCW to efficiently transact the ordinary day-to-day business of Treasurer, while RWC as Controller-City Auditor, maintains oversight and control as to the following:

Example Treasurer activities (SVCW)	Example Controller-City Auditor Oversight (RWC)
<ul style="list-style-type: none"> <li>• General Ledger activities</li> <li>• Invoice processing, check disbursements and accounts payable</li> <li>• Revenue invoicing, accounts receivable, and deposits</li> <li>• Bank reconciliations</li> <li>• Payroll processing</li> </ul>	<ul style="list-style-type: none"> <li>• Bank records access</li> <li>• Bank reconciliations review</li> <li>• Disbursement report review</li> <li>• Cost allocation review</li> <li>• Budget compliance review</li> <li>• Financial statement review</li> <li>• External Auditor reporting line</li> <li>• Review/approval of certain journal entries</li> </ul>

Attached to this staff report are the current sections of the JPA, along with the proposed changes pertaining to the Controller and Treasurer roles. In accordance with the Joint Powers Act (Government Code Sections 6500, et. seq.) as well as current accounting practices, these proposed JPA amendments will 1) continue to designate RWC as Controller of SVCW, and 2) re-designate SVCW as Treasurer in place of RWC.

Over the course of the last year, SVCW's CFO has worked closely with RWC's finance division in anticipation of SVCW's implementation of the ERP system. This has included reviewing the ERP project's scope of work, defining the daily activities of respective staff members (both current and future), and describing the reports that will be needed to ensure RWC can satisfy its controller role. SVCW General Counsel has also communicated with RWC City Attorney who has reviewed and approved the JPA amendment to re-designate the roles of Treasurer and Controller.

SVCW staff has also reached out to the other member agencies and apprised them of the new ERP system and the need to amend the JPA so that it is consistent with the accounting practices as described above.

While other amendments to the JPA have been identified as necessary, due to the urgent timing of this matter, the recommended JPA change is limited to the matter of Treasurer and Controller. Note that the timing for this JPA change corresponds to the SVCW ERP implementation schedule which is July 1, 2018.

#### FINANCIAL IMPACT

SVCW currently pays RWC approximately \$140 thousand annually for use of its accounting systems and administrative support. This amount will be reduced and ultimately eliminated, as SVCW implements its new ERP system.

#### RECOMMENDATION

Move adoption of RESOLUTION PROPOSING AMENDMENTS TO SECTIONS 1.16, 1.36, 3.2, 3.3, 6.5, 6.6, AND 6.7 OF JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING SOUTH BAYSIDE SYSTEM AUTHORITY, NOW KNOWN AS SILICON VALLEY CLEAN WATER, RELATING TO THE DESIGNATIONS AND ASSIGNMENTS OF TREASURER AND CONTROLLER OF THE AUTHORITY

## **PROPOSED JPA AMENDMENTS**

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### **Section 1.16 Controller**

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Controller means the ~~Director of Finance of the City of Redwood City holding the consolidated positions of Auditor and City Treasurer of Redwood City~~Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of auditor or controller of Redwood City, designated as Controller of the Authority in Section 3.2.

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### **Section 1.36 Treasurer**

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Treasurer means the ~~City Treasurer of Redwood City~~Chief Financial Officer of the Authority or other public officer or employee performing the functions of treasurer of the Authority, designated as Treasurer of the Authority in Section 3.2.

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### **Section 3.2 Controller and Treasurer**

The ~~City Auditor and City Treasurer of Redwood City~~Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of auditor or controller of Redwood City, and the Chief Financial Officer of the Authority or other public officer or employee performing the functions of treasurer of the Authority, are hereby respectively designated as the Controller and Treasurer of the Authority. The Treasurer shall be the depository and shall have custody of all of the accounts, funds and money of the Authority from whatever source. The Controller shall have the duties and obligations of the auditor and controller, and the Treasurer shall have the duties and obligations of the treasurer, each as set forth in Sections 6505 and 6505.5 of the Act, and each shall perform their respective roles to assure that there shall be strict accountability of all funds and report of all receipts and disbursements of the Authority. The Council of Redwood City shall determine the charges to be made against the Authority for the services of

the Controller ~~and the Treasurer~~, such charges not to exceed actual costs to Redwood City for such services.

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### **Section 3.3 Officers in Charge of Property**

Pursuant to Section 6505.1 of the Act, the Controller and the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto [in accordance with their respective duties and obligations under this Agreement](#); the Secretary shall have charge of, handle and have access to all other records of the Authority; and the Manager shall have charge of, handle and have access to all physical properties of the Authority.

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### **Section 6.5 Maintenance and Operation Fund**

All money in the Joint Operating Fund on July 1st next succeeding the operative date of Phase 1 of the Project shall on said July 1st be transferred to and deposited in the Maintenance and Operation Fund. All monies received from any Agency on or after said July 1st in payment of maintenance and operation costs shall be deposited in the Maintenance and Operation Fund. All monies in the Maintenance and Operation Fund shall be paid out by the ~~Controller and~~ Treasurer for maintenance and operation costs of the Joint Facilities upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act.

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### **Section 6.6 Allocation of Bond Interest and Redemption Expenses**

The estimated annual bond interest and redemption expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of bond interest and redemption expenses shall be deposited in the Bond Interest and Redemption Fund of the Authority, which is hereby created, and shall be paid out by the ~~Controller and the~~ Treasurer to pay the principal of and interest on bonds of the Authority issued pursuant to this Agreement.

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#### **Section 6.7 Allocation of Capital Reserve Expenses**

The annual capital reserve expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of capital reserve expenses shall be paid out by ~~the Controller and~~ the Treasurer as directed by the Commission and upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act.

## PROPOSED JPA AMENDMENTS

### Section 1.16 Controller

Controller means the ~~Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of auditor or controller of Redwood City~~, designated as Controller of the Authority in Section 3.2.

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### Section 1.36 Treasurer

Treasurer means the ~~Chief Financial Officer of the Authority or other public officer or employee performing the functions of treasurer of the Authority~~, designated as Treasurer of the Authority in Section 3.2.

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**Deleted:** City Treasurer of Redwood City

### Section 3.2 Controller and Treasurer

The ~~Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of auditor or controller of Redwood City, and the Chief Financial Officer of the Authority or other public officer or employee performing the functions of treasurer of the Authority~~, are hereby respectively designated as the Controller and Treasurer of the Authority. The Treasurer shall be the depository and shall have custody of all of the accounts, funds and money of the Authority from whatever source. The Controller ~~shall have the duties and obligations of the auditor and controller~~, and the Treasurer shall have the duties and obligations ~~of the treasurer, each as~~ set forth in Sections 6505 and 6505.5 of the Act, and ~~each~~ shall ~~perform their respective roles to~~ assure that there shall be strict accountability of all funds and report of all receipts and disbursements of the Authority. The Council of Redwood City shall determine the charges to be made against the Authority for the services of the Controller, such charges not to exceed actual costs to Redwood City for such services.

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**Deleted:** City Auditor and City Treasurer of Redwood City

### Section 3.3 Officers in Charge of Property

Pursuant to Section 6505.1 of the Act, the Controller and the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto ~~in accordance with their respective duties and obligations under this Agreement~~; the Secretary shall have charge of, handle and have access to all other records of the Authority; and the Manager shall have charge of, handle and have access

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to all physical properties of the Authority.

#### **Section 6.5 Maintenance and Operation Fund**

All money in the Joint Operating Fund on July 1st next succeeding the operative date of Phase 1 of the Project shall on said July 1st be transferred to and deposited in the Maintenance and Operation Fund. All monies received from any Agency on or after said July 1st in payment of maintenance and operation costs shall be deposited in the Maintenance and Operation Fund. All monies in the Maintenance and Operation Fund shall be paid out by the Treasurer for maintenance and operation costs of the Joint Facilities upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act.

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#### **Section 6.6 Allocation of Bond Interest and Redemption Expenses**

The estimated annual bond interest and redemption expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of bond interest and redemption expenses shall be deposited in the Bond Interest and Redemption Fund of the Authority, which is hereby created, and shall be paid out by the Treasurer to pay the principal of and interest on bonds of the Authority issued pursuant to this Agreement.

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#### **Section 6.7 Allocation of Capital Reserve Expenses**

The annual capital reserve expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of capital reserve expenses shall be paid out by the Treasurer as directed by the Commission and upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act.

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**RESOLUTIONS ESTABLISHING CLASSIFICATION RATES OF PAY AND RELATED  
COMPENSATION FOR MANAGEMENT, PROFESSIONAL, GENERAL  
CONFIDENTIAL AND UNREPRESENTED EMPLOYEES, RECLASSIFYING THE  
SENIOR IS ANALYST, ADDING GENERAL INTERN AND APPROVING UPDATED  
CONSOLIDATED PAY SCHEDULE**

**ISSUE**

Establishing Classifications for Confidential General, Professional, General Unrepresented and Management Employees, Reclassification of the Senior Information Systems Analyst Position, Adding New Position of General Intern and Approving a Consolidated Pay Schedule for All Employees to be Posted on the Authority's Website and Available Upon Request by any Outside Person or Agency.

**BACKGROUND**

The Confidential General Employee category includes the positions of Accountant, Accounting Technician, Administrative Assistant, Administrative Clerk, Office Assistant, Financial Analyst, Information System Technician, and Information System Analyst. As these positions work with and have access to personnel, payroll and other confidential documents they are excluded from the bargaining unit. The positions of Laboratory Assistant and Engineering Intern are unrepresented within the classification of General Employees. Professional employees are also unrepresented and are considered a separate classification. Adding the new position of General Intern will give SVCW management the ability to use an Intern in all Divisions, not only in the Engineering Division. The position of Senior Information System Analyst is being classified per the approved budget for FY18/19. Management employees consist of the Department Managers, Division Directors and Supervisors. The salaries and benefits are set by resolution for all of the aforementioned classifications of employees. The SVCW Manager is covered under a separate Employment Agreement and is not included in this discussion.

**DISCUSSION**

The position of Senior Information System Analyst is currently in the General Confidential employee classification as non-exempt FLSA employees. Upon further review, these positions should be classified in the Professional employees group and as FLSA exempt. It is recommended that the Commission approve this recommendation related to the classification of the Senior Information System Analyst.

The position of General Intern is a new position in the General employee classification and is unrepresented. This is a seasonal, non-benefitted position that could be better utilized within the entire organization. SVCW has found a need for using seasonal help (often summer help), to gain ground during employees' summer vacations or general assistance around the agency. Currently, there is only an intern position associated with the Engineering Division. This change would expand this position to be available to the entire agency.

### FINANCIAL IMPACT

All proposed changes are included in the approved FY2018-19 SVCW Operating Budget which was approved by the Commission at the regular meeting of April 12, 2018. There is no headcount impact from these actions.

### RECOMMENDATION

Move adoptions of:

- i. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR MANAGEMENT EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-63 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith
- ii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR CONFIDENTIAL GENERAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-65 AND RESCINDING 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 17-36 AND ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HERewith
- iv. RESOLUTION ESTABLISHING RATES OF PAY FOR PROFESSIONAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 17-64 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 17-66 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

**APPOINT SVCW ACTING MANAGER**

ISSUE

Appoint Teresa Herrera as Acting Manager of SVCW

BACKGROUND

During closed session at the Commission's May 10, 2018, the Commission appointed Teresa Herrera as Acting Manager of SVCW during the absence of Manager Daniel T. Child, who has since resigned his position as Manager. Ms. Herrera was appointed on a temporary basis with an upgrade in pay pursuant to the Authority's Temporary Upgrade Policy (Administrative Policy No. 1989-03) that establishes a higher salary rate for an employee who is temporarily working outside his/her classification.

DISCUSSION

Section 3.5 of the JPA requires that the position of Manager of SVCW be appointed by the Commission. Also, Government Code Section 94953(c)(3), requires that the Commission orally report out during an open meeting the salary amount of any executive officer of a local agency before taking final action. This requirement was added by the legislature following the City of Bell scandal to ensure greater transparency concerning the compensation of high-level officials. Local Agency Executive is defined to include the chief executive officer of a local agency (e.g., city manager). In this case, the SVCW Manager performs the duties of a chief executive officer and, therefore, qualifies under the statute.

FINACIAL IMPACT

Ms. Herrera will be paid a monthly salary of \$29,584.00, which is the current monthly salary rate for SVCW's Manager position.

RECOMMENDATION

- i. Chair to orally report out recommendation that Acting Manager's monthly salary amount be set at \$29,584.00, which is the current salary rate for the Manager position.
- ii. Move approval of RESOLUTION APPOINTING TERESA HERRERA AS ACTING MANAGER OF SILICON VALLEY CLEAN WATER AND ESTABLISHING COMPENSATION