COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, August 17, 2020
8:00 a.m.

TO ADDRESS THE *COVID-19 PANDEMIC*, THIS MEETING WILL BE CONDUCTED TELEPHONICALLY OR OTHERWISE ELECTRONICALLY PURSUANT TO THE PROVISIONS OF GOVERNOR NEWSOM'S EXECUTIVE ORDER N-29-20. THE COMMISSION BOARD ROOM WILL BE CLOSED TO THE PUBLIC. THE PUBLIC MAY OBSERVE AND COMMENT BY TELEPHONE OR ELECTRONIC MEANS AS DESCRIBED ON PAGE 5 OF THIS AGENDA.

SEE PAGE 5 OF THIS AGENDA FOR MEETING ACCESS INFORMATION AND INSTRUCTIONS

COMMISSIONERS
COUNCIL MEMBER ALICIA AGUIRRE, REDWOOD CITY – CHAIR
BOARD MEMBER GEORGE OTTE, WEST BAY SANITARY DISTRICT – VICE CHAIR
MAYOR WARREN LIEBERMAN, BELMONT – SECRETARY
COUNCIL MEMBER MARK OLBERT, SAN CARLOS – MEMBER

MANAGER: TERESA A. HERRERA
ATTORNEY FOR THE AUTHORITY: CHRISTINE C. FITZGERALD
CONTROLLER: MICHELLE P. FLAHERTY
TREASURER: MATTHEW ANDERSON

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

AGENDA

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT
   Any member of the public may address and ask questions of the Chair under this item relating to any matter within the Commission's jurisdiction that does not appear as a separate item on the Agenda. An opportunity will be provided for members of the public to address the Chair and ask questions about any item that is listed on the

agenda at the time the Commission considers the item and before action is taken. If you address the Commission on a non-agenda item, 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. Written comments received within two hours of the beginning of the meeting will be read into the meeting record.

5. SAFETY MOMENT and REPORTS
   A. Safety Moment…….....pg. 7
   B. Manager's Report……....pg. 9
   C. Financial Reports
      1. Investment Report……....pg. 11
      2. Second Quarter Investment Performance.....……...pg. 15
      3. Memorandum from Chief Financial Officer.....pg. 34
   D. Engineering Projects CIP Spend Analysis……pg. 38
   E. Commission Requested Staff-Level Action Items……pg. 40
   F. RESCU Program Design-Build Project Status Update……pg. 44

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 52)

8. BUSINESS ITEMS

   A. CONSIDERATION OF RESOLUTION AND MOTION APPROVING MEMORANDUM OF AGREEMENT WITH U.S. FISH & WILDLIFE SERVICE (USFWS) FOR BENEFICIAL REUSE OF GRAVITY PIPELINE TUNNEL MUCK (pg. 67)

      Proposed Actions:
      i. Move adoption of RESOLUTION APPROVING MEMORANDUM OF AGREEMENT WITH USFWS FOR BENEFICIAL REUSE OF TUNNEL MUCK FOR GRAVITY PIPELINE RESCU PROJECT
      ii. Move approval of QUALITY ASSURANCE TASK ORDER FOR GRAVITY PIPELINE PROJECT (CIP# 6008) IN AN AMOUNT NOT TO EXCEED $132,272 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - WRA INC.

   B. DISCUSS PUBLIC OUTREACH ACTIVITIES FOR SILICON VALLEY CLEAN WATER (PG. 71)

Proposed Action:
No formal action is required. This item is for information and discussion purposes only, and possible further direction to staff.

9. CLOSED SESSION
   A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
      Pursuant to Government Code Section 54956.8
      Property Description: 525 Skyway Road, San Carlos
      SVCW Negotiators: Kim Hackett, Authority Engineer
      Negotiating Parties: Samantha Bechtel, General Manager, Izzy's Steak House
      Under Negotiation: Price and terms

   B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
      Pursuant to Government Code Section 54956.8
      Property Description: 525 Skyway Road, San Carlos
      SVCW Negotiators: Kim Hackett, Authority Engineer
      Negotiating Parties: City of San Carlos
      Under Negotiation: Price and terms

   C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
      Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code Section 54956.9 (One Potential Case)

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 voice 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 – July 20, 2020 (pg. 52)

   B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED JULY 1, JULY 10, JULY 24, AND JULY 31, 2020 AND NECESSARY PAYMENTS THROUGH JULY 31, 2020 (pg. 58)

   C. CONSIDERATION OF RESOLUTION REVIEWING AND APPROVING 2020 CONFLICT OF INTEREST CODE FOR SILICON VALLEY CLEAN WATER (pg. 60)

      Proposed Action:
      Move adoption of RESOLUTION REVIEWING AND APPROVING 2020 CONFLICT OF INTEREST CODE FOR SILICON VALLEY CLEAN WATER

   D. CONSIDERATION OF MOTION APPROVING CONTRACT CHANGE ORDER TO THE RESCU PROGRAM FRONT OF PLANT PROJECT (CIP #9502) (pg. 64)

      Proposed Action:
      Move approval of CONTRACT CHANGE ORDER FOR THE FRONT OF PLANT PROJECT (CIP #9502) IN THE AMOUNT OF $814,320 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – JFSHEA/PARSONS JOINT VENTURE

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, August 17, 2020

WEBSITE: Link to access meeting
MEETING ID: 643 379 706#
CALL IN PHONE NUMBER: +1 747-216-0281

You may view video during the meeting via live stream. An audio will be available after the meeting at SVCW's website. If you experience technical difficulties or have technical questions prior to or during the meeting, please contact Teams meeting support at 707-862-0859. Note: Public participation is not permitted during closed session discussion items.

Public Comment
Public comment may be made by joining the meeting using the link or phone number above or by emailing comments to commission@svcw.org up to two hours prior to the scheduled meeting time. All comments should be in accordance with the three-minute per speaker limit. Indicate in your email the agenda item to which your comment applies. If you have anything that you wish distributed to the Commission and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

SVCW's Clerk will read all written comments into the meeting record.

Accessibility for Individuals with Disabilities
Upon request, SVCW will provide for access to individuals with disabilities to fully engage in the meeting process. Joining the meeting via the teleconference instructions above will provide access to open captioning. For other accommodations, please email your request to commission@svcw.org or call 650-591-7121 at least four (4) days prior to the scheduled meeting time. Requests will be granted whenever possible and resolved in favor of accessibility.

Subject to Change:
Given the current public health emergency and the rapidly evolving federal, state, and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting SVCW's website www.svcw.org.

AGENDA ITEM 5A

Keep Your Eyes Healthy

Get a comprehensive dilated eye exam

Getting a dilated eye exam is simple and painless — and it's the single best thing you can do for your eye health! Even if your eyes feel healthy, you could have a problem and not know it because many eye diseases don't have any symptoms or warning signs.

Find out if you're at risk for eye diseases

Getting older increases your risk of some eye diseases. You might also have a higher risk of some eye diseases if you:

- Are overweight or obese
- Have a family history of eye disease
- Are African American, Hispanic, or Native American

Other health conditions, like diabetes or high blood pressure, can also increase your risk of some eye diseases. For example, people with diabetes are at risk for diabetic retinopathy — an eye condition that can cause vision loss and blindness.

Take care of your health

Eat healthy foods. Be sure to have plenty of dark, leafy greens like spinach and kale. Eating fish that are high in omega-3 fatty acids like salmon or tuna s good for your eyes, too.

Get active. Being physically active can help lower your risk of health conditions that can cause eye health or vision problems like diabetes, high blood pressure, and high cholesterol

Quit smoking. Smoking increases your risk of diseases like macular degeneration and cataracts — and it can harm the optic nerve.

Protect your eyes

Wear sunglasses. Protect your eyes from the sun by wearing sunglasses even on cloudy days! Be sure to look for sunglasses that block 99 to 100 percent of both UVA and UVB radiation.

Wear protective eyewear. Safety glasses and goggles are designed to protect your eyes during certain activities, like playing sports, doing construction work, or doing home repairs.

Give your eyes a rest. Looking at a computer can tire out your eyes. Rest your eyes by taking a break every 20 minutes to look at something about 20 feet away for 20 seconds.

If you wear contacts, take steps to prevent eye infections. Always wash your hands before you put your contact lenses in or take them out. Be sure to disinfect your contact lenses and replace them regularly.

https://www.nei.nih.gov/learn-about-eye-health/healthy-vision/keep-your-eyes-healthy

AGENDA ITEM 5B

Recurring and Upcoming 2020 Commission Actions
Updated for August 2020 Meeting

January	February	March	April
• Long Range Financial Plan • CIP Update (annual or biennial) • Review Investment Policy	No Meeting	• Budget Workshop • Review Investment Policy	• Budget Approval • Consider Emergency Declaration
May	**June**	**July**	**August**
• Initiate Manager Performance Evaluation • Review Reserve Funds Policy	• Approve Resolution 77-6 "Personnel Resolution" • Perform Manager Evaluation	• Commission Chair, Vice Chair, and Secretary Appointment	• Conflict of Interest Update (Biennial; even-numbered years)
September	**October**	**November**	**December**
• Review Debt Policy • Adopt Local Limits			• Commission Meeting schedule for following year • Audited Financial Reports

- Recurring Commission Actions

- Upcoming Commission Actions

AGENDA ITEM 5C1

Silicon Valley Clean Water Authority
Cash & Investments Summary Report
July 31, 2020

Description		Market Value	% of Total Holdings	Yield
Reserve Accounts				
Operating Reserve* - Securities	$	3,300,602	1.8%	1.53%
Operating Reserve - Money Market Fund Balance		519,998	0.3%	0.06%
CIP Reserve* - Securities		17,451,398	9.7%	2.04%
CIP Reserve - Money Market Fund Balance		3,862,499	2.2%	0.06%
Stage 2 Capacity Reserve* - Securities		13,721,567	7.7%	1.99%
Stage 2 Capacity Reserve - Money Market Fund Balance		157,536	0.1%	0.06%
Total Market Value: Operating and Reserve Accounts	**$**	**39,013,599**	**21.8%**	**1.75%**
Total Accrued Interest: Operating and Reserve Accounts	**$**	**189,338**		
GRAND TOTAL, OPERATING AND RESERVE ACCOUNTS	**$**	**39,202,938**		
Bond and Notes Accounts				
Zions Bank (Trustee)				
2018 Project Fund Account - CAMP	$	15,062,170	8.4%	0.30%
2018 Revenue Account		5,124,815	2.9%	0.01%
2018 Acquisition Account - Euro for TBM Purchase		770,414	0.4%	-
2019A Notes WIFIA* - Securities		79,137,395	44.2%	1.88%
2019A Notes WIFIA - Money Market Fund		4,488,702	2.5%	0.01%
2019A Capitalized Interest Account* - Securities		24,984,152	13.9%	1.77%
2019A Capitalized Interest Account - Money Market Fund		7,226	0.0%	0.01%
2019 Cost of Issuance		36,271	0.0%	0.01%
Bank of New York (Trustee)				
2014 Revenue Account		1,322,702	0.7%	-
2015 Revenue Account		3,705,799	2.1%	-
Total Market Value:	**$**	**134,639,668**	**75.1%**	**1.47%**
Accrued Interest:		509,260		
Uninvested Operating Cash (including outstanding checks)		406,834	0.2%	
Local Agency Investment Funds (LAIF) Balance		5,105,840	2.8%	0.92%
Total Cash & Investments	**$**	**179,864,540**	**100.00%**	**1.51%**

8/10/2020

Matt Anderson
Chief Financial Officer / Assistant Manager

Date

** Monthly report of security transactions and interest available upon request*

1. All operating fund accounts are in compliance with SVCW's Investment Policy, and all bond proceeds accounts are in compliance with the relevant bond documents.

2. SVCW has adequate funding levels for more than six months of operations and claim payments, as referenced in CA Code Section 53646.

3. Market valuations for the Operating and Reserve accounts along with the 2018 and 2019A bond proceeds accounts are provided by PFM Asset Management LLC (PFM). Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFM believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.

4. Market valuations for the 2009, 2014, and 2015 bond proceeds accounts are provided by Bank of New York Mellon.

5. In accordance with Generally Accepted Accounting Principles (GAAP), month-end holdings and information are reported on a trade date

6. The yields shown for securities portions of the operating and reserve accounts and the 2019A bond proceeds accounts are the yields to maturity at cost.

7. The yield for LAIF is the average monthly effective yield. Source: https://www.treasurer.ca.gov/pmia-laif/historical/avg_mn_ylds.asp

8. The yields shown for the PFM-managed money market funds are the Yield to Maturity at Cost, and the Yield to Maturity at Market sourced from the respective fund providers' statements. Yields for BNY-managed funds are Market Yields sourced from the respective fund providers' statements.

9. The yield shown for CAMP is the monthly distribution yield.

Silicon Valley Clean Water Operating and Reserve Funds - Sector Allocation & Compliance July 31, 2020								
Security Type	Operating Reserve	CIP Reserve	Capacity Reserve	Total Market Value	% of Total Portfollio	% Allowed by Policy	In Compliance	% Change vs. Prior Month
U.S. Treasury	$ 1,411,110	$ 5,509,605	$ 4,546,142	$11,466,857	29%	100%	✓	-
Supranationals	125,979	0	0	125,979	0%	15%	✓	-
Federal Agency/GSE	1,051,158	3,379,306	2,597,354	7,027,819	18%	100%	✓	-1%
Federal Agency CMO	0	2,553,029	1,805,493	4,358,523	11%	100%	✓	-
Federal Agency MBS	0	1,589,595	1,477,460	3,067,055	8%	100%	✓	1%
Municipal	0	485,777	356,641	842,418	2%	30%	✓	1%
Corporate Notes	677,244	3,934,084	2,938,477	7,549,805	19%	30%	✓	-1%
Asset-Backed Securities	35,110	0	0	35,110	0%	10%	✓	-
Securities Sub-Total	**3,300,602**	**17,451,398**	**13,721,567**	**34,473,567**	**88%**			
Accrued Interest	13,302	98,553	77,483	189,338				
Securities Total	**3,313,904**	**17,549,951**	**13,799,050**	**34,662,905**				
Money Market Fund	519,998	3,862,499	157,536	4,540,033	12%	20%	✓	1%
Total Investments	**$ 3,833,902**	**$21,412,450**	**$13,956,586**	**$39,202,938**	**100%**			

AGENDA ITEM 5C2

August 03, 2020

To: SVCW Commissioners

From: Matt Anderson, SVCW CFO/Assistant Manager

Subject: Investment Update for Quarter Ended June 30, 2020

Attached is an update from PFM Asset Management LLC regarding the investment performance of SVCW Cash Reserves portfolio for the quarter ended June 30, 2020. Highlights include:

Market Update:

- There are early signs of economic recovery from the COVID-19 pandemic.
- Yields remain low and are not expected to move meaningfully in the near term.

SVCW Investment Program:

- At June 30, 2020 the Authority had nearly $38.6 million in combined assets under management, and each reserve balance meets or exceeds SVCW policy (pg. 15).
- Quarterly investment returns were 0.81% (Operating Reserve), 1.74% (CIP Reserve), and 1.85% (Stage 2 Capacity Reserve); Each outperformed its benchmark index.
- Corporate holdings market values returned to positive territory. PFM continues to recommend SVCW hold all corporate notes until maturity.

Outlook:

- Fed support stabilized the bond market and returned liquidity.
- Earnings expected to remain low.
- Short-term yields Commercial paper credit with more issuers re-entering the market
- Focus is on safety and liquidity, with continued surveillance of corporate securities.

SILICON VALLEY CLEAN WATER

Investment Performance Review For
the Quarter Ended June 30, 2020

Client Management Team

Lesley Murphy, Senior Managing Consultant
Michael P. Downs, Portfolio Manager
Jeremy King, Key Account Manager
Rachael Miller, Client Consultant

50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544

PFM Asset Management LLC
213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

1

Market Update

2

COVID-19 Impact Update

Health Pandemic

- Confirmed cases exceed 10 million worldwide
- U.S. is leading the world with roughly 25% of cases and deaths
- Recent surge in new U.S. case numbers threatens economic reopening

Effects on the Economy

- Significant negative impact of lockdowns apparent in first and second quarter economic data
- Early signs of rebound have appeared as some states start to reopen

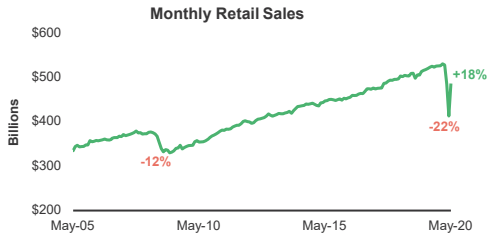
Limited Capacity

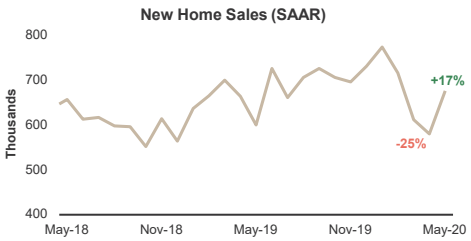
Effects on the Financial Markets

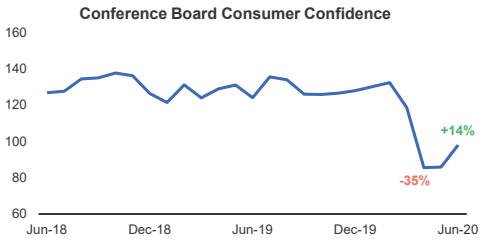
- Yields remain very low and are not expected to move meaningfully over the near term
- Fed support stabilized the bond market and returned liquidity
- Equity markets substantially recovered in second quarter

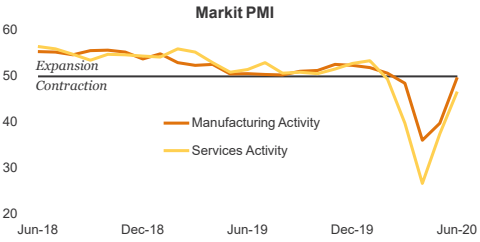
3

Economic Conditions Are Depressed, but Appear to Have Bottomed





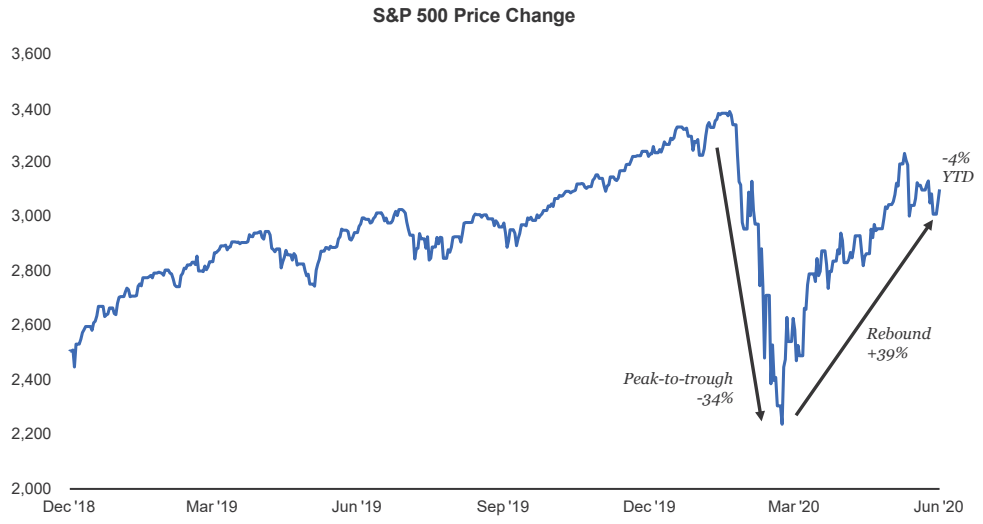




Source: Bloomberg, data available as of 6/30/2020.

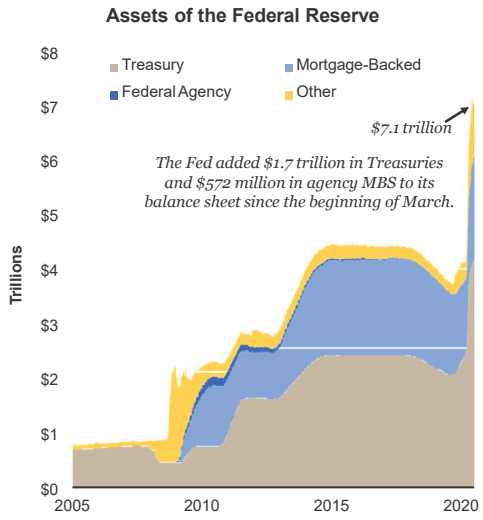
4

Stocks Staged an Impressive Rebound in Second Quarter After Pandemic-Driven Sell-Off



Source: Bloomberg, as of 6/30/2020.

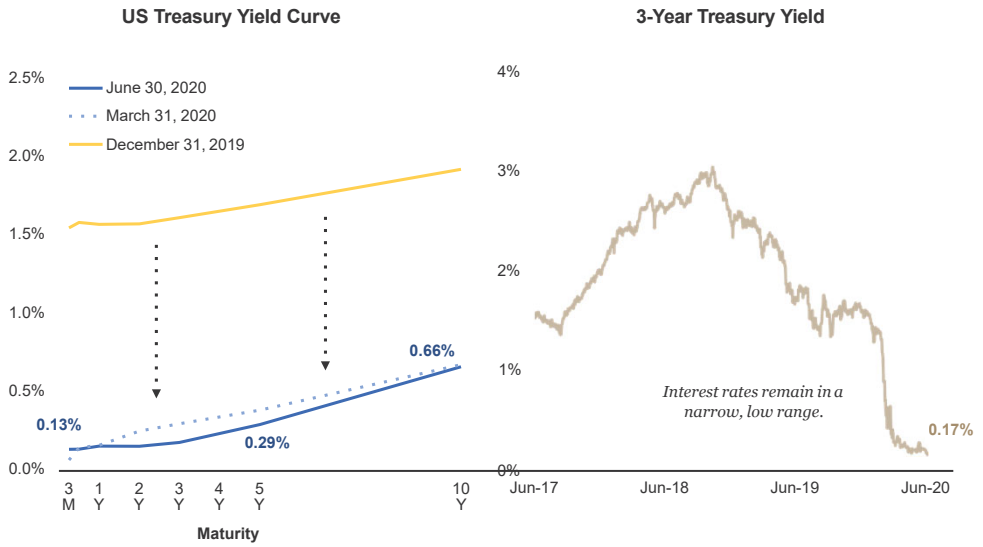
Federal Reserve Has Provided $3 Trillion in Monetary Stimulus



Amount Allocated to Fed's Liquidity Programs	
Fed Facility	**Holdings (billions)**
Discount Window	$7.1
Primary Dealer Credit Facility	$4.0
Money Market Mutual Fund Liquidity Facility	$23.5
Commercial Paper Funding Facility	$12.8
Paycheck Protection Program Liquidity Facility	$59.4
Swap Lines	$276.7
Repurchase Agreements	$73.1
Municipal Liquidity Facility	$16.1
Main Street Lending Facility	$32.7
Primary Corporate Credit Facility	$0.0
Secondary Corporate Credit Facility	$40.0
Term Asset-Backed Securities Loan Facility	$7.3

Source: Federal Reserve, as of 6/26/2020.

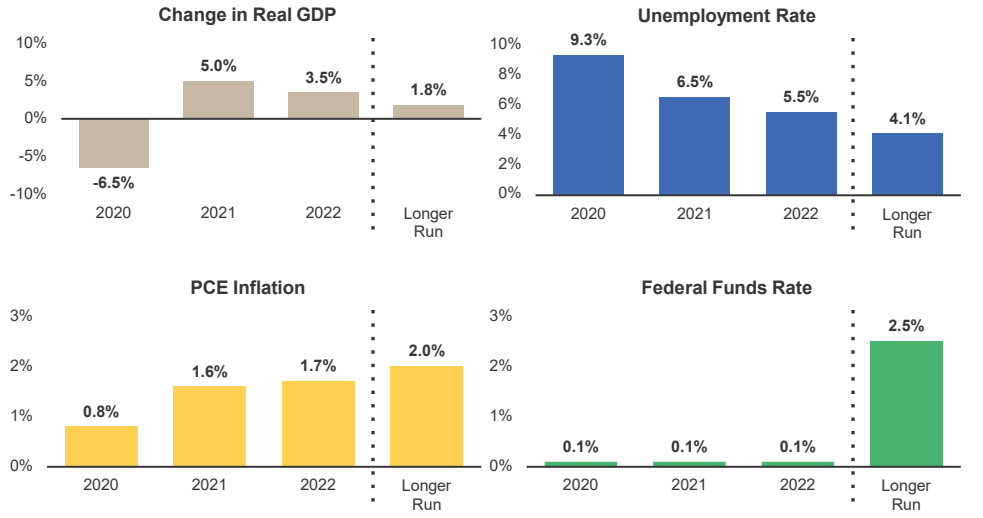
Interest Rates Traded in a Narrow Range During the Second Quarter



Source: Bloomberg, as of 6/30/2020.

7

Fed's June Economic Projections Indicate Long Recovery Ahead



Source: Federal Reserve, economic projections as of June 2020.

8

Fixed Income Sector Outlook – July 2020

Sector	Our Investment Preferences	Comments
COMMERCIAL PAPER / CD		• Short-term credit spreads widened slightly in recent days as T-Bills rallied and more issuers re-entered the market after quarter-end.
TREASURIES T-Bill T-Note		• T-Bill yields remain a very attractive investment option, although yields have fallen several basis points across the curve. • Treasury yields remain in a defined range. Short to intermediate maturities are anchored by the Fed Funds Rate near 0%. Longer maturities may see upward pressure from increased issuance, although Fed purchases provide support.
FEDERAL AGENCIES Bullets Callables		• Bullet agency spreads continue to narrow but remain wider than pre-pandemic levels. While the spread curve has flattened as spreads have tightened, the 3s/5s spread curve still appears steep, making longer-maturity bullets attractive. New issue securities at concessions to the curve also represent good value. • Callable spreads continue to march tighter vs like-maturity Treasuries but remain near the middle of the range YTD. Value remains on a structure-by-structure basis.
SUPRANATIONALS		• Supranational spreads tightened across the curve. Most secondary offerings are trading at lower spreads than GSEs, erasing much of the sector's relative value. Seasonality suggests light issuance during the summer that will pick up in the fall.
CORPORATES Financials Industrials		• Corporates recovered most of their first quarter underperformance during the second quarter, helped by the Fed's unprecedented support and signs of recovery in economic activity. • We remain cautious regarding the sector, however, due to concerns around consumer finances and weak corporate balance sheets. The recent trend of rising coronavirus infections in parts of the country is worrying, and the presidential election and geopolitical tensions could be another source of market volatility.
SECURITIZED Asset-Backed Agency Mortgage-Backed Agency CMBS		• ABS yield spreads tightened but still offer some relative value to industrial corporate securities. Credit enhancements have increased in new ABS deals to offset increased concerns regarding consumer stress. • The Fed reaffirmed its commitment "to support the smooth functioning" of the MBS market through its ongoing purchase program. However, prepayments may stay elevated over the near term as refinancings remain robust. • Agency CMBS spreads continue to move lower as fear regarding renters' ability to pay has decreased to some degree. Spreads are still above historical averages.
MUNICIPALS		• Taxable supply continues to come to market at attractive spreads. We remain focused on the largest issuers and cautious on many sub-sectors given the fiscal impact from COVID-19.

● *Current outlook* ○ *Outlook one month ago*

Negative | Slightly Negative | Neutral | Slightly Positive | Positive

9

Aggregate Portfolio Review

10

Portfolio Recap

- Following the plunge in the U.S. Treasury yield curve during the first quarter, U.S. Treasury yields were relatively stable over the second quarter. By contrast, the yield spreads on all non-Treasury sectors retraced significantly from March's wide levels as investor demand for non-Treasury obligations increased. This was positive for the market valuations and performance of the non-Treasury securities in SVCW's portfolios, enabling the portfolios to deliver ***strong out-performance*** relative to the benchmarks in the second quarter.
- As always, PFM continues to prioritize the ***safety*** and ***liquidity*** of SVCW's investment holdings above all else while actively monitoring the markets for opportunities to increase portfolio earnings.
  - We continued to apply our ***strong credit process***, reassessing every issuer for the short- and intermediate-term impact of the disrupted economy. As financial markets began to normalize during the second quarter, investment-grade issuers on PFM's approved issuer list were carefully vetted and many names were gradually re-approved for purchase.
    - Within this framework, we began to cautiously ***reallocate*** the portfolio's overweight to government obligations into high-quality non-government sectors. During the second quarter, we increased the aggregate portfolio's allocation to ***corporate notes*** by 1%, focusing on high-quality names like PepsiCo and Apple.
  - Throughout much of the second quarter, ***federal agency*** yield spreads (the difference between the yields available on federal agency securities minus the yields available on U.S. Treasury securities) remained wide compared to recent norms. PFM took advantage of this relative value opportunity in early May when we purchased a Tennessee Valley Authority note with 5 years to maturity at 0.81%. This represented an attractive yield pick-up of 44 basis points (0.44%) over similar-maturity U.S. Treasury notes.
  - Given the continued market uncertainty, we maintained a ***neutral portfolio duration*** positioning relative to the portfolios' respective benchmarks.

For details on these and all other transactions, please see the transactions section of the month-end statements.

Sector Allocation & Compliance

- The portfolio is in compliance with the Authority's Investment Policy and California Government Code.

Security Type	Market Value	% of Portfolio	% Change vs. 3/31/20	Permitted by Policy	In Compliance
U.S. Treasury	$11,457,978	30%	-3%	100%	✓
Supranationals	$125,735	<1%	-	15%	✓
Federal Agency/GSE	$7,363,501	19%	-3%	100%	✓
Federal Agency/CMO	$4,407,063	11%	-	100%	✓
Federal Agency MBS	$2,784,603	7%	-	100%	✓
Municipal	$490,489	1%	-	30%	✓
Corporate Notes	$7,779,039	20%	+1%	30%	✓
Securities Sub-Total	**$34,408,407**	**90%**			
Accrued Interest	$179,871				
Securities Total	**$34,588,278**				
Money Market Fund	$4,002,367	10%	+6%	20%	✓
Total Investments	**$38,590,645**	**100%**			

Detail may not add to total due to rounding. Current Investment Policy as of March 2020.

Portfolio Analytics: Operating Reserve Portfolio

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For the Quarter Ended June 30, 2020

SVCW - OPERATING RESERVE FUND

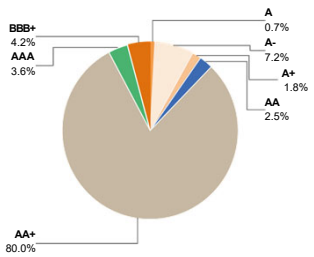
Portfolio Snapshot

Portfolio Statistics

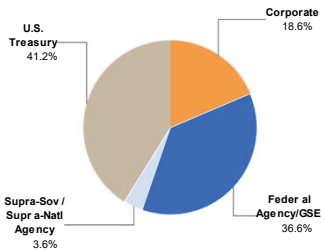
As of June 30, 2020

Par Value:	$3,390,000
Total Market Value:	$3,826,455
Security Market Value:	$3,474,797
Accrued Interest:	$12,983
Cash:	$338,675
Amortized Cost:	$3,395,360
Yield at Market:	0.31%
Yield at Cost:	1.56%
Effective Duration:	1.98 Years
Average Maturity:	2.05 Years
Average Credit: *	AA

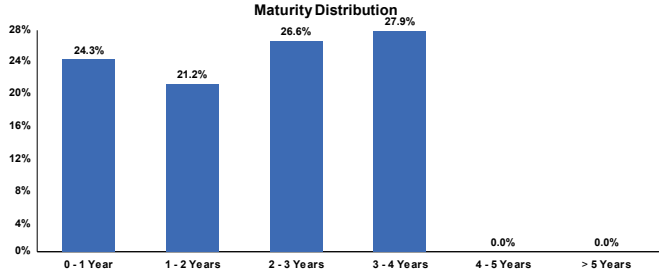
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution



** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*
***Securities held in the Authority's portfolio are in compliance with California Government Code and the Authority's Investment Policy dated March 2020.*

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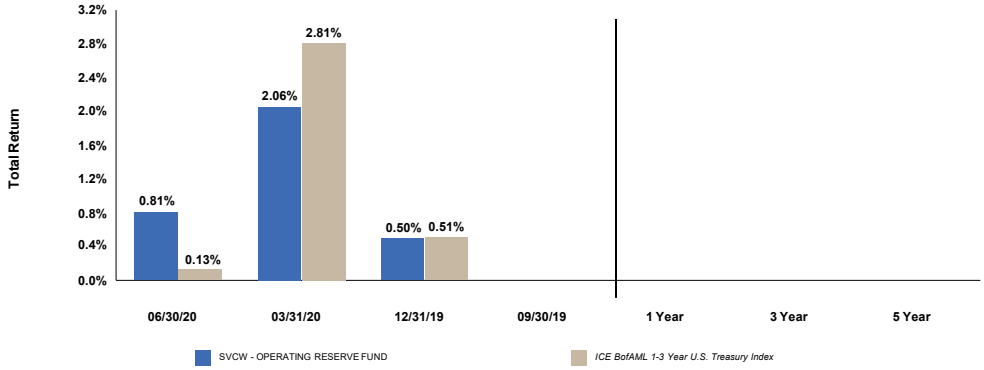
Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended 06/30/20	03/31/20	12/31/19	09/30/19	1 Year	Annualized Return 3 Year	5 Year
SVCW - OPERATING RESERVE FUND	1.98	0.81%	2.06%	0.50%	-	-	-	-
ICE BofAML 1-3 Year U.S. Treasury Index	*1.82*	*0.13%*	*2.81%*	*0.51%*	-	-	-	-
Difference		0.68%	-0.75%	-0.01%	-	-	-	-



Portfolio performance is gross of fees unless otherwise indicated.

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Portfolio Earnings

Quarter-Ended June 30, 2020

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2020)	$3,349,499.00	$3,286,466.63
Net Purchases/Sales	$109,525.32	$109,525.32
Change in Value	$15,772.63	($632.24)
Ending Value (06/30/2020)	$3,474,796.95	$3,395,359.71
Interest Earned	$14,756.40	$14,756.40
Portfolio Earnings	$30,529.03	$14,124.16

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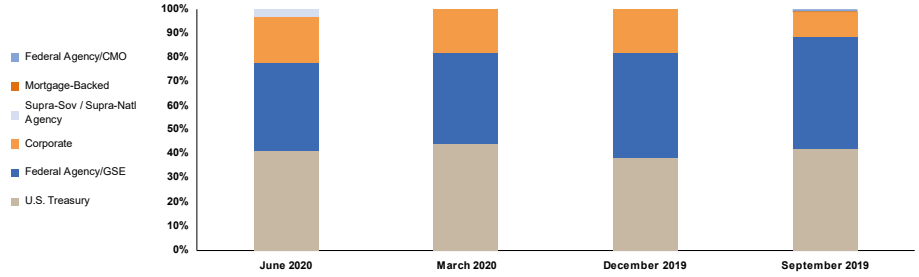
Sector Allocation

Sector	June 30, 2020 MV ($MM)	June 30, 2020 % of Total	March 31, 2020 MV ($MM)	March 31, 2020 % of Total	December 31, 2019 MV ($MM)	December 31, 2019 % of Total	September 30, 2019 MV ($MM)	September 30, 2019 % of Total
U.S. Treasury	1.4	41.2%	1.5	44.2%	1.3	38.4%	1.5	42.2%
Federal Agency/GSE	1.3	36.6%	1.3	37.7%	1.4	43.2%	1.7	46.1%
Corporate	0.6	18.6%	0.6	18.1%	0.6	18.3%	0.4	10.4%
Supra-Sov / Supra-Natl Agency	0.1	3.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Federal Agency/CMO	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	1.1%
Mortgage-Backed	0.0	0.0%	0.0	0.0%	0.0	0.1%	0.0	0.2%
Total	$3.5	100.0%	$3.3	100.0%	$3.3	100.0%	$3.6	100.0%



Detail may not add to total due to rounding.

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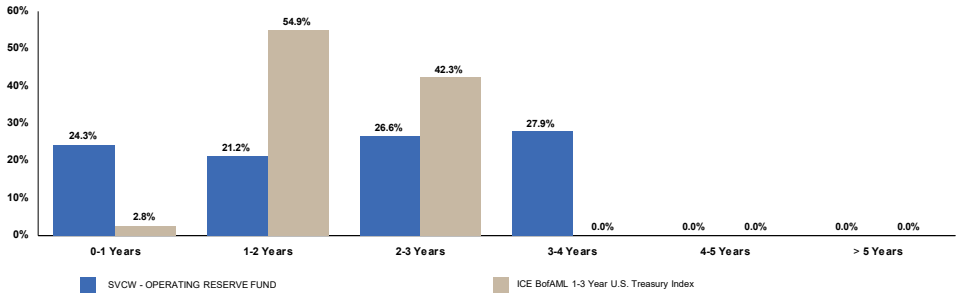
Maturity Distribution

As of June 30, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SVCW - OPERATING RESERVE FUND	0.31%	2.05 yrs	24.3%	21.2%	26.6%	27.9%	0.0%	0.0%
ICE BofAML 1-3 Year U.S. Treasury Index	*0.17%*	*1.93 yrs*	*2.8%*	*54.9%*	*42.3%*	*0.0%*	*0.0%*	*0.0%*



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Portfolio Analytics: CIP Reserve Portfolio

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For the Quarter Ended June 30, 2020

SVCW - CIP RESERVE FUND

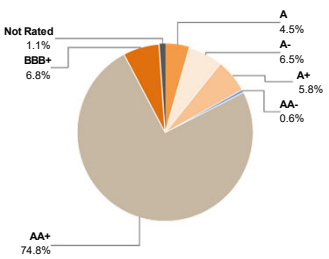
Portfolio Snapshot

Portfolio Statistics

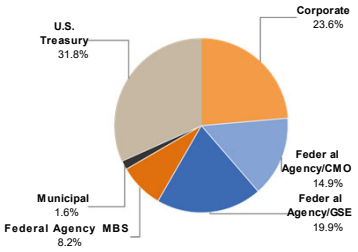
As of June 30, 2020

Par Value:	$15,988,087
Total Market Value:	$21,014,563
Security Market Value:	$17,331,060
Accrued Interest:	$94,003
Cash:	$3,589,500
Amortized Cost:	$16,592,154
Yield at Market:	0.99%
Yield at Cost:	2.06%
Effective Duration:	3.74 Years
Average Maturity:	7.02 Years
Average Credit: *	AA

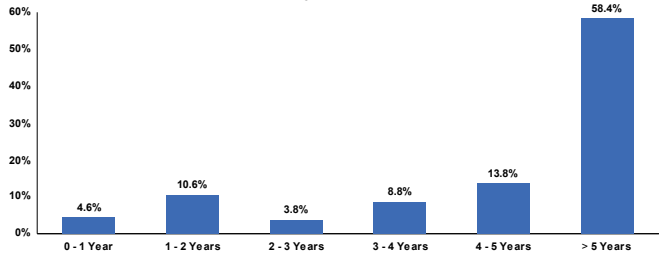
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution



** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*
***Securities held in the Authority's portfolio are in compliance with California Government Code and the Authority's Investment Policy dated March 2020.*

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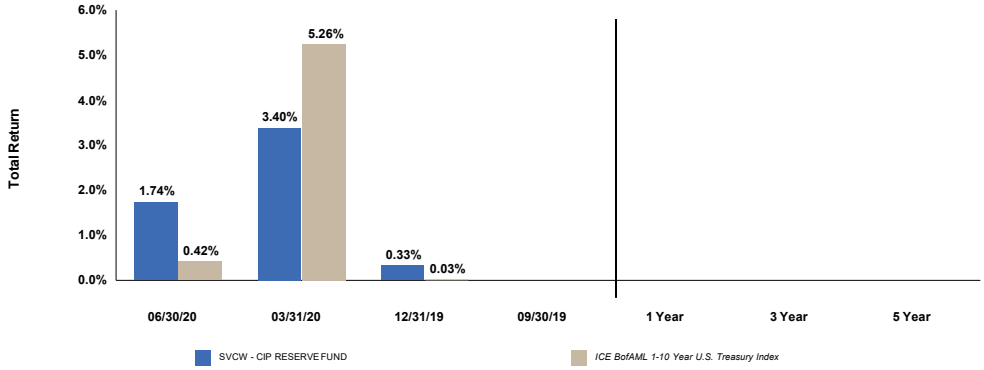
For the Quarter Ended June 30, 2020

SVCW - CIP RESERVE FUND

Portfolio Performance

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended 06/30/20	03/31/20	12/31/19	09/30/19	1 Year	Annualized Return 3 Year	5 Year
SVCW - CIP RESERVE FUND	3.74	1.74%	3.40%	0.33%	-	-	-	-
ICE BofAML 1-10 Year U.S. Treasury Index	*3.76*	*0.42%*	*5.26%*	*0.03%*	-	-	-	-
Difference		1.32%	-1.86%	0.30%	-	-	-	-



Portfolio performance is gross of fees unless otherwise indicated.

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For the Quarter Ended June 30, 2020

SVCW - CIP RESERVE FUND

Portfolio Performance

Portfolio Earnings

Quarter-Ended June 30, 2020

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2020)	$19,294,531.05	$18,737,638.49
Net Purchases/Sales	($2,203,571.49)	($2,203,571.49)
Change in Value	$240,100.15	$58,087.05
Ending Value (06/30/2020)	$17,331,059.71	$16,592,154.05
Interest Earned	$115,497.70	$115,497.70
Portfolio Earnings	$355,597.85	$173,584.75

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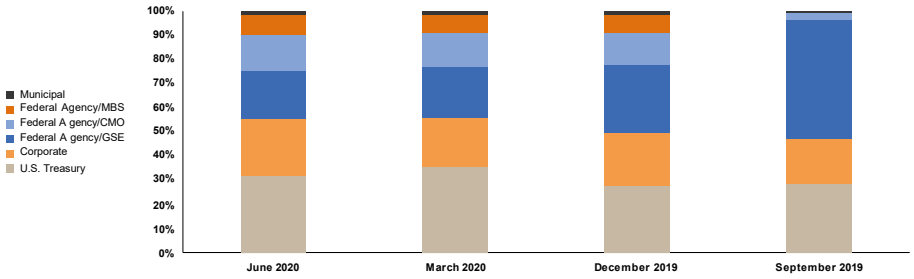
For the Quarter Ended June 30, 2020

SVCW - CIP RESERVE FUND

Portfolio Composition

Sector Allocation

Sector	June 30, 2020 MV ($MM)	June 30, 2020 % of Total	March 31, 2020 MV ($MM)	March 31, 2020 % of Total	December 31, 2019 MV ($MM)	December 31, 2019 % of Total	September 30, 2019 MV ($MM)	September 30, 2019 % of Total
U.S. Treasury	5.5	31.8%	6.8	35.4%	5.4	27.8%	5.4	28.4%
Corporate	4.1	23.6%	3.9	20.2%	4.2	21.7%	3.5	18.6%
Federal Agency/GSE	3.5	19.9%	4.1	21.2%	5.4	28.1%	9.4	49.4%
Federal Agency/CMO	2.6	14.9%	2.7	14.0%	2.5	13.1%	0.5	2.5%
Federal Agency MBS	1.4	8.2%	1.5	7.8%	1.5	7.9%	0.0	0.0%
Municipal	0.3	1.6%	0.3	1.4%	0.3	1.4%	0.2	1.1%
Total	$17.3	100.0%	$19.3	100.0%	$19.3	100.0%	$19.0	100.0%



Detail may not add to total due to rounding.

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For the Quarter Ended June 30, 2020

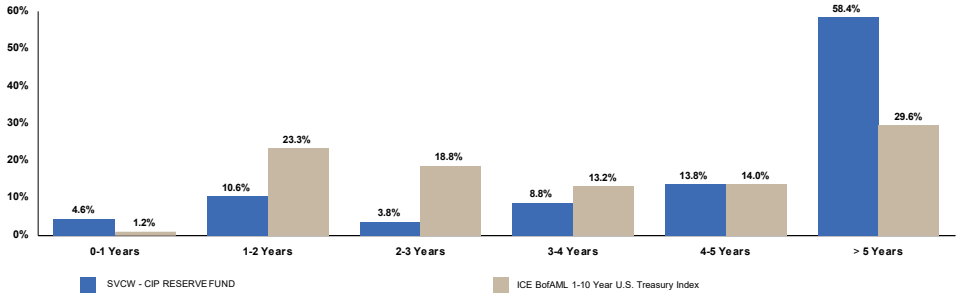
SVCW - CIP RESERVE FUND

Portfolio Composition

Maturity Distribution

As of June 30, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SVCW - CIP RESERVE FUND	0.99%	7.02 yrs	4.6%	10.6%	3.8%	8.8%	13.8%	58.4%
ICE BofAML 1-10 Year U.S. Treasury Index	*0.28%*	*4.05 yrs*	*1.2%*	*23.3%*	*18.8%*	*13.2%*	*14.0%*	*29.6%*



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Portfolio Analytics:
Stage 2 Capacity Reserve Portfolio

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For the Quarter Ended June 30, 2020

SVCW - STAGE 2 CAPACITY RES FUND

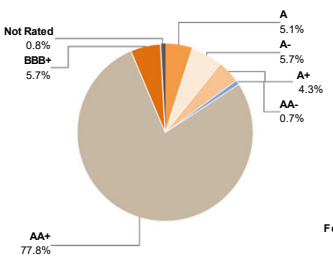
Portfolio Snapshot

Portfolio Statistics

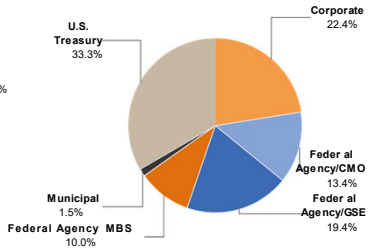
As of June 30, 2020

Par Value:	$12,608,212
Total Market Value:	$13,749,627
Security Market Value:	$13,602,550
Accrued Interest:	$72,885
Cash:	$74,191
Amortized Cost:	$13,057,712
Yield at Market:	0.99%
Yield at Cost:	2.01%
Effective Duration:	3.74 Years
Average Maturity:	7.25 Years
Average Credit: *	AA

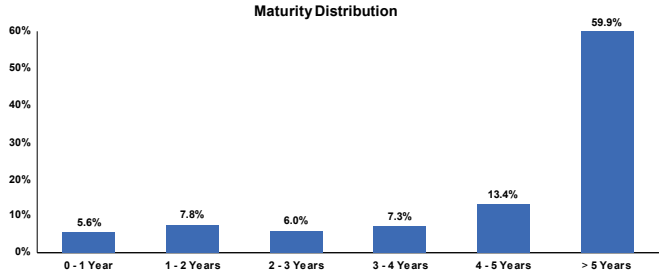
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution



** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*
***Securities held in the Authority's portfolio are in compliance with California Government Code and the Authority's Investment Policy dated March 2020.*

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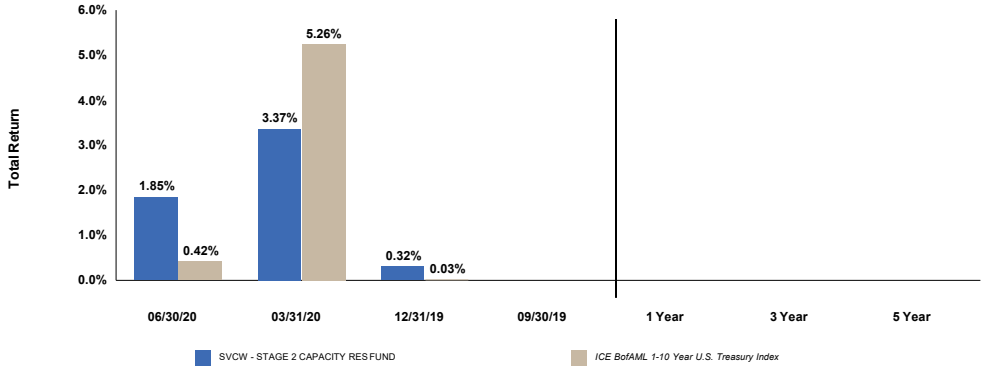
Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended 06/30/20	03/31/20	12/31/19	09/30/19	1 Year	Annualized Return 3 Year	5 Year
SVCW - STAGE 2 CAPACITY RES FUND	3.74	1.85%	3.37%	0.32%	-	-	-	-
ICE BofAML 1-10 Year U.S. Treasury Index	*3.76*	*0.42%*	*5.26%*	*0.03%*	-	-	-	-
Difference		1.43%	-1.89%	0.29%	-	-	-	-



Portfolio performance is gross of fees unless otherwise indicated.

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Portfolio Earnings

Quarter-Ended June 30, 2020

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2020)	$13,295,571.79	$12,927,299.77
Net Purchases/Sales	$137,526.64	$137,526.64
Change in Value	$169,452.02	($7,113.98)
Ending Value (06/30/2020)	$13,602,550.45	$13,057,712.43
Interest Earned	$79,759.37	$79,759.37
Portfolio Earnings	$249,211.39	$72,645.39

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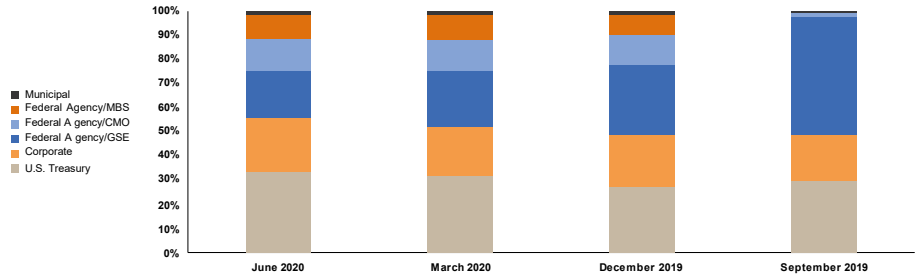
For the Quarter Ended June 30, 2020

SVCW - STAGE 2 CAPACITY RES FUND

Portfolio Composition

Sector Allocation

Sector	June 30, 2020 MV ($MM)	June 30, 2020 % of Total	March 31, 2020 MV ($MM)	March 31, 2020 % of Total	December 31, 2019 MV ($MM)	December 31, 2019 % of Total	September 30, 2019 MV ($MM)	September 30, 2019 % of Total
U.S. Treasury	4.5	33.3%	4.3	32.1%	3.5	27.2%	3.6	29.9%
Corporate	3.0	22.4%	2.7	20.2%	2.8	21.6%	2.3	18.9%
Federal Agency/GSE	2.6	19.4%	3.0	22.7%	3.7	28.9%	5.9	48.5%
Federal Agency/CMO	1.8	13.4%	1.7	12.8%	1.6	12.1%	0.2	1.8%
Federal Agency MBS	1.4	10.0%	1.4	10.7%	1.1	8.7%	0.0	0.1%
Municipal	0.2	1.5%	0.2	1.5%	0.2	1.5%	0.1	0.8%
Total	$13.6	100.0%	$13.3	100.0%	$13.0	100.0%	$12.1	100.0%



Detail may not add to total due to rounding.

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For the Quarter Ended June 30, 2020

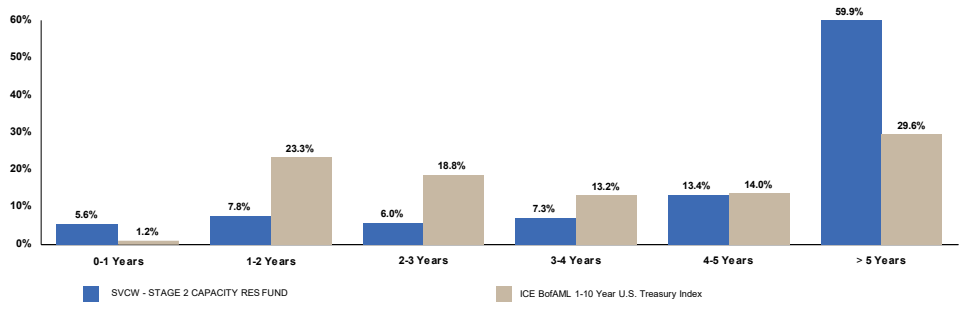
SVCW - STAGE 2 CAPACITY RES FUND

Portfolio Composition

Maturity Distribution

As of June 30, 2020

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SVCW - STAGE 2 CAPACITY RES FUND	0.99%	7.25 yrs	5.6%	7.8%	6.0%	7.3%	13.4%	59.9%
ICE BofAML 1-10 Year U.S. Treasury Index	*0.28%*	*4.05 yrs*	*1.2%*	*23.3%*	*18.8%*	*13.2%*	*14.0%*	*29.6%*



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Appendix

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IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

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GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.
- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

GLOSSARY

- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

AGENDA ITEM 5C3

August 17, 2020

To: SVCW Commissioners

From: Matt Anderson (CFO/Assistant Manager)

Subject: Debt Strategy Update – informational item only

ISSUE

This memorandum is to inform the Commission regarding Silicon Valley Clean Water (SVCW) debt strategies to source approximately $300 million for remaining Capital Improvement Program (CIP) expenditures. No action is being requested.

BACKGROUND

Since 2008, SVCW Members raised approximately $647 million in CIP funding, of which approximately $135.6 million has not yet been spent. Unspent proceeds are comprised of 2018 Bond proceeds (expected to last until Summer of 2021), WIFIA proceeds (expected to last to January 2021), and cash.

Description	All-in TIC / Interest Rate	Max Proceeds	Available Proceeds at June 2020
Bonds			
2008 Wastewater Revenue Bonds	5.03%	$ 10.01	$ -
2009 Wastewater Revenue Bonds	5.12%	55.86	-
2014 Wastewater Revenue Bonds	4.18%	65.54	-
2015 Wastewater Revenue Bonds	3.75%	30.00	-
2018 Wastewater Revenue Bonds	3.43%	148.98	15.94
Subtotal - Bonds		310.38	15.94
Cash Contributions in lieu of Debt		69.85	15.83
Government Loans			
SWRCB SRF - Control Building	2.60%	11.36	-
SWRCB SRF - WWTP Improvements	1.80%	31.55	-
SWRCB SRF - Conveyance Planning	1.60%	14.00	-
U.S. EPA WIFIA / Notes - RESCU Program	2.40%	207.33	103.50
Subtotal - Government Loans		264.24	103.50
Grant Funding			
PG&E Cogeneration Grant		2.40	0.32
California Energy Commission		0.50	-
Subtotal - Grant Funding		2.90	0.32
TOTAL		**$ 647.38**	**$ 135.59**

To complete the CIP an additional $300 million will be needed. Over the past few months SVCW staff has briefed Members' finance and public works staff twice to discuss funding strategies. At the most recent meeting on July 31, 2020, SVCW demonstrated how the funding strategy pursues low-cost sources of project financing. Detailed discussions focused on the sources of funds, their challenges, and how the recommended strategy's debt service payments compare favorably to estimates in the January 2020 Long Range Financial Plan (LRFP).

If available and accepted, the proposed debt strategy intends to achieve lowest-available costs as follows:

- **Close SRF loan (2020)**: Close a $169 million Clean Water State Revolving Fund (SRF) loan program offered by the State Water Resource Control Board (SWRCB). The interest rate is estimated at 1.50%. Final negotiations with the SWRCB are ongoing with a few legal terms to be resolved.

- **Pursue Advanced Refundings (2020)**: Refinance two outstanding bond series (2014s and 2015s) to secure lower interest rates in today's market.

- **Reset WIFIA Interest Rate (2020)**: Take advantage of WIFIA loan terms that may allow SVCW to reset the executed interest rate of 2.40% to a current market rate closer to 1.24%.

- **Pursue New WIFIA loans (2021)**: Apply for two additional Water Infrastructure Financing and Reform Act (WIFIA) loans from the Environmental Protection Agency (EPA). A $36.0 million WIFIA loan would complement SVCW's first WIFIA loan from July 2019 and fund the remainder of the Regional Environmental Sewer Conveyance Upgrade (RESCU) project. Another $66.8 million WIFIA loan would fund several wastewater treatment plant projects. Letters of Interest are due to the EPA in October 2020, and the EPA is expected to extend invitations to applicants in early 2021. If priced at current market conditions, WIFIA loan interest rate could be around 1.24%.

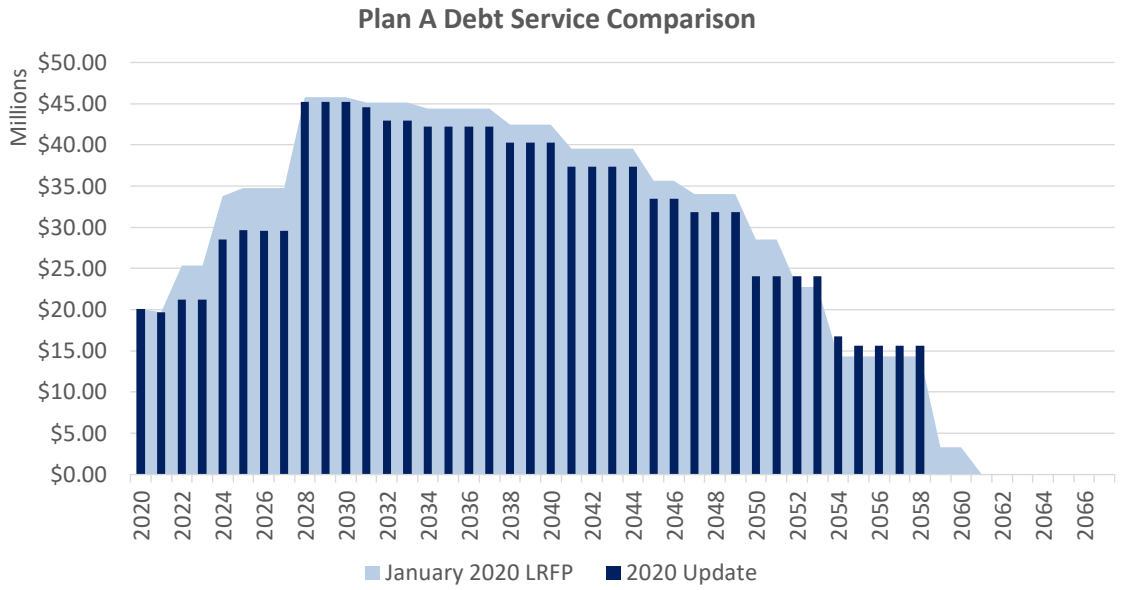
- **Issue New Bonds (2024)**: Issue approximately $19 million in bonds to complete treatment plant capital projects.

DISCUSSION

Over the next four months the Commission will be asked to authorize execution of a final CWSRF loan agreement. The SVCW Manager will also request authorization to retain bond counsel and financial advisory services to assist in advanced refundings of 2014 and 2015 bond series. Certain authorizations may also be brought to Members' respective governing councils and boards.

FINANCIAL IMPACT:

By taking advantage of WIFIA's low interest rates and payment deferrals, the proposed debt strategy could reduce total debt service payments as compared to the January 2020 LRFP by $76 million over the next 40 years (a Net Present Value of $36 million with a 5.0% discount factor).

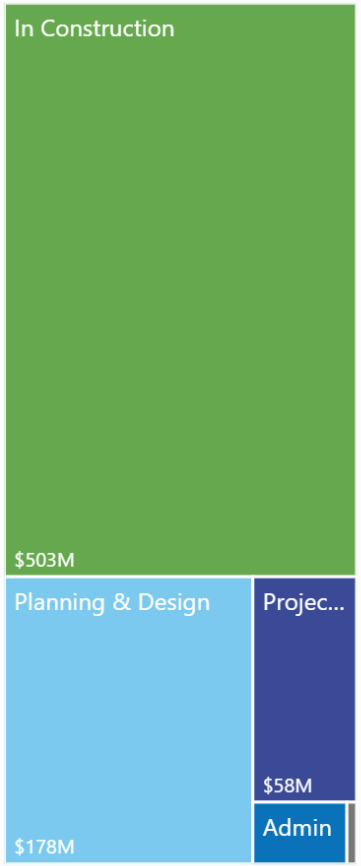


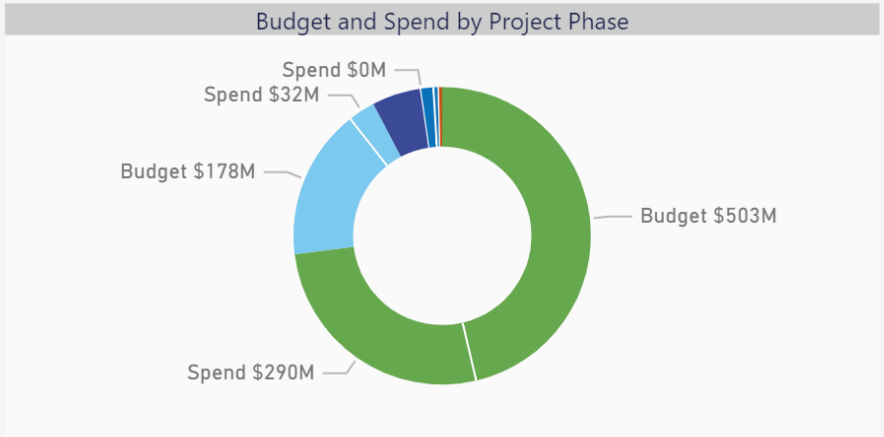
These savings exclude potential savings of refunding bonds and resetting the WIFIA loan interest rate. If successful and today's low interest rates remain, refundings could produce cash flow savings of $610 thousand annually through 2044-45 (a Net Present Value of $11.7 million). Furthermore, a successful reset of the WIFIA loan's interest rate could reduce debt service payments by $1.58 million annually, a $60.7 million savings over the amortization period (Net Present Value $45 million).

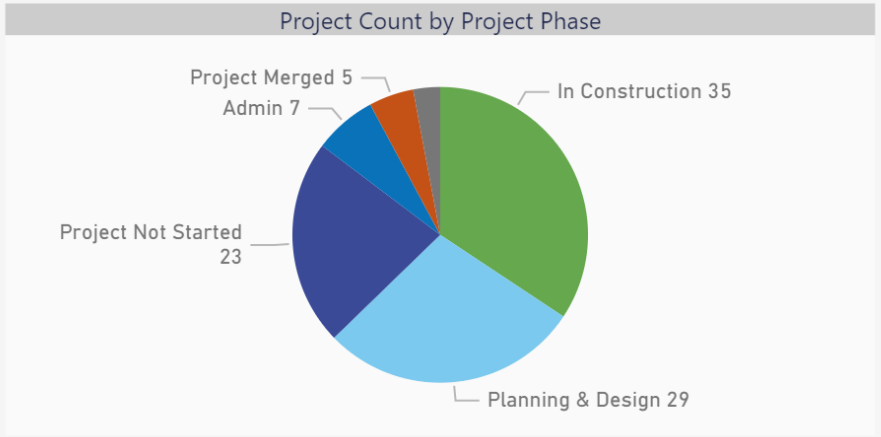
AGENDA ITEM 5D

CIP Spend Analysis

.	Project Phase	Project Count	2020 Budget	Spend	Remaining	Unspent %
	In Construction	35	$502,867,058	$289,932,967	$212,934,091	42.34%
	Planning & Design	29	$177,584,452	$31,897,292	$145,687,160	82.04%
	Admin	7	$14,458,911	$4,732,796	$9,726,115	67.27%
	Project Merged	5	$0	$3,726,617	$-3,726,617	N/A
	Project Not Started	23	$58,190,153	$260,298	$57,929,854	99.55%
	Project On Hold	3	$1,480,974	$356,960	$1,124,014	75.90%
Total		**102**	**$754,581,548**	**$330,906,930**	**$423,674,617**	**56.15%**







This report is a snapshot of CIP spending and displays the cost of projects as they evolve from un-initiated to completed. Within each phase, actual expenditures is compared to the 2018 CIP Budget Plan to arrive at dollars remaining.

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

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

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

As of : 7/30/2020

AGENDA ITEM 5E

Silicon Valley Clean Water
Commissioners' Requested Action Items
Updated: 08/05/2020

AUGUST 17, 2020
AGENDA ITEM 5E

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
7/20/2020	1	Change SVCW Bylaws wrt terms of office	N/A		✓			Bylaws note change to officers in July each year whereby city and agency elections are in November and new terms begin January. Change bylaws.
6/15/2020	1	Pump Stations Improvements - Capital vs Life Cycle Costs	N/A		✓			Reducing pump stations from 5 to 2 have been reported to save long-term costs; provide analysis results to Commissioners.
5/18/2020	1	Modify Agenda and Distribution Method	6/15/2020			✓	6/10/2020	1-Add page numbers for agenda items on agenda, 2-Mail hard copy packets to Warren and George, 3 - Email Teams meeting information to Commissioners
	2	Research on illness transmission in sewers	N/A		✓			Ask researchers when results might be available; get info to Commissioners.
4/20/2020	1	Emergency Declaration	N/A	✓			4/20/2020	Manager to reach out via email, special meetings, etc to Commission as needed when decisions are required or made
3/9/2020	1	Finance Section on Agenda Letters	4/20/2020			✓	4/20/2020	Answer the question: is the cost associated with an item in line with expectations?
	2	Succession and Retention Staff Planning	N/A			✓	6/15/2020	In response to hardships to staff from high cost of living and the large number upcoming retirements, report out on activities related to retention and succession planning.
	3	1406 Radio Road Building	N/A		✓			Research and make recommendation related to historic registry restraints on what can/can't be done with buildings. On hold due to Covid-19
1/27/2020	1	Clarify verbiage in Local 39-SVCW MOU Side Letter	N/A			✓	3/2/2020	Clarify that the term "bi-weekly" equates to two times per month; i.e., coincides with pay periods.
	2	Clarify Financial Impact section on Agenda Letters	3/9/2020			✓	3/2/2020	Simplify the financial impact section to enable the reader to more readily decipher the information.
	3	Investment Policy Re-work	3/9/2020			✓	2/24/2020	SVCW CFO reach out to Bel CFO to discuss strategy further. Bring item to March meeting for consideration.
	4	CIP Update Document	N/A			✓	1/28/2020	Email CIP document to WBSD Commissioner and upload to website. For future, include CIP document with the agenda packet, especially the CEQA table.
12/16/2019	1	WWTP Underslab Piping	N/A			✓	1/27/2020	Describe plans for investigating condition of underslab piping
	2	Improve readability of presentations	1/27/2020			✓	3/9/2020	Some slides hard to read on screen and in handouts; improve all powerpoint presentations' readability.
	3	Practice for use of risk registers on projects	N/A			✓	1/9/2020	Information shared at Technical Committee meeting.

Silicon Valley Clean Water
Commissioners' Requested Action Items
Updated: 08/05/2020

AUGUST 17, 2020
AGENDA ITEM 5E

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
11/18/2019	1	Data reporting solutions associated with ERP	N/A			✓	12/16/2020	Consider use of Tableau software as opposed to the proposed Power BI. Memo with decision-making process points presented to Commission.
	2	Investment Policy	3/9/2020			✓	3/9/2020	Further discussion between SVCW and member agency staff occurred. Item was approved at March meeting.
	3	Investment Report	12/16/2019			✓	12/10/2019	Operating and Reserve Funds Sector Allocations table: Add total % change vs prior month to summary
	4	County Easement	12/16/2019			✓	12/10/2019	Discussed item under Closed Session - December meeting
	5	Reserve Policy	12/16/2019			✓	12/10/2019	Add escalator to reserves annual contributions; using ENR Construction Cost Index for S.F. Bay Area December of each year
10/21/2019	1	Research video recording meetings	N/A			✓	12/10/2019	Reach out to Menlo Park FD and Town of Atherton regarding video recording meetings. Outreach completed. Recommendation is to not pursue.
	2	Change information on financial reports and RESCU updates	N/A			✓	11/18/2019	On financial reserves report, add comparison of reserves collected to policy targets. On RESCU report, add information on change orders issued on projects.
9/16/2019	1	Research viability of videoing meetings	10/21/2019			✓	10/21/2019	An agenda item was added to the agenda and discussion ensued. Further research was requested.
	2	Review necessity for roll call vote on agenda items	10/21/2019			✓	9/18/2019	Roll call votes are not necessary.
8/19/2019	1	Nepotism and Fraternization Policy	9/16/2019			✓	9/5/2019	Review member agencies' policies and compare with proposed. Item was brought back to Commission in September.
	2	Recycled Water Facilities	N/A			✓	8/23/2019	Review payment for facilities repair with RWC. Per the agreement, repairs are RWC's responsibility.
> One Year	1	8E - JPA Amendment; re-initiate "clean up" to JPA	N/A		✓			Make required and requested changes to the JPA a priority. Comments received; Manager has begun working on consolidation.
	2	When SVCW can begin exporting power to grid, make public for positive public relations standpoint	N/A			✓	8/3/2020	Press release distributed on August 3, 2020. Power export possible which releases limit on cogeneration engines and allows use of Tesla batteries.
	3	Project delay costs	N/A	✓			Ongoing	Inform Commission of any potential delays that could add time and costs to projects they have authorized.

Silicon Valley Clean Water
Commissioners' Requested Action Items
Updated: 08/05/2020

AUGUST 17, 2020
AGENDA ITEM 5E

Commission Meeting Date	Action Item		Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
	4	Maple Street Development	N/A	✓				SVCW and RWC staff coordinating efforts and messages to developer to protect mutual and exclusive interests.
	5	Connection Fees	NA		✓			Additional plant capacity evaluation is underway to ensure proper flow numbers are used in the calculations. Will be incorporated into upcoming JPA changes.

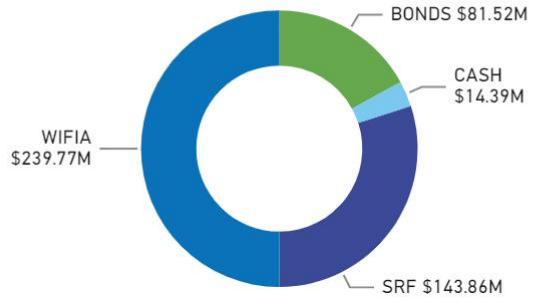
AGENDA ITEM 5F

Overview

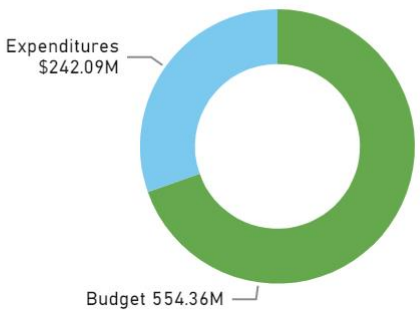
RESCU Program describes eleven projects which constitute full replacement and rehabilitation of SVCW's conveyance system. RESCU includes the Gravity Pipeline, Front of Plant, Pump Stations, and Belmont Force Main projects. The Front of Plant includes six and Pump Stations includes four of the eleven 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	Total Expenditure	Remaining Budget
$554.36M	$242.09M	$312.27M

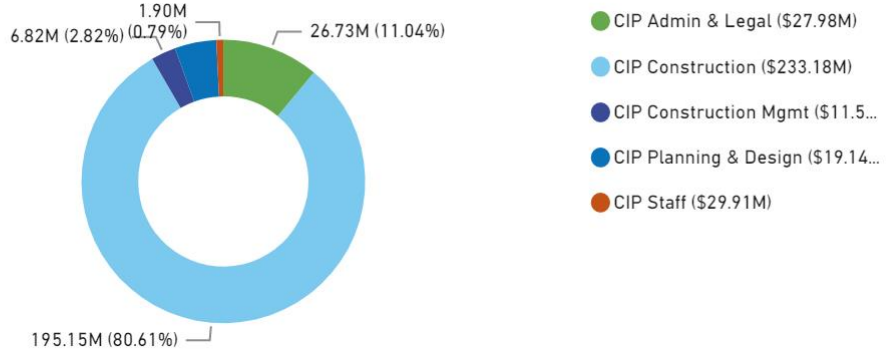
Source of Funds (per LRFP 2019)



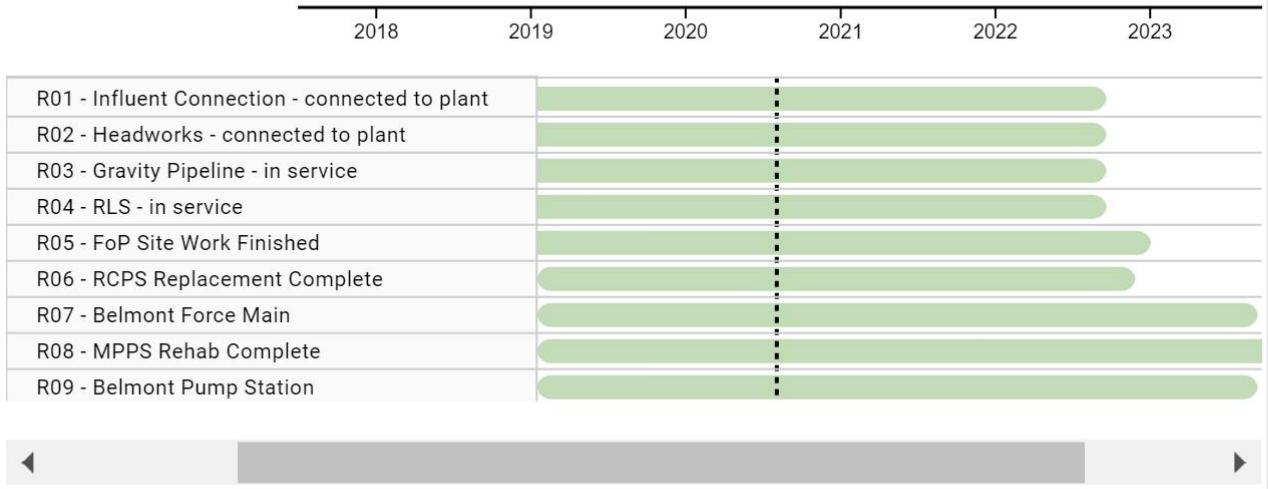
Budget vs Expenditures



Expenditures by Object



Project Schedule



As of : 2020 - 07

Front of Plant Progressive DB Project

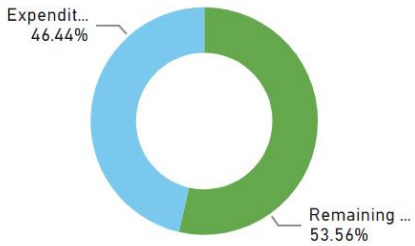
The Front of Plant (FoP) Project consists of the design, construction, permitting, start-up, commissioning, and final acceptance for the Receiving Lift Station (RLS), Surge and Flow Splitter (SFS), Headworks Facility, Odor Control System, Influent Connector Pipe, Emergency Overflow pipe to an existing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

Available Budget	Total Expenditure	Remaining Budget
$161.95M	$75.21M	$86.74M

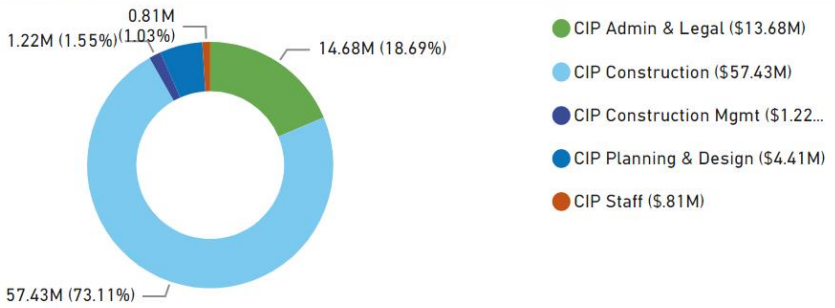
Milestone Schedule

	Start	Finish
Influent Pipeline Completed	7/24/2020	5/19/2021
Headworks Facility Completed	12/6/2018	10/24/2021
SFS/RLS Completed	12/6/2018	7/1/2022
Start-up and Commissioning	6/11/2021	8/31/2022

Budget vs Expenditures



Expenditures by Object

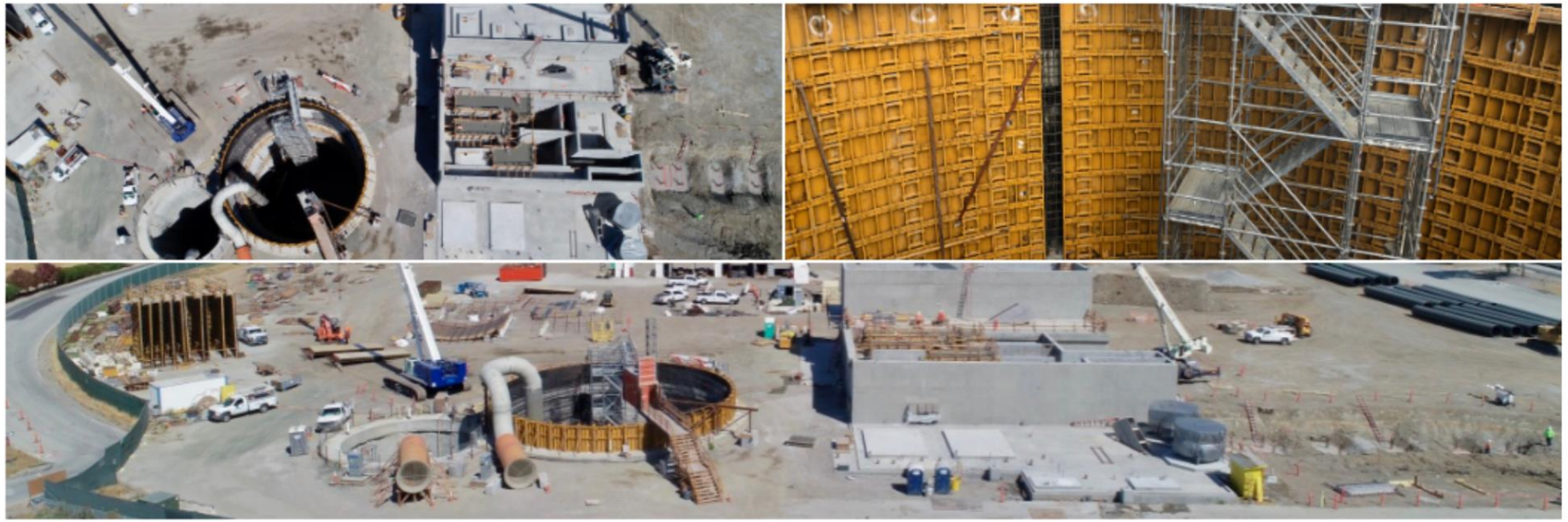


Construction KPIs

48.83%
% Complete

48.98%
% Expenditures

As of : 2020 - 07



Front of Plant Progressive DB Project

Major Accomplishments this Period

Design	- SPJV continue developing the control strategies in coordination with Operations staff. - SPJV submitted the first revision of the start-up and testing plan for Operations to review.
Procurement of Trade Packages	- SPJV attended the factory witness testing of the Duperon bar screens. - HVAC and coatings subcontractors to mobilize this month. - WIFIA and SRF requirements compliance for trade packages are in progress.
Construction	- SPJV's electrical subcontractor continued the installation of the cable tray, conduits and pull boxes in the Storage Rooms and Electrical Room. - SPJV installed the slide gates and bulkheads at the headworks channels. - SPJV completed the concrete placement of the final of four 25-foot lifts of the second pass walls in the RLS. - SPJV placed the first of four 25-foot concrete lifts of the two enclosed stairwells in the RLS. - SPJV excavated Zone 1 (200 feet) and placed pile-supported concrete pipe supports for the construction of the 63-inch interconnection pipeline. - SPJV cleared and grubbed the vegetation in Zone 3 for the construction of the 63-inch interconnection pipeline.

Potential Issues

3 water pipeline size upgrade and additional fixtures and piping
Air Gap Tank Project
Intrinsically Safe Relay Panel
Utilidor extension for piping

3 - Month Look Ahead

	Start	End	August	September	October
Complete construction of the 48-inch Overflow Pipe (to Drying Beds)	August 17, 2020	August 24, 2020	X		
Construction 200 of 850 feet of 63-inch Interconnection Pipe from Effluent Distribution Box to Existing WWTP	June 23, 2020	August 13, 2020	X		
Construction of Cast-in-Place Sections of RLS Roof	August 31, 2020	December 2, 2020		X	X
Install Protective Coatings in the Headworks Channels	July 27, 2020	August 31, 2020	X		
Installation of RLS Stairwells No. 1 & No. 2	June 25, 2020	September 2, 2020	X	X	

Project Changes

Change order for odor control system
Credit for deletion of 48" bypass from 54" force main
Credit for the deletion of the chemical storage system
Electrical System
New County/Local Sales Tax
Project Management past December 2021

Safety Spot Light

Lost Time	0
Near Misses	5
Recorded Losses	2

Gravity Pipeline Progressive DB Project

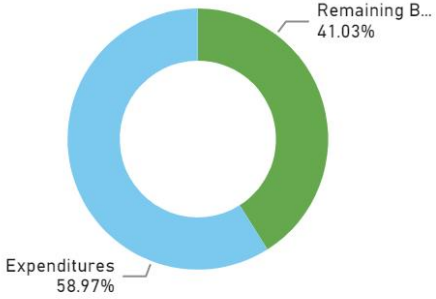
The Gravity Pipeline (GP) Project consists of the design, construction, permitting, start-up, commissioning, and closeout of approximately 17,600 feet of wastewater gravity FRP pipe inside a concrete-segment tunnel. The work includes three shafts and will interface directly with the Front of Plant (FoP)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

Available Budget	Total Expenditure	Remaining Budget
$259.23M	$152.87M	$106.35M

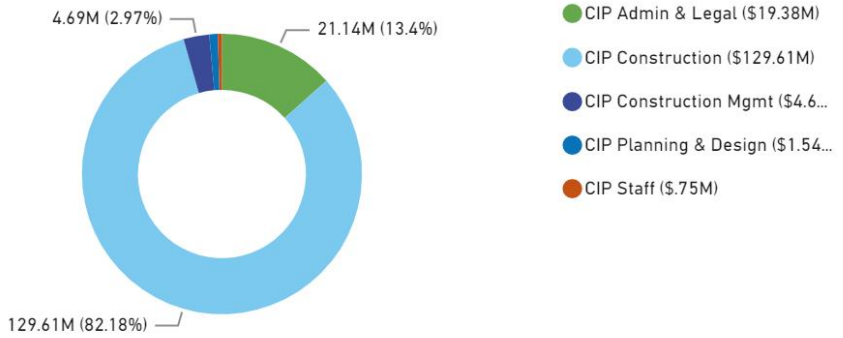
Milestone Schedule

	Start	Finish
100% Design Documents		12/11/2020
San Carlos Shaft Construction	6/15/2020	1/27/2021
TBM Drive (AAS to SFS)	7/6/2020	6/17/2021
FRP Pipe Installation	9/1/2020	3/17/2022
Final Commissioning		7/1/2022

Budget vs Expenditures



Expenditures by Object



Construction KPIs

53.45%
% Complete

48.10%
% Expenditures

As of : 2020 - 07

Gravity Pipeline Progressive DB Project

Major Accomplishments this Period

Design	- BBJV submitted 100% San Carlos Shaft and Adit design and is preparing an alternative design for the use of Secant Piles for the shaft.
Procurement of Trade Packages	- Pipe trucking and muck offhaul subcontracts are in progress - San Carlos Shaft SOE and ground improvement contracts are in progress - Outreach in conformance with SRF and WIFIA funding requirements
Construction	- BBJV began tunneling the second drive to the SFS - BBJV completed delivery of the second shipment of FRP Pipe to Sunol, CA, and completed pipe installation training

Potential Issues

Muck Disposal Site

3 - Month Look Ahead

	Start	End	August	September	October
100% Design Completion	August 10, 2018	December 11, 2020	X	X	X
FRP Pipe installation from Bair Island	September 1, 2020	November 11, 2020	X	X	X
San Carlos Shaft Construction	June 15, 2020	January 19, 2021	X	X	X
Second tunnel drive to SFS	July 6, 2020	June 18, 2021	X	X	X

Project Changes

Bair Island Force Main Exposure and Additional Monitoring
Bair Island Weir Optimization
New County/Local Sales Tax and US Tarrifs
Soil Conditioner Leak at CPT Hole STA 171 + 80

Safety Spot Light

Lost Time	1
Near Misses	0
Recorded Losses	1

Pump Stations

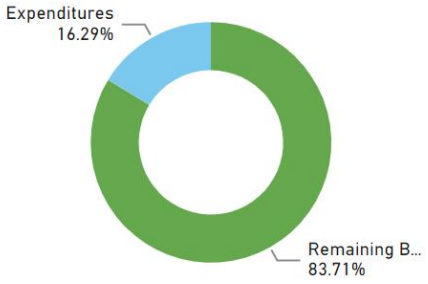
All SVCW pump stations require replacement or rehabilitation. Menlo Park PS will be rehabilitated. Redwood City PS will be replaced. Belmont PS will be replaced with a gravity pipeline. San Carlos PS is no longer needed due to the new gravity pipeline; flows from San Carlos and Belmont will enter into 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. RCPS will be designed to pump the MPPS flows during wet weather events.

Available Budget	Total Expenditure	Remaining Budget
$119.68M	$19.50M	$100.18M

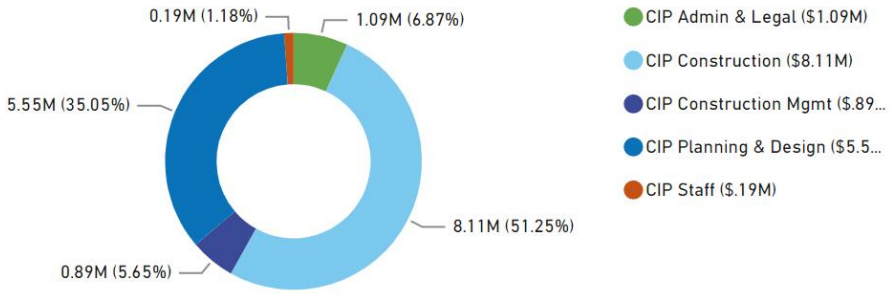
Milestone Schedule

	Start	Finish
Stage 1 Services Complete - RCPS	2/28/2019	8/15/2020
100% Design Documents - MPPS	4/13/2020	8/25/2020
100% Design Documents - BGP	5/6/2020	8/24/2020
Mobilize - BGP	9/1/2020	9/22/2020
Pipe Installation Completed - BGP		11/30/2022
Mobilize - MPPS	10/27/2020	11/16/2020
Early Work Package Development - RCPS	7/8/2020	9/25/2020
Mobilize - RCPS	9/21/2020	10/9/2020

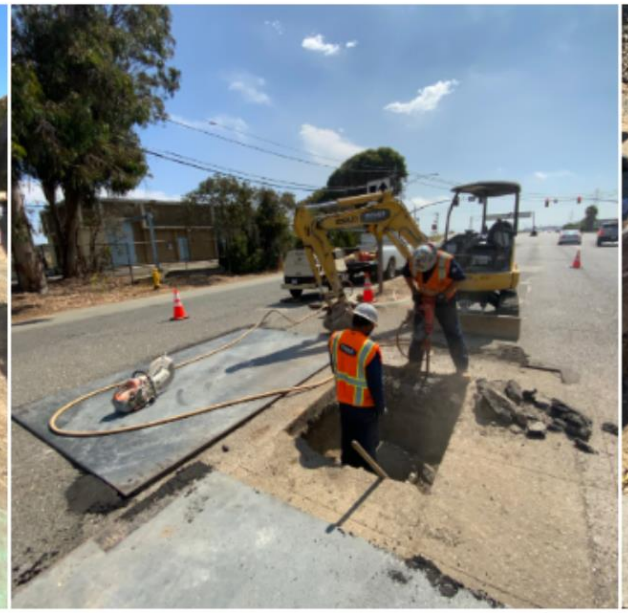
Budget vs Expenditures



Expenditures by Object



Stage 2 field activities for Pump Stations Improvements have not yet started.



As of : 2020 - 07

Pump Stations

Major Accomplishments this Period

Design	- Continued developing the 100% design documents for MPPS. - Continued developing the 100% design documents for BGP. - Began developing the 100% design documents for RCPS.
Construction	- Completed potholing at microtunnel shaft locations along the BGP alignment to confirm existing utility locations. - Performed the third (of four) inspections of the Segment 1 Force Main.

Potential Issues

No issues to note for this period.

3 - Month Look Ahead

	Start	End	August	September	October
100% Design Development - Early Work - RCPS	July 8, 2020	September 25, 2020	X	X	
100% Design Development - MPPS	April 27, 2020	September 2, 2020	X	X	
100% Design Development - Open Cut/San Carlos - BGP	July 2, 2020	October 20, 2020	X	X	X
100% Design Development - Pipeline - BGP	May 6, 2020	August 10, 2020	X		
100% Design Development - Remaining Work - RCPS	August 5, 2020	December 31, 2020	X	X	X
BIM Model Development, Analysis, and Support	August 19, 2019	August 31, 2020	X		
Construct JS-1 and JS-2	August 19, 2020	November 30, 2020	X	X	X
Mobilize - BGP	August 10, 2020	August 31, 2020	X		
Mobilize - RCPS	September 21, 2020	October 9, 2020		X	X
Permits & Easments Acquisition - RCPS	July 8, 2020	March 1, 2021	X	X	X
Site Demo - RCPS	October 12, 2020	November 18, 2020			X

Project Changes

No changes to report.

Safety Spot Light

Lost Time	0
Near Misses	0
Recorded Losses	0

AGENDA ITEM 7A

MINUTES OF SILICON VALLEY CLEAN WATER
REGULAR MEETING – July 20, 2020
8:00 a.m.
This meeting took place remotely pursuant to
SVCW Resolution No. 20-08 due to coronavirus pandemic

ITEM 1
CALL TO ORDER

The meeting was called to order at 8:03 a.m.

ITEM 2
ROLL CALL - Commissioners Duly Appointed by Each Agency

Council Member Alicia Aguirre, Redwood City - Chair
Board Member George Otte, P.E., West Bay Sanitary District – Vice Chair
Council Member Mark Olbert, San Carlos – Secretary
Mayor Warren Lieberman, PhD., Belmont

Staff, Consultants and Visitors Present

Teresa A. Herrera, SVCW Manager
Christine Fitzgerald, SVCW Legal Counsel
Jennifer Flick, SVCW Human Resources Director
Matt Anderson, SVCW Chief Financial Officer/Assistant Manager
Monte Hamamoto, SVCW Chief Operating Officer
Kim Hackett, SVCW Authority Engineer
Arvind Akela, SVCW Engineering Director
Jessica Mangual, SVCW Secretary Pro Tem
Eric Hansen, SVCW Senior Engineer
Bill Tanner, Tanner Pacific, Inc.
Mark Minkowski, Kennedy/Jenks
Aren Hansen, Brown & Caldwell
Theresa Yee, City of Redwood City
Molly Flowerday, City of Redwood City
Lesley Murphy, PFM
Sergio Ramirez, West Bay Sanitary District

ITEM 3
PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by those in attendance

ITEM 4
PUBLIC COMMENT

There was no Public Comment

ITEM 5
SAFETY MOMENT AND REPORTS

Instructions for enabling live captioning on the remote meeting site were provided.

Safety Moment concerned tips for electrical safety while working from home.

For the remaining written reports contained within the agenda packets, there were no questions nor comments.

ITEM 6
MATTERS OF COMMISSION MEMBER'S INTEREST

Commissioner Aguirre and Otte will remain as Chair and Vice Chair, respectively, and Commissioner Lieberman will become the new Secretary starting August 17, 2020.

ITEM 7
CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR ITEMS 7A THROUGH 7F

A. APPROVAL OF MINUTES – June 15, 2020

B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED JUNE 12, 2020 AND JUNE 26, 2020 AND NECESSARY PAYMENTS THROUGH JUNE 26, 2020

C. CONSIDERATION OF MOTION APPROVING CONSTRUCTION CONTRACT CHANGE ORDER FOR WWTP RELIABILITY IMPROVEMENTS PHASE 2 PROJECT (CIP# 9503)

   Proposed Action:
   Move approval of CONTRACT CHANGE ORDERS FOR THE WWTP RELIABILITY IMPROVEMENTS PHASE 2 PROJECT (CIP #9503) IN THE AMOUNT OF $301,399 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – C. OVERAA & CO

D. CONSIDERATION OF MOTION APPROVING ANNUAL GLOBAL TASK ORDER FOR PROFESSIONAL CONSTRUCTION MANAGEMENT SERVICES

Proposed Action:
Move approval of TASK ORDER SCOPE AND BUDGET FOR CONSTRUCTION MANAGEMENT SERVICES IN AN AMOUNT NOT TO EXCEED $3,625,000 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - TANNER PACIFIC INC.

E. CONSIDERATION OF MOTION APPROVING FINAL ACCEPTANCE OF THICKENING IMPROVEMENTS – PHASE 1 PROJECT (CIP #9168) AND AUTHORIZATION TO FILE NOTICE OF COMPLETION

Proposed Action:
Move approval of MOTION TO ACCEPT THICKENING IMPROVEMENTS - PHASE 1 PROJECT (CIP #9168) AND AUTHORIZE FILING NOTICE OF COMPLETION – C. OVERAA & CO

F. CONSIDERATION OF RESOLUTION APPROVING AGREEMENT FOR GRANT FUNDING FROM THE U.S. BUREAU OF RECLAMATION

Proposed Action:
Move adoption of RESOLUTION ACCEPTING GRANT FUNDING, AUTHORIZING MANAGER TO NEGOTIATE AGREEMENTS WITH THE UNITED STATES BUREAU OF RECLAMATION, STANFORD UNIVERSITY, AND RELATED CONTRIBUTORS AND APPROVING EXECUTION OF SAID AGREEMENTS

Questions and comments were heard related to items 7D and 7E after which motion and second were made.

Motion/Second: Mr. Otte / Mr. Olbert

The Motion carried by Unanimous Roll Call Vote

ITEM 8A
CONSIDERATION OF RESOLUTION APPROVING MANAGER'S FISCAL YEAR 2020-2021 ANNUAL SALARY AND FISCAL YEAR 2019-2020 BONUS

Proposed Actions:
i. Chair to summarize recommended action in accordance with Government Code Section 54953(c)(3)
ii. Move adoption of RESOLUTION APPROVING ANNUAL COMPENSATION FOR THE SILICON VALLEY CLEAN WATER MANAGER

The Chair made the following oral recommendation of the proposed action prior to the motion:

"In accordance with Government Code Section 54953(c)(3), I am providing a summary of the recommended action. The item before the Commission is to approve adjustment to the Manager's compensation.

The recommended action is to amend the Manager's salary and set her new monthly salary at $29,400, effective July 1, 2020. This action will also authorize a one-time incentive payment in the amount of $32,400 in recognition of the Manager's performance.

Additional information regarding the Manager's fringe benefits is contained in the Agenda report and Resolution associated with this item, as well as the Manager's employment agreement."

Motion/Second: Mr. Olbert / Mr. Otte

The Motion carried by Unanimous Roll Call Vote

ITEM 8B

CONSIDERATION OF RESOLUTION APPROVING PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PFM ASSET MANAGEMENT, LLC

Proposed Action:
Move adoption of RESOLUTION OF THE SILICON VALLEY CLEAN WATER COMMISSION APPROVING THE ADOPTION OF THE POST-EMPLOYMENT BENEFITS SECTION 115 TRUST PROGRAM ADMINISTERED BY PFM ASSET MANAGEMENT, LLC TO PREFUND PENSION BENEFIT OBLIGATIONS; AND AUTHORIZE THE MANAGER TO EXECUTE CONTRACT DOCUMENTS

Motion/Second: Mr. Olbert / Mr. Lieberman

The Motion carried by Unanimous Roll Call Vote

ITEM 8C

CONSIDERATION OF MOTION APPROVING UNDERGROUND FUEL TANK REPLACEMENT (CIP #9041) ENGINEERING DESIGN SERVICES TASK ORDER

Proposed Action:
Move approval of DESIGN SERVICES TASK ORDER FOR UNDERGROUND FUEL TANK REPLACEMENT (CIP# 9041) IN AN AMOUNT NOT TO EXCEED $148,800 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - KENNEDY/JENKS CONSULTANTS, INC.

Motion/Second: Mr. Olbert / Mr. Otte

The Motion carried by Unanimous Roll Call Vote

ITEM 9
CLOSED SESSION

Closed Session was called to order at 8:51 a.m.

ITEM 10
RECONVENE IN OPEN SESSION

Open Session reconvened at 9:13 a.m.

Ms. Fitzgerald reported that as to Item 9A, no reportable action was taken and Commission gave direction to staff and Counsel.

ITEM 11
ADJOURN

There being no further business, the meeting adjourned at 9:14 a.m.

Minutes prepared by Teresa A. Herrera
Reviewed by General Counsel

_____
Warren Lieberman, Secretary

AGENDA ITEM 7B

SVCW WARRANT REGISTER

SVCW Warrant Register dated June 30 – July 13, 2020 and July 13 – July 29, 2020 were scanned and a copy was emailed to Commissioners and Legal Counsel on August 11, 2020.

AGENDA ITEM 7C

SILICON VALLEY CLEAN WATER
2020 CONFLICT OF INTEREST CODE UPDATE

ISSUE
To conduct its biennial review and approve Silicon Valley Clean Water's Conflict of Interest Code (Code) and List of Designated Positions

BACKGROUND
The Political Reform Act requires all local agencies which have adopted Conflict of Interest Codes to review their Conflict of Interest Code biennially every even-numbered year and amend their Code if changes are necessary. The Code lists each position within the Authority filled by individuals who make or participate in making governmental decisions which could affect their personal interests (attached as Exhibit A). The Code also requires individuals holding those positions to file annually a disclosure of certain personal interests.

This Commission last reviewed and updated the Code in June 2019 and amended job titles to designated positions.

DISCUSSION
At this time, no amendment is necessary and the Authority is merely performing biennial review. The Resolution confirms that the SVCW Conflict of Interest Code has been reviewed, is current and accurate and meets the requirements of the Political Reform Act.

RECOMMENDATION
Move adoption of RESOLUTION REVIEWING AND APPROVING 2020 CONFLICT OF INTEREST CODE FOR SILICON VALLEY CLEAN WATER

Report By: __T.H.__

EXHIBIT A

SILICON VALLEY CLEAN WATER
2020 CONFLICT OF INTEREST CODE UPDATE

DESIGNATED OFFICIALS AND EMPLOYEES

Designated Positions	Disclosure Categories
Commission, Commission of SVCW	All Categories
Secretary, SVCW	All Categories
Manager	All Categories
Assistant Manager/Chief Financial Officer	All Categories
Chief Operating Officer	All Categories
Authority Engineer	All Categories
Executive Assistant to the Manager	3, 4
Health & Safety Director	3, 4
Information Services Director	3, 4
Engineering Director	3, 4
Environmental Services Director	3, 4
Operations Director	3, 4
Maintenance Director	3, 4
Laboratory/Environmental Services Director	3, 4
Human Resources Director	3, 4
Attorney	All Categories
Consultant	All Categories

Consultant is defined in Regulation 18700(a) (2) in 2 California Code of Regulations.

The (executive director or executive officer) may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of the disclosure requirements (Exhibit B). The (executive director or executive officer’s) determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

EXHIBIT B

SILICON VALLEY CLEAN WATER
2020 CONFLICT OF INTEREST CODE UPDATE

DESIGNATED CATEGORIES

CATEGORY 1. A designated employee assigned to Category 1 is required to disclose investments which may foreseeably be materially affected by any decision made or participated in by the designated employee.

CATEGORY 2. A designated employee assigned to Category 2 is required to disclose interests in real property which may be materially affected by any decision made or participate in by the designated employee.

CATEGORY 3. A designated employee assigned to Category 3 is required to disclose income which may be materially affected by any decision made or participated in by the designated employee.

CATEGORY 4. A designated employee assigned to Category 4 is required to disclose any business entity in which the designated employee is a director, officer, partner, trustee, or holds any position of management which may be materially affected by any decision made or participated in by the designated employee.

AGENDA ITEM 7D

CONSTRUCTION CONTRACT CHANGE ORDER FOR RESCU PROGRAM - FRONT OF PLANT PROJECT (CIP #9502)

ISSUE

Approve Contract Change Order to the RESCU Program Front of Plant Project (CIP #9502)

BACKGROUND

SVCW receives potable water from the City of Redwood City through a 4-inch pipeline. Water flows into a tank from the pipe which is suspended above the water level in the tank. This "air gap" creates a physical separation of the City's distribution system from the plant's water system and protects the City system from the potential for its drinking water to be contaminated inadvertently by other sources of water at the plant. From the air gap tank, the water is pumped to meet potable water uses throughout the plant (for example, drinking water, dishwashing, and showers).

In 2018, SVCW recognized that the existing air gap tank facilities were in conflict with the Front of Plant (FoP) Project's 63-inch diameter Influent Pipeline (IPL) that will connect the FoP facilities to the existing primary influent channel.

SVCW explored several options for relocating the air gap tank, including the possibility of removing the air gap altogether and using pressure reducing backflow preventers to protect the City's system. Use of such a protection method requires approval from the California State Water Resources Control Board which recently rejected SVCW's request to use backflow preventers.

Due to the uncertainty of the scope of work at the time of awarding the FoP Stage 2 contract, relocation of the air gap facilities was not included in the scope of that project.

DISCUSSION

Now that SVCW's options for provision of potable water to the plant have been reduced to relocating the air gap tank facilities to a different location, a scope of work was able to be developed. The scope of work consists of constructing a concrete support structure, purchasing and installing pumps and control equipment, a pressurization tank, two 3,000-gallon water storage tanks (sized for 1-day maximum demand) and approximately 400 feet of four-inch diameter pipe from the City's water meter to the new facilities.

Construction of the new potable water facilities requires extensive coordination and risk mitigation to ensure no negative impacts to the FoP Project. To mitigate the risks associated with multiple contractors sharing the same work site and need for schedule coordination, staff determined that issuing a change order to the FoP project would be the least risky and most cost-efficient method to accomplish the necessary work. Additionally, this task would have been part of the FoP scope of work had the decision from the Water Board been known at the time the contract was approved.

SVCW provided plans and specifications to the FoP design-builder, Shea-Parsons Joint Venture (SPJV) to obtain a cost quotation for the work. The engineer's estimate of probable cost for the work was over $900 thousand. SPJV's quote for the work is $814,320. The quotation was independently reviewed by Freyer & Laureta, the Design Engineer, and SVCW's Construction Manager, Tanner Pacific Inc, who determined SPJV's pricing to be all-inclusive and reasonable.

SVCW has a CIP project identified to replace the air gap system (CIP #9017). The project was added to the CIP because the facility is aging and is in need of replacement. When CIP project #9017 and its corresponding budget were developed, it was anticipated that the air gap tank and equipment would be replaced in kind, in the same building, without significant piping changes and without a new concrete pad. Since the FoP project's IPL has now been identified to conflict with the air gap facilities and it needs to be completely relocated, the remaining funds from CIP #9017 will not be used for the originally conceived project and can be used, instead, to reduce the impact of this change order to the FoP project.

FINANCES

Existing CIP #9017 has $346,211 in remaining funds, which will be transferred to the Front of Plant Project budget. The remainder of the funding, in the amount of $468,109, will derive from the Front of Plant Project contingency funds. Currently, the contingency fund balance is $5,323,502.

Source of Funds:	Cost	Remaining Funds
9107 - Air Gap System Rehabilitation	$346,211	$0
9502 - Front of Plant Contingency	$468,109	$4,855,933
CCO Cost	$814,320	

RECOMMENDATION

Move approval of CONTRACT CHANGE ORDER FOR THE FRONT OF PLANT PROJECT (CIP #9502) IN THE AMOUNT OF $814,320 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – JFSHEA/PARSONS JOINT VENTURE

AGENDA ITEM 8A

MEMORANDUM OF AGREEMENT WITH USFWS FOR BENEFICIAL REUSE OF TUNNEL MUCK GRAVITY PIPELINE PROJECT (CIP #6008)

ISSUE

Approve Memorandum of Agreement with U.S. Fish & Wildlife Service (USFWS) for Beneficial Reuse of Gravity Pipeline Tunnel Muck

BACKGROUND

The Commission previously approved Stage 2 amendments to the Gravity Pipeline Project Design-Build Agreement with Barnard-Bessac Joint Venture (BBJV). Amendment 2B was approved by the Commission in November 2018 and covered all work to complete project design and construction to final completion. Amendment 2B was negotiated as a lump sum contract with limited items included as allowances, including tunnel muck disposal. At that time, a disposal site had not yet been secured for the project and the allowance amount for tunnel muck disposal was based on costs obtained from three potential sites that were identified at that time. The project team understood that securing at least one disposal site was a high priority item for the project.

SVCW staff, consultants and BBJV have worked together over the last two years to find cost effective methods for disposing the muck. One site, the USFWS South Bay Salt Pond Restoration project, was identified early in the project as a candidate site. Another site, Baylands in Brisbane was also identified. A third site identified early was a landfill in Tracy which is where muck from the first tunnel drive was disposed. The project team identified a fourth potential site more recently at Treasure Island.

For the first drive of the TBM and a portion of the second drive (from the launch shaft to the treatment plant), the only available site for disposal for the muck was the Tracy landfill. The cost of trucking the material to Tracy was much more expensive than the price anticipated during contract negotiations. Within the last few weeks, BBJV has negotiated an agreement with the Baylands site in Brisbane, for a significantly lower cost than Tracy.

The USFWS South Bay site is an attractive site as a backup to Baylands due to relatively low costs and close proximity to the tunneling activities. The South Bay site is a beneficial use project which is a better use for the material as opposed to disposal in a landfill. While it is expected that Baylands will be able to accept all of the muck, at an overall cost to SVCW less than the USFWS site, the project team and BBJV recommend forming an agreement with USFWS to be able to use the site as a backup, in case the status at Baylands changes.

For any of the sites, prior to muck disposal to occur, approval from the Regional Water Quality Control Board (Regional Board) needs to be obtained. Specific to the South Bay site, the Regional Board and USFWS approvals of the material are required. Part of the approval process is identification of constituents in the material to be disposed. Completion of the first tunneling drive, from the launch shaft to Inner Bair Island,

provided extensive information regarding soil conditions which has adequately addressed questions posed by the Regional Board and satisfied USFWS requirements.

DISCUSSION

The Tracy and Brisbane sites are both operated by private companies and BBJV contracted directly with the two entities. However, the USFWS site is federally owned, and, as such, it is more expedient for SVCW, as a public entity, to contract with the USFWS directly.

The project team has been working with USFWS and the Regional Board to develop an agreement to beneficially reuse the Gravity Pipeline tunnel muck as part of the USFWS South Bay Salt Pond Restoration project. USFWS desires to beneficially reuse the SVCW tunnel muck at Pond 8A of the site. BBJV desires to deliver their tunnel muck to the Pond 8A site and SVCW considers this site to be cost effective.

To enable USFWS to accept the material and the Regional Board to approve disposal at the Pond 8A site, a Quality Assurance Project Plan (QAPP) needs to be prepared. SVCW's environmental permitting consultant, WRA, prepared the QAPP and it has been accepted by both the Regional Board and USFWS. Regional Board approval to haul muck to Pond 8A includes requirements for muck testing and monitoring of muck handling during tunneling operations. BBJV will prepare muck containment areas, complete required soil tests, and transport the muck to Pond 8A as part of their overall work. To comply with the Regional Board requirements, WRA will serve as the Quality Assurance Officer to assure that BBJV complies with all testing, monitoring, and reporting requirements. This is a new service and staff has negotiated a scope of work and budget for WRA to provide these services on a time-and-expense basis not-to-exceed $132,272. Along with WRA, Quality Assurance will be provided by Tanner Pacific as part of their existing Task Order.

This agenda item recommends two actions. 1) enter into a Memorandum of Agreement between SVCW and USFWS for tunnel muck disposal at the South Bay Salt Pond Restoration project, and 2) approve a task order in an amount not to exceed $132,272 for SVCW's environmental consultant, WRA, to perform quality assurance tasks required by the Regional Board.

It should be noted that significant work by the project team has gone into this aspect of the project and, achieving this milestone with the Regional Board and USFWS is a feat not to be minimized. Additionally, if this site ends up not being used for muck disposal, WRA will not expend fees associated with this effort.

FINANCES

The lump sum line item budget plus the allowance included in Amendment 2B for tunnel muck disposal are $5.7 million and $2.5 million, respectively. Muck disposal cost from the first tunnel drive was $4.23 million and from the second tunnel drive is nearly $1 million. It is anticipated that the Amendment 2B line item and allowance amount will be exceeded and a Contract Change Order (CCO) required to cover the remainder of the

hauling costs. SVCW staff now estimates that the negotiated prices with the new hauling sites will result in a CCO of approximately $5 million. If BBJV were to make no change to the hauling contracts and continue hauling to Tracy landfill, the CCO would be in the $7 million range. Once costs are known, a CCO will be brought to the Commission for consideration. Budget/cost scenarios are summarized in the following table.

As staff is discovering, the "dirt market" is volatile and dependent on many factors. That the muck from tunneling is considered very "clean" gives SVCW an advantage over other sources of dirt. The original Stage 2B budgets were based on costs received in 2018 from three different sites. Now, 2.5 years later, costs have risen significantly.

Budget/Cost Item	Budget/Cost, million $
Amendment 2B	
Line Item Budget	$5.7
Allowance for Muck Haul	$2.5
Total Contract Budget	$8.2
Drive 1 Cost	
Drive 1 Disposal Cost (To Tracy LF)	$4.23
Drive 2 Disposal Cost to date	~ $1
Budget Balance	
	$3
Estimated Cost	
Brisbane and/or South Bay	$7.7 - $8.6
Estimated Budget Shortfall*	$4.7 - $5.6
Tracy Landfill	$10
Estimated Budget Shortfall*	$7

*shortfall to be covered via a change order to be brought to the Commission upon verification of costs

RECOMMENDATION

i. Move adoption of RESOLUTION APPROVING MEMORANDUM OF AGREEMENT WITH USFWS FOR BENEFICIAL REUSE OF TUNNEL MUCK FOR GRAVITY PIPELINE RESCU PROJECT

ii. Move approval of QUALITY ASSURANCE TASK ORDER FOR GRAVITY PIPELINE PROJECT (CIP# 6008) IN AN AMOUNT NOT TO EXCEED $132,272 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - WRA INC.

AGENDA ITEM 8B

SILICON VALLEY CLEAN WATER PUBLIC OUTREACH

ISSUE
Discuss Public Outreach Activities for Silicon Valley Clean Water

BACKGROUND
Historically, public outreach at Silicon Valley Clean Water (SVCW) was kept at a minimum and outreach done at minimal expense. This is typical amongst many wastewater agencies in the state and nation though some agencies do high levels of outreach. Previous to the RESCU program implementation, outreach efforts for SVCW involved email communications to a large email list and advertisements in the Redwood Shores Pilot. When SVCW launched its high-impact and high cost projects to rehabilitate its wastewater conveyance and treatment facilities more emphasis on public outreach efforts was placed. Efforts included a newly developed RESCU website, direct informational mailings and flyers, personal meetings with businesses or residents who are more likely to be impacted by construction, attendance at Redwood Shores HOA annual meetings and individual member agency Council and Board meetings. All these activities related to capital projects.

In May 2019 SVCW expanded outreach efforts and contracted with the City of Redwood City (RWC) to utilize RWC's Public Information Officer (PIO) services. PIO services involved creating an overall public relations plan and activities in support of 1) Agency Communications and Branding, 2) Public Relations including Media Relations, 3) Website Redesign, 4) Social Media Outreach, and 5) Community Outreach. General (i.e., not specific to capital projects) outreach activities have increased significantly via email blasts, newsletters, facebook and twitter feeds, and website updates. Currently the SVCW website is undergoing a complete renovation and is expected to launch September 2020.

SVCW budgeted $4,500 per month for public outreach efforts, excluding website development. Thus far, expenditures have averaged $4,200 per month. Website development is budgeted at $40 thousand.

DISCUSSION
The Commission has indicated desire to discuss SVCW's public outreach efforts. To facilitate reaching conclusions, the desired outcomes of a public outreach program need to be identified. Outcomes can span from SVCW being instantly identifiable to the majority of people in its service area to having SVCW an unknown entity to the majority of people.

It is typical for public to not be familiar with their local wastewater treatment plant. In SVCW's case, this is even more pronounced because 1) SVCW does not collect user fees directly from residents and businesses and 2) SVCW does not operate local collection systems. Also, there is little opportunity for SVCW to be known to the community outside of Redwood Shores (the neighborhood in which the treatment plant is situated) and/or communities in which its conveyance system facilities are located. At the same time, SVCW does receives questions and comments from the community periodically; primarily in response to a recently disseminated media release.

It is worth noting that SVCW is very well known throughout the Bay Area and state wastewater community. SVCW is particularly known for its forward-thinking, its sustainability efforts, and its innovative and entrepreneurial practices. SVCW is also known to be a great place to work as an employee.

Public outreach efforts can 1) remain at current levels or 2) reduce or 3) increase. Levels of effort will depend upon the Commission's desired end results. Once the end results are established and, if different than current levels of outreach, the Manager will work with the PIO to develop an implementation plan and will return to the Commission with the plan.

FINANCIAL IMPACT

The not-to-exceed fee in any given month is $4,500. Funds derive from the SVCW Operating Budget. Depending on the outcome of the discussion, these funds may or may not be adequate to accomplish the designated results.

RECOMMENDATION

No formal action is required. This item is for information and discussion purposes only, and possible further direction to staff.