

**COMMISSION OF SILICON VALLEY CLEAN WATER  
JOINT POWERS AUTHORITY  
REGULAR MEETING – Monday, May 17, 2021  
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  
COUNCIL MEMBER WARREN LIEBERMAN, BELMONT – SECRETARY  
COUNCIL MEMBER RON COLLINS, 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. 10
- C. Financial Reports
  - 1. Investment Report.....pg. 12
  - 2. Quarterly Investment Update.....pg. 16
- D. Engineering Capital Projects Report.....pg. 36
- E. Commission Requested Staff-Level Action Items..... pg. 39
- F. RESCU Program Design-Build Project Status Update..... pg. 42

6. MATTERS OF COMMISSION MEMBER'S INTEREST

7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 50)

8. BUSINESS ITEMS

- A. CONSIDERATION OF MOTION AUTHORIZING CONTRACT CHANGE ORDER TO THE GRAVITY PIPELINE PROJECT (CIP #6008) FOR ADDITIONAL WORK ON SAN CARLOS SHAFT (pg. 69)

Proposed Action:

Move approval of CONTRACT CHANGE ORDER FOR THE GRAVITY PIPELINE PROJECT (CIP #6008) IN THE AMOUNT NOT TO EXCEED \$1,028,817 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BARNARD BESSAC JOINT VENTURE

- B. RECEIVE UPDATE REGARDING SILICON VALLEY CLEAN WATER ACTIVITIES ASSOCIATED WITH TWO WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT LOANS ("WIFIA LOANS") AND TWO SERIES OF 2021 WASTEWATER REVENUE NOTES ("2021 NOTES") (pg. 73)

Proposed Action:

No Commission action required

- C. CONSIDERATION OF RESOLUTION TO ADOPT COMMISSION POLICY NO. 2021-01, REMOTE WORKPLACE POLICY (pg. 77)

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING COMMISSION POLICY NO. 2021-01, "REMOTE WORKPLACE"

9. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION  
Paragraph (2) or (3) of subdivision (d) of Gov. Code § 54956.9  
(one potential case)
- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov't Code Section 54957)  
Title: Manager
- C. CONFERENCE WITH LABOR NEGOTIATOR (Gov't Code Section 54957.6)  
Unrepresented Employee: Manager

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

11. ADJOURN

## CONSENT CALENDAR

### **NOTICE TO PUBLIC**

All matters listed under CONSENT CALENDAR are considered to be routine. There may be discussion on items on the CONSENT CALENDAR. All items will be enacted by one motion with a 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 – April 19, 2021 – Regular Meeting (pg. 50)
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED APRIL 1, 2021, APRIL 2, 2021, AND APRIL 16, 2021 AND NECESSARY PAYMENTS THROUGH APRIL 16, 2021 (pg. 55)
- C. CONSIDERATION OF MOTION APPROVING CONTRACT CHANGE ORDER FOR THE STANDBY GENERATORS FEED RELOCATION & ELECTRICAL PANEL UPGRADES PROJECT (CIP #9240) FOR AERATION BASIN NO. 4 COLUMN REPAIR (pg. 57)

Proposed Action:

Move approval of CONTRACT CHANGE ORDER FOR THE STANDBY GENERATORS FEED RELOCATION & ELECTRICAL PANEL UPGRADES (CIP #9240) PROJECT IN THE AMOUNT OF \$135,602 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - DW NICHOLSON

- D. CONSIDERATION OF RESOLUTION APPROVING UPDATE TO COMMISSION POLICY NO. 2013-03, SILICON VALLEY CLEAN WATER (SVCW) RESERVE FUND POLICY AND PROCEDURES (pg. 60)

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION E TO COMMISSION POLICY NO. 2013-03, SILICON VALLEY CLEAN WATER RESERVE FUND POLICY AND PROCEDURES

Microsoft Teams Access Information  
Silicon Valley Clean Water  
Regular Meeting  
Monday, May 17, 2021

WEBSITE: [Link to access meeting](#)

MEETING ID: 965 853 36#

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](mailto: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](mailto: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](http://www.svcw.org).

## **AGENDA ITEM 5A**

### 10 Ways to Cope with Seasonal Allergies

Seasonal allergies are usually caused by three main types of pollen: trees, grass, and weeds. They're called "seasonal allergies" because each type of pollen has a season where they're most potent. When you're monitoring pollen counts for your specific allergy, here are 10 ways to cope:

1. Stay inside if it's windy and warm.

Pollen counts tend to rise on dry, warm, and windy days, so if it's breezy outside, try to stay indoors.

2. Go outside at the right times.

Pollen counts are highest in the morning and again at night, so if you need to go outside, try to do it when counts are low.

3. Know which pollen you're allergic to, and respond accordingly.

When it comes to seasonal allergies, it's important to know exactly what you're allergic to so you can take appropriate action.

4. Start your medication regimen early.

If you know you experience allergies each year, start your allergy regimen about a month before your specific allergy season starts. That way any medication has a chance to get into your system and start working before the season starts.

5. Close windows and doors.

It might be tempting to let the crisp spring breeze into your home, but when you suffer from allergies, you just might be opening Pandora's box. Instead turn on the air conditioner to keep the pollen out and the temperature cool in your home.

6. Keep your home clear of dust and allergens

Dust contains pollen and other irritants that can trigger your allergies. In addition, cigarette, cigar, and other types of smoke - including fumes from a wood-burning stove - make allergy symptoms worse, so steer clear of these irritants to help keep your allergies at bay.

7. Shower at night

Because pollen can stick to your clothes, skin, and hair, it's important to shower each night to remove any irritants. Remember to also remove and wash any clothing that was exposed to the pollen.

8. Pre-medicate with an antihistamine or put on a pollen mask before you go outside

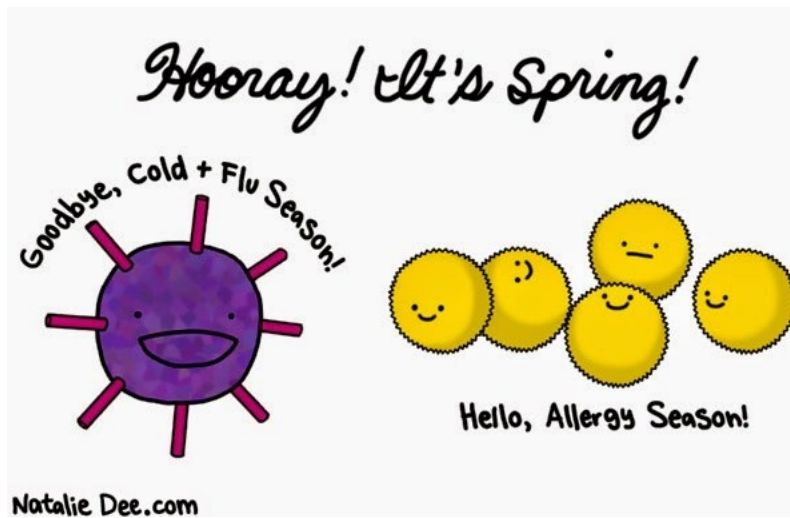
Take an antihistamine before you go outside to mow the lawn, rake leaves, play with your kids, and other activities that result in pollen exposure. Wearing a pollen mask is also an easy way to reduce exposure to irritants. Pollen masks are available at most pharmacies for additional protection against allergens.

9. Manage pet dander.

This one may sound like a no-brainer, but if you're allergic to pets, don't get one. If you have a pet, at the very least, keep them out of your bedroom and off of your bed. And even if you're not allergic to pets, they can carry pollen on their fur, brush their hair frequently, wash your hands after touching them, and never rub your eyes after petting them. Vacuuming your house at least once per week can also do wonders to keep pet dander at bay.

10. Beware of mold.

Some people can have a mold-specific allergy - both indoor and outdoor mold. One way to lessen mold in your home is to wipe away any standing water in the bathroom and shower area. Using a ventilation fan when you take a shower also helps to reduce the chance of mold. If you have a mold allergy, exercise caution when you use a humidifier. Aim to keep the humidity level in your home below 60 percent. Anything higher can cause mold to grow in your home.



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## **AGENDA ITEM 5B**

Recurring and Upcoming 2021 Commission Actions  
Updated for May 2021 Meeting


| January  | February   | March   | April  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>Review Investment Policy</li> <li>CIP Update (annual or biennial)</li> </ul>            | <ul style="list-style-type: none"> <li>Long Range Financial Plan (typically in January)</li> </ul>                                   | <ul style="list-style-type: none"> <li>Budget Workshop</li> <li>Line of Credit Renewal</li> <li>Conflict of Interest Update (due to change in Reso 77-6)</li> </ul> | <ul style="list-style-type: none"> <li>Budget Approval</li> </ul>  |
| May  | June   | July  | August   |
| <ul style="list-style-type: none"> <li>Initiate Manager Performance Evaluation</li> <li>Review Reserve Funds Policy</li> </ul> | <ul style="list-style-type: none"> <li>Approve Resolution 77-6 "Personnel Resolution"</li> <li>Perform Manager Evaluation</li> </ul> | <ul style="list-style-type: none"> <li>Commission Chair, Vice Chair, and Secretary Appointment</li> </ul>   | <ul style="list-style-type: none"> <li>Conflict of Interest Update (Biennial; even-numbered years)</li> <li>Investment Program Status Annual Update</li> </ul> |
| September  | October  | November  | December   |
| <ul style="list-style-type: none"> <li>Review Debt Policy</li> </ul>   |  |   | <ul style="list-style-type: none"> <li>Commission Meeting schedule for following year</li> <li>Audited Financial Report</li> </ul>                             |

-  - Recurring Commission Actions
-  - Upcoming Commission Actions

## AGENDA ITEM 5C1

**Silicon Valley Clean Water Authority**  
**Cash & Investments Summary Report**  
**March 31, 2021**

| <b>Description</b>  | <b>Market Value</b>  | <b>% of Total Holdings</b> | <b>Yield</b> |
|---|----------------------|----------------------------|--------------|
| <b><u>Reserve Accounts</u></b>                            |                      |                            |              |
| Operating Reserve* - Securities                           | \$ 3,552,951         | 4.29%                      | 1.14%        |
| Operating Reserve - Money Market Fund Balance             | 288,252              | 0.35%                      | 0.03%        |
| CIP Reserve* - Securities                                 | 17,008,371           | 20.54%                     | 1.83%        |
| CIP Reserve - Money Market Fund Balance                   | 871,606              | 1.05%                      | 0.03%        |
| Stage 2 Capacity Reserve* - Securities                    | 13,847,374           | 16.72%                     | 1.78%        |
| Stage 2 Capacity Reserve - Money Market Fund Balance      | 650,540              | 0.79%                      | 0.03%        |
| <b>Total Market Value: Operating and Reserve Accounts</b> | <b>\$ 36,219,093</b> | <b>43.7%</b>               | <b>1.65%</b> |
| Total Accrued Interest: Operating and Reserve Accounts    | 159,972              |                            |              |
| <b>GRAND TOTAL, OPERATING AND RESERVE ACCOUNTS</b>        | <b>\$ 36,379,065</b> |                            |              |
| <b><u>Bond and Notes Accounts</u></b>                     |                      |                            |              |
| Trustee Accounts:   |                      |                            |              |
| 2018 Project Fund Account - CAMP                          | \$ 13,955,547        | 16.85%                     | 0.08%        |
| 2018 Revenue Account                                      | 5,029                | 0.01%                      | 0.01%        |
| 2019A Notes WIFIA* - Securities                           | 5,871,640            | 7.09%                      | 2.21%        |
| 2019A Notes WIFIA - Money Market Fund                     | 5,878,855            | 7.10%                      | 0.01%        |
| 2019A Capitalized Interest Account* - Securities          | 18,849,853           | 22.76%                     | 1.96%        |
| 2019A Capitalized Interest Account - Money Market Fund    | 8,058                | 0.01%                      | 0.01%        |
| 2021 Cost of Issuance Account                             | 64,252               | 0.08%                      | 0.01%        |
| 2014 Revenue Account                                      | 451                  | 0.00%                      | 0.09%        |
| 2014 Interest Account - Money Market Fund                 | 13                   | 0.00%                      | 0.08%        |
| 2014 Principal Account - Money Market Fund                | 7                    | 0.00%                      | 0.14%        |
| 2015 Revenue Account                                      | 173                  | 0.00%                      | 0.08%        |
| <b>Total Market Value, Trustee Accounts</b>               | <b>\$ 44,633,879</b> | <b>53.90%</b>              | <b>1.14%</b> |
| Accrued Interest:   | 83,799               |                            |              |
| Operating Cash (includes outstanding checks)              | 634,813              | 0.77%                      | 0.00%        |
| Local Agency Investment Funds (LAIF) Balance              | 1,326,828            | 1.60%                      | 0.36%        |
| <b>Total Cash &amp; Investments</b>                       | <b>\$ 83,058,384</b> | <b>100.00%</b>             | <b>1.35%</b> |

  
Matthew P Anderson  
Chief Financial Officer / Assistant Manager

4/8/2021  
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 basis.*
- 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](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 March 31, 2021**

| Security Type                  | Operating Reserve   | CIP Reserve          | Capacity Reserve     | Total Market Value   | % of Total Portfolio | % Allowed by Policy | In Compliance | % Change vs. Prior Month |
|--------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------|--------------------------|
| U.S. Treasury                  | 1,090,170           | 6,353,336            | 5,577,825            | 13,021,331           | 36.0%                | 100%                | ✓             | (0.0%)                   |
| Supranationals                 | 307,886             | 0                    | 0                    | 307,886              | 0.9%                 | 15%                 | ✓             | (0.1%)                   |
| Federal Agency/GSE             | 1,186,786           | 2,890,325            | 2,189,696            | 6,266,806            | 17.3%                | 100%                | ✓             | 0.3%                     |
| Federal Agency CMO             | 0                   | 2,435,089            | 1,728,074            | 4,163,162            | 11.5%                | 100%                | ✓             | (0.5%)                   |
| Federal Agency MBS             | 0                   | 1,170,991            | 1,097,705            | 2,268,696            | 6.3%                 | 100%                | ✓             | (0.7%)                   |
| Municipal                      | 0                   | 1,074,616            | 837,232              | 1,911,848            | 5.3%                 | 30%                 | ✓             | 0.3%                     |
| Corporate Notes                | 673,021             | 3,034,165            | 2,376,963            | 6,084,149            | 16.8%                | 30%                 | ✓             | (0.2%)                   |
| Asset-Backed Securities        | 295,087             | 49,850               | 39,880               | 384,817              | 1.1%                 | 10%                 | ✓             | 0.1%                     |
| <b>Securities Sub-Total</b>    | <b>\$ 3,552,951</b> | <b>\$ 17,008,371</b> | <b>\$ 13,847,374</b> | <b>\$ 34,408,696</b> | <b>95.0%</b>         |                     |               |                          |
| Accrued Interest               | 12,208              | 86,405               | 61,359               | 159,972              |                      |                     |               |                          |
| <b>Securities Total</b>        | <b>\$ 3,565,159</b> | <b>\$ 17,094,776</b> | <b>\$ 13,908,733</b> | <b>\$ 34,568,667</b> |                      |                     |               |                          |
| Money Market Fund              | 288,252             | 871,606              | 650,540              | 1,810,398            | 5.0%                 | 20%                 | ✓             | 1.0%                     |
| <b>Total Investments</b>       | <b>\$ 3,853,411</b> | <b>\$ 17,966,382</b> | <b>\$ 14,559,272</b> | <b>\$ 36,379,065</b> | <b>100%</b>          |                     |               |                          |
| <i>As % of 6/30/21 Target:</i> | <i>102%</i>         | <i>101%</i>          | <i>100%</i>          | <i>101%</i>          |                      |                     |               |                          |

*This report contains financial information which has not been reviewed or audited by an independent auditor, does not reflect the application of generally accepted accounting principles in all instances and is subject to future revision. This report has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in this report are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and website, maintained on the World Wide Web at <https://emma.msrb.org>*

## AGENDA ITEM 5C2



May 17, 2021

To: SVCW Commissioners

From: Matt Anderson, SVCW CFO/Assistant Manager

Subject: Investment Update for Quarter Ended March 31, 2021

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Attached is an update from PFM Asset Management LLC regarding the investment performance of SVCW Cash Reserves portfolio for the quarter ended March 31, 2021. Highlights include:

**Market Update:**

- Economic recovery accelerated as COVID cases fell and government stimulus increased.
- Increasing optimism that U.S. Gross Domestic Product (GDP) is on path to recovery.
- U.S. Treasury yields steepened as intermediate and longer-term yields rose on increasing inflation expectations but short-term (2 years and under) yields remain low, anchored by accommodative Fed policy.

**SVCW Investment Program:**

- As of March 31, 2021 the Authority had nearly \$36.4 million in combined assets under management, and each reserve balance meets or exceeds SVCW policy (slide 13).
- Investment market-value returns negatively impacted by steepening yield curve conditions; securities marked down to reflect quarter-over-quarter market value declines.
- Investment returns on an accrual (amortized cost) basis remain positive

| Reserve Fund                        | Market Value (\$M) | 1 <sup>st</sup> Quarter Returns | 1-Year Returns |
|-------------------------------------|--------------------|---------------------------------|----------------|
| Operating Reserve (slide 16)        | \$3.85             | -0.06%                          | 1.04%          |
| CIP Reserve (slide 22)              | \$17.97            | -1.24%                          | 1.01%          |
| Stage 2 Capacity Reserve (slide 28) | \$14.56            | -1.26%                          | 1.14%          |

**Outlook:**

- Rising yields warrant a shift to modestly defensive duration positioning; steepening yield curve rewards prudent yield curve placement; strong investor demand likely to keep non-government sector spread levels low by historic standards.
- Earnings expected to remain low, but PFM's active portfolio management assists SVCW to generate incremental earnings over time.





## SILICON VALLEY CLEAN WATER

### Investment Performance Review For the Quarter Ended March 31, 2021

#### Client Management Team

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

#### PFM Asset Management LLC

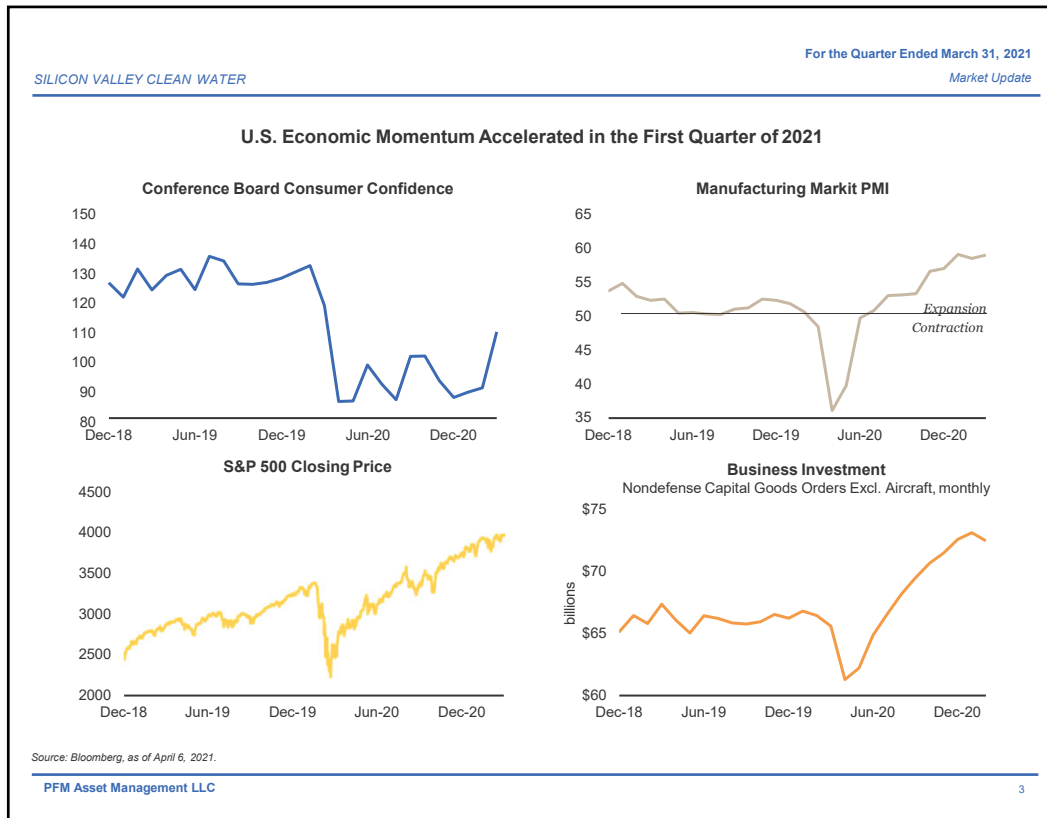
44 Montgomery Street, 3rd Floor  
San Francisco, CA 94104  
415-982-5544

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

1

*Market Update*

2



3

For the Quarter Ended March 31, 2021  
Market Update

**SILICON VALLEY CLEAN WATER**

**The Fight Against the COVID-19 Pandemic Continues**

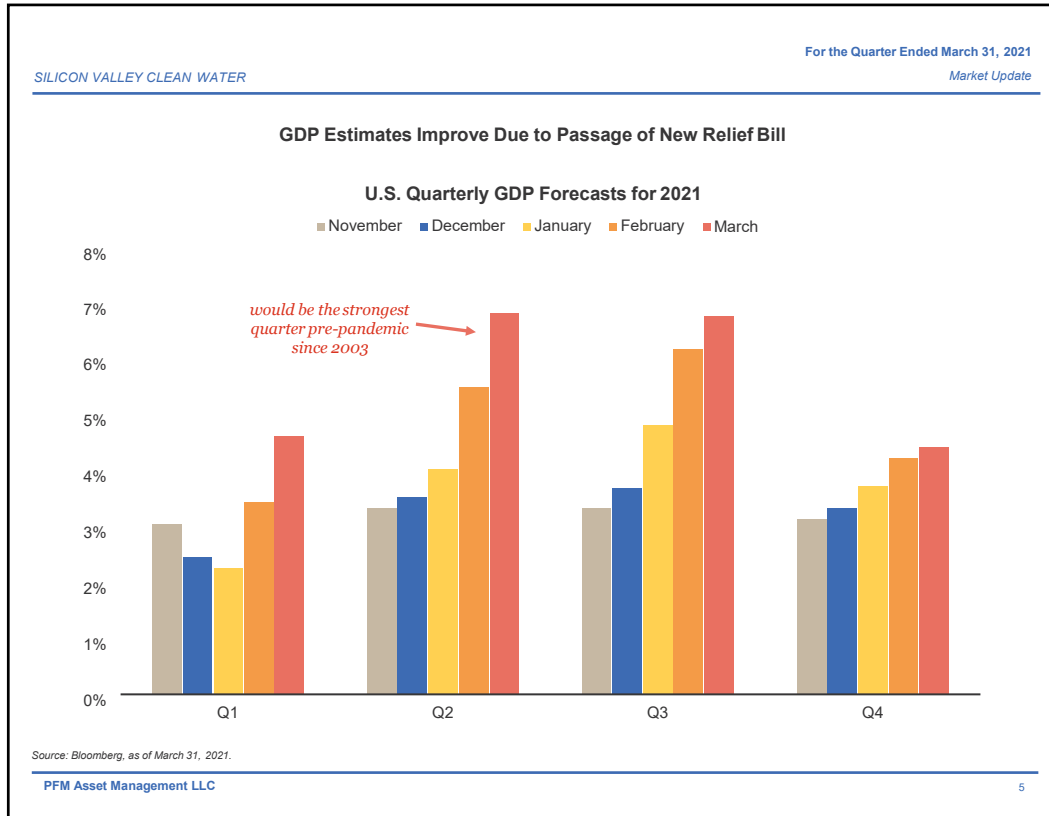
- COVID-19 cases fell by 66% in the U.S. during the first quarter
- Approximately 95 million Americans received at least one vaccination by quarter-end

| Enactment Date | Congressional Actions  |
|----------------|--|
| March 6, 2020  | <b>\$7.8 billion</b> Coronavirus Preparedness and Response Supplemental Appropriations Act   |
| March 18       | <b>\$15.4 billion</b> Families First Coronavirus Response Act (FFCRA)                        |
| March 27       | <b>\$2.1 trillion</b> Coronavirus Aid, Relief, and Economic Security (CARES) Act             |
| April 24       | <b>\$483 billion</b> Paycheck Protection Program and Health Care Enhancement Act             |
| Dec 27         | <b>\$900 billion</b> Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act |
| March 11, 2021 | <b>\$1.9 trillion</b> American Rescue Plan (ARP) Act of 2021                                 |
| <b>?</b>       | <b>\$2 trillion</b> proposed "American Jobs Plan"  |

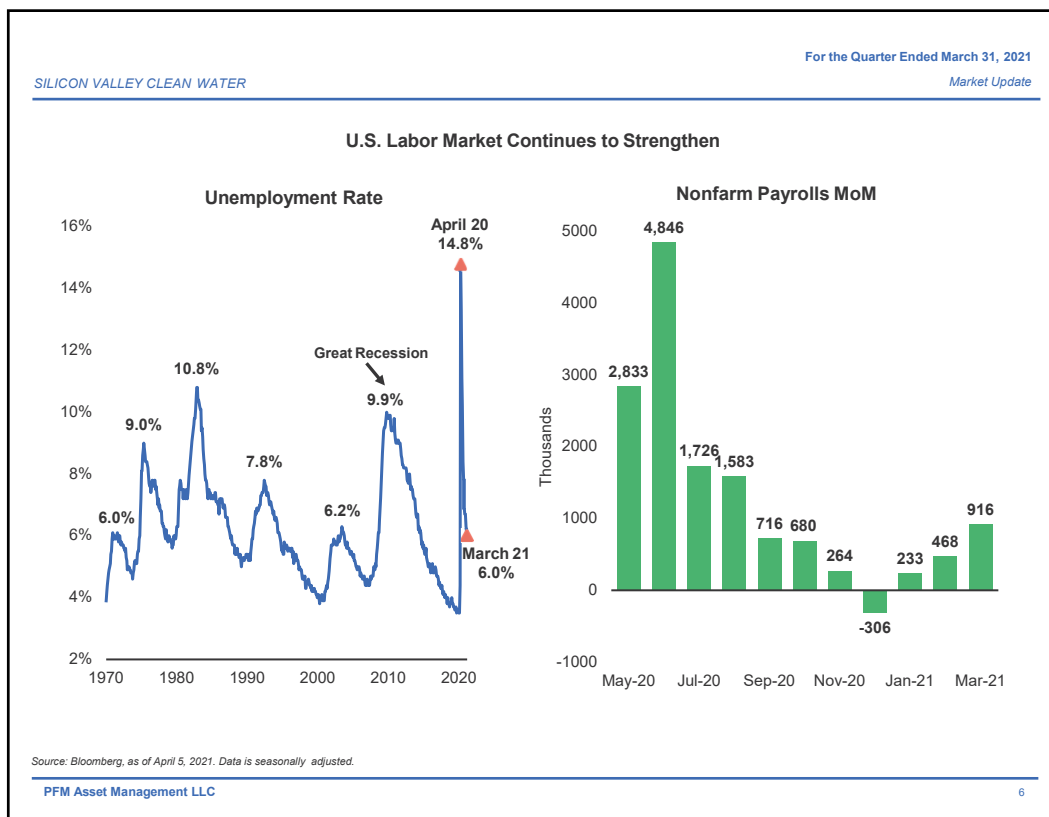
PFM Asset Management LLC

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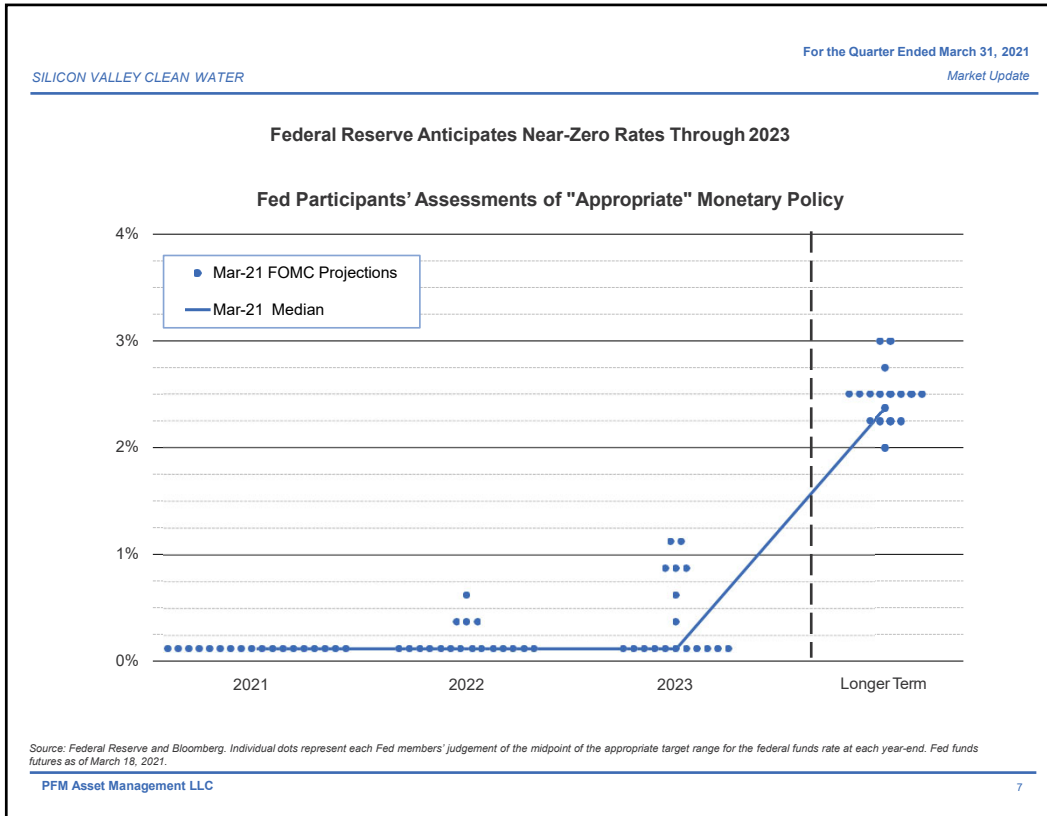
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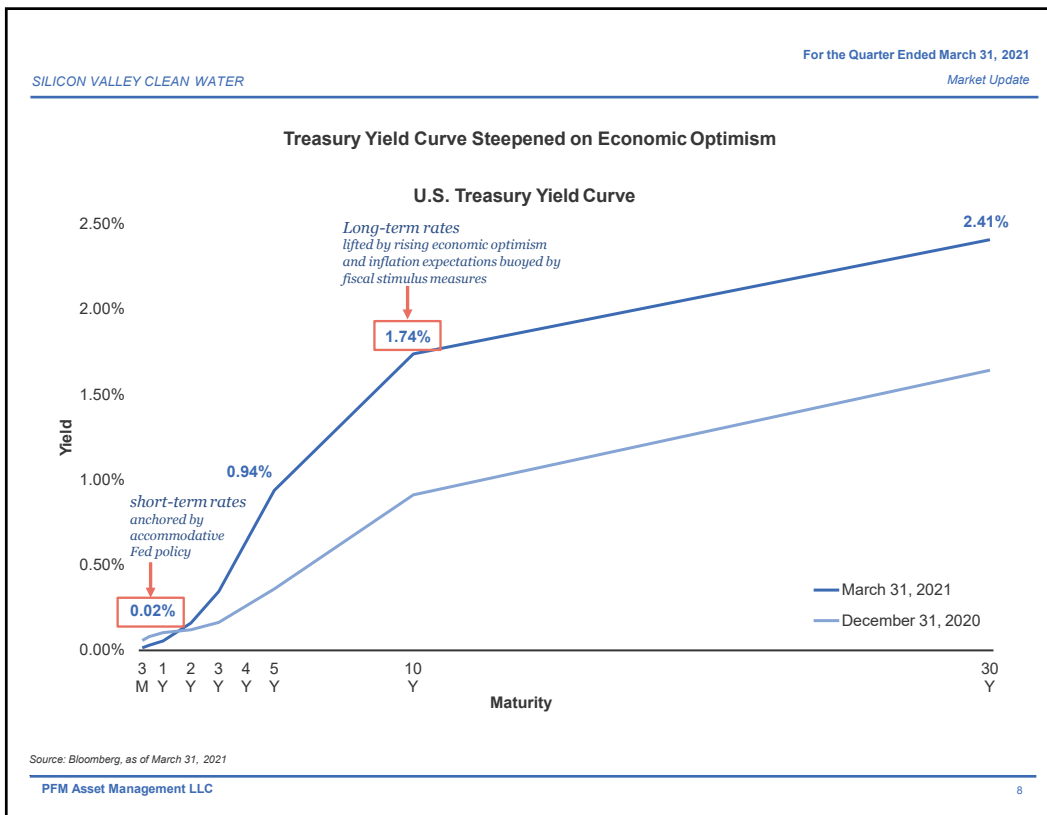
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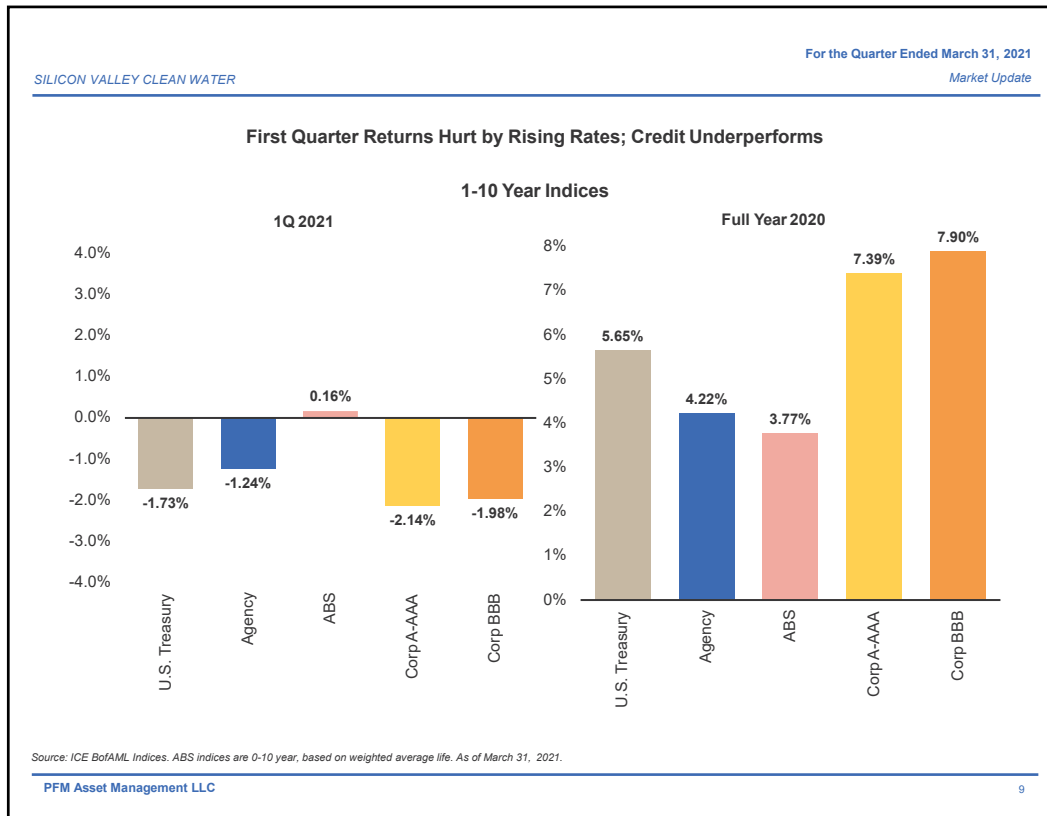
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For the Quarter Ended March 31, 2021  
Market Update

SILICON VALLEY CLEAN WATER

### Fixed Income Sector Outlook – April 2021

| Sector   | Our Investment Preferences | Comments   |
|--|----------------------------|--|
| <b>COMMERCIAL PAPER / CD</b>   |                            | <ul style="list-style-type: none"> <li>Credit spreads have widened with issuers pushing levels higher to fulfill funding needs. Recent spread widening offers an opportunity to increase exposure.</li> </ul>  |
| <b>TREASURIES</b>  |                            | <ul style="list-style-type: none"> <li>T-Bill yields are experiencing continued pressure and increased demand as investors look to spend down cash.</li> <li>The Treasury curve steepened with a 10 basis points spread between 6-month and 2-year as short-term yields continue to fall.</li> </ul>   |
| <b>T-Bill</b><br><b>T-Note</b>   |                            |  |
| <b>FEDERAL AGENCIES</b>  |                            | <ul style="list-style-type: none"> <li>Agency bullet spreads are relatively unchanged across the curve and are offering little value. Given current spread levels, there is limited room for spread narrowing moving forward. While any attractive new issues will continue to be evaluated, accounts should reduce allocations for better relative value opportunities elsewhere.</li> <li>Callable spreads have widened with market volatility, however, remain unattractive at current valuations.</li> </ul>   |
| <b>Bullets</b><br><b>Callables</b>   |                            |  |
| <b>SUPRA NATIONALS</b>   |                            | <ul style="list-style-type: none"> <li>Spreads narrowed in the long end of the curve yet remain modestly wide compared to UST/GSE. After a quiet month for supply in March, the new issue market has been busy in April with the cross currency basis favoring USD funding vs. EUR funding. Accounts should modestly shift from UST/GSEs to SSAs for better spread pick-ups, particularly via new issues.</li> </ul>   |
| <b>CORPO RATES</b>   |                            | <ul style="list-style-type: none"> <li>Corporate spreads narrowed from recent widening amid normalization in Treasury volatility. Demand for IG corporates remain strong though valuations are rich. Accommodative monetary policy continues to ensure favorable financing conditions.</li> <li>Accounts should selectively increase exposure, reflecting wider spreads in corporates and lack of value in alternative sectors.</li> </ul>   |
| <b>Financials</b><br><b>Industrials</b>                                    |                            |  |
| <b>SECURITIZED</b>   |                            | <ul style="list-style-type: none"> <li>ABS spreads moved wider over the month but remain relatively tight on a historical basis. Issuance remained elevated and demand is strong. Collateral delinquency rates and net losses may increase over the short-term but should remain well contained as the economy recovers.</li> <li>MBS spreads are tight. While prepayments are elevated, the 2nd quarter should commence a meaningful slowing trend. Low coupon structures most susceptible to duration extension are likely to trail Treasuries as rates moves higher.</li> <li>CMBS provide insulation against typical adverse rate-sensitive mortgage duration movements. The scope for spread tightening is limited, and modest spread widening is expected. There is limited value in the sector given fundamentals remain challenged.</li> </ul> |
| <b>Asset-Backed</b><br><b>Agency Mortgage-Backed</b><br><b>Agency CMBS</b> |                            |  |
| <b>MUNICIPALS</b>  |                            | <ul style="list-style-type: none"> <li>Taxable supply is robust. The sector may experience pressure as tax season approaches. Although new issuance have gotten more expensive recently, current allocations will be maintained as the sector has been a boon for portfolio performance.</li> </ul>  |

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## Aggregate Portfolio Review

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SILICON VALLEY CLEAN WATER

For the Quarter Ended March 31, 2021

Portfolio Recap

### Portfolio Recap

- The U.S. Treasury yield curve **steepened** dramatically during the quarter, as yields on securities maturing in two years or under remained anchored to the overnight fed funds target rate, while yields on maturities three years and longer increased notably, buoyed by investor expectations of increasing inflation. As a result, most U.S. Treasury index returns were negative during the quarter.
- Despite the challenging market environment, the Authority's portfolios generally delivered favorable performance relative to the assigned benchmarks due to PFM's continued strategy of **broad diversification** and **active portfolio management**.
  - As has been the case in recent months, issuance continued to taper off in the **federal agency** sector as spreads narrowed to near historic levels. While allocations added in prior quarters helped to boost quarterly performance, we generally preferred **U.S. Treasury** and **supranational** obligations for new government exposure during the quarter.
  - While **corporate note** holdings remain a core, long-term holding, we continued our past quarter's strategy of gradually reducing allocations. Nonetheless, existing holdings continue to generate strong performance over the longer-term.
  - Allocations to **asset-backed securities (ABS)** were little changed over the quarter as purchases of newly-issued securities at attractive levels were largely offset by normal paydowns.
- As always, while we continue to seek opportunities to enhance portfolio earnings, our priority remains to maintain the **safety** and the **liquidity** of the Authority's investments.

PFM Asset Management LLC

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SILICON VALLEY CLEAN WATER

For the Quarter Ended March 31, 2021  
Portfolio Compliance

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### 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. 12/31/20 | Permitted by Policy | In Compliance |
|-----------------------------|---------------------|----------------|-----------------------|---------------------|---------------|
| U.S. Treasury               | \$13,021,331        | 36%            | +4%                   | 100%                | ✓             |
| Supranationals              | \$307,886           | 1%             | -                     | 15%                 | ✓             |
| Federal Agency/GSE          | \$6,266,806         | 17%            | -1%                   | 100%                | ✓             |
| Asset-Backed Securities     | \$384,817           | 1%             | -                     | 10%                 | ✓             |
| Federal Agency/CMO          | \$4,163,162         | 11%            | -1%                   | 100%                | ✓             |
| Federal Agency MBS          | \$2,268,696         | 6%             | -1%                   | 100%                | ✓             |
| Municipal                   | \$1,911,848         | 5%             | -                     | 30%                 | ✓             |
| Corporate Notes             | \$6,084,149         | 17%            | -3%                   | 30%                 | ✓             |
| <b>Securities Sub-Total</b> | <b>\$34,408,696</b> | <b>95%</b>     |                       |                     |               |
| Accrued Interest            | \$159,972           |                |                       |                     |               |
| <b>Securities Total</b>     | <b>\$34,568,667</b> |                |                       |                     |               |
| Money Market Fund           | \$1,810,398         | 5%             | +1%                   | 20%                 | ✓             |
| <b>Total Investments</b>    | <b>\$36,379,065</b> | <b>100%</b>    |                       |                     |               |

Detail may not add to total due to rounding. Current Investment Policy as of January 2021.

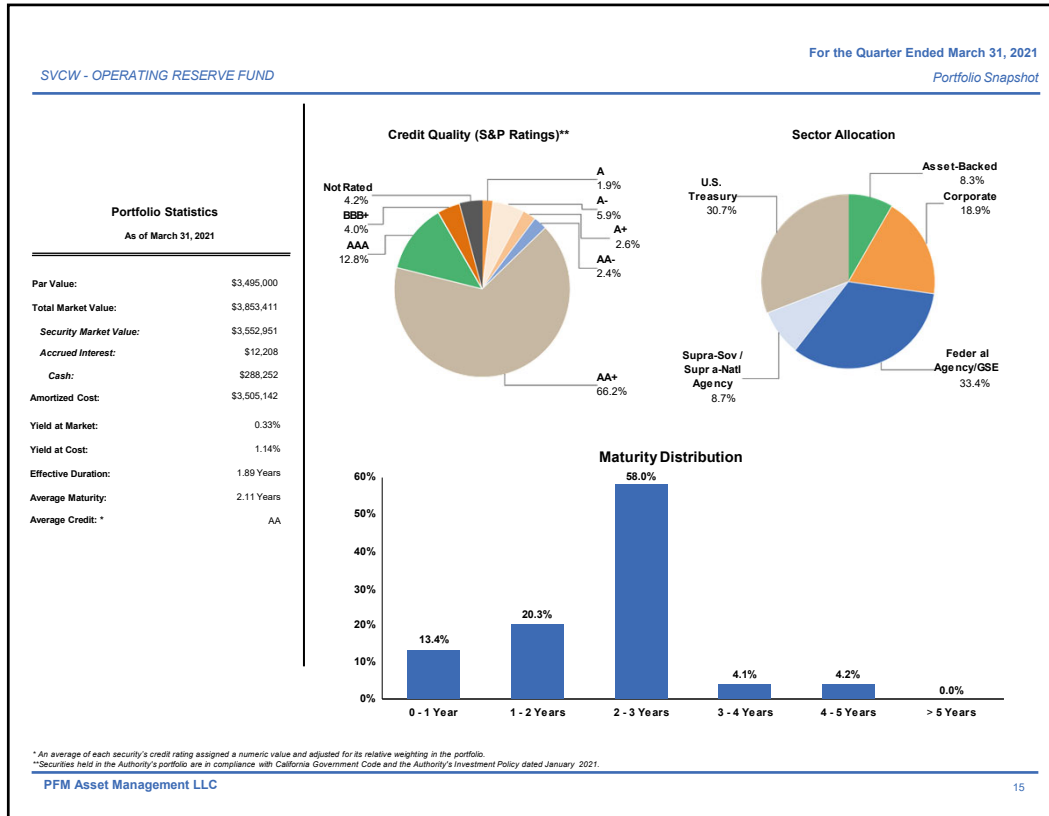
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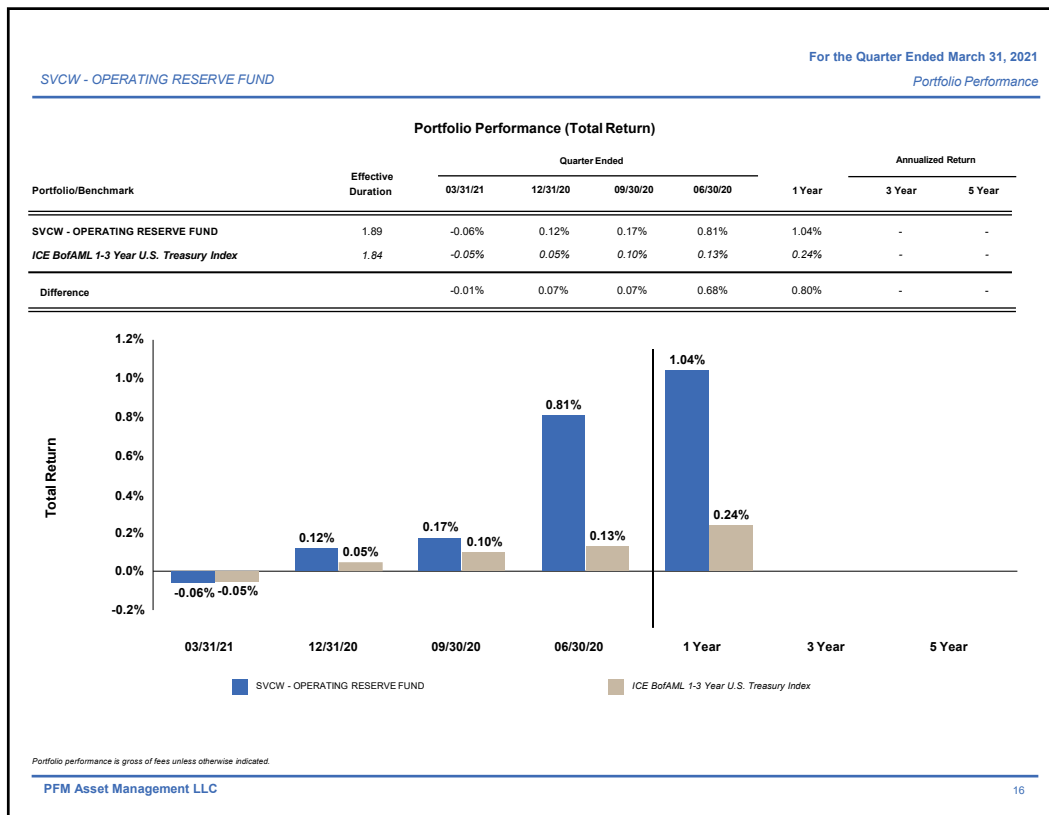
13

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|--|--|--|--|--|--|
| <div> <div></div> <div>Portfolio Analytics:<br/>Operating Reserve Portfolio</div> </div> |  |  |  |  |  |
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SVCW - OPERATING RESERVE FUND

For the Quarter Ended March 31, 2021

Portfolio Performance

Portfolio Earnings

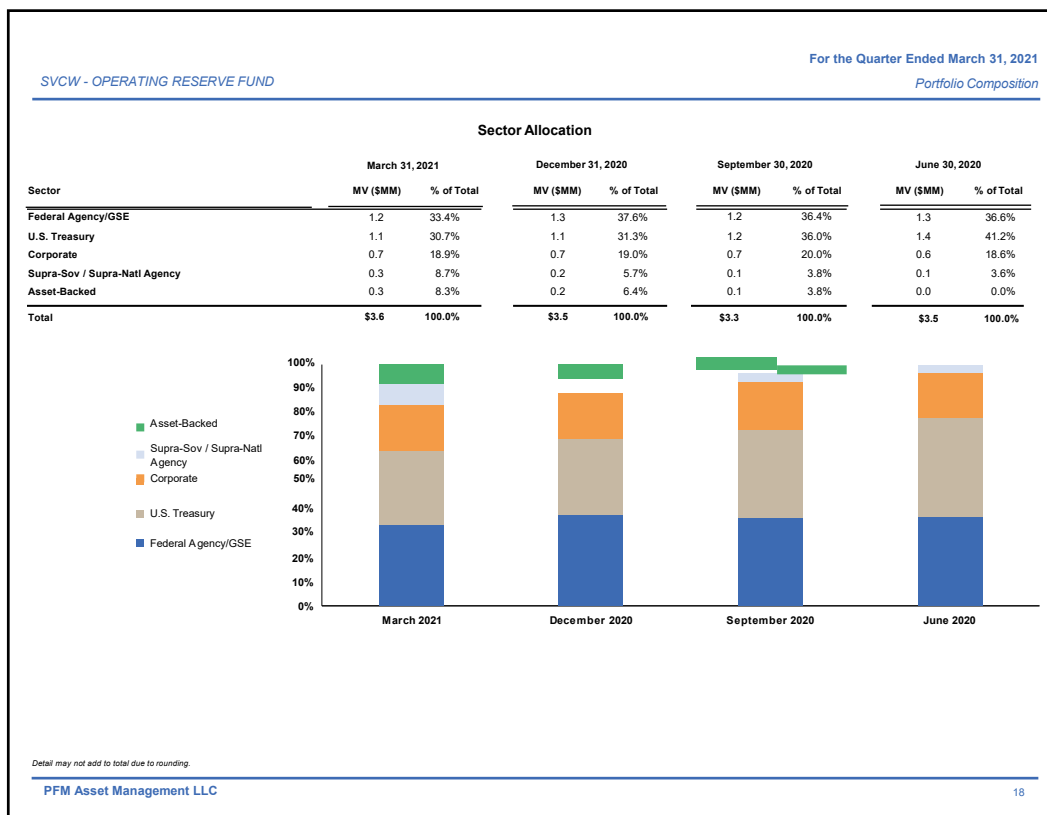
Quarter-Ended March 31, 2021

|                              | Market Value Basis | Accrual (Amortized Cost) Basis |
|------------------------------|--------------------|--------------------------------|
| Beginning Value (12/31/2020) | \$3,508,082.56     | \$3,447,802.12                 |
| Net Purchases/Sales          | \$58,100.99        | \$58,100.99                    |
| Change in Value              | (\$13,232.89)      | (\$761.45)                     |
| Ending Value (03/31/2021)    | \$3,552,950.66     | \$3,505,141.66                 |
| Interest Earned              | \$10,868.11        | \$10,868.11                    |
| Portfolio Earnings           | (\$2,364.78)       | \$10,106.66                    |

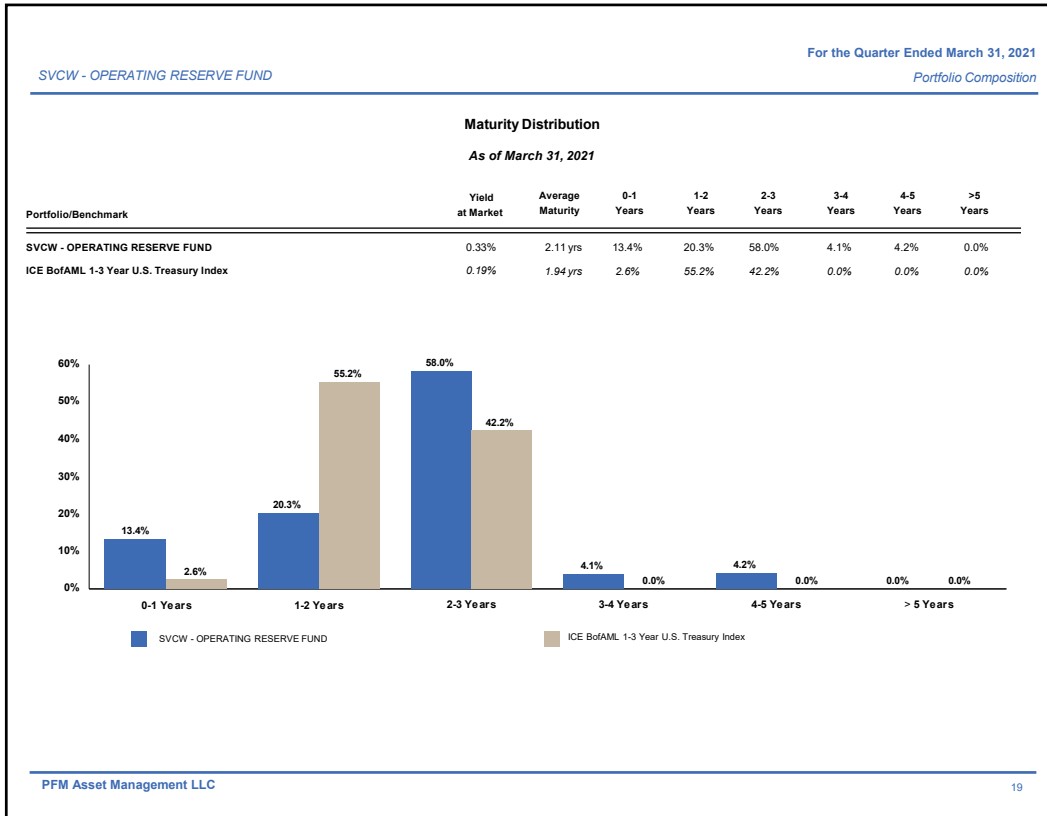
PFM Asset Management LLC

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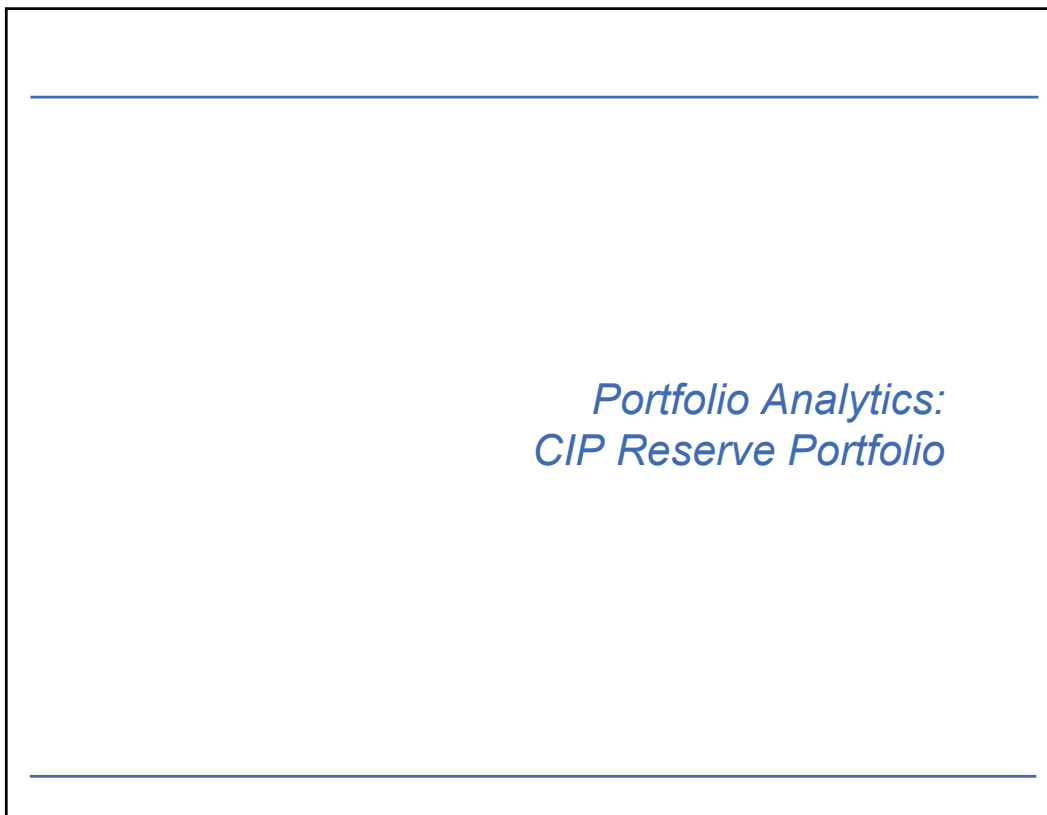
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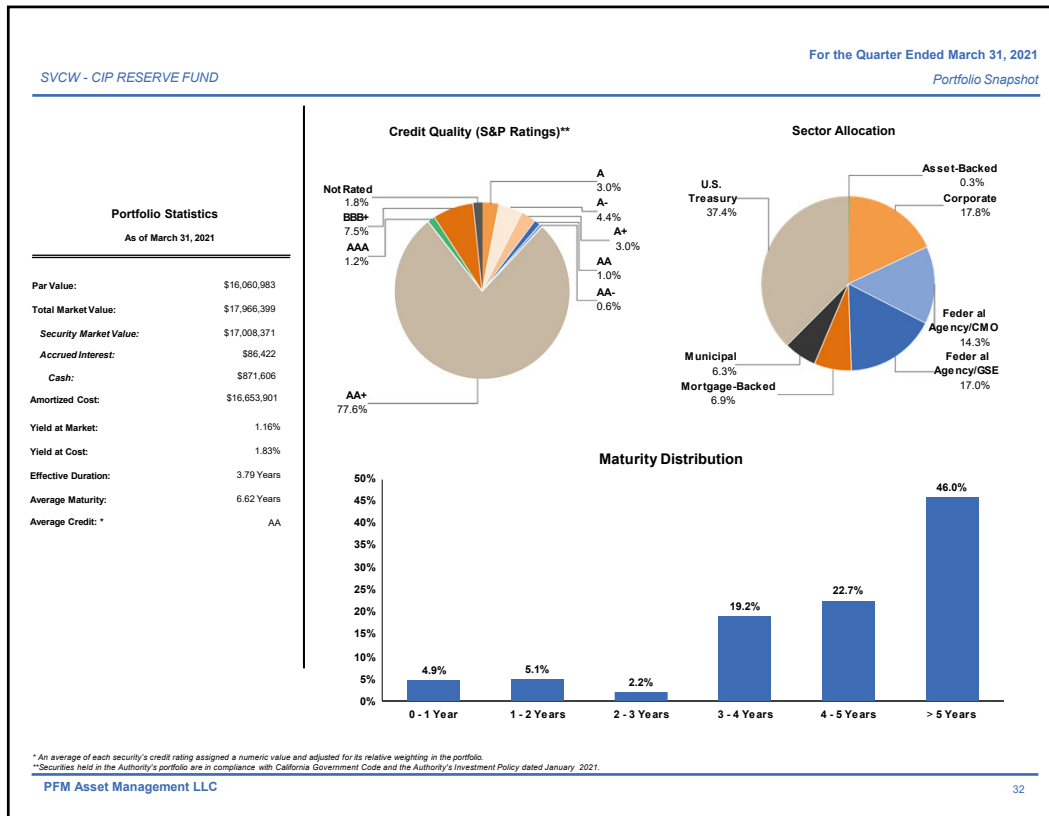
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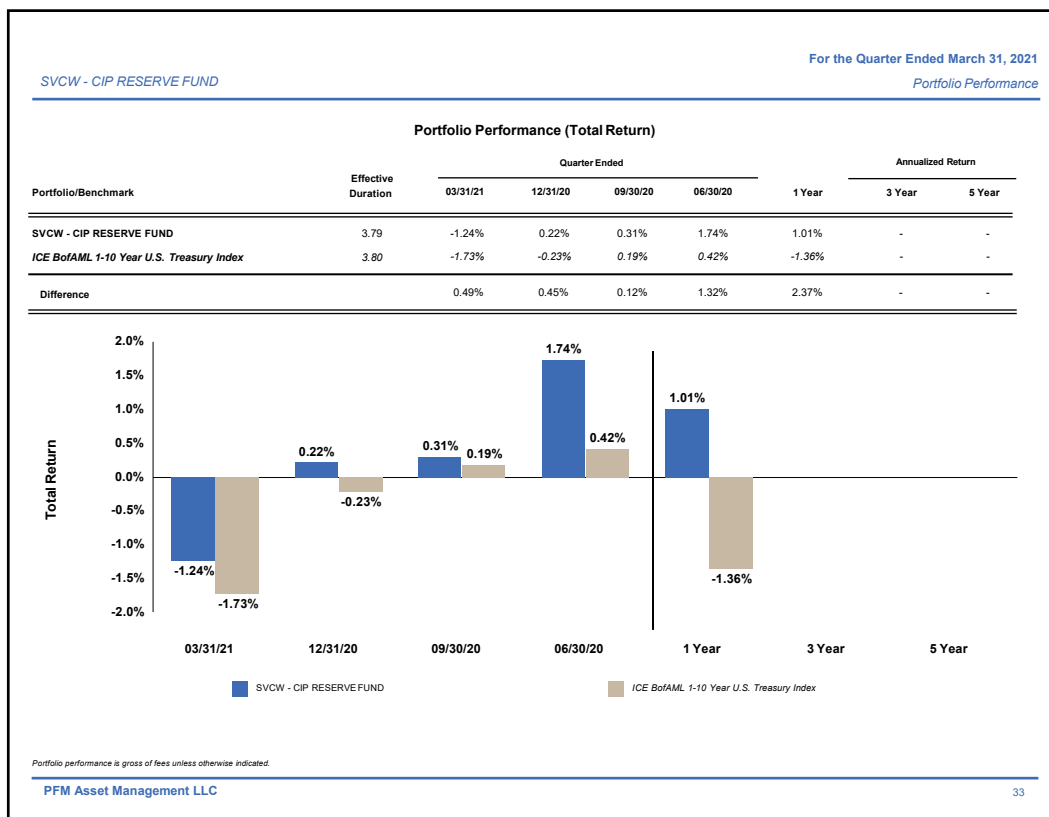
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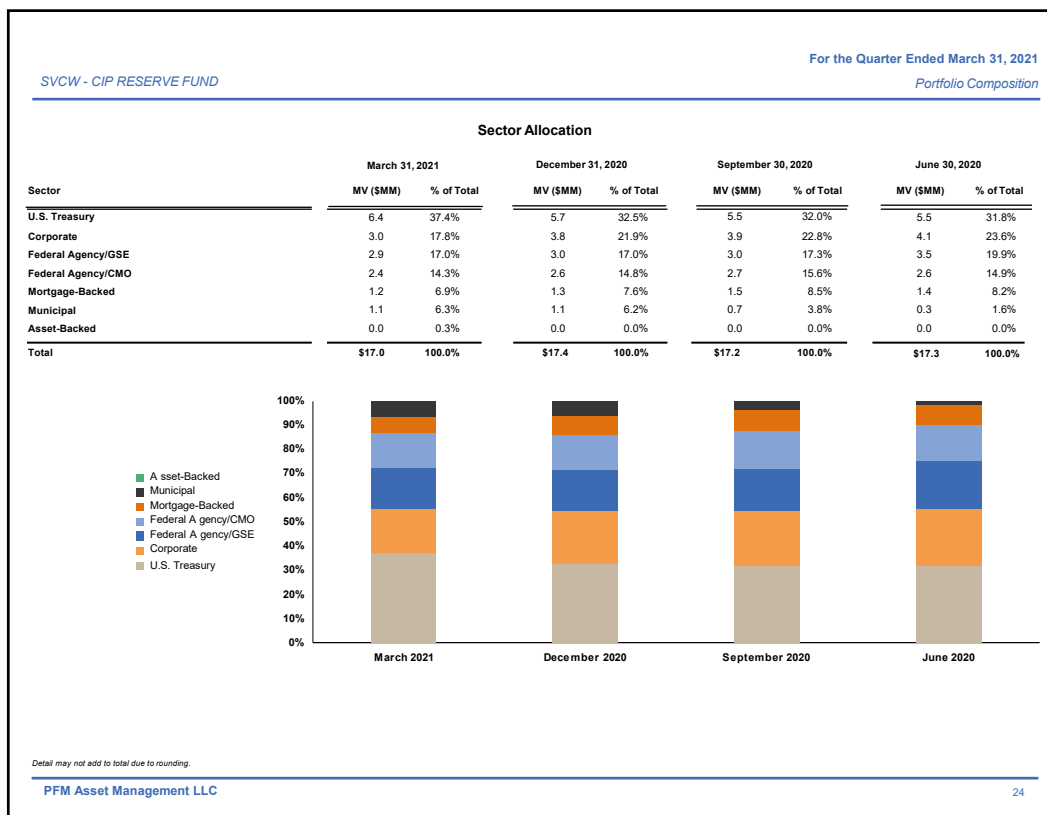
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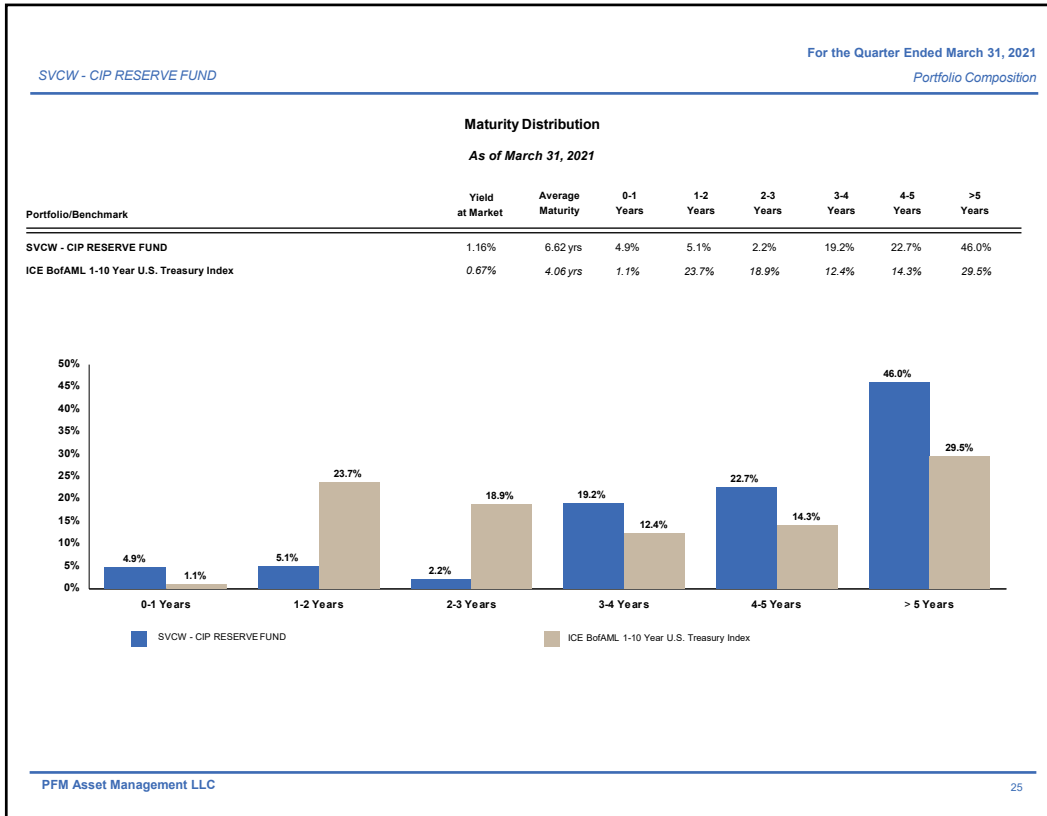
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| SVCW - CIP RESERVE FUND      |                    |                                | For the Quarter Ended March 31, 2021 |
|------------------------------|--------------------|--------------------------------|--------------------------------------|
|                              |                    |                                | Portfolio Performance                |
| Portfolio Earnings           |                    |                                |                                      |
| Quarter-Ended March 31, 2021 |                    |                                |                                      |
|                              | Market Value Basis | Accrual (Amortized Cost) Basis |                                      |
| Beginning Value (12/31/2020) | \$17,433,788.47    | \$16,762,792.49                |                                      |
| Net Purchases/Sales          | (\$102,010.05)     | (\$102,010.05)                 |                                      |
| Change in Value              | (\$323,407.36)     | (\$6,881.09)                   |                                      |
| Ending Value (03/31/2021)    | \$17,008,371.06    | \$16,653,901.35                |                                      |
| Interest Earned              | \$99,940.40        | \$99,940.40                    |                                      |
| Portfolio Earnings           | (\$223,466.96)     | \$93,059.31                    |                                      |
| PFM Asset Management LLC     |                    |                                | 23                                   |

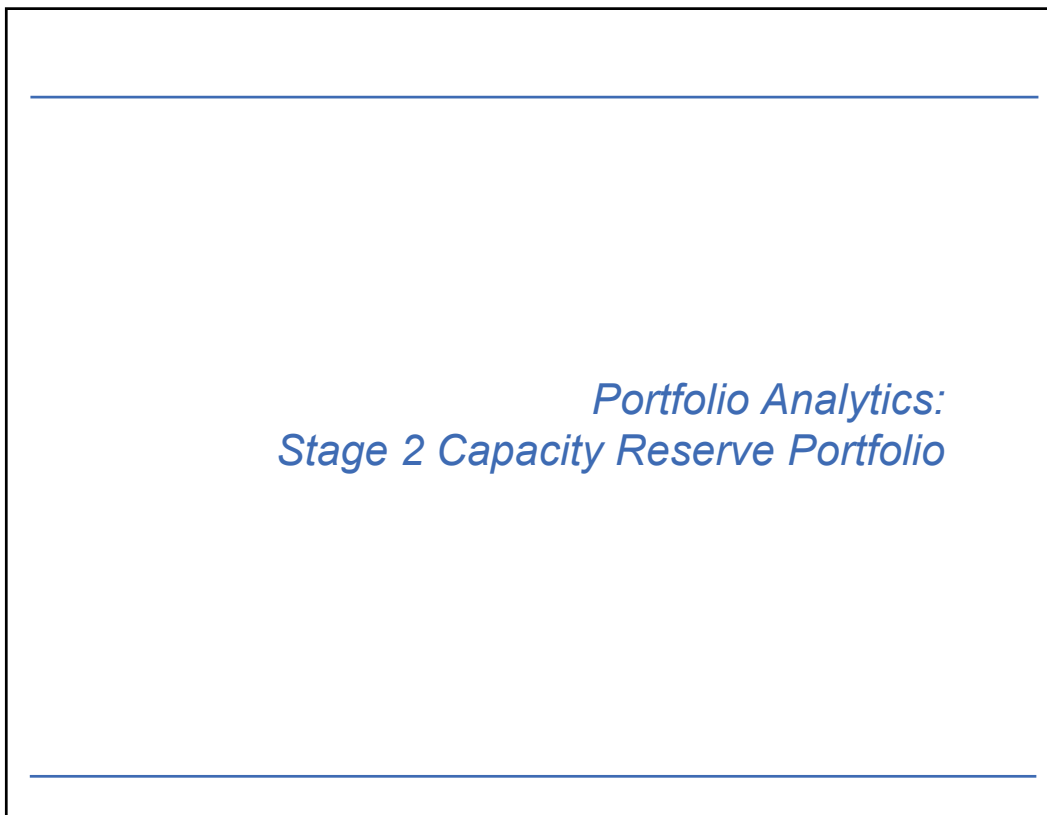
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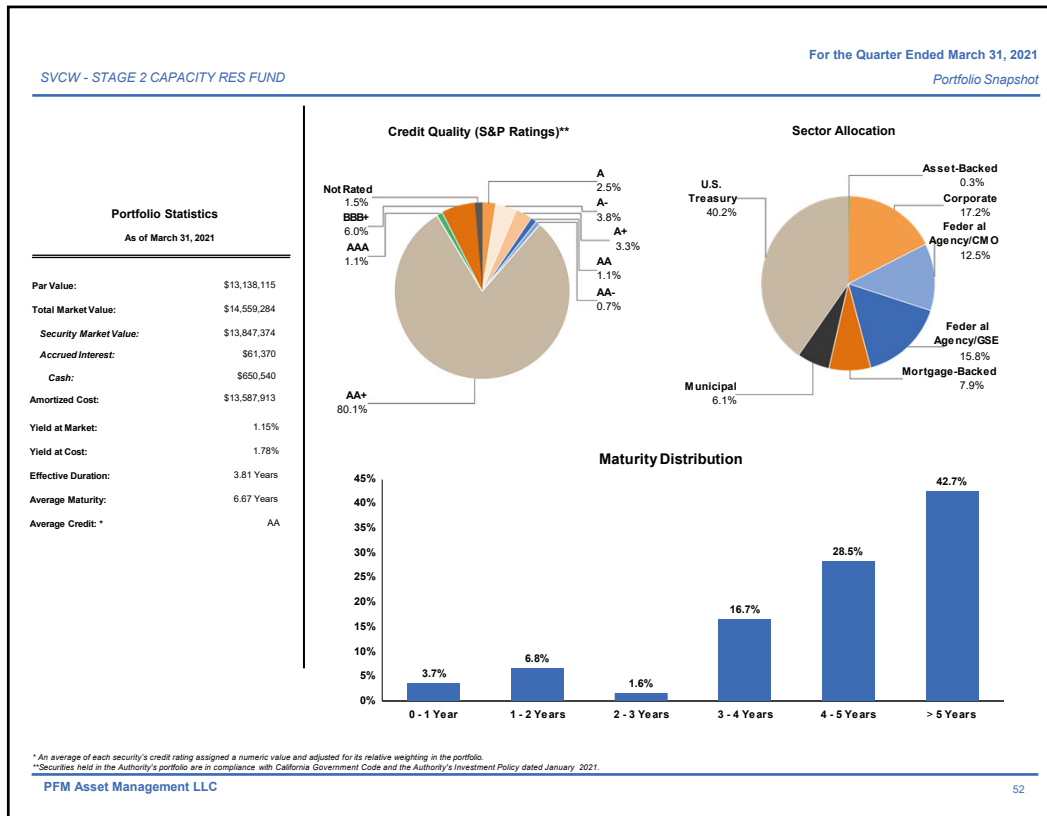
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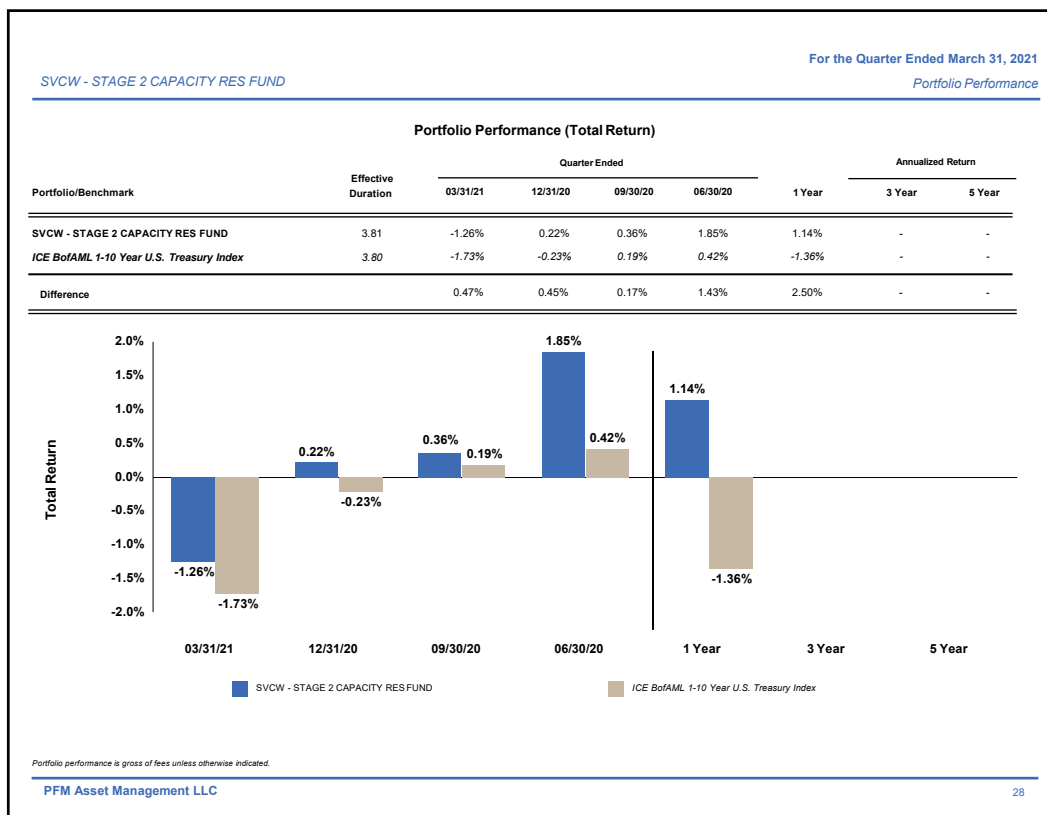
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SVCW - STAGE 2 CAPACITY RES FUND

For the Quarter Ended March 31, 2021

Portfolio Performance

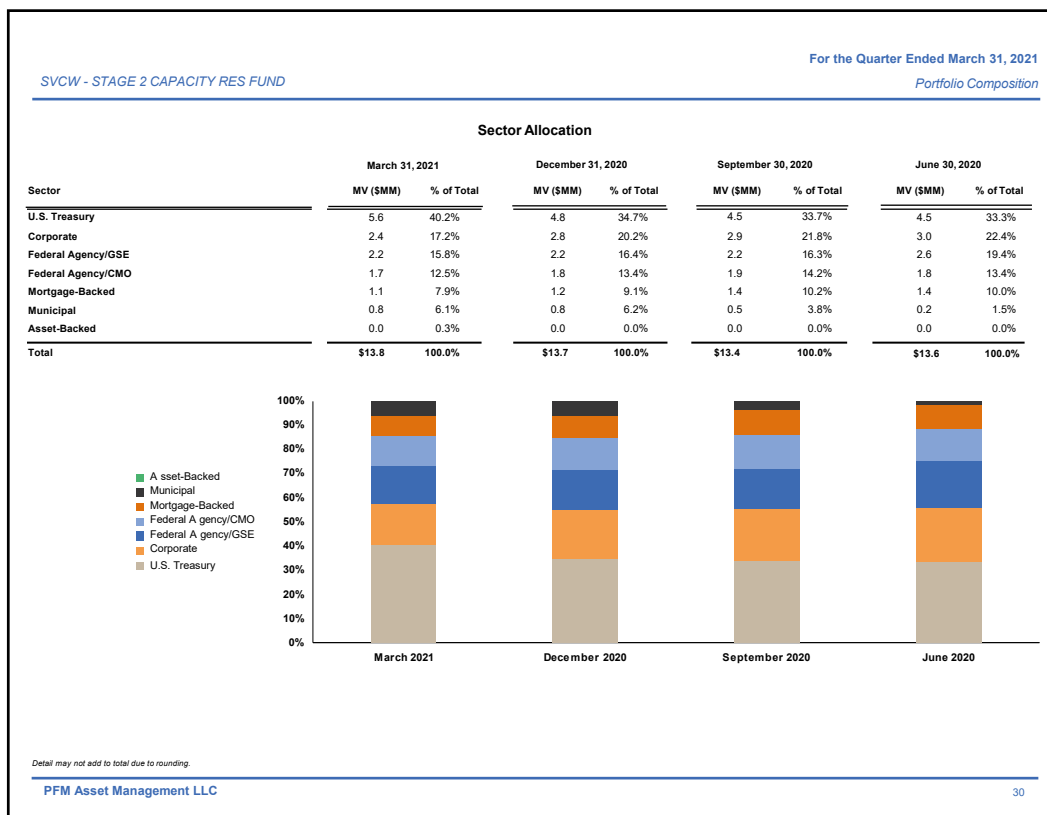
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|  | Market Value Basis  | Accrual (Amortized Cost) Basis |
|--|---|--------------------------------|
|  | <u>  </u> |                                |

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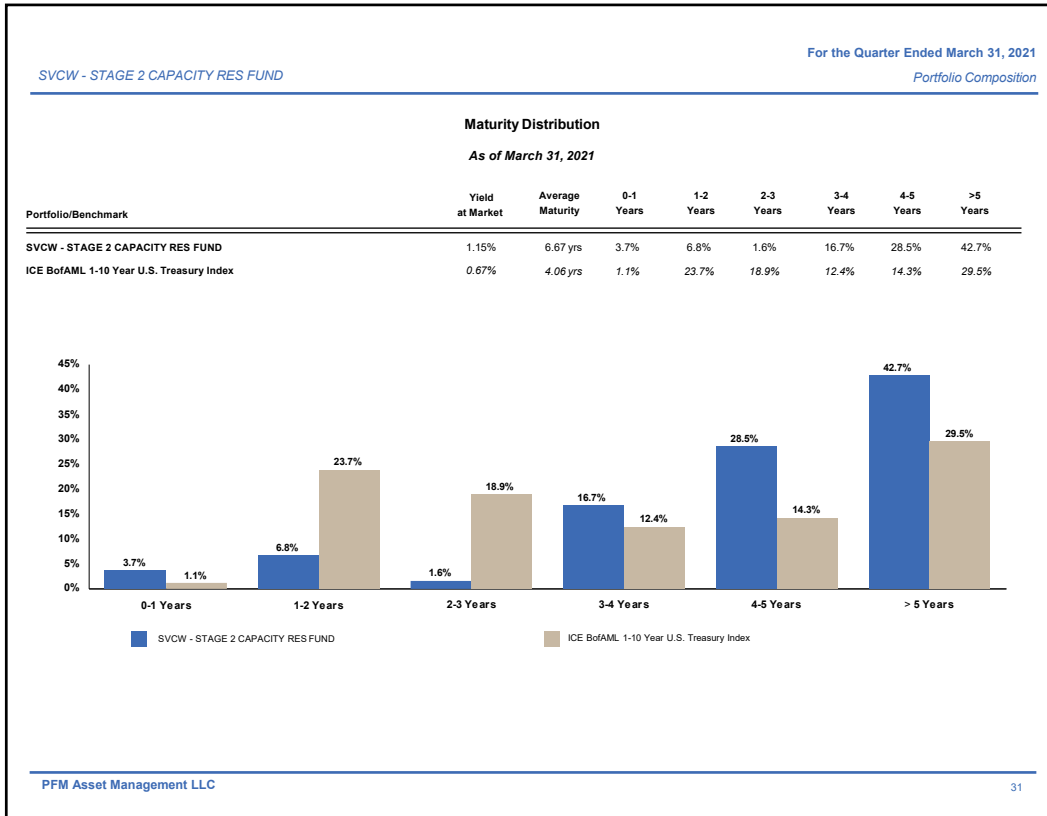
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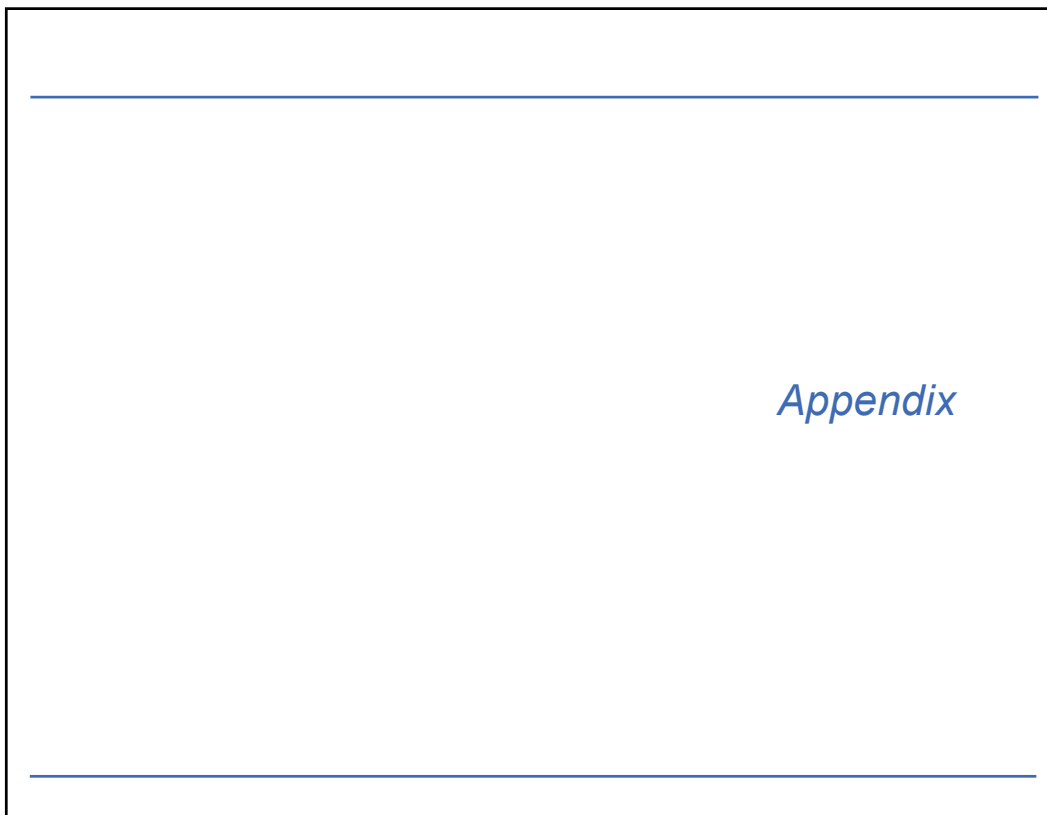
PFM Asset Management LLC

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| SILICON VALLEY CLEAN WATER   | For the Quarter Ended March 31, 2021 |
|  | Appendix                             |
| <b>IMPORTANT DISCLOSURES</b>   |                                      |
| <p>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.</p>  |                                      |
| <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.</li> <li>• Money market fund/cash balances are included in performance and duration computations.</li> <li>• Standard &amp; Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.</li> <li>• 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.</li> <li>• MBS maturities are represented by expected average life.</li> </ul> |                                      |
| PFM Asset Management LLC   | 33                                   |

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|  |                                      |
|--|--------------------------------------|
| SILICON VALLEY CLEAN WATER   | For the Quarter Ended March 31, 2021 |
|  | Appendix                             |
| <b>GLOSSARY</b>  |                                      |
| <ul style="list-style-type: none"> <li>• <b>ACCruED INTEREST:</b> Interest that is due on a bond or other fixed income security since the last interest payment was made.</li> <li>• <b>AGENCIES:</b> Federal agency securities and/or Government-sponsored enterprises.</li> <li>• <b>AMORTIZED COST:</b> 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.</li> <li>• <b>BANKERS' ACCEPTANCE:</b> 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.</li> <li>• <b>COMMERCIAL PAPER:</b> An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.</li> <li>• <b>CONTRIBUTION TO DURATION:</b> 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.</li> <li>• <b>EFFECTIVE DURATION:</b> A measure of the sensitivity of a security's price to a change in interest rates, stated in years.</li> <li>• <b>EFFECTIVE YIELD:</b> 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.</li> <li>• <b>FDIC:</b> Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.</li> <li>• <b>INTEREST RATE:</b> Interest per year divided by principal amount and expressed as a percentage.</li> <li>• <b>MARKET VALUE:</b> The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.</li> <li>• <b>MATURITY:</b> The date upon which the principal or stated value of an investment becomes due and payable.</li> <li>• <b>NEGOTIABLE CERTIFICATES OF DEPOSIT:</b> A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.</li> <li>• <b>PAR VALUE:</b> The nominal dollar face amount of a security.</li> <li>• <b>PASS THROUGH SECURITY:</b> A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.</li> </ul> |                                      |
| PFM Asset Management LLC   | 34                                   |

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|---|--------------------------------------|
| SILICON VALLEY CLEAN WATER  | For the Quarter Ended March 31, 2021 |
| <b>GLOSSARY</b>   | Appendix                             |
| <ul style="list-style-type: none"> <li>● <b>REPURCHASE AGREEMENTS:</b> A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.</li> </ul>   |                                      |
| <ul style="list-style-type: none"> <li>● <b>SETTLE DATE:</b> 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.</li> </ul> |                                      |
| <ul style="list-style-type: none"> <li>● <b>TRADE DATE:</b> The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.</li> </ul>   |                                      |
| <ul style="list-style-type: none"> <li>● <b>UNSETTLED TRADE:</b> A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.</li> </ul>   |                                      |
| <ul style="list-style-type: none"> <li>● <b>U.S. TREASURY:</b> The department of the U.S. government that issues Treasury securities.</li> </ul>  |                                      |
| <ul style="list-style-type: none"> <li>● <b>YIELD:</b> 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.</li> </ul>  |                                      |
| <ul style="list-style-type: none"> <li>● <b>YTM AT COST:</b> 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.</li> </ul>             |                                      |
| <ul style="list-style-type: none"> <li>● <b>YTM AT MARKET:</b> 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.</li> </ul>                 |                                      |
| PFM Asset Management LLC  | 35                                   |

## **AGENDA ITEM 5D**

**ENGINEERING REPORT: APRIL 2021  
CAPITAL IMPROVEMENT PROGRAM**

**RESCU Program (6008, 9501, 9502):** Design and construct conveyance system improvements.

SVCW has awarded progressive design build contracts to Barnard Bessac Joint Venture for the Gravity Pipeline (GP) Project and Shea Parsons Joint Venture for the Front of Plant (FoP) and Pump Stations Improvements (PSI) Projects. These projects are in varying states of design and construction. SVCW staff and consultant project team are intricately involved in all stages of work.

All three projects are in their construction phases.

The Gravity Pipeline Project encountered an unexpected site condition at the San Carlos Shaft site: water containing high levels of ammonia. Extra costs are associated with the shaft construction including measures taken to ensure the health of the workers and specialized equipment for excavating the shaft.

Planned Commission Actions: Approve Contract Change Order for Gravity Pipeline Project – May 2021

**Wastewater Treatment Plant Improvements Phase 2 (9503):** Rehabilitation and/or replacement of seven treatment plant mechanical processes.

This project includes improvements and rehabilitation of several processes throughout the treatment plant. The design-build project was awarded to Overaa Construction in April 2018. The project is in the startup phase and soon ready for project acceptance. Remaining work to be completed includes punch list items.

Planned Commission Actions: Accept Project/File Notice of Completion – June 2021

**3W System Repairs and Upgrades (8025):** Rehabilitate existing No. 3 Water system.

No. 3 water is disinfected effluent used within the treatment plant for a myriad of uses including cooling standby generators, cooling for the heating, ventilation, and air conditioning (HVAC) system serving the Plant's control, maintenance, and laboratory buildings, washdown in process areas (via hose bibs), seal flushing water for process pumps, flushing process piping and tanks, and fire protection. Using 3W within the treatment plant boundaries saves significant costs as it replaces the need to import and purchase potable water. 3W system includes four constant-speed pumps (three duty and one standby) that convey 3W from a chlorine mixing box through a network of distribution piping to serve 3W demands throughout the Plant.

Much of the 3W system was constructed in 1981 as part of original plant construction, making those components about 40 years old. The 3W system has undergone several expansions and repairs since 1981, including a significant piping replacement project

in 2015. Expansion of the system to serve new uses (e.g., the Front of Plant facility) is underway, and some additional uses are planned that will require additional capacity in the future if implemented. This project will design the first phase of a series of repairs and upgrades.

Planned Commission Actions: Approve Design Task Order – June 2021

**Fixed Film Reactor Rehabilitation (9242):** Rehabilitate three remaining fixed film reactors (FFR).

This project includes improvements and rehabilitation of SVCW's three fixed-film reactors. The FFRs are an integral part of the secondary treatment process. These reactors were part of the original plant construction and have reached the end of their useful life. Work includes assessing the condition of the structure that supports the reactors, replacement of the media inside the reactors, and overall rehabilitation of the process equipment, including pumps and blowers. One FFR will be rehabilitated at a time to ensure continued operation of the treatment process. SVCW staff is in the process of choosing a designer for this project.

Planned Commission Actions: Approve Design Task Order – July 2021

**Underground Fuel Tank Replacement (9041):** Decommission and replace underground diesel storage tank with aboveground storage tank.

Diesel for Standby Generators 1 through 3 is stored in a 15,000 underground storage tank that was installed at the time the treatment plant was originally constructed. The tank is a single-wall type and does not meet the modern standards for an underground storage tank that would be built today. SVCW received notification from the State Water Resources Control Board that all single-wall underground storage tanks must be decommissioned by 2025. San Mateo County Department of Health administers regulations related to fuel tanks within county boundaries and staff has been in communication with the County regarding required work. SVCW staff has been working with its consultant Kennedy Jenks to complete the design.

Planned Commission Actions: Approve Construction Contract – July 2021

**Digester #1 Rehabilitation (9215):** Digester #1 rehabilitation and mixing processes upgrades.

This project includes repair of coatings and structural elements in Digester #1, including the dome. Work will also include upgrade of the mixing pumps of all the three digesters with a new type of mixing pumps. The design of the project is being completed by Kennedy/ Jenks and the bidding process is expected to start in early 2022.

Planned Commission Actions: Award Construction Contract – February 2022

## **AGENDA ITEM 5E**

**Silicon Valley Clean Water**  
**Commissioners' Requested Action Items**  
Updated: 05/11/2021

**MAY 17, 2021**  
**AGENDA ITEM 5E**

| Commission Meeting Date |   | Action Item  | Requested or Estimated Date for Completion | Status  |             |          | Date of Completion | Notes   |
|-------------------------|---|--|--|---------|-------------|----------|--------------------|---|
|                         |   |  |  | Ongoing | In Progress | Complete |                    |   |
| 4/19/2021               | 1 | Schedule Performance Index for RESCU FoP                 | 5/17/2021                                  |         | ✓           |          |                    | Report out why the SPI for FoP is in yellow at a value of 0.91  |
| 3/15/2021               | 1 | No Action Items  |  |         |             |          |                    |   |
| 2/22/2021               | 1 | Staff Re-Organization                                    | 2/26/2021                                  |         |             | ✓        | 2/22/2021          | Send new organization chart to commissioners  |
| 1/25/2021               | 1 | Air Permit Excursion                                     | N/A  |         | ✓           |          |                    | Inform Commission if the natural gas excursion on Cogen Engines result in a fine from BAAQMD  |
| 12/14/2020              | 1 | 2021 Commission Meeting Dates                            | 12/14/2020                                 |         |             | ✓        | 12/14/2020         | Confirm dates for Commission meetings in 2021. Done at 12/14 meeting. Three Special meetings scheduled due to holidays.   |
|                         | 2 | Project Changes/Commission Notification                  | N/A  | ✓       |             |          |                    | Ensure Commission is kept apprised of possible/potential project cost and/or schedule increases.  |
| 11/16/2020              | 1 | Muck Disposal  | N/A  | ✓       |             |          |                    | Report monthly on availability and cost for muck disposal for Gravity Pipeline project. Updates provided in monthly RESCU reports, Item 5F on Commission agendas. |
| 10/19/2020              | 1 | No Action Items  |  |         |             |          |                    |   |
| 9/21/2020               | 1 | Administrative Policies                                  | N/A  | ✓       |             |          |                    | With respect to policies, if there's need to waive or gain exception to term(s), bring the issue forward for Commission's consideration.                          |
| 8/17/2020               | 1 | Public Outreach  | N/A  | ✓       |             |          |                    | Continue working with Communications Manager to continuously improve public outreach.   |
| 7/20/2020               | 1 | Change SVCW Bylaws wrt terms of office                   | 11/16/2020                                 |         |             | ✓        | 11/16/2020         | Bylaws note change to officers in July each year. Discussed at the November 2020 meeting; consensus to keep as is.  |
| 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  | ✓       |             |          |                    | Ongoing samples sent to Stanford University and Aquavitas LLC. Link to results sent to Commissioners in February 2021.  |
| > 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.   |

**Silicon Valley Clean Water  
Commissioners' Requested Action Items**

Updated: 04/06/2021

**MAY 17, 2021  
AGENDA ITEM 5E**

| Commission Meeting Date | Action Item |                          | Requested or Estimated Date for Completion | Status  |             |          | Date of Completion | Notes  |
|-------------------------|-------------|--------------------------|--|---------|-------------|----------|--------------------|--|
|                         |             |                          |  | Ongoing | In Progress | Complete |                    |  |
|                         | 2           | Project delay costs      | N/A  | ✓       |             |          | Ongoing            | Inform Commission of any potential delays that could add time and costs to projects they have authorized.  |
|                         | 3           | Maple Street Development | N/A  | ✓       |             |          |                    | SVCW and RWC staff coordinating efforts and messages to developer to protect mutual and exclusive interests.   |
|                         | 4           | Connection Fees          | NA   |         | ✓           |          |                    | Additional plant capacity evaluation is underway to ensure proper flow numbers are used in the calculations. Will be incorporated into upcoming JPA changes. |
|                         | 5           | 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                   |



## **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

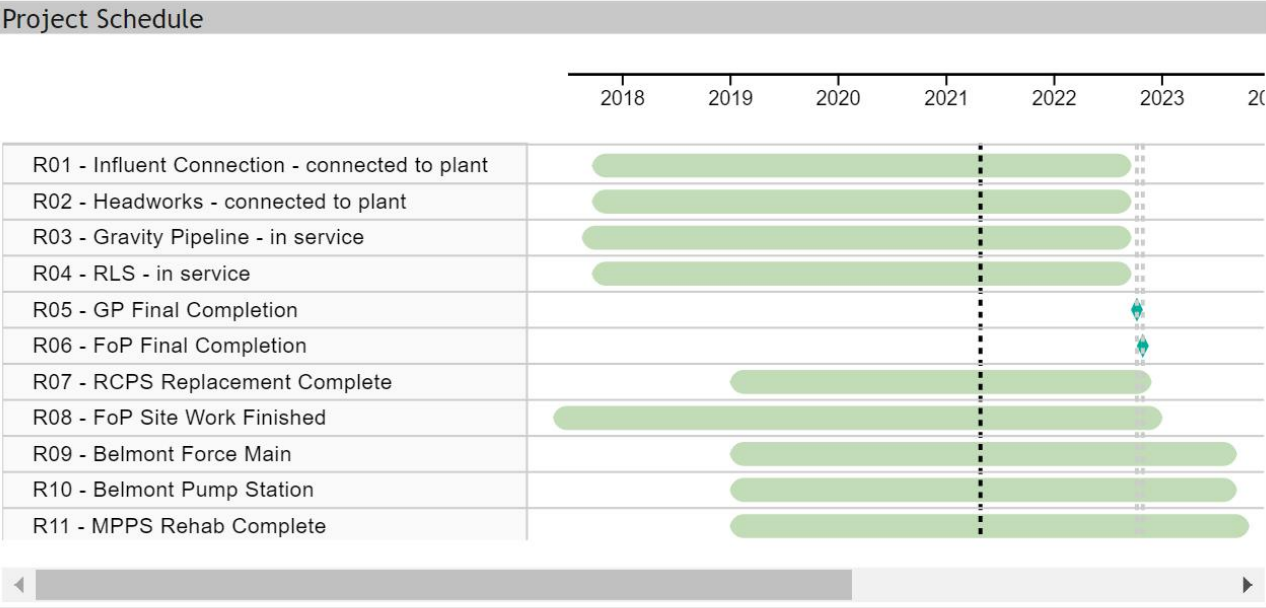
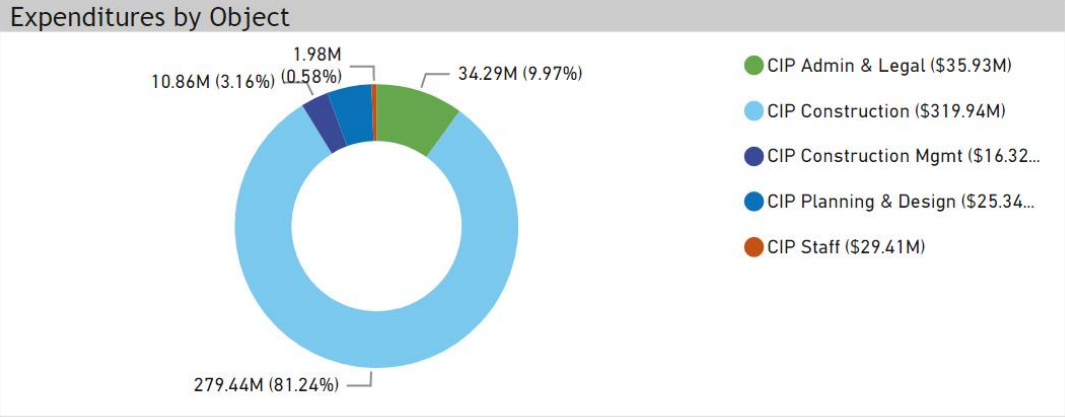
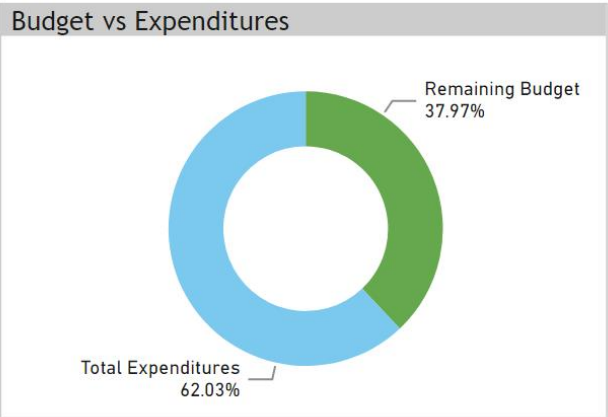
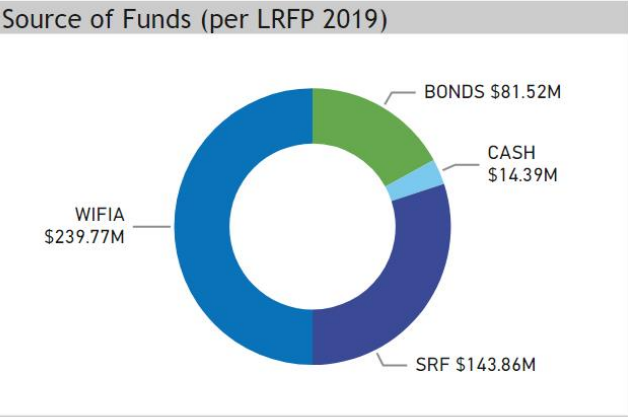
\$554.36M

Total Expenditure

\$343.97M

Remaining Budget

\$210.40M





# Front of Plant Progressive DB Project (CIP 9502)



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

\$161.95M

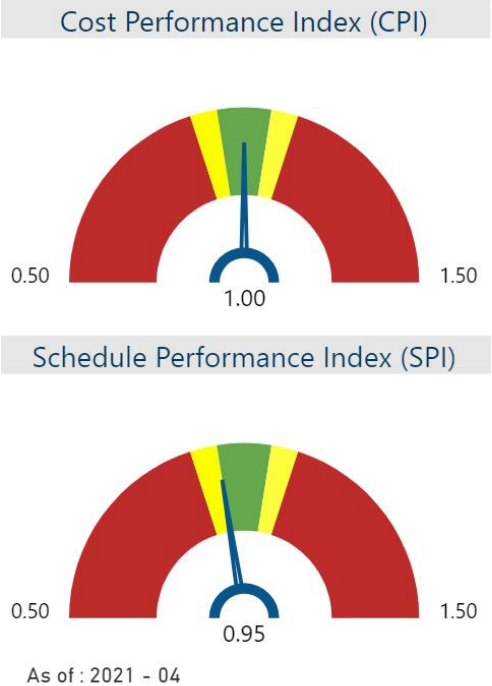
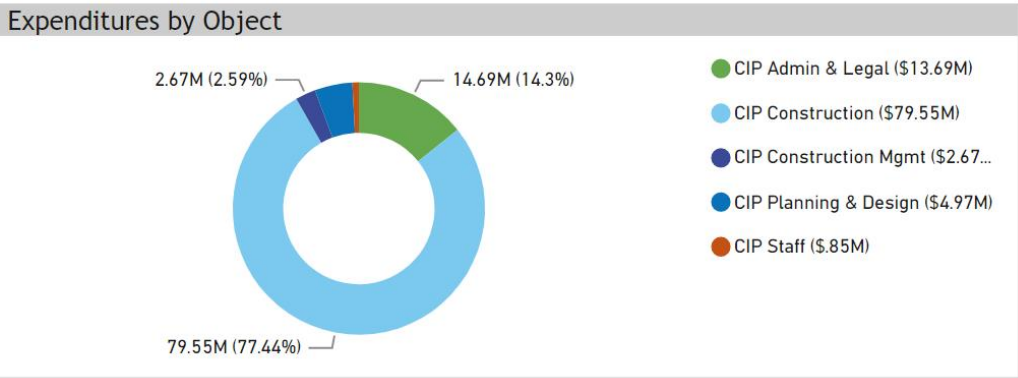
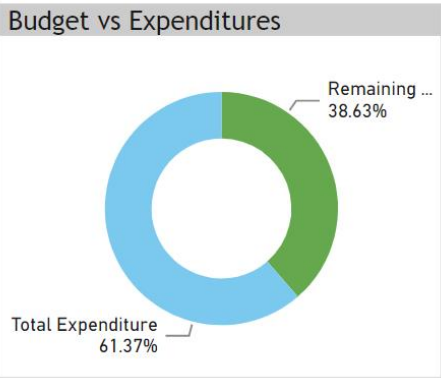
Total Expenditure

\$99.39M

Remaining Budget

\$62.56M

| Milestone Schedule             |           |           |
|--------------------------------|-----------|-----------|
|                                | Start     | Finish    |
| Interconnection Pipe Completed | 7/24/2020 | 4/13/2022 |
| Headworks Facility Completed   | 12/6/2018 | 11/5/2021 |
| SFS/RLS Completed              | 12/6/2018 | 7/1/2022  |
| Substantial Completion         |           | 9/30/2022 |



## Major Accomplishments this Period

|                               |  |
|-------------------------------|--|
| ▼                             |  |
| Construction                  | <ul style="list-style-type: none"> <li>- SPJV installed fibre-reinforced plastic foul air piping to the exhaust fans at Odor Control Area.</li> <li>- SPJV began installation of Grit Washer Classifiers at Grit Loading Area.</li> <li>- SPJV routed exposed conduit &amp; wire from Portable Generator Connection to Electrical Room.</li> <li>- SPJV installed lighting in the Screening &amp; Grit Loading Room.</li> <li>- SPJV installed handrailing around Headworks Facility.</li> <li>- SPJV installed 24" stainless steel pump discharge piping &amp; expansion joints from elbow at Upper Walls of the Headworks Facility.</li> <li>- SPJV installed HVAC ducting, supports, and supply air fan in each stairwell.</li> <li>- SPJV continued installing the permanent elevator in the RLS.</li> <li>- SPJV installed part of the RLS upper mezzanine platform.</li> </ul> |
| Design                        | <ul style="list-style-type: none"> <li>- SPJV is working with CID to further develop the control strategies.</li> <li>- SVCW reviewed the second draft of the start-up and testing plan.</li> </ul>  |
| Procurement of Trade Packages | <ul style="list-style-type: none"> <li>- WIFIA and SRF requirements compliance for trade packages are in progress.</li> <li>- RLS GEDA elevator, grit pumps, grit classifier, and major electrical components (switch gear, motor control centers, variable-frequency drives) arrived onsite.</li> </ul>   |

## 3 - Month Look Ahead

|   | Start             | End            | May | June | July |
|---|-------------------|----------------|-----|------|------|
| Form/Set Rebar/Place Concrete for Precast RLS Roof Sections         | March 15, 2021    | May 11, 2021   | X   |      |      |
| Install Grit Piping and Pumps                                       | May 12, 2021      | May 20, 2021   | X   |      |      |
| Install Elevator  | April 1, 2021     | May 12, 2021   | X   |      |      |
| Place various concrete supports at RLS base slab area               | June 15, 2021     | June 22, 2021  |     | X    |      |
| Install 48-inch Foul Air Piping and Storm Drain Line from HW to SFS | June 30, 2021     | July 20, 2021  |     | X    | X    |
| Install permanent lighting around Headworks Facility                | November 24, 2020 | July 29, 2021  | X   | X    | X    |
| Install Electrical Conduit and Wire at RLS                          | March 17, 2021    | August 5, 2021 | X   | X    | X    |
| Install RLS Main Jib Crane  | June 16, 2021     | June 29, 2021  |     | X    |      |

## Potential Issues

|  |
|--|
| Intrinsically Safe Relay Panel                         |
| Plant water pipeline size upgrade and related fixtures |
| Utilidor extension for piping                          |

## Project Changes

|  |
|--|
| Change order for odor control system                                     |
| Change order for relocating potable water line and Air Gap Tank Facility |
| 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 |



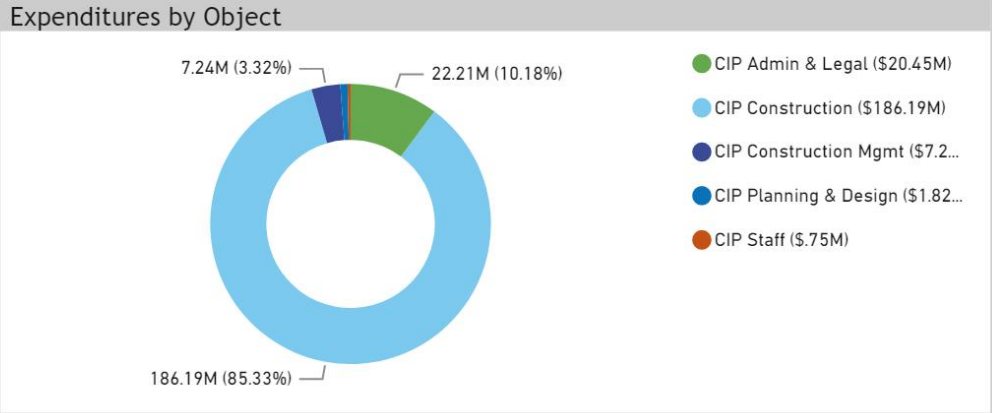
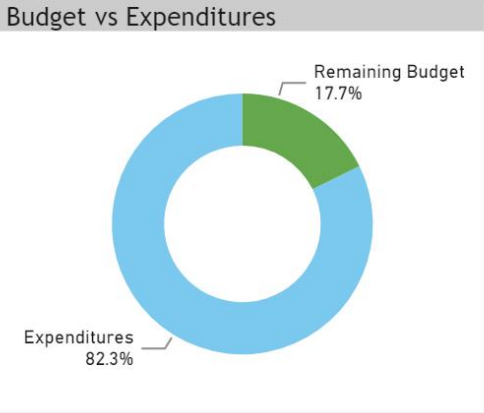
# Gravity Pipeline Progressive DB Project (CIP 6008)



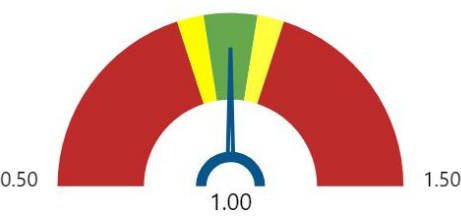
The Gravity Pipeline (GP) Project consists of the design, construction, permitting, start-up, commissioning, and closeout of approximately 17,600 feet of wastewater gravity FRP pipe inside a concrete-segment tunnel. The work includes three shafts and will interface directly with the Front of Plant (FoP) 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        | \$213.35M         | \$45.87M         |

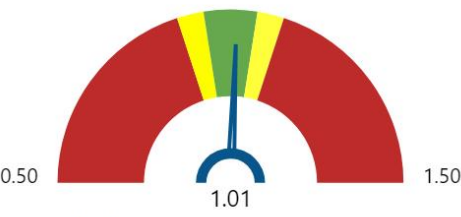
| Milestone Schedule                     |            |           |
|--|------------|-----------|
|  | Start      | Finish    |
| 100% Design Documents                  |            | 4/26/2021 |
| San Carlos Shaft and Adit Construction | 6/15/2020  | 9/13/2021 |
| TBM Drive (AAS to SFS)                 | 7/6/2020   | 6/11/2021 |
| FRP Pipe Installation                  | 11/16/2020 | 3/14/2022 |
| Substantial Completion                 |            | 7/1/2022  |



## Cost Performance Index (CPI)



## Schedule Performance Index (SPI)



As of : 2021 - 04



## Major Accomplishments this Period

|                               |   |
|-------------------------------|---|
| ▼                             |   |
| Construction                  | <ul style="list-style-type: none"> <li>- BBJV continued tunneling the second drive to the SFS</li> <li>- BBJV completed jet grout operation at the SFS and began demo of the shaft wall</li> </ul>  |
| Design                        | <ul style="list-style-type: none"> <li>- BBJV incorporating SVCW comments into the 100% design for San Carlos and Bair Island piping.</li> </ul>  |
| Muck Disposal                 | <ul style="list-style-type: none"> <li>- 50% of Muck Disposal Amendment spent</li> <li>- 50% of Muck Disposal Amendment remaining</li> <li>- Currently offhauling to Oyster Bay in San Leandro</li> </ul>                                     |
| Procurement of Trade Packages | <ul style="list-style-type: none"> <li>- SFS break-through demo contract in progress</li> <li>- San Carlos Shaft Adit pipe jacking contract in progress</li> <li>- Outreach in conformance with SRF and WIFIA funding requirements</li> </ul> |

## Potential Issues

Additional costs for SFS Break-in approach  
San Carlos and Bair Island Connecting Piping

## 3 - Month Look Ahead

|                              | Start          | End             | May | June | July |
|------------------------------|----------------|-----------------|-----|------|------|
| Second tunnel drive to SFS   | July 6, 2020   | June 11, 2021   | X   | X    |      |
| SFS D-Wall Demo              | April 28, 2021 | May 21, 2021    | X   |      |      |
| San Carlos Adit Construction | May 5, 2021    | August 17, 2021 | X   | X    | X    |
| TBM Removal at SFS           | June 14, 2021  | August 17, 2021 |     | X    | X    |

## Project Changes

Bair Island Force Main Exposure and Additional Monitoring  
Bair Island Weir Optimization  
Exceedence of Muck Offhaul Allowance  
New County/Local Sales Tax and US Tariffs  
San Carlos Shaft Ammonia Mitigation  
Soil Conditioner Leak at CPT Hole STA 171 + 80

## Safety Spot Light

|                 |   |
|-----------------|---|
| Lost Time       | 1 |
| Near Misses     | 3 |
| Recorded Losses | 1 |



# Pump Stations (CIP 9501)

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.

## Milestone Schedule

|   | Start      | Finish     |
|---|------------|------------|
| MPPS - Mobilize                                   | 6/24/2021  | 7/8/2021   |
| MPPS - CARV and Meter Vault                       | 10/28/2021 | 11/22/2021 |
| MPPS - Pump Station Rehabilitation                | 2/10/2022  | 10/19/2022 |
| MPPS - Segment 1 and 2 CARVs                      | 7/16/2021  | 10/22/2021 |
| BGP - Phase 1A Work                               | 2/19/2021  | 5/7/2021   |
| BGP - Phase 1B Work                               | 4/12/2021  | 5/28/2021  |
| BGP - Phase 2 Work                                | 5/4/2021   | 4/11/2022  |
| RCPS - PG&E Service Work                          | 7/21/2021  | 8/18/2022  |
| RCPS - Wet Well & Screening Building Construction | 2/16/2021  | 12/28/2022 |
| RCPS - Electrical Bldg & Restroom Slab            | 3/17/2021  | 6/16/2021  |

## Available Budget

\$119.68M

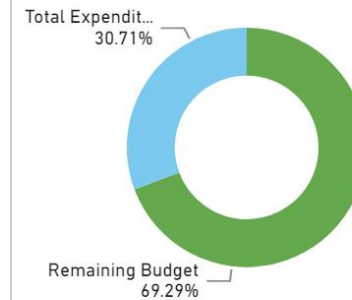
## Total Expenditure

\$36.75M

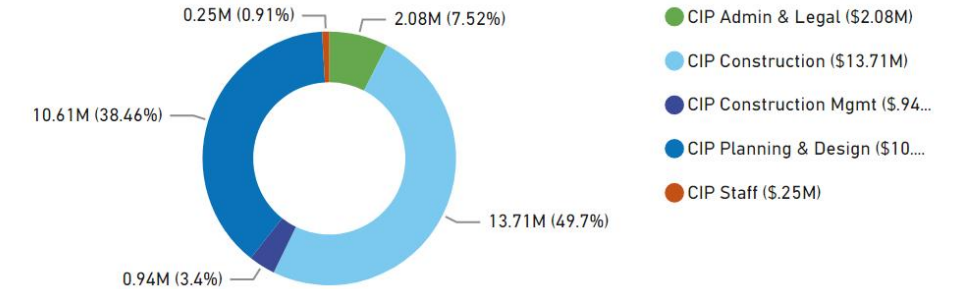
## Remaining Budget

\$82.93M

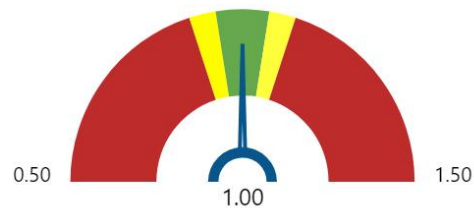
## Budget vs Expenditures



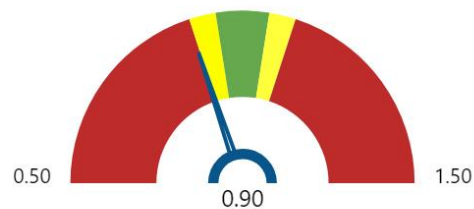
## Expenditures by Object



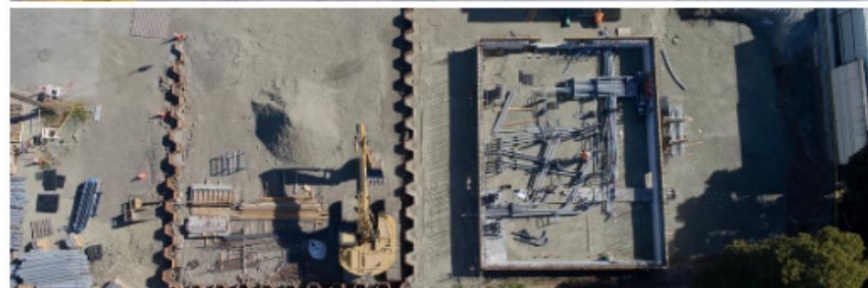
## Cost Performance Index (CPI)



## Schedule Performance Index (SPI)



As of : 2021 - 04



## Major Accomplishments this Period

|              |  |
|--------------|--|
| Construction | <ul style="list-style-type: none"> <li>- RCPS: Completed the electrical building foundation and stem wall. Began installing conduit at subgrade levels beneath the new electrical building.</li> <li>- BGP: Completed relocation of 8-inch water line and began shoring installation at JS-1. Completed shoring installation and portal stabilization at RS-1 and RS-2. Will begin work at JS-2 this month.</li> </ul> |
| Design       | <ul style="list-style-type: none"> <li>- Negotiation is on-going regarding the cost for design of the SCPS declassification.</li> <li>- SPJV is working on a quote for installing a 60-inch pipe from the new junction box at RCPS to just outside the property line for the City of Redwood City.</li> </ul>  |

## 3 - Month Look Ahead

|  | Start             | End               | May | June | July |
|--|-------------------|-------------------|-----|------|------|
| MPPS - Procurement   | February 1, 2021  | November 30, 2021 | X   | X    | X    |
| MPPS - Mobilization  | June 24, 2021     | July 15, 2021     |     | X    | X    |
| MPPS - Segment 1 and 2 CARVs                                 | July 16, 2021     | October 22, 2021  |     |      | X    |
| MPPS - Electrical Room Improvements                          | July 16, 2021     | October 7, 2022   |     |      | X    |
| BGP - Procurement  | March 31, 2021    | October 15, 2021  | X   | X    | X    |
| BGP - Phase 1A   | February 19, 2021 | May 7, 2021       | X   |      |      |
| BGP - Phase 1B   | April 12, 2021    | May 28, 2021      | X   |      |      |
| BGP - Phase 2  | May 4, 2021       | April 11, 2022    | X   | X    | X    |
| RCPS - Permits & Easements Acquisition                       | June 11, 2020     | December 17, 2021 |     | X    | X    |
| RCPS - Procurement   | March 31, 2021    | November 17, 2021 | X   | X    | X    |
| RCPS - PG&E Service  | July 21, 2021     | August 18, 2022   |     |      | X    |
| RCPS - Wet Well & Screening Building Excavation and Backfill | February 22, 2021 | December 28, 2022 | X   | X    | X    |
| RCPS - Electrical Building & Restroom Slab                   | May 17, 2021      | June 16, 2021     | X   | X    |      |
| RCPS - Generator Foundation                                  | May 19, 2021      | June 9, 2021      | X   | X    |      |

## Potential Issues

|   |
|---|
| Schedule challenges from permitting and land acquisition conditions |
|---|

## Project Changes

|   |
|---|
| BGP Design Development                    |
| BGP Traffic Control Plan Changes          |
| Segment 1 Force Main Junction Box Repairs |

## Safety Spot Light

|                 |   |
|-----------------|---|
| Lost Time       | 0 |
| Near Misses     | 0 |
| Recorded Losses | 0 |



## **AGENDA ITEM 7A**

**MINUTES OF SILICON VALLEY CLEAN WATER  
REGULAR MEETING – April 19, 2021**

**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 8:01 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 Warren Lieberman, PhD., Belmont – Secretary  
Council Member Ron Collins, San Carlos

**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  
Jessica Mangual, SVCW Secretary Pro Tem  
Arvind Akela, SVCW Engineering/Environmental Services Director  
Kara Tremblay, SVCW Associate Engineer  
Cindy Hui, Accounting Supervisor  
Kiki Newberry, Financial Analyst  
EJ Shalaby, Senior Consultant, DNS Strategic Partners  
Bill Tanner, Tanner Pacific, Inc.  
Mark Minkowski, Kennedy/Jenks  
Aren Hansen, Brown & Caldwell  
Molly Flowerday, City of Redwood City  
Sergio Ramirez, West Bay Sanitary District  
Lora Carpenter, Fieldman, Rolapp & Associates  
Robert Porr, Fieldman, Rolapp & Associates  
Doug Brown, Stradling, Yocca, Carlson & Rauth  
Steven Machida, City of San Carlos  
Suzanne Solomon, LCW

**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 on how to keep injury-free while doing yard work.

Under Item 5F, staff was requested to provide information at the next meeting on the SPI for Front of Plant project.

For the remaining written reports contained within the agenda packet, there were no questions or comments.

#### **ITEM 6**

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

No matters were discussed.

#### **ITEM 7**

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

- A. APPROVAL OF MINUTES – March 15, 2021 – Regular Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED MARCH 1, 2021, MARCH 5, 2021, AND MARCH 19, 2021, AND NECESSARY PAYMENTS THROUGH MARCH 19, 2021
- C. CONSIDERATION OF RESOLUTION APPROVING REVISION TO ADMINISTRATIVE POLICY 1986-04 TO REFLECT CURRENT CLAIMS ADMINISTRATION PROCEDURES

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION A TO COMMISSION POLICY 1986-04 ESTABLISHING PROCEDURES FOR CLAIMS ADMINISTRATION

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

The Motion carried by Unanimous Roll Call Vote

## **ITEM 8A**

### **A. CONSIDERATION OF RESOLUTION APPROVING FISCAL YEAR 2021-22 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET**

Proposed Actions:

- i. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER APPROVING FISCAL YEAR 2021-22 REVENUE PLAN IN THE AMOUNT OF \$27,612,513 IN NET OPERATING REVENUES REQUIRED AND \$1,497,500 FOR REVENUE-FUNDED CAPITAL PROJECTS
- ii. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER APPROVING FISCAL YEAR 2021-22 CASH RESERVE DESIGNATIONS IN THE AMOUNT OF \$2,000,000 TO THE CAPITAL IMPROVEMENT PROGRAM RESERVE FUND AND \$0.00 TO THE OPERATING RESERVE FUND
- iii. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER APPROVING FISCAL YEAR 2021-22 DEBT SERVICE EXPENDITURES IN AN AMOUNT OF \$19,394,786
- iv. Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING SVCW MANAGER TO IMPLEMENT, MANAGE AND APPROVE EXPENDITURES AUTHORIZED WITHIN THE FISCAL YEAR 2021-22 ANNUAL OPERATING AND CAPITAL EXPENDITURES BUDGET AS ADOPTED BY THE SILICON VALLEY CLEAN WATER COMMISSION

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

The Motion carried by Unanimous Roll Call Vote

## **ITEM 9**

CLOSED SESSION

- A. Conference with Legal Counsel – Existing Litigation (Gov't. Code §54956.9(d)(1))  
Re: Daniel Child v. Silicon Valley Clean Water, et al. (San Mateo County Sup. Ct. No. 20-CIV-01384)

Closed Session was called to order at 8:23 a.m.

## **ITEM 10**

RECONVENE IN OPEN SESSION

Open Session reconvened at 8:49 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 8:50 a.m.

Minutes prepared by Teresa A. Herrera  
Reviewed by General Counsel

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Warren Lieberman, Secretary

## **AGENDA ITEM 7B**

**SVCW WARRANT REGISTER**

SVCW Warrant Registers dated March 20, 2021 – April 9, 2021 and April 10, 2021 – April 23, 2021, were scanned and a copy was emailed to Commissioners and Legal Counsel on May 11, 2021.

## **AGENDA ITEM 7C**



**STANDBY GENERATORS FEED RELOCATION &  
ELECTRICAL PANEL UPGRADES PROJECT (CIP #9240)  
CONTRACT CHANGE ORDER**

ISSUE

Authorization of Contract Change Order to Standby Generators Feed Relocation & Electrical Panel Upgrades Project (CIP #9240) for Aeration Basin No. 4 Column Repair

BACKGROUND

As part of the secondary treatment for wastewater, an environment is created for microbiology to grow and, in turn, treat the wastewater by consuming organic matter in the water. For microbes to grow, air needs to be added to the water. At the treatment plant, there are four Aeration Basins that utilize aerator-mixers to disperse air and provide an optimal environment for the microbes. Each Aeration Basin is 115 feet by 55 feet and fitted with two aerator-mixers. The aerator-mixers are supported from a platform in the middle of the tank that is accessible via a walkway. Each platform has four columns supporting the platform from the floor of the basin. The original aerator-mixers were replaced three years ago with high-efficiency parabolic mixers. These mixers are a new technology and their installation reduced SVCW plant power demand by nearly 20 percent.

In February 2020 cracking was observed on one of the support columns in Aeration Basin No. 4. The engineering consulting firm, Kennedy/Jenks, was tasked with inspecting and performing a structural evaluation of not only this column but also on columns in the other three tanks to determine the extent of cracking and recommend a method of repair, if needed. After inspection, it was determined the cracking in Aeration Basin 4 would not result in an immediate failure, but ongoing monitoring and a near-term future repair would be required. There were no signs of structural damage in any of the other tanks.

To ensure the integrity of this critical structural element, staff requested a repair design to be prepared by Kennedy/Jenks. Design includes removal and repair of spalling concrete, cleaning and repair of exposed rebar, and wrapping the column with a fiber reinforced polymer (FRP) material.

Aeration Basin No. 4 has remained mostly out of service since the structural cracking was discovered and is being used as an emergency basin. It is believed that the cracking was caused by the original mixers, which were much heavier than the new mixers, and experienced vibration issues towards the end of their lives.

DISCUSSION

FRP wrapping is a method that SVCW has used in various places within the plant to either repair damaged structural beams and columns, or to increase the strength of the beams and columns when new, heavy equipment is installed. This type of work is performed by specialty subcontractors such as DW Nicholson, who is currently working onsite in connection with the Standby Generators Feed Relocation & Electrical Panel Upgrades Project awarded in December 2020. The project includes structural reinforcement and strengthening of the mid-level concrete deck in the Plant's Main Structure to support additional weight of two transformers being installed under that project. The nature of the structural reinforcement is identical to what is needed to reinforce and repair the Aeration Basin No. 4 support column i.e., an FRP material wrapped around a structural member by

a specialized contractor. As such, authorizing DW Nicholson to continue to perform the same necessary work inside Aeration Basin 4 would be advantageous and in the public interest.

Based on the similar scope of work and in a similar location at the plant, SVCW requested a quote from DW Nicholson to perform the necessary work inside Aeration Basin 4. The quoted amount is \$135,602. The quote has been reviewed by SVCW's construction manager, Tanner Pacific, and is in line with expected costs.

#### FINANCES

Work under this Contract Change Order will be funded from CIP #9014 Process Tanks Concrete and Steel Protective Coatings Replacements. The remaining budget as of March 2021 for CIP #9014 is \$445,664.

#### RECOMMENDATION

Move approval of CONTRACT CHANGE ORDER FOR THE STANDBY GENERATORS FEED RELOCATION & ELECTRICAL PANEL UPGRADES (CIP #9240) PROJECT IN THE AMOUNT OF \$135,602 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS - DW NICHOLSON

## **AGENDA ITEM 7D**

**REVISION TO COMMISSION POLICY NO. 2013-03,  
SILICON VALLEY CLEAN WATER RESERVE FUND POLICY AND PROCEDURES**

**ISSUE**

Review and Revise Silicon Valley Clean Water (SVCW) Commission Policy No. 2013-03, Reserve Fund Policy and Procedures

**BACKGROUND**

In August 2013, the SVCW Commission adopted a Reserve Fund Policy and Procedures formally establishing operating and capital reserve funds that will safeguard SVCW fiscal solvency. There are three separate reserve funds:

1. **Annual Operations and Capital Budget Reserve Fund** has a \$3.85 million balance as of March 31, 2021. It protects Member Agencies from having to quickly contribute cash if emergency events occur that cause need for immediate expenditures.
2. **Capital Improvement Program Reserve Fund (“CIP Reserve”)** has an \$18 million balance as of March 31, 2021. This reserve serves several purposes. As it grows it reduces SVCW’s dependence on future debt by gradually preserving funds for future capital improvement projects. Secondly, a portion of this fund is designated to meet reserve requirements for specific State Revolving Fund loans. Finally, in cases of catastrophic emergency needs, it can be used.
3. **Stage 2 Capacity Reserve Fund** has a \$14.6 million balance as of March 31, 2021. This fund holds all proceeds generated from sewer connection fees and may only be spent on capital projects that address SVCW’s operational capacity.

**DISCUSSION**

Since originally adopted in 2013, amendments to the Reserve Fund policy were mostly limited to changes in grammar and syntax. In November 2020 the Commission adopted changes to the policy that established a \$50 million target balance for the CIP Reserve.

SVCW staff-recommended changes are set forth in the attached *Rev: E of Commission Policy No. 2013-03*. The proposed changes would:

- Reposition the Policy from an implementation document to a forward-looking framework; and
- Define the inflation index used to measure the CIP Reserve target balance.

Red-lined and clean versions of the recommended revised Policy are attached.

**RECOMMENDATION**

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION E TO COMMISSION POLICY NO. 2013-03, SILICON VALLEY CLEAN WATER RESERVE FUND POLICY AND PROCEDURES

## Silicon Valley Clean Water

COMMISSION POLICY NO. 2013-03

APPROVED BY: \_\_\_\_\_

Revision: ~~D-E~~

Revision Date: ~~11/18/2019~~ 05/17/2021

Issue Date: 08/08/2013

Approved by SVCW Commission at Meeting of ~~November 18, 2019~~ May 17, 2021 by Resolution SVCW ~~49-4221-17~~

**SUBJECT: SVCW Reserve Fund Policy and Procedures**

### PURPOSE

To prudently protect the fiscal solvency of the Authority, it is important to maintain a minimum level of reserves. Reserves are important to mitigate the negative impact of revenue shortfalls from economic fluctuations, to fund unforeseen expense requirements, to provide stable rates for member entities, to fund future long-term capital needs, and to ~~provide a minimum level of cash to avoid~~mitigate the need to borrow and pay interest for ~~cash management purposes~~capital improvement projects.

~~Silicon Valley Clean Water (SVCW) historically maintained minimum reserve levels when reaching budgetary decisions. However, it is~~Since establishing the Reserve Fund Policy in 2013, it is the desire of the SVCW Commission to ~~develop a written policy establishing~~ensure target minimum reserve levels ~~that encourage both the Commission and staff to focus on this important fiscal consideration to ensure the~~that will safeguard the continued fiscal stability of the Authority.

This policy mandates the minimum reserve levels necessary to maintain credit worthiness and to adequately provide for:

- Economic certainty during financial hardships or downturns in the local, state or national economy
- Economic certainty in the event of local disasters or catastrophic events
- Coverage of debt reserve requirements
- Coverage for capital obligations
- Cash flow requirements
- Rate stability
- Legal requirements

### POLICY

The Authority shall maintain reserve balances for the Annual Operations Budget, the Capital Equipment Replacement Fund, the Capital Improvement Program Fund and the Stage 2 Capacity Expansion Fund. The Authority shall target the minimum reserve level and funding sources for each of the ~~four~~ funds as follows:

#### 1. ANNUAL OPERATIONS AND CAPITAL BUDGET RESERVE FUND

The Annual Operations and Capital Budget Reserve Fund shall be maintained at a minimum balance of Ten Percent (10%) of the approved annual Operations and Capital budgeted Authority expenses, plus One Million Dollars (\$1,000,000.00). This fund will allow for

continued operation in times of local, regional, state or national crisis or for unbudgeted, unexpected operational, maintenance or capital expenses approved by the SVCW Commission on a case-by-case basis.

Funding for the Annual Operations and Capital Budget Reserve Fund will be funded by each member agency in an amount equal to their percentage of capacity ownership in the SVCW. The reserve shall be funded to its minimum balance at the beginning of each fiscal year as part of the annual budget process. Any reserve balance will be available for spending on unanticipated, unbudgeted operating and maintenance or capital expenses approved by the Commission during that fiscal year. Any balance in excess of the 10% plus \$1,000,000 reserve level, at the end of the fiscal year, shall be used to offset the upcoming year's share of the Annual Operations Budget for each member agency in an amount equal to their percentage of capacity ownership in SVCW. All interest derived from the fund balance shall be credited to this fund.

## 2. CAPITAL IMPROVEMENTS PROGRAM RESERVE FUND

The Capital Improvement Program Reserve Fund shall be funded until it reaches a balance of \$50 million (\$50,000,000) in 2019 dollars, based upon inflation measures as described in the annual Engineering News-Record ("ENR") construction cost index for the San Francisco Bay Area. This will ~~to~~ provide adequate resources in the event of a sudden and catastrophic infrastructure failure and, coupled with a robust and ongoing revenue-funded capital program approved by the Commission before each fiscal year, ~~this~~ will allow most major expenses in the future, related to the facilities reaching the end of their useful life, to be paid for on a "pay as you go" basis and limit the need for borrowing. However, as significant infrastructure projects occur, it may be appropriate to leverage borrowing to ensure equitable contributions by future generations. This fund shall also provide funding, as available, for required plant improvements mandated by regulatory changes. This fund will maintain the dedicated minimum debt service amounts required by State Revolving Fund loans and other CIP loans not held in escrow.

Funding for the Capital Improvement Program Reserve Fund will be ~~funded-contributed~~ by each member agency in an amount equal to their percent of capacity ownership in SVCW and will be contributed in addition to and at the same time as the member entity's monthly Annual Operating Budget payments. All interest derived from the fund balance shall be credited to this fund.

To meet specific debt reserves required by State Revolving Fund loans received from the California State Water Resource Control Board, SVCW may designate specific amounts as debt service reserves equivalent to one year's debt service for each respective State Revolving Fund loan.

## 3. STAGE 2 CAPACITY FUND

The Stage 2 Capacity Fund shall be utilized to pay for capital projects that increase the treatment capacity of the SVCW facilities. The fund shall be a "pay as you go" fund that derives income from fees paid by new customers to buy capacity for the use of the SVCW

facilities. Projects to enhance capacity will be built when there are adequate cash reserves to fund the project or at the discretion of the SVCW Commission.

Payments will be made in accordance with the requirements of the SVCW Joint Powers Agreement (JPA) for new connections to the system. There is no limit to the amount of funds that can accumulate in this fund. All interest derived from the fund balance shall be credited to this fund.

#### **IMPLEMENTATION ANNUAL CONTRIBUTIONS**

- **ANNUAL OPERATIONS AND CAPITAL BUDGET RESERVE FUND**

~~Initial funding for the Annual Operations and Capital Budget Reserve was funded from current reserves in the amount of Three Million Two Hundred Forty Thousand Dollars (\$3,240,000)~~  
~~Upon adoption of this policy, and the Annual Operations and Capital Budget Reserve Fund~~ shall be adjusted annually to maintain the minimum balance required as part of the annual budget process.

- **CAPITAL IMPROVEMENTS PROGRAM RESERVE FUND**

~~Initial funding for the Capital Improvement Program Reserve Fund was funded with the balance of available funds in the current Fund 14 and Fund 17 and non-operating funds in Funds 11 and 18. The balance of these funds, less \$3,240,000 (initial funding for the Annual Operations and Capital Budget Reserve) is approximately Twelve Million Four Hundred Thousand Dollars \$(12,400,000) as of June 30, 2013.~~

Each fiscal year, beginning in Fiscal Year 2014-2015 an amount of One Million Dollars (\$1,000,000) shall be budgeted and added to the Capital Improvements Reserve Fund as part of the annual budget process. This is done to increase the balance to meet expected State Revolving Fund reserve requirements.

In order to address the goal of funding the depreciation of the SVCW facilities over the life of the facilities, the annual contribution of \$1,000,000 will be increased, beginning in Fiscal Year 2020-2021, by Five Hundred Thousand Dollars (\$500,000) per fiscal year, each fiscal year until the Capital Improvement Program Reserve Fund reaches a balance of \$50 million dollars (\$50,000,000) in 2019 dollars, based upon inflation measures as described in the annual Engineering News-Record ("ENR") construction cost index for the San Francisco Bay Area.

Funds required to be held in reserve for State Revolving Funds or Bonds shall be deposited to the Capital Improvements Program Reserve Fund once the loans are paid off and shall not be used to pay the final payments for said loans.

- **STAGE 2 CAPACITY FUND**

Funding for the Stage 2 Capacity Fund is established and shall continue in accordance with the SVCW Joint Powers Agreement (JPA).

- **GENERAL POLICY PRACTICES**

All reserves will be reviewed by SVCW Finance Department and SVCW Controller at least annually to verify the organization is in compliance with this policy and a report will be presented to the SVCW Commission as part of the annual budget approval process.

The reserve funds will be invested in accordance with the investment policy adopted by the SVCW Commission.

Transfers between the reserve funds will be made only at the direction of the SVCW Commission.

Except in the case of emergency as defined by the Silicon Valley Clean Water JPA, the spending of reserves will be approved in advance by the SVCW Commission.



Approved by SVCW Commission at Meeting of May 17, 2021 by Resolution SVCW 21-17

**SUBJECT: SVCW Reserve Fund Policy and Procedures**

**PURPOSE**

To prudently protect the fiscal solvency of the Authority, it is important to maintain a minimum level of reserves. Reserves are important to mitigate the negative impact of revenue shortfalls from economic fluctuations, to fund unforeseen expense requirements, to provide stable rates for member entities, to fund future long-term capital needs, and to mitigate the need to borrow and pay interest for capital improvement projects.

Since establishing the Reserve Fund Policy in 2013, it is the desire of the SVCW Commission to ensure target minimum reserve levels that will safeguard the continued fiscal stability of the Authority.

This policy mandates the minimum reserve levels necessary to maintain credit worthiness and to adequately provide for:

- Economic certainty during financial hardships or downturns in the local, state or national economy
- Economic certainty in the event of local disasters or catastrophic events
- Coverage of debt reserve requirements
- Coverage for capital obligations
- Cash flow requirements
- Rate stability
- Legal requirements

**POLICY**

The Authority shall maintain reserve balances for the Annual Operations Budget, the Capital Equipment Replacement Fund, the Capital Improvement Program Fund and the Stage 2 Capacity Expansion Fund. The Authority shall target the minimum reserve level and funding sources for each of the funds as follows:

**1. ANNUAL OPERATIONS AND CAPITAL BUDGET RESERVE FUND**

The Annual Operations and Capital Budget Reserve Fund shall be maintained at a minimum balance of Ten Percent (10%) of the approved annual Operations and Capital budgeted Authority expenses, plus One Million Dollars (\$1,000,000.00). This fund will allow for continued operation in times of local, regional, state or national crisis or for unbudgeted, unexpected operational, maintenance or capital expenses approved by the SVCW Commission on a case-by-case basis.

Funding for the Annual Operations and Capital Budget Reserve Fund will be funded by each member agency in an amount equal to their percentage of capacity ownership in the SVCW. The reserve shall be funded to its minimum balance at the beginning of each fiscal year as part of the annual budget process. Any reserve balance will be available for spending on unanticipated, unbudgeted operating and maintenance or capital expenses approved by the Commission during that fiscal year. Any balance in excess of the 10% plus \$1,000,000 reserve level, at the end of the fiscal year, shall be used to offset the upcoming year's share of the Annual Operations Budget for each member agency in an amount equal to their percentage of capacity ownership in SVCW. All interest derived from the fund balance shall be credited to this fund.

**2. CAPITAL IMPROVEMENTS PROGRAM RESERVE FUND**

The Capital Improvement Program Reserve Fund shall be funded until it reaches a balance of \$50 million (\$50,000,000) in 2019 dollars, based upon inflation measures as described in the annual Engineering News-Record ("ENR") construction cost index for the San Francisco Bay Area. This will provide adequate resources in the event of a sudden and catastrophic infrastructure failure and, coupled with a robust and ongoing revenue-funded capital program approved by the Commission before each fiscal year, will allow most major expenses in the future, related to the facilities reaching the end of their useful life, to be paid for on a "pay as you go" basis and limit the need for borrowing. However, as significant infrastructure projects occur, it may be appropriate to leverage borrowing to ensure equitable contributions by future generations. This fund shall also provide funding, as available, for required plant improvements mandated by regulatory changes. This fund will maintain the dedicated minimum debt service amounts required by State Revolving Fund loans and other CIP loans not held in escrow.

Funding for the Capital Improvement Program Reserve Fund will be contributed by each member agency in an amount equal to their percent of capacity ownership in SVCW and will be contributed in addition to and at the same time as the member entity's monthly Annual Operating Budget payments. All interest derived from the fund balance shall be credited to this fund.

To meet specific debt reserves required by State Revolving Fund loans received from the California State Water Resource Control Board, SVCW may designate specific amounts as debt service reserves equivalent to one year's debt service for each respective State Revolving Fund loan.

**3. STAGE 2 CAPACITY FUND**

The Stage 2 Capacity Fund shall be utilized to pay for capital projects that increase the treatment capacity of the SVCW facilities. The fund shall be a "pay as you go" fund that derives income from fees paid by new customers to buy capacity for the use of the SVCW facilities. Projects to enhance capacity will be built when there are adequate cash reserves to fund the project or at the discretion of the SVCW Commission.

Payments will be made in accordance with the requirements of the SVCW Joint Powers Agreement (JPA) for new connections to the system. There is no limit to the amount of funds

that can accumulate in this fund. All interest derived from the fund balance shall be credited to this fund.

## **ANNUAL CONTRIBUTIONS**

- **ANNUAL OPERATIONS AND CAPITAL BUDGET RESERVE FUND**  
Upon adoption of this policy, the Annual Operations and Capital Budget Reserve Fund shall be adjusted annually to maintain the minimum balance required as part of the annual budget process.
- **CAPITAL IMPROVEMENTS PROGRAM RESERVE FUND**  
Each fiscal year, beginning in Fiscal Year 2014-2015 an amount of One Million Dollars (\$1,000,000) shall be budgeted and added to the Capital Improvements Reserve Fund as part of the annual budget process. This is done to increase the balance to meet expected State Revolving Fund reserve requirements.

In order to address the goal of funding the depreciation of the SVCW facilities over the life of the facilities, the annual contribution of \$1,000,000 will be increased, beginning in Fiscal Year 2020–2021, by Five Hundred Thousand Dollars (\$500,000) per fiscal year, each fiscal year until the Capital Improvement Program Reserve Fund reaches a balance of \$50 million dollars (\$50,000,000) in 2019 dollars, based upon inflation measures as described in the annual Engineering News-Record (“ENR”) construction cost index for the San Francisco Bay Area.

Funds required to be held in reserve for State Revolving Funds or Bonds shall be deposited to the Capital Improvements Program Reserve Fund once the loans are paid off and shall not be used to pay the final payments for said loans.

- **STAGE 2 CAPACITY FUND**  
Funding for the Stage 2 Capacity Fund is established and shall continue in accordance with the SVCW Joint Powers Agreement (JPA).
- **GENERAL POLICY PRACTICES**  
All reserves will be reviewed by SVCW Finance Department and SVCW Controller at least annually to verify the organization is in compliance with this policy and a report will be presented to the SVCW Commission as part of the annual budget approval process.

The reserve funds will be invested in accordance with the investment policy adopted by the SVCW Commission.

Transfers between the reserve funds will be made only at the direction of the SVCW Commission.

Except in the case of emergency as defined by the Silicon Valley Clean Water JPA, the spending of reserves will be approved in advance by the SVCW Commission.

## **AGENDA ITEM 8A**

**RESCU GRAVITY PIPELINE PROJECT (CIP 6008)  
CONTRACT CHANGE ORDER**

**ISSUE**

Authorization of Contract Change Order to the Gravity Pipeline Project (CIP #6008) for Additional Work on San Carlos Shaft

**BACKGROUND**

The Gravity Pipeline project design-builder, Barnard Bessac Joint Venture (BBJV), is constructing a tunnel for wastewater conveyance from the four member agencies' collections systems to the treatment plant. Constructing the San Carlos shaft, located on the current San Carlos Pump Station property, is part of BBJV's scope of work under the project. The shaft contains a drop structure, into which flows from both the San Carlos and Belmont collection systems will enter and then flow through an adit (pipeline) into the tunnel.

The San Carlos shaft is being constructed using a secant pile method, in which the shaft walls are constructed first, and then the shaft is excavated (recall that a description of this construction method was presented to the Commission at the April 2021 meeting). During the drilling work for the secant pile walls, an ammonia odor was perceived by the construction crew and work was halted due to safety concerns until the ammonia concentration levels were investigated.

Air-borne ammonia concentrations above CalOSHA Permissible Exposure Limit (PEL) of 25 parts per million (ppm) can cause irritation to the eyes and respiratory tract. The PEL is defined as the maximum permitted 8-hour time-weighted average concentration of an airborne contaminant. CalOSHA also defines a Short-Term Exposure Limit (STEL) as a maximum 15-minute time-weighted average exposure. For ammonia, the STEL is 35 ppm.

**DISCUSSION**

An industrial hygienist from Liberty Mutual, SVCW's Owner's Controlled Insurance Program (OCIP) provider, investigated the site and coordinated with BBJV's Safety Manager in developing a plan for safely completing shaft construction. During the investigation phase, most of the air concentration values measured at the elevation where the workers were located were lower than 10 ppm, however some levels exceeded the STEL of 35 ppm. Based on these findings, the hygienist recommended a respiratory protection program be used, which BBJV has implemented. The investigation also indicated significantly elevated levels of ammonia in the water found in the shaft which needed special handling to dispose.

The high levels of ammonia in this location were noted to the Commission at their November 2020 meeting. Since that time, staff and consultants have been attempting to determine the origin of ammonia with little success. Historical use of the site was the original San Carlos treatment plant built in the early 1950's and operated until 1980 but this being the cause of ammonia is tenuous. There is a slight possibility that SVCW's 48-inch force main near this location was or is leaking but this is also very slight as the

ammonia is being detected at the furthest point away from the force main, not closer to its proximity. Further complicating the determination of cause is the fact that ammonia concentrations are high in disparate locations; that is, in some locations no ammonia is detected while in other areas, concentrations are very high. Staff is continuing attempts to understand origins of the ammonia pockets.

High ammonia concentrations dictated construction to be done in a different manner than was originally conceived. During the remainder of the secant pile construction, extra costs were associated with the following items:

- Additional and ongoing air and water sampling
- Subcontractor labor work stoppages due to ammonia gas level exceedances beyond those identified in the safety mitigation measures plan
- Respirator fit testing for workers performing work and inspection staff required to be present during San Carlos Shaft excavation work
- Disposal of contaminated water
- Installation of a dewatering well inside the San Carlos Shaft

After the secant piles were completed, excavation of the soil inside the shaft was performed using methods that would minimize the need for workers to be located inside the shaft. BBJV rented equipment that would allow for an unmanned excavation of the shaft versus the planned method which was to put a manned excavator inside the shaft.

Upcoming work to be performed is construction of the adit, which is a length of large diameter pipe (7-foot) that connects the two member agency collection systems to the tunnel. A jacking method will be used which will push 5-foot lengths of steel pipe from the San Carlos Shaft towards the tunnel. Consecutive 5-foot sections of pipe will be welded together and continually pushed towards the tunnel until the adit hits the tunnel wall. At this point, the interior of the adit will be excavated. It is unknown whether elevated ammonia concentrations will be detected during the adit work and a project allowance is recommended to ensure that work can continue uninterrupted. The allowance will not be used if unneeded.

In addition to scope changes associated with the ammonia, BBJV performed extra site work at this location in response to noise and traffic concerns that were expressed by the nearby businesses. Extra site work was required to accommodate a new truck routing scheme that would limit the amount of traffic through the businesses' parking lots.

Costs for this agenda item can be summarized as follows:

| Additional Work Item   | Cost      | Allowance |
|--|-----------|-----------|
| Response to elevated ammonia levels                                      | \$496,569 |           |
| Response to local businesses concerns                                    | \$112,248 |           |
| Allowance for potential elevated ammonia levels during adit construction | \$0       | \$420,000 |

The total amount of this Contract Change Order is \$1,028,817 and will be added to the contract in the form of a \$608,817 budget increase and \$420,000 project allowance. If allowance budget is necessary, time and expenses will be tracked closely and reported to the Commission at future meetings. Costs have been reviewed by SVCW's Owner's Advisor and Quality Assurance teams and found to be appropriate for the additional scope of work.

#### FINANCES

The total project budget for the Gravity Pipeline Project is \$259 million. This Contract Change Order will need to be added to the project allocated budget at the time of the next CIP budget update.

#### RECOMMENDATION

Move approval of CONTRACT CHANGE ORDER FOR THE GRAVITY PIPELINE PROJECT (CIP #6008) IN THE AMOUNT NOT TO EXCEED \$1,028,817 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BARNARD BESSAC JOINT VENTURE

## **AGENDA ITEM 8B**



**UPDATE ON TWO WATER INFRASTRUCTURE  
FINANCE AND INNOVATION ACT (WIFIA) LOANS AND  
2021 WASTEWATER REVENUE NOTES**

**ISSUE**

Receive update regarding Silicon Valley Clean Water (“Authority” or “SVCW”) activities associated with two Water Infrastructure Finance and Innovation Act Loans (“WIFIA Loans”) and two series of 2021 Wastewater Revenue Notes (“2021 Notes”)

**BACKGROUND**

SVCW is a Joint Powers Authority created to, among other things, manage and operate wastewater conveyance, treatment and disposal facilities for the City of Redwood City, the City of San Carlos, the City of Belmont and West Bay Sanitary District (together the “Members”). SVCW leads financing efforts for its Capital Improvement Program (“CIP”).

SVCW launched its CIP in 2008 to address critical infrastructure needs, including rehabilitation of the Wastewater Treatment Plant and replacement of the conveyance system including the forcemain and related pump stations. SVCW has frequently updated the CIP, most recently in January 2020, with the entire program currently estimated to cost approximately \$951 million through fiscal year 2030-31. As of December 01, 2020, approximately \$572 million was spent to replace leaking sections of forcemain, upgrade electrical systems, improve wastewater treatment processes, install cogeneration and electrical efficiency facilities, and construct influent screens. This amount also includes progress on the largest project in SVCW history, the Regional Environmental Sewer Conveyance Upgrade project (“RESCU”), on which \$283 million has been spent to date.

RESCU activities are now at their peak as all three elements are concurrently in construction. In the meantime, other critical wastewater treatment projects, including fixed film reactor rehabilitation and solids digester improvements, will soon begin.

To fund the CIP thus far, SVCW has issued five series of revenues bonds, entered three SRF Loans with the California State Water Resources Control Board, and executed one WIFIA Loan with the EPA. For remaining known expenditures, the Authority submitted letters of interest to the EPA for two WIFIA Loans that would fund the majority of remaining RESCU and wastewater treatment improvements.

**DISCUSSION**

WIFIA Loans fund up to 49% of eligible project costs at an interest rate equal to the corresponding US Treasury State and Local Government Series interest rate that is equal to the weighted average life of the WIFIA Loan plus one basis point (0.01%). This loan program offers flexible amortization with customized repayment schedules including a repayment period up to 35 years after substantial completion of the project and allows prepayment (\$1 million minimum) at any time without penalty.

WIFIA Loans permit SVCW to use its proceeds to either (i) fund project construction or (ii) retire interim funding that is used to fund that construction. This feature permits SVCW

to issue short-term tax-exempt obligations (2021 Notes) to fund expenditures during construction, which can then be retired at maturity with proceeds from the WIFIA Loan. If this method is used, 2021 Notes could also be structured to provide for capitalized interest, i.e., where additional funds are placed into an investment escrow account and earnings thereon are used to pay interest through final maturity. SVCW leveraged this Notes / Capitalized Interest structure in a 2019 transaction which saved Members approximately \$5.5 million during the 4-year RESCU construction period, as compared to drawing solely from the 2019 WIFIA Loan.

Members' agency staff have expressed interest in and intention to participate in the WIFIA Loans and the 2021 Notes. Key activities are tentatively scheduled as follows:

- April 2021: SVCW submits WIFIA applications, remits application fees (complete)
- May 2021: Update to SVCW Commission re: debt structure and plan (current item)
- June-July: Document preparation (for WIFIA Loans and 2021 Notes)
- Aug 2021: Commission, Member Councils/Boards adopt resolutions
- Sep 2021: Close WIFIA Loan and price the 2021 Notes
- Oct 2021: Closing documents, 2021 Note proceeds delivered

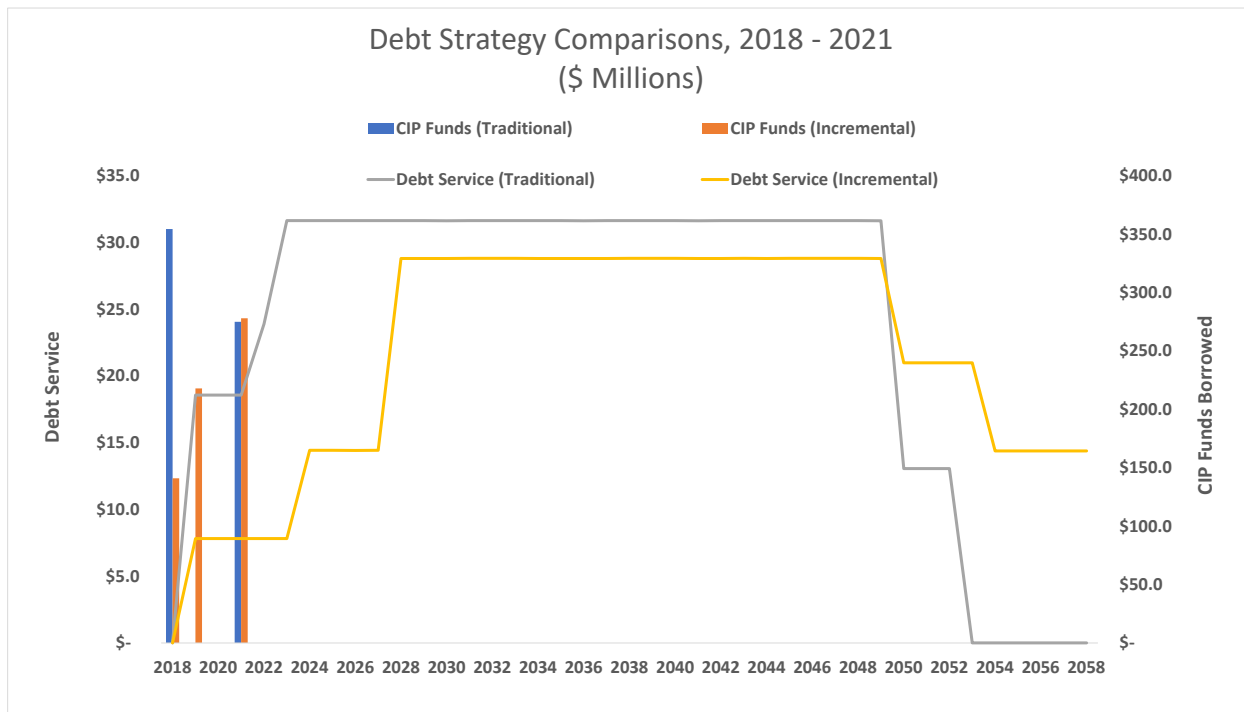
## FINANCES

As structured, this proposed 2021 debt strategy will:

1. Execute two WIFIA Loans with the EPA:
  - a. **RESCU Loan.** \$64.6 million to fund remaining construction. Debt service is estimated, based on current market conditions, at \$3.2 million annually commencing fiscal year 2027-28.
  - b. **Treatment Plant Improvements Loan.** \$70.6 million for critical improvements like removing dissolved solids and improving digestion processes. Debt service is estimated, based on current market conditions, at \$3.5 million annually commencing fiscal year 2027-28.
2. Concurrently issue two series of 2021 Notes to generate a combined total of approximately \$135 million in project funds for construction plus additional funds needed for capitalized interest. Due to the capitalized interest structure, Members will not pay debt service on the Notes.

To maximize reduction in borrowing costs, SVCW takes an incremental approach to debt strategy. While such an approach requires additional staff resources and repeated involvement of Members' Boards/Councils, it greatly benefits ratepayers. Not only is SVCW able to take advantage of a declining interest rate market, it can also pursue low-cost government loan programs from the EPA and the State Water Resources Control Board. The below chart illustrates how, since 2018, SVCW's incremental debt strategy

will mitigate otherwise-higher debt service payments and optimize when such payments commence.



By deploying an incremental debt financing strategy from 2018 through 2021, as compared to a traditional issuance of only revenue bonds, SVCW Members will save an estimated Net Present Value \$111.4 million in debt service. This estimate is based upon review of the actual rates achieved using incremental debt financing versus bond rates that could have been achieved during this same period.

| Incremental Debt Strategy Savings - \$ Millions |             |             |         |       |
|---|-------------|-------------|---------|-------|
| Member  | Traditional | Incremental | Savings |       |
| Redwood City                                    | \$ 344.3    | \$290.20    | \$      | 54.1  |
| West Bay Sanitary District                      | 190.3       | 160.4       |         | 29.9  |
| San Carlos                                      | 107.3       | 90.5        |         | 16.9  |
| Belmont   | 67.0        | 56.5        |         | 10.5  |
| Total   | \$ 708.9    | \$ 597.5    | \$      | 111.4 |

#### RECOMMENDATION

Receive update and provide staff direction regarding above-described debt strategy and prescribed schedule

## **AGENDA ITEM 8C**

**CONSIDERATION TO ADOPT  
COMMISSION POLICY NO. 2021-01, REMOTE WORKPLACE POLICY**

**ISSUE**

Adopt Commission Policy No. 2021-01, "Remote Workplace"

**BACKGROUND**

Establishing and maintaining a safe and productive workplace is an essential need for any business. SVCW has policies and procedures in place to assist the Commission, management and front-line employees in understanding the importance of workplace rules and processes. Commission policies provide direction to staff on important functions and guidelines of the Authority.

In April 2020 the Commission responded to the coronavirus pandemic by declaring the existence of an emergency condition. Prior to the declaration, in March 2020, the SVCW Manager and staff had prepared a Pandemic Emergency Response Plan (PERP) to protect the health of SVCW employees and ensure that SVCW's core mission would be met throughout the pandemic. At that time, the Manager noted that the organization needed to be prepared for a 6-to-8-month timeframe and the PERP was fully implemented.

At the beginning of the pandemic, approximately 85% of staff was performing at least a portion of their work tasks at a remote worksite. Currently, approximately 60% of staff are still performing some or all of their work remotely. There are specific staff positions that are required to be onsite 100% of their work schedule while others can be effective doing their work under a "hybrid" workplace scenario.

The following staff positions are required to be onsite at certain times: operators, mechanics, instrumentation technicians, electricians, laboratory analysts, environmental services staff, and accountants. Additionally, one administrative assistant and one senior manager are onsite at all times. All onsite staff with the exception of operators and laboratory analysts are present Monday through Friday; operators and laboratory analysts are required onsite 7 days per week. Operations is staffed 24 hours a day (in three discreet shifts).

**DISCUSSION**

Rollout of vaccines to combat severe health effects of COVID-19 has been occurring since February 2021 and are having a positive effect on minimizing hospitalizations and deaths. Counties in the San Francisco Bay Area are easing restrictions and California's Governor has delineated June 15<sup>th</sup> as a "re-opening" date for the state's economy (this date is tied to availability of vaccines and continued low hospitalization rates).

SVCW's Manager and the Senior Management team have developed a strategic "re-entry" plan for staff over the past several months. Many factors need to be considered not the least of which is the physical and mental health of the workgroup. Also, a "trigger" for re-entry is being established as either the later date of June 15<sup>th</sup> or when 80% of the

SVCW workgroup is fully vaccinated. While neither trigger is set in concrete, they both provide guidance for decision making.

As re-entry plans are rolled out to staff, the Manager anticipates that some employees will want to continue working remotely, for part or all of their work schedule. Responding to such requests will require clear, objective, and legitimate non-discriminatory criteria and, fundamentally, will need to ensure that Agency needs are met. As such, a Remote Workplace Policy has been drafted and is presented to the Commission for consideration of approval. The framework for the Policy is SVCW's Legal Consortium, Liebert Cassidy Whitmore (LCW), customized by the SVCW Manager and reviewed/edited by SVCW's Legal Counsel. The Manager has also participated in discussions with other Bay Area wastewater agencies which has assisted in tailoring this policy for SVCW.

Salient conditions of the Policy are:

- Operational needs of SVCW are fully met
- Staff productivity does not suffer
- Request to telework is voluntary and employee-initiated
- Criteria for eligibility is clearly articulated
- SVCW Manager is the decision-maker and decisions are not appealable
- An Agreement is made part of the Policy which requires employees to agree and adhere to all conditions of the Agreement
- Agreement is valid for one year and renewable thereafter at SVCW's discretion
- A remote work setup checklist is made part of the Policy to ensure the employee's remote worksite is appropriately set up to meet productivity and safety measures.

It should be further noted that not all staff will be eligible to work remotely. Specifically, Operations, Maintenance, Laboratory, and Environmental Services staff can only be fully productive and effective completing their job functions if onsite. Other staff, however, may be considered eligible to work in a "hybrid" manner (i.e., part time onsite and part time remotely).

The SVCW Manager recommends approval and adoption of said policy.

#### FINANCES

There are no financial impacts to this action.

#### RECOMMENDATION

Move adoption of RESOLUTION APPROVING AND ADOPTING COMMISSION POLICY 2021-01, "REMOTE WORKPLACE"

**Rev: ISSUE****Rev Date:****Issue Date:** \_\_\_\_\_

Approved by Commission of Silicon Valley Clean Water on \_\_\_\_\_ date \_\_\_\_\_

**SUBJECT: REMOTE WORKPLACE****PURPOSE:**

Silicon Valley Clean Water (“SVCW” or the “Authority”) recognizes that flexible work arrangements and reduced commutes can benefit the employee and the Authority by making more efficient use of staff time. The purpose of the policy is to allow certain employees, subject to their execution of a Teleworking Agreement, to Telework from an Alternative Worksite for some or all of their regularly scheduled work hours and to ensure that, for the duration of such Telework, employees perform their job duties, and in so doing provide quality work in a timely manner, and to the benefit of the public. This policy applies to unrepresented employees of the Authority.

**DEFINITIONS:**

“Alternative Worksite” means the employee’s home, place of residence or other location approved by Silicon Valley Clean Water other than the employee’s normal workplace at a Silicon Valley Clean Water worksite or facility.

“Silicon Valley Clean Water worksite or facility” means the Authority’s main administrative offices located at 1400 Radio Road, Redwood City, CA, including all buildings and portable structures used to conduct the business of Authority located thereon, as applicable to the particular job or duties of the telework employee.

“Telework(ing)” means a work arrangement under which an employee works from their home, place of residence or location other than the employee’s normal workplace at a Silicon Valley Clean Water worksite or facility (“Alternative Worksite”) for all or a portion of their regularly scheduled work hours.

“Work Schedule” means the days and hours determined by supervisors, directors, or managers during which non-exempt, overtime eligible employees should be in attendance at the Alternative Worksite. The Work Schedule shall provide for and include the rest and meal breaks required under applicable federal and state law as well as under contract.

**SCOPE:**

This policy covers Teleworking voluntarily requested by a Silicon Valley Clean Water employee and provided by Silicon Valley Clean Water, subject to certain conditions and requirements.

**VOLUNTARY TELEWORKING ARRANGEMENTS:**

Silicon Valley Clean Water may allow Teleworking for certain eligible employees who request to Telework.

## **A. Eligibility Criteria**

The SVCW Manager or their designee, possesses the discretionary authority to determine the job classifications, positions, and employees who are eligible to telework under this policy.

The SVCW Manager or their designee, may make such determination using criteria including, but not limited to, the following:

1. The operational needs of the agency and employee's department and division
2. The disruption of or potential for disruption to the agency's functions
3. The ability of the employee to perform their job duties (both essential and marginal) from an Alternative Worksite without diminishing the quantity or quality of the work performed
4. The degree to which the employee's job functions require face-to-face interaction with other agency employees, contractors, and members of the public
5. The employee's job performance, as determined by their last performance review
6. The portability of the employee's work, including the employee's ability to remotely access tools, equipment, and materials necessary to perform their job functions
7. The availability of or ability to create a functional, reliable, healthy, safe, and secure Alternate Worksite for the employee
8. The risk factors associated with performing the employee's job duties from a location other than the employee's normal workplace at an agency worksite
9. The agency's capacity to monitor and measure the employee's work performance at the Alternate Worksite
10. The employee's supervisory responsibilities
11. The employee's need for supervision
12. Other considerations deemed necessary and appropriate by the agency, including tax and other legal implications of teleworking.

## **B. Process for an Employee to Request to Telework**

To make a request for a Teleworking arrangement, employees must complete a Voluntary Telework Request Form and file the completed request form with their supervisor or director.

The employee's supervisor or director will provide the request form to the Department Manager and will discuss the employee's request with the Department Manager.



In consultation with or based on information provided by the employee's supervisor or director, the Department Manager will make a recommendation regarding the employee's request to telework to the SVCW Manager

The SVCW Manager will consider Teleworking requests on a case-by-case basis consistent with the criteria above and other factors relevant to the employee's request to telework.

**C. Final Determination; No Right to Appeal**

The decision of the SVCW Manager regarding an employee's Teleworking request is final and binding. The employee possesses no right to appeal or grieve the decision. If a Teleworking request is denied, nothing prohibits an employee from making another Teleworking request in accordance with the process set forth in this Policy after a period of six months from the date of said denial.

**D. Approval of Requests; Voluntary Telework Agreement**

An eligible and qualified employee who has requested and been granted the opportunity to Telework, must execute a Voluntary Teleworking Agreement ("Agreement") in the form and containing the provisions of the Agreement attached hereto and incorporated herein by this reference, prior to and as a precondition to the employee teleworking.

The Agreement shall provide the mutual understanding of the employee, the employee's supervisor or director, the Department Manager and the SVCW Manager concerning the teleworking arrangement.

**MANDATORY TELEWORKING ARRANGEMENTS:**

Where an exigent circumstance exists, SVCW may direct its employees to remain at their homes or places of residence and SVCW adopt and implement a short-term teleworking arrangement for such employees in order to provide for the continuity of essential services provided by the Authority.

Exigent circumstance means a situation in which there is an imminent threat of extreme peril to life, property and resources. Exigent circumstances may include, but are not limited to, war, public health emergencies, power failures, natural and man-made disasters, and other states of emergency.

Where such an exigency exists and necessitates the adoption and implementation of a short-term mandatory teleworking arrangement for SVCW employees, the SVCW Manager is expressly authorized in his/her discretion to suspend some or all provisions of this policy and adopt and implement alternative provisions necessary to provide for the continuity of essential services.

## **DUTIES, OBLIGATIONS, AND RESPONSIBILITIES FOR TELEWORKING EMPLOYEES:**

Teleworking employees must adhere to the provisions set forth in these policies, including, but not limited to the following:

### **A. General Duties, Obligations, and Responsibilities**

1. All existing duties, obligations, responsibilities and conditions of employment remain unchanged. Teleworking employees shall abide by all SVCW policies and procedures, rules and regulations. Should there be a conflict between policies, procedures, rules, and regulations, the employee shall confer with SVCW Manager for clarification and direction if needed.
2. All of the Teleworking employees' existing supervisory relationships, lines of authority and supervisory practices remain in effect.
3. Teleworking employees authorized to perform work at an Alternate Worksite must meet the same standards of performance and professionalism expected of SVCW employees in terms of job responsibilities, work product, timeliness of assignments, and contact with other SVCW employees and members of the public.
4. Teleworking employees are required to be accessible in the same manner as if they are working at a SVCW worksite or facility during the established teleworking Work Schedule, regardless of the designated location for teleworking, or Alternate Worksite. Teleworking employees must be accessible via telephone, email, and/or network access to their supervisor and other SVCW employees while Teleworking, as if working at the SVCW worksite or facility. Teleworking employees shall check their SVCW-related business phone messages and emails on a consistent basis, as if working at their SVCW worksite or facility.

### **B. Work Schedule, Overtime, Leave, Benefits – Non-Exempt Employees**

1. For non-exempt employees, SVCW will either provide such employee: (1) a work schedule that will be included in the Agreement, and which will include meal and rest breaks ("Work Schedule"); or (2) authorization to work on an intermittent basis.
2. For non-exempt employees assigned a Work Schedule, any deviation from the Work Schedule must be approved in advance, in writing, by the employee's supervisor or director and the Department Manager.
3. Non-exempt employees may not Telework outside their normal work hours without prior written authorization from their supervisor or director and the Department Manager. A non-exempt employee who fails to secure written authorization before Teleworking outside their normal work hours may face discipline in accordance with SVCW's policy for working unauthorized overtime.
4. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, must take meal and rest breaks while Teleworking as required under applicable law.

5. For non-exempt employees assigned a Work Schedule, all periods of Teleworking employees' unavailability must be approved in advance by their supervisor or director and the Department Manager in accordance with SVCW policy and procedures and documented on the appropriate leave request form. For non-exempt employees authorized to work intermittently, all periods of Teleworking employees' unavailability lasting longer than the intermittent work schedule authorized in writing must be approved in advance by their supervisor or director.
6. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to log hours worked at the Alternate Worksite on the SVCW timecard system in a timely manner but minimum on a weekly basis. Employees shall record all work time, productive and non-productive, on their timesheet.
7. Employees shall continue to abide by SVCW policies and procedures for requests of sick, vacation and other leaves of absences. If an employee becomes ill while working under the Agreement, they shall notify their supervisor, director, or manager immediately and record on their timesheet any hours not worked due to illness and/or incapacitation.
8. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to request to work overtime in advance of doing so and such requests must be pre-approved in writing by the employee's supervisor, director, or manager.
9. Teleworking employees' salary, benefits and employee classification status remain unchanged during the Teleworking arrangement.
10. Workers' Compensation benefits will apply only to injuries arising out of and in the course of employment as defined by Workers' Compensation law. Teleworking employees must report any such work-related injuries to their supervisor, director, or manager immediately. SVCW shall not be responsible for injuries or property damage unrelated to such work activities, including injuries to third-persons when said injuries occur at the Alternate Worksite.

**C. Work Schedule, Overtime, Leave, Benefits – Exempt Employees**

1. For exempt employees, hours Teleworking must be established as a routine basis and schedules posted to ensure broad knowledge of the employees' availability.
2. Deviations from the Work Schedule must be noted on the Agency-wide consolidated schedule.
3. Employees shall continue to abide by SVCW policies and procedures for requests of sick, vacation and other leaves of absences. If an employee becomes ill while working under the Agreement, they shall notify their supervisor, director, or manager immediately and record on their timesheet any hours not worked due to illness and/or incapacitation.
4. Teleworking employees' salary and benefits and employee classification remain unchanged during the Teleworking arrangement.

5. Workers' Compensation benefits will apply only to injuries arising out of and in the course of employment as defined by Workers' Compensation law. Teleworking employees must report any such work-related injuries to their supervisor, director, or manager immediately. SVCW shall not be responsible for injuries or property damage unrelated to such work activities, including injuries to third-persons when said injuries occur at the Alternate Worksite.

**D. Space and Equipment, Information Security, Confidentiality**

1. Teleworking employees will be provided with SVCW-issued equipment that utilizes and accesses the SVCW IMS and/or IAP systems. Equipment includes computers, laptops, phones, scanners, and tablets.
2. Teleworking employees are responsible to provide all ancillary equipment required to be fully productive. This includes but may not be limited to mouse, pen, keyboard, monitor, etc
3. Teleworking employees agree to follow Standard Administrative Procedure 1999-01, Electronic Communications Resources for the use of equipment provided by SVCW. Any loss, damage, or unauthorized access to SVCW-owned equipment, shall be reported immediately upon discovery of such loss, damage, or unauthorized access.
4. Where, in response to a request to Telework, SVCW allows an employee to Telework, SVCW shall not be responsible for Teleworking costs, including, but not limited to, the employee's use of their home or place of residence, their ancillary computing equipment, utilities, internet, data, network costs, home maintenance, workspace furniture, ergonomic equipment, or any other incidental costs, unless expressly provided for in the Agreement.
5. Employees must take reasonable precautions to ensure their devices (e.g., computers, laptops, tablets, smart phones, etc.) are secure before connecting remotely to SVCW's network and must close or secure all connections to SVCW desktop or system resources (e.g., remote desktop, VPN connections, etc.) when not conducting work for the Authority. Employees must maintain SVCW-provided firewall and security protection on all such devices used to conduct Authority work from the Alternate Worksite.
6. Teleworking employees shall exercise the same precautions to safeguard electronic and paper information, protect confidentiality, and adhere to SVCW's records retention policies, especially as it pertains to the California Public Records Act ("CPRA"). Teleworking employees must safeguard all sensitive and confidential information (both on paper and in electronic form) relating to Authority work they access from the Alternate Worksite or transport from their SVCW worksite to the Alternate Worksite. Teleworking employees must also take reasonable precautions to prevent third parties from accessing or handling sensitive and confidential information they access from the Alternate Worksite or transport from their SVCW worksite to the Alternate Worksite. Teleworking employees must return all records, documents, and correspondence to SVCW at

the termination of the Agreement or upon request by their supervisor or director, Department or Authority Manager, or Human Resources Director.

**E. Miscellaneous**

1. Teleworking employees must notify their supervisor, director, or manager promptly when unable to perform work assignments because of equipment failure or any other unforeseen circumstances.
2. Teleworking employees must have access to an Alternate Worksite that is quiet and free of distractions and which has reliable and secure power, internet and/or wireless access.
3. Teleworking employees shall ensure that all official SVCW documents are retained and maintained according to the normal operating procedures in the same manner as if working at an SVCW worksite.
4. Teleworking employees must ensure dependent care will not interfere with work responsibilities.
5. It is the teleworking employee's responsibility to determine any income tax implications of maintaining a home office area. SVCW will not provide tax guidance nor will SVCW assume any additional tax liabilities. Employees are encouraged to consult with a qualified tax professional to discuss income tax implications.



## Voluntary Teleworking Agreement

An eligible and qualified employee who has requested and been granted the opportunity to Telework as described in Silicon Valley Clean Water's ("SVCW" or "Authority") Commission Policy No. 2021-01, agrees to execute this Voluntary Teleworking Agreement ("Agreement") prior to and as a condition to the employee teleworking.

### Teleworking Guidelines

- The Teleworking Employee ("Employee") shall reference and be familiar with all aspects of SVCW Commission Policy No. 2021-01 - Remote Workplace (the "Policy"). The Policy and this Agreement are complementary and terms and conditions in both apply.
- This Agreement does not constitute an employment contract.
- Employee is subject to the same job duties, responsibilities, and expectations as if employee was working from SVCW's worksite or facility located at 1400 Radio Road, Redwood City, CA.
- A non-exempt Employee is subject to the requirements of the Policy pertaining to Work Schedule, Overtime, Leave, Benefits for Non-Exempt Employees
- An exempt Employee is subject to the requirements of the Policy pertaining to Work Schedule, Overtime, Leave, Benefits for Exempt Employees
- Employee must meet the following criteria:
  - Can perform work in a generally independent manner
  - Is a primarily administrative and desk-based worker
  - Able to complete measurable deliverables as determined by Employee's Supervisor/Director
  - Does not require frequent in-person interaction as part of job duties
  - Able to meet remotely using video conferencing (e.g., Teams) and shall enable video feature when meeting.
  - Should Employee have need to record online meetings, permission shall be obtained by an employee's Department Manager.
  - Does not require immediate presence at SVCW's workplace/worksite facility to address unplanned or unanticipated issues or events.
  - Teleworking must be conducted in a productive manner that accomplishes beneficial work for SVCW as determined by the Authority's Manager.
  - Must comply with all Authority policies, procedures, practices, and instructions.
  - Must provide a defined, safe, and ergonomic location (e.g., remote workspace) to telework that is agreed upon with the Supervisor/Director.
  - Employee is responsible for the cost of network access set-up, utility costs including ongoing usage expenses for use of telephone, computer or occupation of the home or remote workplace (e.g., electricity, data connection, etc.) or travel if the employee is required to travel to SVCW's worksite facility on a telework day



- Employee shall complete the attached workspace checklist (Attachment A).
- Employee participation in the program may be revoked in writing at any time at the Department Manager/SVCW Manager's discretion. Employee has the right to cancel participation in the Agreement for any reason and with reasonable advance written notice.
- Employee will utilize SVCW-issued computer, laptop, tablet, smartphone, scanner, software, software licenses, or other office equipment necessary for in home telework; SVCW will not pay the cost to install, relocate or reinstall internet or phone services or other office equipment not provided by SVCW necessary to establish in home telework or if employee moves to new residence or new home workspace or re-establishes a telework space within existing home unless explicitly stated within Agreement.
- Security of confidential information is of primary concern and importance to the Authority; employee is expected to adhere to all applicable laws, rules, regulations, policies, and procedures regarding information security.
- If employee incurs a work-related injury while teleworking, worker's compensation laws and rules apply just as they would if such an injury occurred at SVCW's worksite facility. Employees must notify their supervisor or director immediately and complete all necessary documents regarding the injury.
- California Health and Safety Code Sections 13113.7 and 13113.8 require that dwellings be provided with smoke detectors. Employee is responsible for assuring home compliance with these requirements.
- The designated telework area must be equipped with a UL approved fire extinguisher. Employee is responsible for assuring home compliance with this requirement. The fully charged extinguisher should be made easily and readily accessible near the work area (no more than 10 feet from electronic teleworking equipment).
- Insurance: Note to Commission: SVCW has Liability Coverage for "Employment Related Practices" and staff following up with CSRMA to ensure that occurrences while teleworking are covered. Once verified, language will be included here to reflect SVCW's coverage scope.
- Employee to maintain insurance coverage for liability for any claims by third parties, including family members; employee to maintain homeowner's or renter's insurance, including any changes in rates or coverage required for teleworking and maintaining a telework office. (SVCW will not reimburse for added insurance costs).

#### SVCW Reserved Rights

- Teleworking is only authorized for the time period specified in Agreement and, unless time period is extended in writing, Agreement is void and shall not apply after the time expressly stated.
- SVCW's Manager possesses discretionary authority to terminate the Agreement in writing in accordance with the terms of this Agreement or the Policy before the time specified in Agreement.
- SVCW Manager's determination to terminate the Agreement before the time specified is final and not subject to appeal.
- Any breach of Agreement by Employee may result in termination of the Agreement and/or disciplinary action, up to and including termination of employment.

- SVCW remains an “at-will” employer whether Employee is performing work at SVCW’s worksite or facility or Teleworking at a remote location.

#### Program Procedures

- Document time spent working on assignments in accordance with normal time reporting procedure.
- Employees must obtain approval to use vacation, sick, or other leave in the same manner as employees who are not teleworking.
- Supervisors/directors/managers will check in and be in regular communication with teleworking employees.
- Employee work hours while teleworking will remain the same as onsite work at SVCW worksite or facility unless different work schedule has been assigned and agreed upon by Department Manager/Division Director and employee.
- SVCW expects that teleworking employees will not engage in activities other than SVCW assignments during teleworking hours. If the employee is unable to work during assigned work times, discuss with your supervisor/director immediately so approved leaves can be used and/or other arrangements made.
- Teleworking will only be conducted at the employee’s defined remote location unless approved by the Department Director/Manager; if the employee’s defined location changes, a new workspace checklist (Attachment A) will need to be completed.
- Employee must be available to attend online meetings and conference calls without interruption or technology limitations as provided by SVCW. No in-person meetings are to take place at employee’s teleworking site.
- Employee shall be aware that any online meeting participated in may be recorded.
- If teleworking equipment is not available or malfunctions, notify supervisor or director immediately to determine course of action.
- SVCW-issued equipment used for teleworking will have the necessary updates to ensure data security. Employee shall not remove nor tamper with installed security software. Employee is to immediately report to supervisor evidence/suspicion of a computer virus on equipment used to telework.
- Employee shall maintain an updated Microsoft Outlook calendar and make it visible to enable others to schedule appointments.
- SVCW email, texts, Teams, and Sharepoint shall remain the primary communication protocol. Teleworking employees shall regularly check email with the same frequency as required while working onsite. In general, it is expected that a teleworking employee will respond to an email, Teams chat, or voicemail within one hour of receipt or within a reasonable amount of time if one hour is not possible.
- Microsoft Teams must be utilized for video conferencing to conduct meetings and internal communications.



- Normal supervisory structures and protocols will remain. It is incumbent upon the teleworking employee to highlight high priority communications, including identifying a response deadline, if appropriate.
- Shared documents shall be saved in SharePoint locations that are accessible by team members to ensure the files can be accessed for operational purposes. Individual documents shall be saved in the employee's OneDrive file location. SharePoint and OneDrive locations are accessible by the Authority for operational reasons, including response to a request under the California Public Records Act. The use of the computer hard drive and/or portable drives is prohibited.

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**Employee Acknowledgements:**

|                          |  |
|--------------------------|--|
| <input type="checkbox"/> | I have read and will follow the Policy Program Guidelines and Procedures.  |
| <input type="checkbox"/> | I understand that employees are covered by Workers' Compensation laws when performing work duties at their designated alternate locations during regular work hours. Employees who suffer a work-related injury or illness while telecommuting must notify their supervisor and complete any required forms immediately. |
| <input type="checkbox"/> | SVCW is not liable for damages to an employee's personal or real property while the employee is working in an alternate worksite. SVCW is not liable for injuries to third parties and/or members of an employee's family in their alternate work location.  |
| <input type="checkbox"/> | I understand and agree that I am responsible for maintaining the safety and security of SVCW equipment, supplies, and information that may be issued to me while teleworking.  |
| <input type="checkbox"/> | I understand and agree that I must comply with all procedures designed to protect sensitive SVCW information, including information that is confidential, private, personal, or otherwise sensitive while teleworking.   |
| <input type="checkbox"/> | I understand and agree that teleworking is not a substitute for dependent care.  |
| <input type="checkbox"/> | I acknowledge that the configuration of my alternate work location complies with all health and safety requirements in the Safety Checklist/Acknowledgement in Attachment A.   |
| <input type="checkbox"/> | I agree to accurately record and submit the hours I work while teleworking.  |
| <input type="checkbox"/> | I understand and agree that I must come into the office on a regularly scheduled telework day when my department requires me to do so.   |
| <input type="checkbox"/> | I have discussed this Agreement with my Department Supervisor/Director/Manager. I agree to comply with all terms and conditions in this Temporary Teleworking Agreement. I understand that my participation in this program may be terminated at any time at the sole discretion of the Authority.                       |
| <input type="checkbox"/> | I acknowledge that any online meeting that I am participating in may be recorded; and permission is granted to do so.  |
| <input type="checkbox"/> | I understand the term of this Agreement is one-year from its execution date, as determined by SVCW Manager signature date below.   |

***By my signature below, I confirm that I have read and understand and will comply with the SVCW Voluntary Teleworking Agreement.***

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Department

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

***This Document will be filed in your personnel file.***

\_\_\_\_\_  
Department Manager Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
SVCW Manager Signature

\_\_\_\_\_  
Date

***Please return this signed acknowledgement and Attachment A to the SVCW Human Resources Director.***

**Voluntary Teleworking Safety Checklist/ Acknowledgement**

Teleworkers are responsible for self-certifying that the remote telework site complies with identified safety requirements by completing and signing this "Safety Checklist/ Acknowledgement". SVCW retains the right to make inquiries as to the status of the remote telework environment.

All items below must be checked and evaluated by the employee as being satisfactory.

| <b>I. Electrical</b>  | <b>Yes</b>               | <b>No</b>                |
|---|--------------------------|--------------------------|
| A. All electrical outlets in the work area are permanent in nature and properly grounded  | <input type="checkbox"/> | <input type="checkbox"/> |
| B. There are an adequate number of electrical outlets to support equipment in the work area   | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Electrical cords are not frayed or otherwise damaged.  | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Extension cords are not being used as a permanent source of electricity.   | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Electrical equipment and tools are properly maintained.  | <input type="checkbox"/> | <input type="checkbox"/> |
| F. Computers, peripheral equipment, copiers and fax machines are connected to surge protectors to guard against damage from power surges. | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>II. Fire Protection</b>  | <b>Yes</b>               | <b>No</b>                |
| A. Smoke Detector   |                          |                          |
| 1. There is a smoke detector placed in a location near the work area and any equipment used to support teleworking.                       | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Underwriter's Laboratory (UL) and/or the State Fire Marshall approve the smoke detector, and it has a function test mechanism.         | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Smoke detector(s) have been tested at the time of installation and will continue to be tested on a monthly basis.                      | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>III. Emergency Procedures</b>  | <b>Yes</b>               | <b>No</b>                |
| A. There is an evacuation plan.   | <input type="checkbox"/> | <input type="checkbox"/> |
| B. There is more than one way out of the work area (e.g., doors/windows).   | <input type="checkbox"/> | <input type="checkbox"/> |
| C. A first aid kit is on site.  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>IV. Environment</b>  | <b>Yes</b>               | <b>No</b>                |
| A. The work area is free of tripping hazards and is uncluttered.  | <input type="checkbox"/> | <input type="checkbox"/> |
| B. All equipment is adequately supported and free from the danger of falling.   | <input type="checkbox"/> | <input type="checkbox"/> |
| C. The work area has adequate lighting.   | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Potentially hazardous chemicals are not stored in, or around, the work area  | <input type="checkbox"/> | <input type="checkbox"/> |

\_\_\_\_\_  
Employee Name/Signature

\_\_\_\_\_  
Date