

**COMMISSION OF SILICON VALLEY CLEAN WATER
JOINT POWERS AUTHORITY
REGULAR MEETING – Monday, July 19, 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 4 OF THIS AGENDA.

SEE PAGE 4 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. 6
 - B. Manager's Reports
 1. Verbal Report.....pg. 9
 2. SVCW Cyber Security Presentation.....pg. 11
 - C. Financial Report
 1. Investment Report.....pg. 26
 - D. Engineering Capital Projects Report.....pg. 30
 - E. Commission Requested Staff-Level Action Items..... pg. 33
 - F. RESCU Program Design-Build Project Status Update..... pg. 36
6. MATTERS OF COMMISSION MEMBER'S INTEREST
Election of New Chairperson, Vice Chairperson and Appoint New Secretary
7. CONSIDERATION OF MOTION APPROVING CONSENT CALENDAR (begins pg. 44)
8. BUSINESS ITEMS
 - A. RECEIVE UPDATE ON SILICON VALLEY CLEAN WATER INFRASTRUCTURE
FINANCE AND INNOVATION ACT LOANS WITH THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY AND SERIES 2021A AND 2021B
WASTEWATER REVENUE NOTES (pg. 52)

Proposed Action:
No Commission action required
9. CLOSED SESSION
No Closed Session
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 – June 21, 2021 – Regular Meeting (pg. 44)
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED MAY 28, 2021, JUNE 1, 2021, JUNE 11, 2021, AND NECESSARY PAYMENTS THROUGH JUNE 11, 2021 (pg. 50)

Microsoft Teams Access Information
Silicon Valley Clean Water
Regular Meeting
Monday, July 19, 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 up to two hours prior to the scheduled meeting time. All comments should be in accordance with the three-minute per speaker limit. Indicate in your email the agenda item to which your comment applies. If you have anything that you wish distributed to the Commission and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

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

Accessibility for Individuals with Disabilities

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

Subject to Change:

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

AGENDA ITEM 5A

Bike Safely

Bicycling is one of the best ways to get exercise, see the sights and reduce your carbon footprint. However, bicyclists face a host of hazards. They often must share the road with vehicles, and injuries can happen even on a designated path.

The number of deaths from bicycle incidents increased 6% in 2019 and 37% in the last 10 years, from 793 in 2010 to 1,089 in 2019, according to [Injury Facts®](#). Of the 1,089 bicyclist deaths in 2019, 712 involved motor vehicles.

With about 80 million bicyclists sharing the road with motorized vehicles, it is vital bicyclists – and drivers – take some safety precautions.

How Can Drivers Keep Cyclists Safe?

The far hand reach, or Dutch reach, is a simple technique that will stop you and your passengers from opening your vehicle door in front of an oncoming vehicle, cyclist or pedestrian. This works for streets, sidewalks and parking lots.

When drivers and passengers open a vehicle door from the inside to exit the vehicle, they should use their far hand (the hand farthest from the door) to open the door. As you reach across your body to the door handle, your body will naturally swivel, and you will automatically look at the side-view mirror and look back for oncoming bikes and traffic. Open the door slowly and remain vigilant.

Cyclists, Check Your Equipment

Always inspect your bike prior to riding.

- The seat should be adjusted to the proper height and locked in place
- Make certain all parts are secure and working properly
- Check that the tires are inflated properly
- Make sure the bike is equipped with reflectors on the rear, front, pedals and spokes
- A horn or bell, a rear-view mirror and a bright headlight also are recommended

Plan to Be Seen

Make certain drivers can see you.

- Wear neon, fluorescent or other bright clothing
- Whenever possible, ride during the day
- If you must ride at night, wear reflective clothing and use flashing lights

Wear a Helmet

Helmets appropriate for bicycling should be worn by everyone – adults and children – on every bike ride regardless of length of the ride. Make certain the helmet is certified by the Consumer Product Safety Commission.

Follow these guidelines from NHTSA to properly fit the helmet:

- Adjust sizing pads or fit ring until the helmet is snug
- Position the helmet level on your head, covering the forehead and not tipped backward or forward; this will be about one to two finger widths above the eyebrow
- Adjust the side straps so they form a “V” shape under and slightly in front of your ears
- Center the buckle on the chin strap under your chin
- Buckle and tighten the chin strap until it is snug; no more than one to two fingers should be able to fit between the chin and strap
- When fitted, the helmet should not rock more than 1 inch side to side or front to back on your head
- Watch [Fitting a Bicycle Helmet](#)

Follow These Rules of the Road

Stay safe by following these rules:

- Get acquainted with traffic laws; bicyclists must follow the same rules as motorists
- Ride single-file in the direction of traffic
- Remain alert, keep your head up and look around; watch for opening car doors and other hazards
- Use hand signals when turning and use extra care at intersections
- Never hitch onto cars
- Before entering traffic, stop and look left, right, left again and over your shoulder

AGENDA ITEM 5B1

Recurring and Upcoming 2021 Commission Actions
Updated for July 2021 Meeting

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

-  - Recurring Commission Actions
-  - Upcoming Commission Actions

AGENDA ITEM 5B2

Cyber Security Overview

Information Services Division



SVCW
Silicon Valley Clean Water

Agenda



- Cyber Security **Threats**
- Cyber Security **Resources**
- Continuing Education
- Cyber Security **Culture**
- Cyber Security **Partners**
- Cyber Security **Posture**
- Cyber Security **Horizon**

Cyber Security in the News:

Top stories



THE HILL

Microsoft urges users to update PCs in security warning | TheHill

1 day ago



NPR

Cyberattack On Kaseya Hit Up To 1,500 Organizations Worldwide

1 day ago



NBC NEWS

Ransomware attacks leave cybersecurity experts 'barely able to keep up'

2 hours ago

PC Gamer

Cybersecurity wakeup call as hackers target school system

New South Wales Department of Education announced it had fallen victim to a cybersecurity attack today. The state department, after having...

6 hours ago



View all

The Washington Post

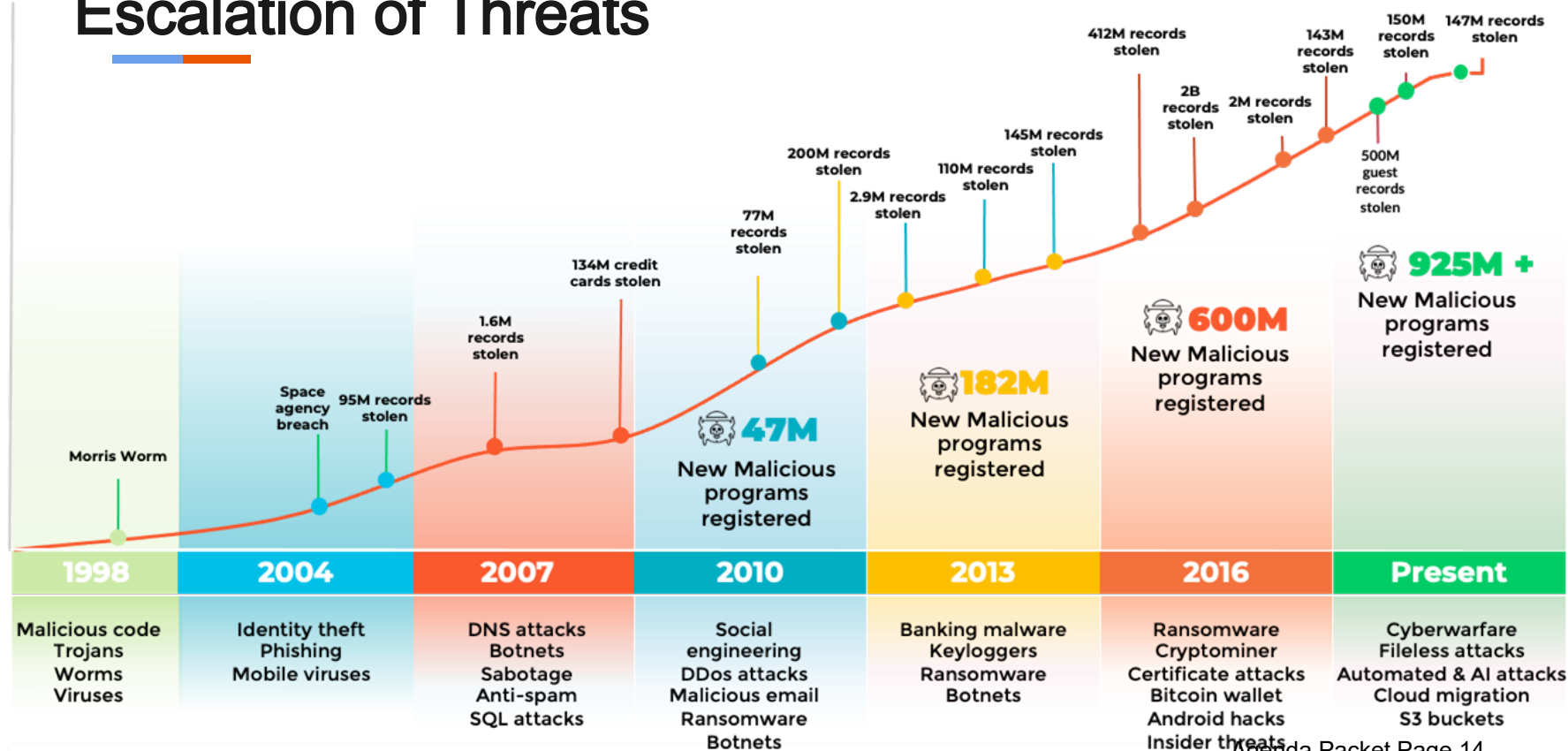
The Cybersecurity 202: The Kaseya attack is a revolution in sophistication for ransomware hackers

The hackers who pulled off the largest such hack to date also used the most sophisticated hacking tool.

10 hours ago

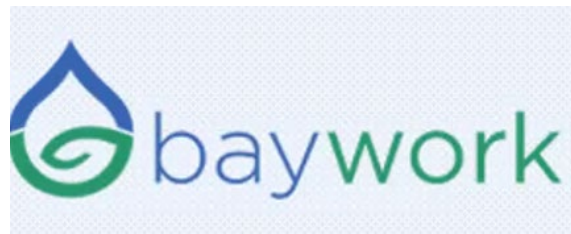


Escalation of Threats



Resources

SVCW keeps abreast of risks through active memberships focused on Cyber Security



Continuous Education



the home is the new battleground
and the path to the corporate breach.

It's the path of least resistance.

CISOs can't solve it alone due to privacy laws, friction,
and personal information exposure.



The Digital Worker

The Cybersecurity Triple Challenge:

- 1) Continuously evolving cybersecurity threat for critical infrastructure
- 2) Digitization of everything (including critical infrastructure)
- 3) Digital Workers losing touch with the physical aspects and control of critical infrastructure



Measurable Training for All Staff



Welcome Matt [Sign Out](#) [My Account](#) [Contact Us](#)

Trainee

[Account](#) [Training](#) [Evaluations](#) [Help](#)

[Account Home](#) > [Training](#) > Lessons

Lessons

Your lessons are shown below, with your most recent lessons listed first. Your lesson completion status for each lesson is indicated by the icon in the "Completed Date" column. See the "Lesson Legend" for the meaning of the icons. Click on a lesson title to take a lesson. You may take a lesson as many times as you want.

* Click on a lesson title to start the lesson

Lesson Legend

- ☐ Not Started
- ☒ In Progress
- ☒ Completed
- ☒ Late lessons are in red



Search For:

in

All

 Columns

Lesson Title	Pages Done	Total Pages	Due Date	Completed Date	Completion Certificate
Public WiFi: Be Careful Out There	19	19	2021-01-18	2021-01-20 <div></div>	Print
Mobile Devices - The Way We Work & Play	15	15	2021-02-15	2021-02-19 <div></div>	Print
The Wild, Wild Web	13	13	2021-03-15	2021-03-08 <div></div>	Print
Working Remotely: Anywhere, Anytime	16	16	2021-04-19	2021-04-09 <div></div>	Print
When Is A Friend Not A Friend?	15	15	2021-05-17	2021-05-07 <div></div>	Print
Beware: Others May Be Manipulating You	15	15	2021-06-21	2021-06-07 <div></div>	Print
Protecting Information	0	14	2021-07-19	<div></div>	

Showing 1 to 7 of 7 rows

Displaying

25

 rows

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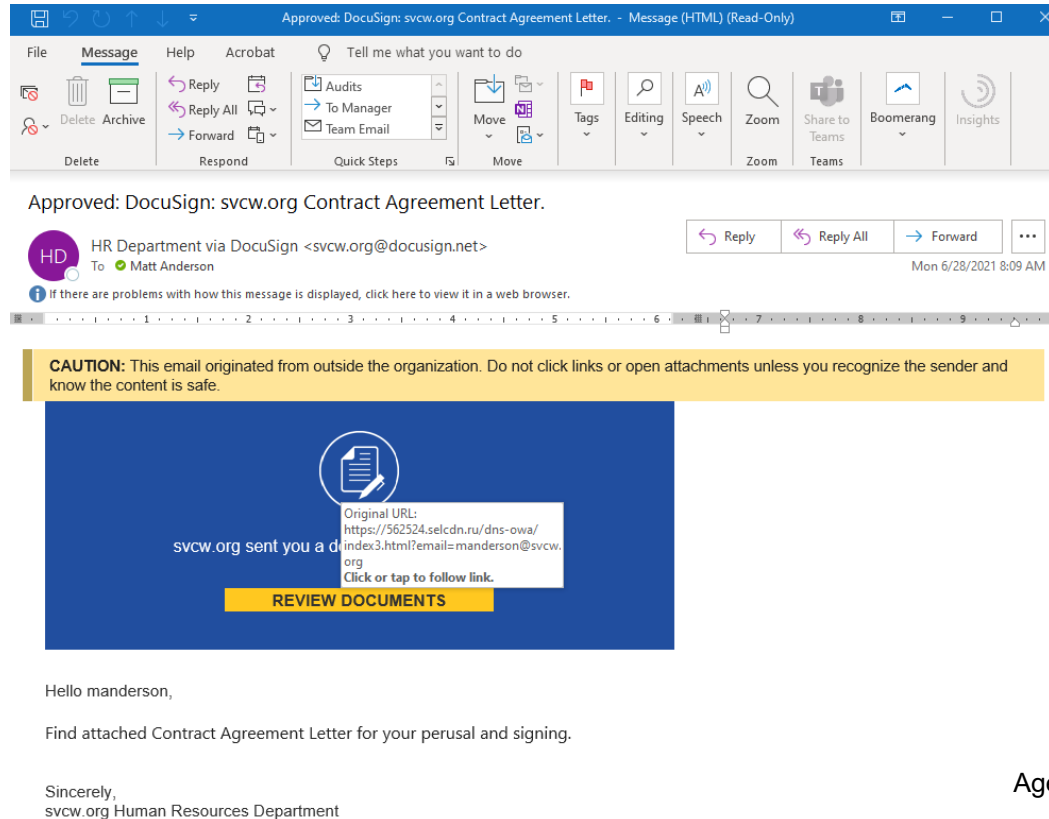
⏮ BACK

Page 1 of 1

NEXT ⏭

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
Recent Phishing Example




The screenshot shows an Outlook window titled "Approved: DocuSign: svcw.org Contract Agreement Letter. - Message (HTML) (Read-Only)". The ribbon includes "File", "Message", "Help", and "Acrobat". The "Message" tab is active, showing options like "Delete", "Archive", "Reply", "Reply All", "Forward", "Quick Steps", "Move", "Tags", "Editing", "Speech", "Zoom", "Share to Teams", "Boomerang", and "Insights".

The email content is as follows:


Approved: DocuSign: svcw.org Contract Agreement Letter.

 HR Department via DocuSign <svcw.org@docusign.net>
To:  Matt Anderson

Mon 6/28/2021 8:09 AM

 If there are problems with how this message is displayed, click here to view it in a web browser.

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.


svcw.org sent you a document.
Original URL:
<https://562524.selcdn.ru/dns-owa/index3.html?email=manderson@svcw.org>
Click or tap to follow link.

REVIEW DOCUMENTS

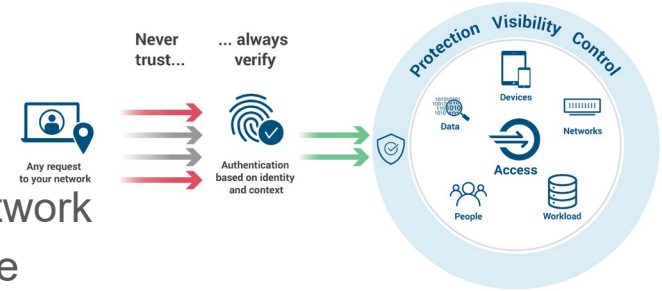
Hello manderson,

Find attached Contract Agreement Letter for your perusal and signing.

Sincerely,
svcw.org Human Resources Department

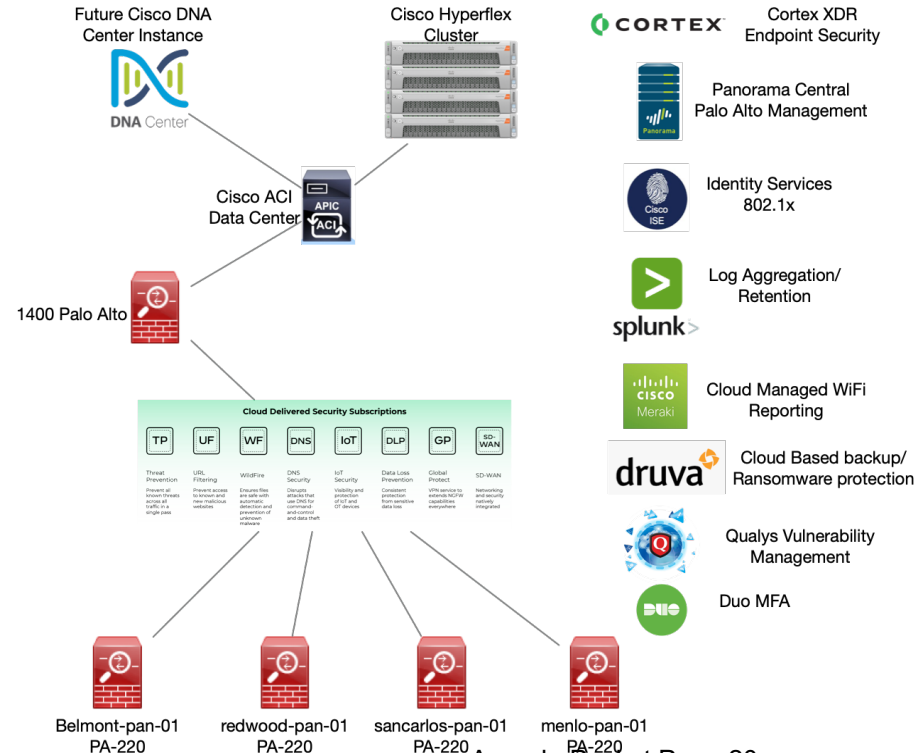
Security Culture: Top of Mind

- Security best viewed as a “first down”
 - Things done to gain yards, some big, some small but to gain towards goal
- Use a Zero Trust Networking approach
 - No longer a “Trust But Verify” model
 - No access trusted, whether inside or outside network
 - Cyber security simulation testing / Phish Defense
- Evolve Security solutions over time to keep pace with threats
 - What was a good solution today might not be tomorrow
 - What was good today might be improved tomorrow



Cyber Security Partners

- SVCW partners with proven cyber security experts
- Allows access only to the right users with secure devices, regardless of location
- Work from home easily accomplished
- Data packets filtered prior to arrival to identify and remove risks
- Network constantly monitored



Safety -focused Security Posture

Reactive

Proactive

Level 1 Basic

The program is tactical at best and the risks of a Cybersecurity issue are severe

Level 2 Standardized

The program is proactive and the risks of a Cybersecurity issue are significant

Level 3 Rationalized

The program is holistic and fully operational and the risks of a Cyber security issue are moderate

Level 4 Dynamic

The program is strategic and optimal and the risks of a Cybersecurity issue are minor



The Horizon:

- Explore AI and Machine-learning tools
 - Provide insight into possible exposures
 - Coordination of response to incidents
 - Networking management
- Further Develop Cyber Security Culture
 - Zero Trust Networking
 - Emphasize staff training
- Constantly evolve Cyber Security protocols



Summary

- Proactive security allows SVCW to stay ahead
- SVCW well-positioned in cyber security
- Partnerships with security experts ensure state-of-the-art solutions
- Emphasis on staff learning to create strong culture
- Safety encompasses cyber security

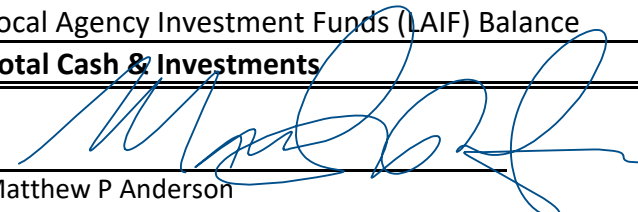


Thank you

AGENDA ITEM 5C1

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

Description	Market Value	% of Total Holdings	Yield
<u>Reserve Accounts</u>			
Operating Reserve* - Securities	\$ 3,561,268	4.77%	1.08%
Operating Reserve - Money Market Fund Balance	284,479	0.38%	0.03%
CIP Reserve* - Securities	17,889,354	23.96%	1.75%
CIP Reserve - Money Market Fund Balance	456,278	0.61%	0.03%
Stage 2 Capacity Reserve* - Securities	14,392,313	19.28%	1.71%
Stage 2 Capacity Reserve - Money Market Fund Balance	275,438	0.37%	0.03%
Total Market Value: Operating and Reserve Accounts	\$ 36,859,130	49.4%	1.62%
Total Accrued Interest: Operating and Reserve Accounts	137,324		
GRAND TOTAL, OPERATING AND RESERVE ACCOUNTS	\$ 36,996,455		
<u>Bond and Notes Accounts</u>			
Trustee Accounts:			
2018 Project Fund Account - CAMP	\$ 13,073,211	17.51%	0.05%
2018 Revenue Account	5,029	0.01%	0.01%
2019A Notes WIFIA - Money Market Fund	1,580,148	2.12%	0.01%
2019A Capitalized Interest Account* - Securities	18,809,379	25.20%	1.97%
2019A Capitalized Interest Account - Money Market Fund	8,058	0.01%	0.01%
2021 Cost of Issuance Account	62,753	0.08%	0.01%
2014 Revenue Account	451	0.00%	0.07%
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%	0.04%
Total Market Value, Trustee Accounts	\$ 33,539,223	44.93%	1.12%
Accrued Interest:	93,036		
Operating Cash (includes outstanding checks)	4,044,800	5.42%	0.00%
Local Agency Investment Funds (LAIF) Balance	210,030	0.28%	0.32%
Total Cash & Investments	\$ 74,883,544	100.00%	1.31%


Matthew P Anderson
Chief Financial Officer / Assistant Manager

6/15/2021
Date

* Monthly report of security transactions and interest available upon request

Silicon Valley Clean Water Operating and Reserve Funds - Sector Allocation & Compliance May 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	1,089,035	7,101,641	6,028,633	14,219,309	39%	100%	✓	2.6%
Supranationals	357,975	-	-	357,975	1%	15%	✓	0.1%
Federal Agency/GSE	1,097,390	2,893,843	2,192,292	6,183,525	17%	100%	✓	(0.5%)
Federal Agency CMO	-	2,291,637	1,632,838	3,924,475	11%	100%	✓	(0.8%)
Federal Agency MBS	-	1,054,502	988,594	2,043,096	6%	100%	✓	(0.7%)
Municipal	-	1,060,341	811,716	1,872,057	5%	30%	✓	(0.2%)
Corporate Notes	691,116	3,272,213	2,573,104	6,536,432	18%	30%	✓	0.9%
Asset-Backed Securities	325,752	215,178	165,136	706,066	2%	10%	✓	0.9%
Securities Sub-Total	3,561,268	17,889,354	14,392,313	35,842,936	97%			
Accrued Interest	6,972	71,671	58,681	137,324				
Securities Total	3,568,241	17,961,025	14,450,994	35,980,260				
Money Market Fund	284,479	456,278	275,438	1,016,195	3%	20%	✓	(2.2%)
Total Investments	3,852,720	18,417,303	14,726,432	36,996,455	100%			
<i>As % of 6/30/21 Target:</i>	<i>102%</i>	<i>103%</i>	<i>100%</i>	<i>102%</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>

- 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. In accordance with Generally Accepted Accounting Principles (GAAP), month-end holdings and information are reported on a trade date basis.*
- 5. 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.*
- 6. The yield for LAIF is the average monthly effective yield. Source: https://www.treasurer.ca.gov/pmia-laif/historical/avg_mn_ylds.asp*
- 7. 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.*
- 8. Yield shown for CAMP is the monthly distribution yield.*

AGENDA ITEM 5D

**ENGINEERING REPORT: JUNE 2021
CAPITAL IMPROVEMENT PROGRAM****Upcoming Commission Actions:**

Fixed Film Reactor Rehabilitation (9242): Rehabilitate all three fixed film reactors.

This project includes improvements and rehabilitation of three originally built fixed-film reactors. Work will include condition assessment of the structure, media and overall process performance then implement necessary repair/rehabilitation items. One FFR will be rehabilitated at a time for continuous treatment throughout the project. The project will enter its design phase in summer 2021.

Planned Commission Actions: Approve Design Task Order – August 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 constructed. The tank is 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 of a new, above ground storage tank. The project will be advertised for bids in July 2021 with bids due in August.

Planned Commission Actions: Approve Construction Contract – September 2021

Ongoing Projects in Construction:

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. SVCW staff and consultant project team are intricately involved in all stages of work.

All three projects are in their construction phases; refer to Commission Item 5F for status updates.

Planned Commission Actions: None anticipated in the near future

CCT Valve Replacement (9107): Rehabilitation of Chlorine Contact Tank

Recoating of concrete surfaces in all three passes of the chlorine Contact Tank, replacement of valves and piping.

BioforceTech Improvements (9231): Biodryer and Pyrolysis Facility improvements.

Work involves replacing feed conveyor system to be followed by co-operation of the entire facility.

SAF-MBR (9236): Pilot testing of new treatment system in conjunction with Stanford University

System is operational with particular equipment being tested. Additional equipment being procured to further test different scenarios of treatment.

Generator Feed Relocation (9240): Provide new generator feed and transformer.

Relocation of the feed and new transformer will enable SVCW's existing backup generators to be used for the Front of Plant headworks facility. This project will use existing infrastructure, saving significant costs.

Primary Channels Rehabilitation and Hatch Replacement (9241): Re-coating concrete surfaces and replacing desk hatches.

Recoating concrete surfaces in Primary Sedimentation Tanks 3 and 4, in Primary Influent Channel, and Primary Effluent Channel. Work needs to ensure continued treatment in other tanks and channel. Hatches on the deck above the tanks are aluminum and significant corrosion is visible; the hatches will be replaced with FRP (fiberglass reinforced plastic) hatches.

Laboratory Building HVAC (9251): Replace HVAC system serving Laboratory Building.

The HVAC system serving the Laboratory is original (circa 1991) and is past its useful life. Maintenance on the system is no longer possible. A new system was design and construction is in progress.

AGENDA ITEM 5E

Silicon Valley Clean Water
Commissioners' Requested Action Items

JULY 19, 2021
AGENDA ITEM 5E

Updated: 07/08/2021

Commission Meeting Date		Action Item	Requested or Estimated Date for Completion	Status			Date of Completion	Notes
				Ongoing	In Progress	Complete		
6/21/2021	1	No Action Items						
5/17/2021	1	CWEA Plant of the Year Award - Public Info	6/21/2021		✓			Public info "blast" out on award(s) received have and are occurring
	2	Gravity Pipeline project - San Carlos Shaft	N/A		✓			if a source for ammonia becomes known, report out to Commission
4/19/2021	1	Schedule Performance Index for RESCU FoP	5/17/2021			✓	5/17/2021	SPI increased for April due to delivery and payment of large equipment items. SPI now at 0.95
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. None as of this update.
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.
> 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 consolidated. Next step to meet with member agencies for consensus.

Silicon Valley Clean Water
Commissioners' Requested Action Items

JULY 19, 2021
AGENDA ITEM 5E

Updated: 07/08/2021

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
	6	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.

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

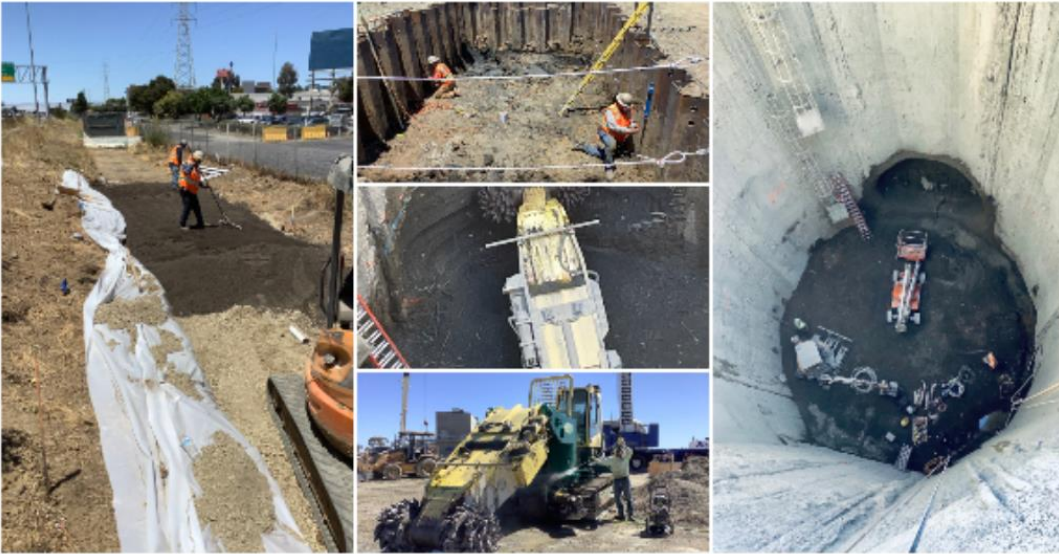
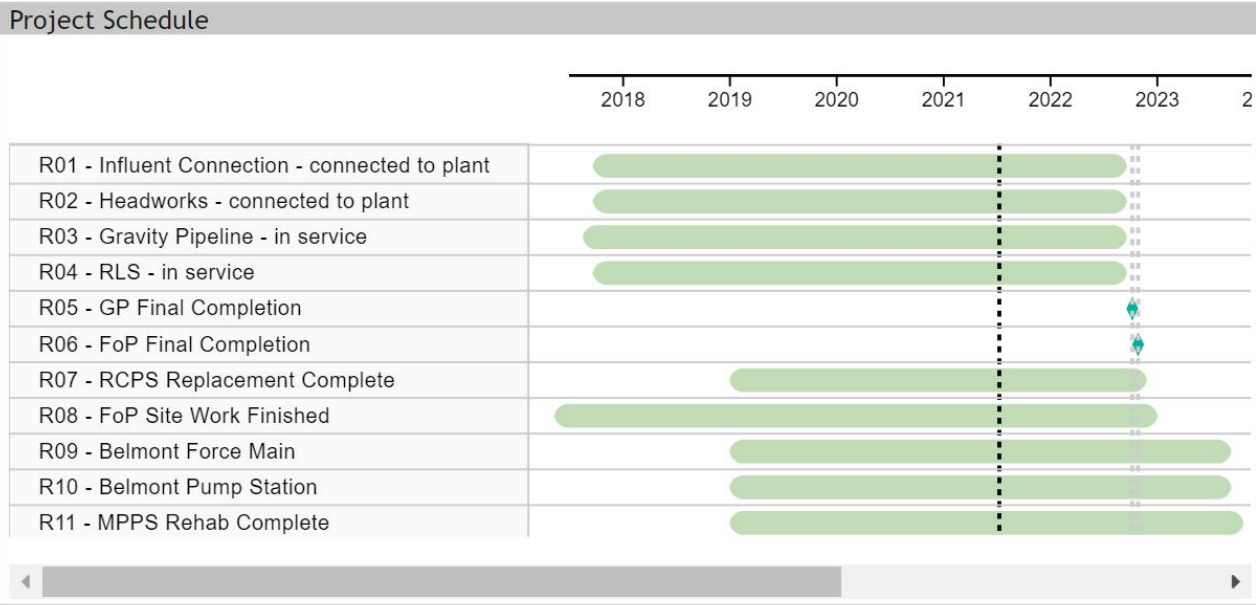
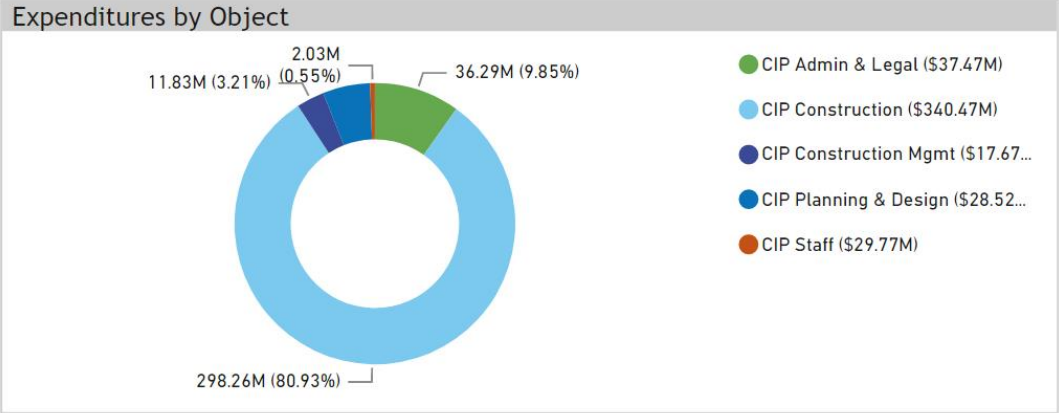
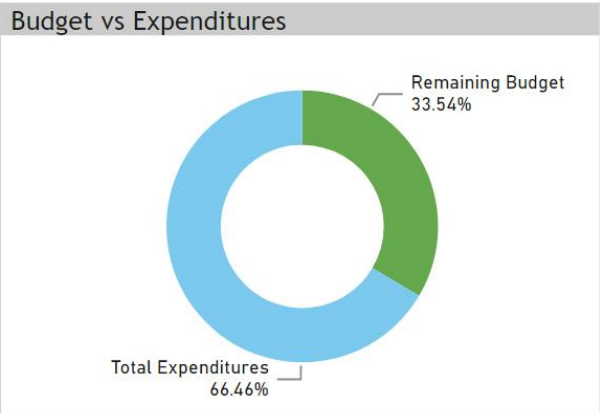
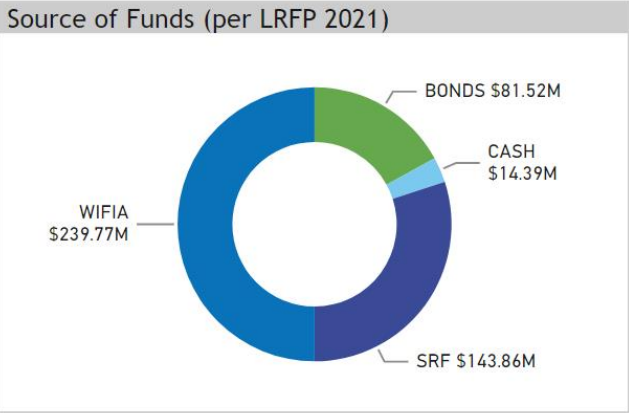
\$554.36M

Total Expenditure

\$368.53M

Remaining Budget

\$185.84M



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

\$106.24M

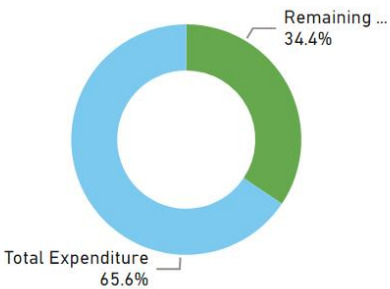
Remaining Budget

\$55.71M

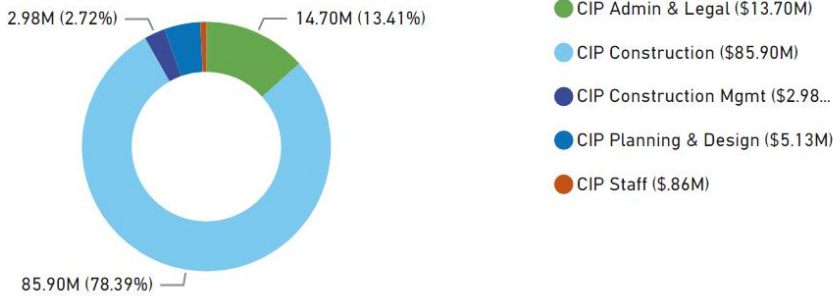
Milestone Schedule

	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

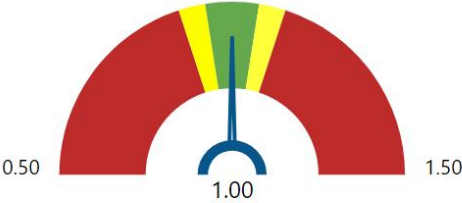
Budget vs Expenditures



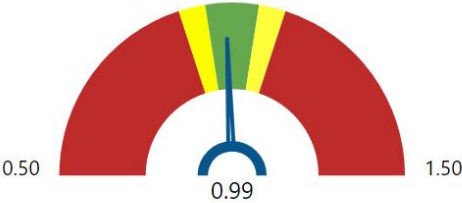
Expenditures by Object



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2021 - 06





Major Accomplishments this Period

▼	
Construction	<ul style="list-style-type: none">- SPJV continued with the installation of various carrier pipes around the Headworks Facility.- SPJV has routed conduit from all equipment in the Headworks electrical room to the RLS control and communications cabinets.- SPJV continues the installation of cables onto cable busses in the Electrical Room.- SPJV completed the installation of 3 of 6 24-inch HDPE discharge lines and backfilled the northern portion pile-supported apron slab between the Headworks Facility and the RLS. Following this, SPJV began excavation of the southern portion to begin the installation of the remaining 3 discharge lines. SPJV to place concrete for pile-suppported apron slab in July.- The installation of the main RLS shaft exhaust ducting was completed in the middle of the month and then began the installation of the smaller branches at the lower level of the RLS which is expected to be completed in July.- RLS Upper Mezzanine Phase 3 of 3 was framed, and SPJV continued installation of panels, conduits and grating at the mezzanine. Railing was installed after the grating.- 2 of 8 RLS precast roof panels were formed, set and cured by SPJV and are planned to be set and secured early in July.
Design	<ul style="list-style-type: none">- SPJV is working with CID and OM to further develop control strategies.- SPJV is working on refining the third draft of the start-up and testing plan.
Procurement of Trade Packages	<ul style="list-style-type: none">- WIFIA and SRF requirements compliance for trade packages are in progress.- All major headworks equipment is onsite.- SPJV released the purchase orders for the RLS pipe supports and the Headworks Channel aluminum covers.

3 - Month Look Ahead

	Start	End	July	August	September
Form/Set Rebar/Place Concrete for Precast RLS Roof Sections	March 15, 2021	July 30, 2021	X		
Install RLS Main Jib Crane	July 7, 2021	July 14, 2021	X		
Install Headwork Channel Aluminum Covers	June 28, 2021	July 21, 2021	X		
Install 24-inch HDPE RLS discharge piping between RLS to Headworks	April 6, 2021	July 30, 2021	X		
Install grit piping and pumps	July 1, 2021	August 15, 2021	X	X	
Install 48-inch Foul Air Piping and Storm Drain Line from HW to SFS	July 23, 2021	August 11, 2021	X	X	
Installation of upper mezzanine grating and electrical panels	June 11, 2021	August 6, 2021	X	X	
Excavate Utilidor and place Pre-Cast Trench Boxes	July 22, 2021	August 4, 2021	X	X	
Install conduit, wire and electrical devices to major equipment at the Headworks Facility	July 1, 2021	November 10, 2021	X	X	X
Install RLS Manifold Piping and Valves from SFS Wall Connections to Pumps	July 14, 2021	November 5, 2021	X	X	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

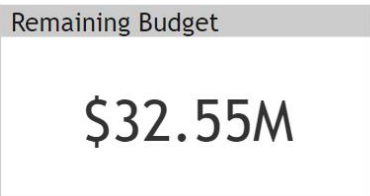
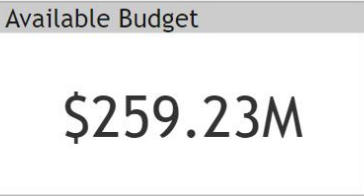
Safety Spot Light

Lost Time	0
Near Misses	5
Recorded Losses	2

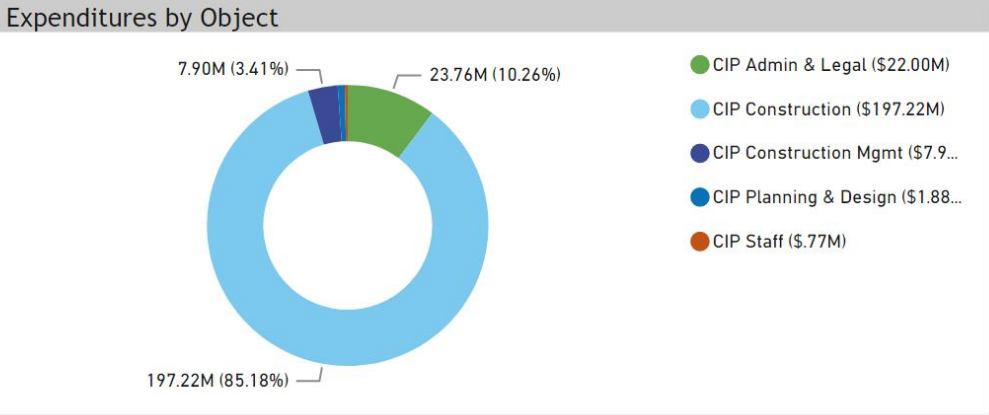
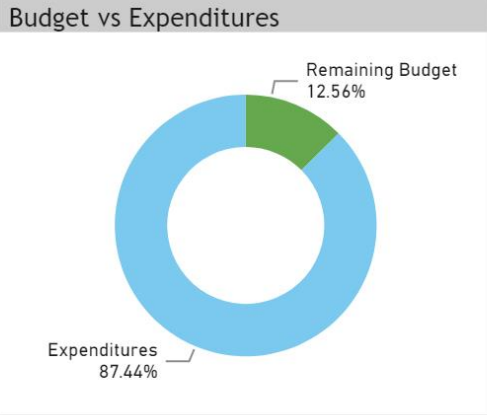
Gravity Pipeline Progressive DB Project (CIP 6008)



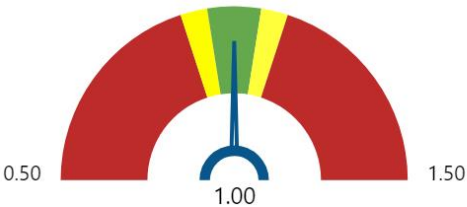
The Gravity Pipeline (GP) Project consists of the design, construction, permitting, start-up, commissioning, and closeout of approximately 17,600 feet of wastewater gravity FRP pipe inside a concrete-segment tunnel. The work includes three shafts and will interface directly with the Front of Plant (FoP)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



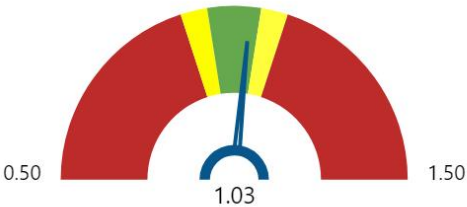
Milestone Schedule		
	Start	Finish
San Carlos Shaft and Adit Construction	6/15/2020	10/12/2021
TBM Drive (AAS to SFS)	7/6/2020	6/25/2021
FRP Pipe Installation	10/25/2021	1/7/2022
Substantial Completion		7/1/2022



Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of : 2021 - 06



Major Accomplishments this Period

▼	
Construction	<ul style="list-style-type: none"> - BBJV completed tunneling the second drive to the SFS - BBJV to begin construction of San Carlos Adit
Design	<ul style="list-style-type: none"> - BBJV incorporating SVCW comments into the 100% design for San Carlos and Bair Island connection piping.
Muck Disposal	<ul style="list-style-type: none"> - 71% of Muck Disposal Amendment spent - 29% of Muck Disposal Amendment remaining - Currently offhauling to Oyster Bay in San Leandro
Procurement of Trade Packages	<ul style="list-style-type: none"> - FRP Pipe Cell Grout contract in progress - Outreach in conformance with SRF and WIFIA funding requirements

Potential Issues

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

3 - Month Look Ahead

	Start	End	July	August	September
San Carlos Adit Construction	July 8, 2021	October 12, 2021	X	X	X
TBM Removal at SFS	June 25, 2021	September 2, 2021	X	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	4
Recorded Losses	3

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 MPPS and RCPS will flow through the new 48-inch force main to a drop structure at Inner Bair Island. RCPS pumps MPPS flows during wet weather events.

Milestone Schedule

	Start	Finish
MPPS - A-side Pumps Completed		7/28/2022
MPPS - B-side Pumps Completed		11/17/2022
MPPS - Segment 1 and 2 CARVs Completed		11/23/2021
BGP - Gravity Pipe Installed		12/13/2022
RCPS - PG&E Service Work		8/24/2022
RCPS - Wet Well & Screening Building Completed		2/3/2023
RCPS - Electrical Building Completed		11/10/2022

Available Budget

\$119.68M

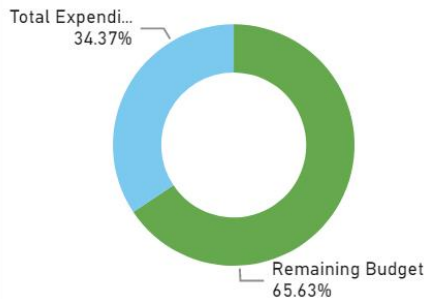
Total Expenditure

\$41.14M

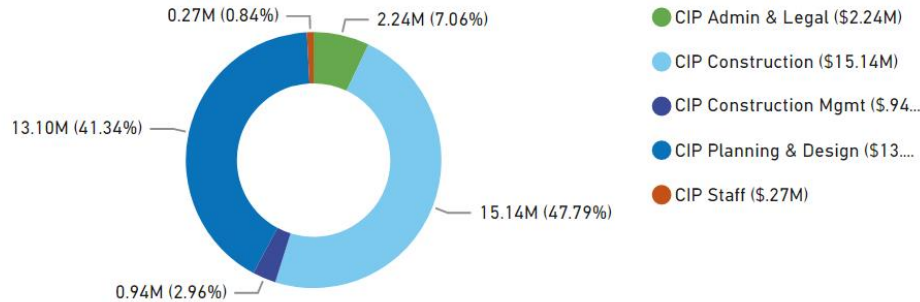
Remaining Budget

\$78.54M

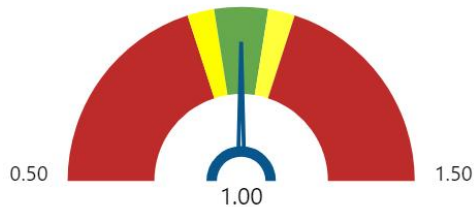
Budget vs Expenditures



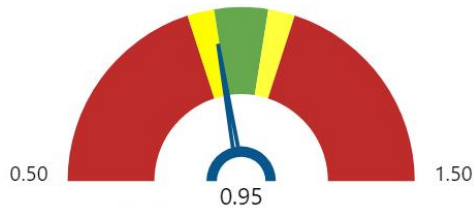
Expenditures by Object



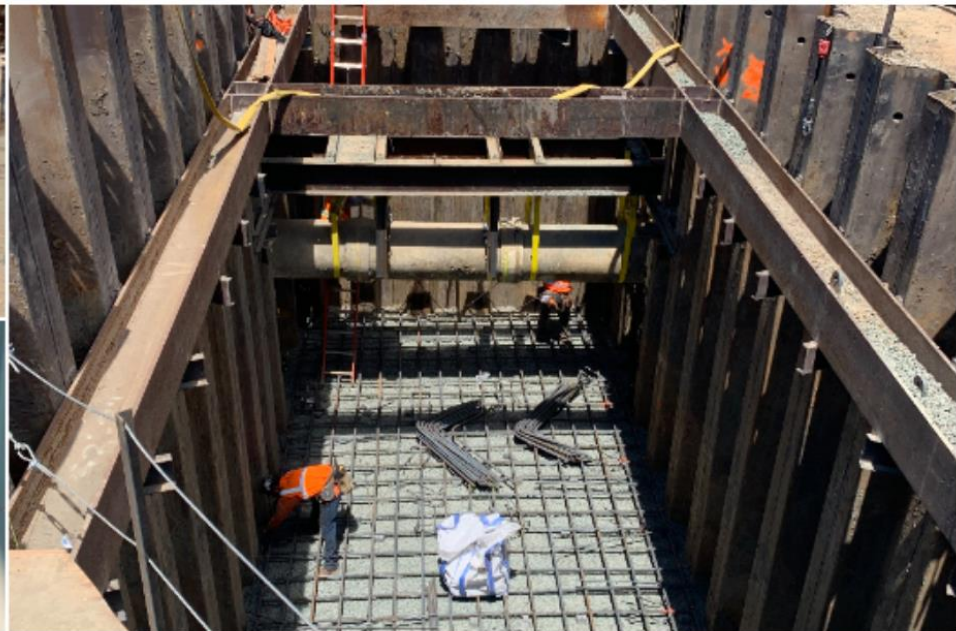
Cost Performance Index (CPI)



Schedule Performance Index (SPI)



As of: 2021 - 06



Major Accomplishments this Period

Construction	<ul style="list-style-type: none"> - RCPS: Placed concrete for generator foundation and electrical building slab. Excavated to level 1 of the wet well and screening structure and installed walers. - BGP: Completed excavation and prepared for base slab and thrust wall concrete placement at JS-1. Completed excavation and placed base slab at RS-1. Completed shoring installation at JS-2. Began shoring installation at JS-4.
Design	<ul style="list-style-type: none"> - Negotiation is on-going regarding the cost for design of the SCPS declassification. - SPJV has been tasked with designing a 60-inch pipe for the City of Redwood City from the new junction box at RCPS to just outside the PS parcel property line.

3 - Month Look Ahead

	Start	End	July	August	September
MPPS - Procurement	February 1, 2021	November 30, 2021	X	X	X
MPPS - Mobilization	June 21, 2021	July 16, 2021	X		
MPPS - Segment 1 and 2 CARVs	August 17, 2021	November 23, 2021		X	X
MPPS - Electrical Room Improvements	July 16, 2021	October 1, 2021	X	X	X
BGP - Procurement	June 14, 2021	November 12, 2021	X	X	X
BGP - Phase 2	June 7, 2021	November 4, 2021	X	X	X
RCPS - Permits & Easements Acquisition - PG&E Undergrounding	December 15, 2020	July 30, 2021	X		
RCPS - Procurement	May 26, 2021	September 7, 2021	X	X	X
RCPS - PG&E Undergrounding	August 2, 2021	August 4, 2021		X	
RCPS - Site Utilities	June 17, 2021	July 26, 2021	X		
RCPS - Wet Well & Screening Building Excavation and Backfill	June 23, 2021	October 26, 2021	X	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 – June 21, 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, 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
Sheryl Chia, Tanner Pacific, Inc.
Sergio Ramirez, West Bay Sanitary District
Steven Machida, City of San Carlos

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 9

Motion made to change the order of Agenda Items 9A and 9B

Motion/Second: Mr. Otte / Dr. Lieberman

CLOSED SESSION

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov't Code Section 54957)
Title: Manager
- B. CONFERENCE WITH LABOR NEGOTIATOR (Gov't Code Section 54957.6)
Unrepresented Employee: Manager

Closed Session was called to order at 8:05 a.m.

ITEM 10

RECONVENE IN OPEN SESSION

Ms. Fitzgerald reported as to Agenda Item 9A and 9B no reportable action was taken.

Open Session reconvened at 8:44 a.m.

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 ease digital eye strain.

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 7E

- A. APPROVAL OF MINUTES – May 17, 2021 – Regular Meeting
- B. CONSIDERATION OF MOTION APPROVING CLAIMS AND CHECKS DATED APRIL 30, 2021, MAY 3, 2021, AND MAY 14, 2021, AND NECESSARY PAYMENTS THROUGH MAY 14, 2021
- C. CONSIDERATION OF MOTION APPROVING FINAL ACCEPTANCE AND AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE WWTP RELIABILITY IMPROVEMENTS PHASE 2 PROJECT (CIP# 9503)

Proposed Action:

Move approval to ACCEPT WASTEWATER TREATMENT PLANT IMPROVEMENTS PHASE 2 PROJECT (CIP #9503) AND AUTHORIZE FILING NOTICE OF COMPLETION – C. OVERAA/HYDROSCIENCE

D. CONSIDERATION OF MOTIONS APPROVING NEW CIP PROJECT AND ENGINEERING DESIGN SERVICES TASK ORDER SCOPE AND BUDGET FOR NO. 3 WATER SYSTEM UPGRADES

Proposed Action:

- i. Move approval of NEW CIP PROJECT (#9255) BUDGETED IN THE AMOUNT OF \$5 MILLION AND TRANSFER REMAINING BUDGET OF \$1,500,000 FROM CIP #8025 TO CIP #9255
- ii. Move approval of TASK ORDER SCOPE OF WORK AND BUDGET FOR DESIGN SERVICES FOR THE NO. 3 WATER SYSTEM CAPACITY UPGRADES (CIP# 9255) IN AN AMOUNT NOT TO EXCEED \$335,170 AND AUTHORIZE MANAGER TO APPROVE UP TO TEN PERCENT CONTINGENCY FOR ADDITIONAL WORK ON AN AS-NEEDED BASIS – BROWN AND CALDWELL

E. CONSIDERATION OF RESOLUTION APPROVING REVISION TO SVCW COMMISSION POLICY 2010-01, FRAUD IN THE WORKPLACE

Proposed Action:

Move adoption of RESOLUTION APPROVING AND ADOPTING REVISION A TO COMMISSION POLICY 2010-01, FRAUD IN THE WORKPLACE

Motion/Second: Dr. Lieberman / Mr. Collins

The Motion carried by Unanimous Roll Call Vote

ITEM 8A

CONSIDERATION OF RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF CONSTRUCTION INSTALLMENT SALES AGREEMENT LOAN WITH THE STATE WATER RESOURCES CONTROL BOARD RELATED TO SVCW CAPITAL IMPROVEMENT PROGRAM

Proposed Action:

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING EXECUTION AND DELIVERY OF FINANCING AGREEMENTS BETWEEN SILICON VALLEY CLEAN WATER AND THE STATE WATER RESOURCES CONTROL BOARD RELATING TO CERTAIN CAPITAL IMPROVEMENT PROJECTS AND APPROVING OTHER MATTERS IN CONNECTION THEREWITH

Motion/Second: Mr. Otte / Dr. Lieberman

The Motion carried by Unanimous Roll Call Vote

ITEM 8B

CONSIDERATION OF RESOLUTION AUTHORIZING TO AMEND AND INCREASE LINE OF CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION

Proposed Action:

Move adoption of RESOLUTION OF THE COMMISSION OF SILICON VALLEY CLEAN WATER AUTHORIZING THE AMENDMENT OF A CREDIT AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, AND APPROVING RELATED FINANCING DOCUMENTS AND OFFICIAL ACTIONS

Motion/Second: Mr. Otte / Mr. Collins

The Motion carried by Unanimous Roll Call Vote

ITEM 8C

CONSIDERATION OF RESOLUTION APPROVING MANAGER'S FISCAL YEAR 2021-2022 ANNUAL SALARY AND FISCAL YEAR 2020-2021 BONUS

Proposed Actions:

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

Commissioner Aguirre reported the Manager's salary for FY2021-2022 in the amount of \$30,576 per month, reflecting a COLA increase of 4% and zero merit increase. Manager granted a performance bonus in the amount of 8.5% of Manager's FY2020-2021 salary.

Motion/Second: Dr. Lieberman / Mr. Otte

The Motion carried by Unanimous Roll Call Vote

ITEM 8D

CONSIDERATION OF RESOLUTIONS ESTABLISHING RATES OF PAY AND CLASSIFICATIONS FOR CONFIDENTIAL GENERAL, UNREPRESENTED GENERAL, PROFESSIONAL AND MANAGEMENT EMPLOYEES; ADDING ENGINEER; AND APPROVING UPDATED CONSOLIDATED PAY SCHEDULE

Proposed Action:

Move adoption of:

- i. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION PROVISIONS FOR MANAGEMENT EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING AND RESTATING CERTAIN PROVISIONS OF RESOLUTION NO. SVCW 20-20 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH

- ii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION PROVISIONS FOR CONFIDENTIAL GENERAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING RESOLUTION NO. SVCW 20-21 AND ANY AND ALL OTHER RESOLUTIONS OR PROVISIONS THEREOF IN CONFLICT HEREWITH
- iii. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION FOR UNREPRESENTED GENERAL EMPLOYEE POSITIONS OF ENGINEERING INTERN, LABORATORY ASSISTANT AND GENERAL INTERN AND RESCINDING RESOLUTION NO. SVCW 20-22 AND ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH
- iv. RESOLUTION ESTABLISHING RATES OF PAY AND RELATED COMPENSATION PROVISIONS FOR PROFESSIONAL EMPLOYEES OF SILICON VALLEY CLEAN WATER AND RESCINDING RESOLUTION NO. SVCW 20-23 AND RESCINDING ANY AND ALL OTHER RESOLUTIONS OR PORTIONS THEREOF IN CONFLICT HEREWITH
- v. RESOLUTION AMENDING SECTION 6 OF RESOLUTION NO. SVCW 77-6, THE SVCW PERSONNEL RESOLUTION, RELATING TO CLASSIFICATION OF POSITIONS AND RESCINDING PARAGRAPH 1 OF RESOLUTION NO. SVCW 20-24 AND ANY AND ALL OTHER RESOLUTIONS OR PROVISIONS THEREOF IN CONFLICT HEREWITH
- vi. RESOLUTION APPROVING AND ADOPTING CONSOLIDATED PAY SCHEDULE FOR ALL REPRESENTED AND UNREPRESENTED EMPLOYEES OF SILICON VALLEY CLEAN WATER FOR FISCAL YEAR 2021-2022

Motion/Second: Mr. Otte / Mr. Collins

The Motion carried by Unanimous Roll Call Vote

ITEM 11

ADJOURN

There being no further business, the meeting adjourned at 9:05 a.m.

Minutes prepared by Teresa A. Herrera

Reviewed by General Counsel

Warren Lieberman, Secretary

AGENDA ITEM 7B

SVCW WARRANT REGISTER

SVCW Warrant Registers dated May 15, 2021 – June 2, 2021 and June 3, 2021 – June 15, 2021, were scanned and a copy was emailed to Commissioners and Legal Counsel on July 13, 2021.

AGENDA ITEM 8A

**WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA) LOANS
AND
ACCOMPANYING 2021 WASTEWATER REVENUE NOTES**

ISSUE

Receive Update on Silicon Valley Clean Water Infrastructure Finance and Innovation Act Loans with the United States Environmental Protection Agency and Series 2021A and 2021B Wastewater Revenue Notes

BACKGROUND

Silicon Valley Clean Water (“Authority” or “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 is responsible for arranging funding for the wastewater conveyance, treatment and disposal facilities. The Authority owns and operates a sub-regional wastewater treatment plant and related conveyance and disposal facilities which serve the Members.

SVCW launched a Capital Improvement Program (“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 from inception to completion of projects thus far identified. As of May 01, 2021, approximately \$650 million of the CIP has been spent on projects, including significant construction of its Regional Environmental Sewer Conveyance Upgrade (“RESCU”), replacement of sections of forcemain, upgrades to electrical systems, improvements to both liquid- and solids-handling processes, installation of cogeneration solutions, and construction of influent screens. Demonstrable benefits of these projects include enhanced safety, lowered environmental risk, improved reliability of treatment operations, and reduced electricity costs. To provide financing for the CIP, the Authority has previously issued multiple series of revenues bonds, entered into financing agreements with the California State Water Resources Control Board, and executed one Water Infrastructure Finance and Innovation Act Loan (“WIFIA Loan”) / Notes transaction.

RESCU, SVCW’s largest CIP initiative, was initiated in 2018 and is being delivered using a progressive design-build method. When complete in 2023 it will include a new 3.2-mile large diameter gravity pipeline, a new gravity pipe for Belmont flows, new headworks facilities, and rehabilitation of two pump stations. The total estimated cost of RESCU is approximately \$554 million. To date, funding for RESCU includes earlier Wastewater Revenue Bonds, recently-executed Clean Water State Revolving Fund Loans (“CWSRF”), a 2019 WIFIA Loan, and some Member cash contributions. SVCW has applied to the United States Environmental Protection Agency (“EPA”) for another WIFIA Loan to complete RESCU funding.

A series of Wastewater Treatment Plant (“WWTP”) projects are currently planned that will be completed by 2026. These projects include rehabilitation of fixed film reactors, improvements to digesters, construction of new sidestream nutrient removal solutions, and repairs to pipe systems throughout the plant. These projects are also proposed to be partially funded through a WIFIA Loan.

DISCUSSION

In accordance with the 2021 update of its Long-Range Finance Plan (“LRFP”), SVCW strives to obtain the lowest-cost financing available through government-subsidized loan programs. In addition to several bond issuances, funding includes seven low-interest CWSRF loans for principal amounts totaling \$226 million. SVCW also executed a \$218 million WIFIA Loan in 2019 specific to the RESCU program with a low interest rate and favorable repayment terms. As SVCW approaches the final planning for known projects, it intends to pursue two additional WIFIA Loans.

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, based upon the weighted average life of the WIFIA Loan plus one basis point (0.01%). WIFIA loans also offer flexible amortization with customized repayment schedules, if requested and approved, which may include a repayment period up to 35 years after substantial completion of the project and prepayment (\$1 million minimum, subject to negotiation and EPA approval) at any time without penalty.

As negotiated, WIFIA loan terms permit SVCW to use proceeds to either (i) fund the construction of RESCU and certain WWTP projects or (ii) retire interim funding that is used to fund construction. This feature permits SVCW to issue short-term tax-exempt obligations (“Series 2021A and 2021B Wastewater Revenue Notes” or “2021 Notes”) at very low interest rates to pay for projects. These 2021 Notes would later be retired at maturity using proceeds from the WIFIA Loans.

The 2021 Notes proceeds would fund approximately \$68.9 million of construction expenditures through March 2023 for RESCU and another \$70.7 million through December 2026 for WWTP projects. The all-in true interest cost of the 2021 Notes, at the time of this writing, is estimated at approximately 1.36% based upon current market conditions. This presents savings as compared to the higher taxable WIFIA Loans interest rate estimated at ~2.07% based on current market conditions. The 2021 Notes will be sized to equal each WIFIA Loan and, once construction is complete, SVCW would use proceeds from the WIFIA Loans to repay the interim notes at maturity. The 2021 Notes are currently structured to provide funds and earnings thereon to pay interest through their final maturity.

Members’ participation in the WIFIA Loans and the 2021 Notes is based on the respective capital percentage allocation defined in the JPA. Proceeds from the 2021 Notes will be approximately \$152 million in total, used to fund construction costs, capitalized interest and costs of issuance.

The current financing schedule highlighting key activities and participation is below:

- July 2021: SVCW and Members participate in Credit reviews
- July-August 2021: Commission, Member Councils/Boards adopt resolutions
- August 2021: Close WIFIA Loans, price 2021 Notes
- September 2021: Closing documents, 2021 Note proceeds are delivered

An authorizing Resolution will be brought to the Commission in August 2021, once documents are in final form. The Commission will be asked to authorize SVCW to deliver the WIFIA Loans, issue the 2021 Notes, and authorize specific individuals to take certain actions and to execute documentation to facilitate the sale and closing of the WIFIA Loans and 2021 Notes. Specific items that will be authorized include:

- Authorization of two WIFIA Loans, including Term Sheets, Loan Agreements, and a Paying Agent Agreement.
- Authorization to Issue 2021 Notes including distribution of the Preliminary Official Statement
- Approval of Financing Agreements or Amendments to Financing Agreements; one each between SVCW and its Members
- Indenture of Trust between SVCW and Zions Bank as trustee
- Continuing Disclosure Certificate in accordance with Securities Exchange Act of 1934
- Official Notice of Sale for Wastewater Revenue Notes, Series 2021A and 2021B

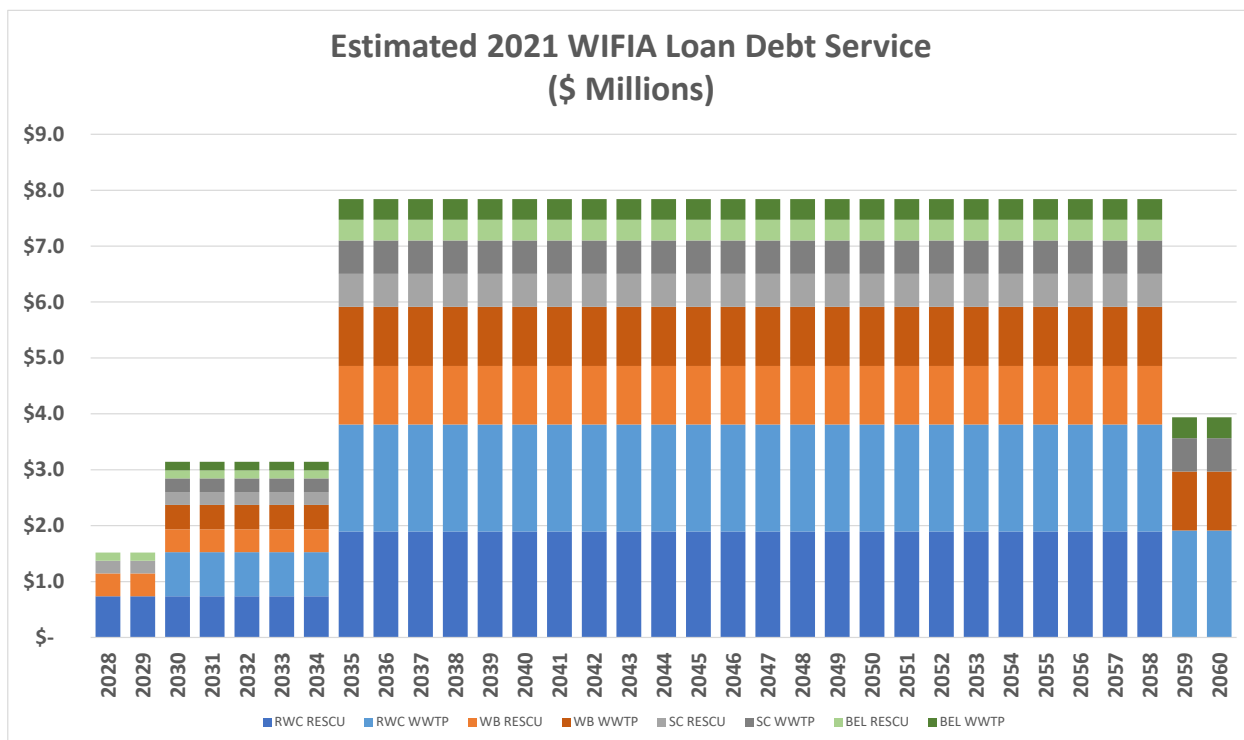
SVCW is currently drafting its portions of the Preliminary Official Statement for the 2021 Notes; which is the disclosure document used to sell the 2021 Notes. An Indenture of Trust will set forth the terms and provisions related to the 2021 Notes. A Continuing Disclosure Certificate will obligate the Authority to provide updated financial information and certain enumerated events in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act.

To provide interim financing and delivery of the WIFIA Loan, Staff will recommend the approval of Financing Agreements and/or amendments to the Financing Agreements with each Member to facilitate the execution and delivery of the WIFIA Loans and the issuance of the 2021 Notes.

Fieldman Rolapp & Associates provides financial advisory services, and Stradling Yocca Carlson & Rauth is bond counsel to the Authority. Their services include crafting an effective, low-cost debt strategy, negotiating loan terms, and production of the preliminary official statement and other legal documents. Fieldman Rolapp fees are estimated at \$165 thousand and Stradling at \$180 thousand.

FINANCES

The two WIFIA Loans will increase annual debt service in a sculpted manner, wrapping around existing debt service. Total debt service over 31 years is estimated at approximately \$214.8 million over 31 years with a final maturity in fiscal year ended 2060. Annual debt service will range between \$1.5 million to \$7.8 million per year over 31 years, assuming the 2021 Notes are taken out by WIFIA Loans.



The issuance of up to approximately \$143 million in 2021 Notes will not increase annual debt service for the Authority and, in fact, are estimated to save Net Present Value \$7.8 million over the life of the WIFIA Loans repayment. Financial advisory and legal fees will be paid from Notes proceeds.

RECOMMENDATION

Receive update regarding plans to execute two WIFIA Loans and issue 2021 Notes, which will be brought to respective Members' governing bodies in July and August.